THE RELATIONSHIP BETWEEN EMPLOYEE SATISFACTION AND CUSTOMER SATISFACTION IN THE SACCO SOCIETY IN NAIROBI: A CASE OF MWALIMU NATIONAL SACCO SOCIETY.

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D53/OL/22162/2011

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFIMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION OF KENYATTA UNIVERSITY

SEPTEMBER 2013
DECLARATION

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

Student Name: Anne Nyambura Ngumo

Signature................................................... Date.............11../....../2013

I/We confirm that the work in this project was done by the candidate under my/our supervision.

Signature................................................... Date.............11../....../2013.

Mr. Chrispen Maende

This research project has been submitted for examination with my approval as the Chairman of the Department of Accounting and Finance

Signature................................................... Date.............11../....../2013.

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Department of Business Administration,
School of Business
DEDICATION

This project is dedicated to my dear husband Jotham, our loving daughters Sylvia, Hope and Hadassah, my parents and my siblings. God bless you so much for your continued support.
ACKNOWLEDGEMENT

First and foremost, I thank God for giving me good health during the process of undertaking my studies which has contributed the success of completion of this proposal. Secondly I wish to thank my Supervisor, Mr. Chrispen Maende for his continuous and unwavering support; thirdly I would like to thank my Husband, Joe for the continued support throughout my studies. I also wish to thank all my class mates of 2011 Open Learning July intake class for their generous assistance.
ABSTRACT

This study sought to investigate the relationship between employee satisfaction and customer satisfaction in Mwalimu National Sacco Society; specifically it focused on employee training and development, motivational level as well as employee work life conflicts and their influence or effect on customer satisfaction at the Sacco. The study concentrated on the employees and members of the Sacco who are the customers. Descriptive Survey method was used to conduct the study as it involves specific predictions with narration of facts and characteristics concerning the individuals. The target population was 169 employees of Mwalimu National Sacco and their 4572 members in Nairobi County. Stratified random sampling method was used on the employees to get a sample of 50 employees and 145 customers. The study design used two questionnaires as the research instrument. One of the questionnaire was used for the employees while the other for the customers of the Sacco. The data was analyzed using statistical package for social sciences (SPSS). Data presentation was in form of descriptive statistical such as means, standard deviations, frequency tables, pie charts and bar graphs. Inferential statistics was also included through the Pearson correlation coefficient between employee satisfaction and customers to detect linear relations. Subsequently, the tables of means, standard deviations and the appropriate correlation matrix were constructed from the results. The major findings were that there was a statistically significant strong relationship between the dependent variable customer satisfaction and independent variables of training and development, motivational level and work-life conflicts which represented employee satisfaction. The strongest relationship existed between the employee work-life conflicts and customer satisfaction followed by training and development and employee motivational levels respectively. The study recommends that the satisfaction index of both employee and customer should be given the same measure of attention as there is a statistically significant relationship between customer satisfaction and employee satisfaction. The research findings provided useful information to the Management of the Sacco, Savings and Credit Cooperative Societies and future researchers in the field.
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<tr>
<td>SACCO</td>
<td>Savings &amp; Credit Co-operative Societies</td>
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<td>TSC</td>
<td>Teacher Service Commission</td>
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<td>SASRA</td>
<td>SACCO Societies Regulatory Authority</td>
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<td>FOSA</td>
<td>Front Office Services Activity</td>
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<td>BOSA</td>
<td>Back Office Services Activity</td>
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<td>SPSS</td>
<td>Statistical package for social sciences</td>
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### DEFINITION OF OPERATIONAL TERMS

<table>
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<tr>
<th>Term</th>
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<tr>
<td><strong>EMPLOYEE</strong></td>
<td>A person hired to work for pay</td>
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<tr>
<td><strong>MOTIVATION</strong></td>
<td>Incentives in place that positively reinforce performance</td>
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<tr>
<td><strong>WORK–LIFE CONFLICT</strong></td>
<td>Situation where the employees ‘work interests are hardly met by the work organization’s arrangement</td>
</tr>
<tr>
<td><strong>JOB DESIGN</strong></td>
<td>Managerial process of allocating duties or role to individual employees and divisions within an organization</td>
</tr>
<tr>
<td><strong>EMPLOYEE SATISFACTION</strong></td>
<td>Describes whether employees are happy and contented with fulfilling their desires and needs at work</td>
</tr>
<tr>
<td><strong>CUSTOMER SATISFACTION</strong></td>
<td>How products and services supplied by a company meet or surpass customer expectation.</td>
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CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Kuballa (2007) indicates that employee’s satisfaction is a business term used in the description of whether workers are happy and satisfied in carrying out their duties at the workplaces. In this case, this is a terminology that measure the work of employees in a company as far as fulfilling their desires and needs is concerned. Grigoroudis & Siskos (2009) indicated that when employee’s satisfaction is low it can lead to collapse of the business as they will not be willing to provide the customers with the best service qualities required. In relation to this, it is the duty of employers and company managers to make sure that employees are well contented with the job they hold to avoid loss of customers. According to Scott (2000), customer satisfaction is a business term that is used in measuring how goods and services supplied to a company or to a customer meet or surpass the expectations of a customer. On this basis, it is a tool used in determining how a business is handling its customers in terms of goods and services supplied to them. A point worth noting is that, customer satisfaction is an element of a business strategy mostly applied in places where businesses compete for customers.

The influence of employee satisfaction on customer satisfaction has received considerable attention in marketing literature and practice in recent years. Spiro and Weitz (1990) argued that behavior of satisfied employees plays an important role in shaping customers’ perceptions of business interactions. Further, companies that attend to employee satisfaction can improve internal moral, prevent turnover, and enhance customer satisfaction including
repurchase intentions hence customer satisfaction plays a key role in the health and future success of any company. When customers are satisfied, they keep coming back to the same store and invite their friends to do the same. A dissatisfied employee might choose to maintain performance levels (due to control mechanisms) but neglect to inform supervisors of important information that, over time, would result in lower organizational effectiveness or efficiency. Likert (1961) argues that employee satisfaction sentiments are best achieved through maintaining a positive social organizational environment, such as by providing autonomy, participation, and mutual trust. Stoner (1995) believes that organizations’ strategies on employees’ management have been performing dismally and this has led to a gap between the management and the workers. This is as a result of their blind application by managers who are more interested in workersconformity to the organization’s norms for profit sake at the expense of their employee’s satisfaction. This leads to the employees feeling being used by their management for profit sake with little regards to their welfare which leaves the customer further dissatisfied as an unsatisfied employee leads to a dissatisfied customer.

Motley (2003) notes that employees’ satisfaction influences the development of routine patterns of interaction within organizations through mutual interactions, employees developing relationships with coworkers that prescribe behavioral expectations and influence behaviors for example norms or informal standards of acceptable behavior. He also states that in order to secure customer satisfaction, organizations must identify the determinants of customer satisfaction and dissatisfaction. Nebeker et al., (2001) proposed that employees are the greatest assets of a company and that satisfied employees must satisfy customer requirements, he also notes that employee’s satisfaction influences organizational
performance as it affects customer satisfaction. It is very difficult to find customers through marketing systems but very easy to lose them as a result of dissatisfaction. In this relation, employees are found to play the major role in satisfying customers through providing services that are of high quality.

1.1.1 Mwalimu National SACCOSociety

A co-operative society is an association of persons who have come together with a common purpose of pooling their resources together for mutual economic and social benefit. The SACCO subsector is part of the larger cooperative movement in Kenya. There are two broad categories of co-operatives: Financial Co-operatives (Savings & Credit Co-operative Societies SACCOs) and Non-financial co-operatives (includes farm produce and other commodities marketing co-operatives, housing, transport and investment co-operatives). In the recent past Savings and Credit Co-operatives (SACCOs) have witnessed faster growth than other co-operatives. The establishment of SACCO Societies Act 2008 places the licensing, Supervision and regulation of deposit taking under the armpit of the SACCO Societies Regulatory Authority (SASRA). Through this new legal framework, prudential regulations have been introduced to guide SACCO’s growth and development. The critical role of Sacco’s has been recognized under vision 2030 of mobilization of savings for investments. It is therefore expected under the new Sacco legislation and adoption of prudential regulations growth of Sacco’s will quickly improve. The Sacco movement has entrenched the culture of savings to Kenyans which is a pre-requisite for wealth creation. On retirement employees of various organizations walk home smiling with savings accumulated in their Sacco’s during their employment period. The Kenya Sacco sub-sector comprises both deposit taking and non-deposit taking Sacco’s. A deposit taking Sacco is a business in which
the person conducting the business holds himself out as accepting deposits on a day-to-day basis. According to the SACCO societies regulatory authority (SASRA) there are 34 deposit taking Sacco societies which are licensed, among them the Mwalimu National Sacco Society.

According to the Human resource Manager the Mwalimu Cooperative Savings & Credit Society Limited (SACCO) was formed and registered in the year 1974 under the Cooperative Societies Act as a SACCO Society whose main objective is to mobilize savings and provide credit to its members. Its Current membership of 52,664 in 2012 is drawn mainly from: TSC Secretariat, TSC teachers in Secondary schools & Tertiary institutions, TSC teachers in Primary schools (Diploma or Degree holders), Mwalimu National Sacco Society Staff and Members’ Spouses in formal employment. The Sacco has 9 branches in Kenya namely: Nairobi, Kisumu, Nyeri, Webuye, Mombasa, Kisii, Meru, Nakuru, and Eldoret. The research will target employees in each department at the Head office which is at Mwalimu Co-operative House along Tom Mboya Street in Nairobi. The organization operates under three fronts namely: Back Office Services Activity (BOSA), Front Office Services Activity (FOSA) and Micro Finance (Business Loans). The Head office of the Sacco has 6 main departments that is: ICT department, Research & planning, Internal Audit, Marketing, Accounting and Micro finance department. The researcher will base the study on investigating the relationship between employee satisfaction and customer satisfaction in Mwalimu National Sacco society as it was rated the best managed co-operative society in Kenya in the Ushirika day celebrations 2013 by the cooperative movement of Kenya.
1.2 Statement of the Problem

Employee satisfaction is essential to the success of any business. Organizations are concerned with what should be done to achieve sustained high level of performance through people. This can be achieved by giving close attention to how individuals can best be motivated through incentives, rewards, leadership style, job security and work life balance among others. Massad, Heckman and Crowston (2004) recognize that the service provided by employees help build a good relationship with customers and in some cases increases their loyalty. Burke, Graham and smith (2005) stated that when an individual purchase a particular service, the employee directly influences the customer’s perception of the quality of the transaction. Moreover, depending on the personal experience a non-satisfied customer would buy the service elsewhere and share negative experiences with others. Torres and Kline (2006) in contrast concluded that a satisfied customer may result in a positive word of mouth recommendation and loyalty. Bamfo (2009) reports that factors that may affect customer satisfaction include friendly employees, courteous employees, knowledgeable employees and helpful employees.

SASRA (2011) indicates that SACCOs play an important role in the economic development in Kenya, and has led to the uplifting of the standards of living of people. Further, recent changes in globalization, liberalization and technology have made SACCOs change their approach from welfare oriented to a more business-like approach through implementation of result oriented strategic plans. However, most strategic plans were observed to have deep concentration on customer satisfaction but less emphasis on employee satisfaction. Mwalimu National Society SACCO for example has developed several strategic plans and implemented them over the years. According to their third and current strategic plan which
covers the period 2009-2013, the organization intends to improve the customer satisfaction index to 77% by December 2013, and the employee satisfaction index to 70% by the same time. The strategic plan is however silent on why customer satisfaction index was higher than that of the staff. Therefore, this study intends to investigate the relationship between employee satisfaction and customer satisfaction so that organizations can focus on each satisfaction index from an informed perspective when designing their strategic direction.

1.3 Research Objectives

1.3.1 General Objective
To investigate the relationship between employee satisfaction and customer satisfaction in Mwalimu National Sacco Society

1.3.2 Specific objectives

1) To assess whether employee’s training and development affects customer satisfaction in Mwalimu National Sacco Society.

2) To determine the extent to which employee’s motivational level affects customer’s satisfaction in Mwalimu National Sacco Society.

3) To establish the effects of employee’s work life conflicts on customer’s satisfaction in Mwalimu National Sacco Society.

1.4 Research Questions

This study will address the following research questions:

1) What impact does the Mwalimu National Sacco Society employee’s training and development have on its customer satisfaction?

2) To what extent do Mwalimu National Sacco Society employee’s motivation levels affect its customer’s satisfaction?
3) What are the effects of Mwalimu National Sacco Society employee's work life conflicts in relation to its customer's satisfaction?

1.5 Significance of the Study
The study will be of significance to the following;

1.5.1: Management of Mwalimu National Sacco Society
The study will help the management of Mwalimu National Sacco Society who will get to know and identify factors that affect employee satisfaction so that they can improve them to maintain customer satisfaction.

1.5.2: Savings and Credit Cooperative Societies
The study would be of importance to prospective and current SACCO's by acting as a guide From which they can borrow from the findings in order to assist them in employee and customer satisfaction in their organization.

1.5.3: Researchers
Other target groups besides Savings and Credit Cooperative Societies are also academicians, students and the general public who have an interest in employee performance. The study is expected to increase the pool of knowledge by providing more information.

1.6 Scope of the Study
This study seeks to investigate the relationship between employee satisfaction and customer satisfaction in Mwalimu National Sacco Society. It will target the top management, middle management and the junior employees of the Sacco together with a sample of the TSC secretariat and TSC teachers who are the major customers of the Sacco. The Head office of the Sacco is based at Mwalimu Co-operative House along Tom Mboya Street in Nairobi County.
1.7 Limitations of the Study

Some respondents were reluctant to give information related to the study. The researcher explained that the reasons for the study were purely academic; that the information given was to be used to find out the relationship between employee satisfaction and customer satisfaction. Lastly, the researcher assured them that they were not required to reveal their identities in writing.

1.8 Assumptions of the Study

The study assumed that the managers, employees and customers of Mwalimu National Sacco Society would have the knowledge about employee satisfaction and customer satisfaction. In addition it also assumed that they will have thorough knowledge on customer dynamics and that the respondents would give honest and relevant information.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter serves as the foundation for the development of the study by reviewing what previous researchers have done. The chapter capitalized on the factors that influence the employee satisfaction as they indirectly influence the customer. These factors are: training and development of employees, motivational level of employees and work life conflict among the employees. It also discussed organizational politics as the intervening variable.

2.2 Theoretical Review
Silvestro (2002) notes that employee satisfaction and loyalty are seen as critical to the capability of service organizations to respond effectively to customer needs, whilst also driving down costs through reduced recruitment and training expenditure and all the cost efficiencies which accrue from skilled workers who are up to speed and familiar with both the tasks at hand and their customers. Kaplan (1996) observed that employee satisfaction is generally considered as the driver of the employee retention and employee productivity. Satisfied employees are a precondition for increasing productivity, responsiveness, quality, and customer service. Positive rewards can influence satisfaction. Keller and Szilagyi (1976) provide evidence from data gathered among employees of a large manufacturing company in the U.S. that positive leader rewards have a positive effect in influencing employee satisfaction. Schmit and Allscheid (1995) empirical studies show that it is impossible to maintain a satisfied and loyal customer base without satisfied and loyal employees. The studies show a significant impact on customer satisfaction following an improvement in employee attitudes.
2.2.1. The Kirkpatrick Model

The most well-known model for measuring the effectiveness of training programs was developed by Donald Kirkpatrick in the late 1950s. It has since been adapted and modified by a number of writers; however the basic structure has well stood the test of time. The first level of the model is reaction: that is determining how well the trainees liked the particular training programme. Reaction evaluation is how the delegates felt, and their personal reactions to the training or learning experience, for example asking whether they like or enjoy the training and if they consider the training relevant. Kirkpatrick also suggests that along with evaluating the reactions of trainees, the programme coordinators training managers and other qualified observers reactions to the instructors’ presentation should be evaluated; an analysis of the two would give the best indication of the effectiveness of the programme at this first level of training evaluation.

The second level is the learning. Kirkpatrick defines learning for the purpose of evaluation as attitudes that were changed, and knowledge and skills that were learned. He says that learning of each trainee should be measured so that quantitative results can be determined, before and after approach should also be used so that any learning can be related to the programme. The questions asked are whether the trainees have learnt what was intended to be taught, the trainee experience what was intended for them to experience and the extent of advancement or change in the trainees after the training, in the direction or area that was intended. Kirkpatrick suggests that if a programme is carefully designed, learning can be fairly and objectively evaluated while the training session is being conducted.
The third level is behavior, Kirkpatrick suggests five requirements that must be met for change in behavior to occur that is: desire to change, know-how of what to do and how to do it, the right job climate, the help applying what was learned during training and rewards for change in behavior. He explains some of the questions that a trainer asks in order to know if behavior has changed are whether the trainees put their learning into effect when back on the job, the noticeable and measurable change in the activity and performance of the trainees when back in their roles, the change in behavior and new level of knowledge sustained and transfer their learning to another person’s, and whether the trainee is aware of their change in behaviors, knowledge, and skill level. He suggests that a systematic appraisal should be made of on the job performance on a before and after basis. Kirkpatrick notes that measuring changes in behavior resulting from training programmes involves a very complicated procedure; nevertheless it’s worthwhile if training programmes are going to increase in effectiveness and their benefits are to be made clear to the top management. He recognizes that few training managers have the background skill, and time to engage in extensive evaluations, and suggests they call on specialists, researchers and consultants for advice and help.

The final level is the results level, which is based on the premise that the objectives of most programmes can be stated in terms of results such as reduced labour turn over, reduced costs, improved efficiency, reduction in grievances, increase in quality and quantity of production or improved morale. Kirkpatrick concludes that it would be best to evaluate training programmes directly in terms of results desired. From Kirkpatrick experience with the four levels, he concludes that measures on a before-after basis can provide evidence but not
necessarily profit that the business results are directly attributed to the training even though other factors might be influential.

Most organizations don’t evaluate training at the four levels while others concentrate on the post training only, training should be continuous. Saxena (1986) says that effective managers recognize that training is a continuous process and not a one shot activity. New problems, new procedures, new equipment, new knowledge, and new jobs are constantly creating the need for employees training. This will help in motivating employees to learn and apply what is learnt.

2.2.2. Herzberg's Motivation-Hygiene Theory

This theory is also called hygiene theory and two factor theory by his associates. It’s a theory of motivation because the manager is considered to be the controller of the factors that produce job satisfaction and dissatisfaction. The data for the original entry was gathered from an interview of 203 American accountants and engineers in Pittsburgh, chosen because of their professions' growing importance in the business world. The subjects were asked to relate times when they felt exceptionally good or bad about their present job or any previous job, and to provide reasons, and a description of the sequence of events giving rise to that positive or negative feeling. The interview sought to determine the factors in the job that were present when an employee felt exceptionally happy or exceptionally unhappy with their jobs. The two factor theory that developed from this interview concluded that: The factors that were present when job satisfaction was produced were separate and distinct from the factors that led to job dissatisfaction. The opposite of job satisfaction is no job satisfaction and not job
dissatisfaction. The opposite of job dissatisfaction is no job dissatisfaction and not job satisfaction.

The conclusion drawn from the interview was based on the notion that the presence of one set of job characteristics or incentives lead to worker satisfaction at work, while another and separate set of job characteristics lead to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in unpleasurable dissatisfaction. Two-factor theory distinguishes between: Motivators (e.g. challenging work, recognition, responsibility) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth while for the Hygiene factors (e.g. status, job security, salary, fringe benefits, work conditions) that do not give positive satisfaction, though dissatisfaction results from their absence. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary. When a hygiene factor falls below acceptable level the employee becomes dissatisfied with his work and when they rise above acceptable level the dissatisfaction is removed. The removal of the dissatisfaction leads to a neutral state and does not lead to any degree of satisfaction.

Hertzberg theory concluded that its hygiene factors affect dissatisfaction while motivators affect job satisfaction. The hygiene factors help the employee to avoid unpleasantness, while the motivators make people happy with their jobs by serving man’s needs for psychological growth. The theory further implies that managers should view employee’s attitudes towards
work in two ways; they should consider what makes employees happy and what makes them unhappy.

2.3 Empirical review

2.3.1 Effect of Employee’s Training and Development on Customer Satisfaction

Sagimo (2002) says that training can give benefits like reduction in learning time and cost, improved job performance, less supervision and reduced labour turnover. It as well leads to better recruitment and selection besides leading to reduced costs and increased customer satisfaction. Fitz-enz (1984) discusses the measures of training and development that may be usefully employed within the organizations. He notes that three measures of training are cost, change and impact. Where cost is the expense per unit of training delivered, change is the gain in skill and knowledge or positive change in attitude by the trainee and impact means results or outcomes from the trainee’s use of new skills, knowledge or attitudes that are measurable in monetary terms. Decenzo et al (2003) concludes that it is not enough to assume that any training an organization offers is effective there is need to develop substantive data to determine whether the training effort is achieving its goals. Koontz et al (1976) adds that the time has come for responsible managers to determine the productivity of the training effort they support.

Berry et al, (1990) observes that the field of training and development has undergone changes that reflect the dynamic factors in the corporate world. Furthermore, T&D objectives continue to shift from a focus on programmed instructions (behavioural and task analysis) to performance system analysis. Therefore trainers must engage in defining strategic goals, analyzing organizational processes and providing better system performance within the current job context. Gay (1992) explains that training is so important for both employees and
organization due to the change in the work place and the work force brought out by increased use of technology, continuing shift from a manufacturing to a service economy and the increasingly global current job world which necessitates ongoing employee training he also notes that training helps in maintain competitiveness and improving productivity and thus it is essential for maintaining global competitiveness.

Flippo(1984) views career as a sequence of separate but related work activities that provide Continuity order and meaning to a person's life. Employees should be given the opportunity to learn and relearn in order to keep peace with technological and other advancements which can be employed to improve business performance and hence meet customer's satisfaction. Deming (1986) suggested the top ten most probable trends in training for performance as:

- the greater need to provide training on computer skills,
- greater need to provide training on teamwork,
- shift in providing training to improving performance,
- greater need to providing training on decision making and or problem solving,
- increased pressure for rapid development and deployment of HRD services,
- greater need to provide training on systems thinking,
- increased pressure to demonstrate outcomes of training,
- increased pressure to measure performance outcomes,
- shift from providing training to facilitating training and increased pressure to develop current job HRD interventions.

From these it can be seen that HRD is undergoing a shift in purpose with training no longer the primary deliverable of HRD. The emphasis is now on performance of satisfied employees and performance outcomes (customer satisfaction).

In conclusion, the above study has focused on training and development as very crucial to an employee, there is therefore need for further study to get to know the relationship between
when employees are trained do they have any effects on Customer satisfaction in Mwalimu National Sacco Society.

2.3.2 Employee's Motivational Level and its Influence on Customer Satisfaction

Various authors have different meaning and definitions as pertains to motivation. Flippo (1984) notes that motivation is a managerial responsibility for eliciting what employees expect the organization to supply them with and at the same time the responsibility for eliciting certain behavior from employees. Managers motivate by providing an environment for employees to produce to their full capacity. According to Armstrong (2006) motivation is about what makes people act or behave in certain ways and take whatever steps required ensuring that they get satisfied. Krant and Korman (1991) state that motivation is of two types: self-enhancing motivation involve action of making choices that match and fulfills one's personal needs, engaging in activities that foster self-growth, attempting to attain high levels of work performance and working for goals that legitimately enhance one's self in one's own eyes and those of others. Self-protective motivation on the other hand involves the desire to defend oneself from perceived threatening environmental and personal forces that might affect one's sense of identity.

Several theories have been advanced to explain the employee's satisfaction: needs theory of Maslow et al. (1998) and the two factors theory of Herzberg (1996), the McGregor theory X and Y and the equity theory. According to the needs theory of Abraham Maslow, employee's satisfaction can be explained in terms of hierarchy of needs. He further explains employee satisfaction process at work as a process of trying to achieve a higher level of needs once the lower needs have been met. He says that people always want more but it's dependent on what they already have, thus once an individual worker achieves a certain
needs he finds himself desiring to satisfy the immediate higher need until self-actualization sets in which is the point of employee satisfaction.

There are numerous motivation theories that have influenced the way organizations manage employees to achieve a motivated work force. These theories attempt to explain why people behave the way they do and advice on factors and strategies which when employed can get the best out of employees in terms of their commitment to work. Notwithstanding, because of the complex nature of the issues worth considering when motivating people, it is always not an easy task when it comes to organizations motivating workers for effective performance. Vroom and Deci (1970) argues that the question of what motivates workers to perform effectively is not an easy one to answer. Indeed, a motive is something, which impels a person to act, a reason for behavior. Schermerhorn et al (1985) notes that motivation refers to the forces within an individual that account for the level, direction and persistence of effort expended at work. The way employees in organizations perceive motivation influences their level of satisfaction and commitment and in essence customer satisfaction. Stoner et al (1995) suggests that due recognition to the needs of the workers, the ultimate test of organizational success is its ability to create values sufficient to compensate for the burdens imposed upon resources contributed. Akintoye (2000) asserts that money remains the most significant motivational strategy. Taylor (1911) and his scientific management associate described money as the most important in motivating the industrial worker to achieve greater productivity. He advocated the establishment of incentive wage systems as a means of stimulating workers to higher performance, commitment and eventually satisfaction.
Studies on work motivation seem to confirm that it improves workers performance and satisfaction leading to customer satisfaction. Brown and Shepherd (1997) examined the characteristics of the work of employees in four major categories: knowledge base, technical skills, values and beliefs. He reports that they will succeed in meeting this challenge only if they are motivated by deeply held values and beliefs regarding the development of a shared vision. Hagedorn (1994) examined agency–influenced work and employment conditions and assessed their impact on social workers' employee satisfaction. Some motivational issues were salary, fringe benefits, job security, physical surroundings and safety.

In conclusion, this study has looked into motivation of employee and its influence on the customer satisfaction in general and hence the needs for a more in depth study on how it influences customers in Mwalimu National Sacco Society.

2.3.3 Employee's Work-life Conflicts and its Effects on Customer Satisfaction

Greenhaus and Beutell, (1985) explains work life conflict as a form of inter-role conflict in which the role pressures from work and family life domains are mutually incompatible in some respect. That is participation in the work role is made more difficult by virtue of participation in the family role. Conflict between work and life is important for organizations and individuals because it is linked to negative consequences. For example, conflict between work and family is associated with increased absenteeism, increased turnover, decreased performance and poorer physical and mental health. Duxbury and Higgins, (1998) links work life conflict to productivity decreases associated with lateness, unscheduled days off, emergency time off, excessive use of company resources, missed meetings and difficulty concentrating on the job. MacBride-King, (1990) estimates that at least one quarter of the human resource challenges faced by most organizations are as a result of employees having
to manage dual responsibilities at home and at work. He notes that demographic factors have been linked to more work-life conflicts which include increased female participation in the labour force, increased divorce rates, increased life expectancy, more dual income and single parent families, more families with simultaneous child care and elder care demands, and a redistribution of traditional gender role responsibilities.

Conceptually, conflict between work and family is bi-directional; most researchers make the distinction between what is termed as work-life conflict and what is termed as life-work conflict. Work to life conflict occurs when experiences at work interfere with family life like extensive travel, career transitions, unsupportive immediate supervisor or organizations. An example at hand would be an unexpected meeting late in the day may prevent a parent from picking up his or her child from school. Life to work conflict occurs when experienced in the family life interfere with work, an example would be interpersonal conflicts within the family unit, unsupportive family members etc. Frone et al' (1997) suggested that work roles are more likely to interfere with family roles than the family roles are likely to interfere with work roles. Galinsky, Freedman & Hernandez (1991) noted that although work-life conflict may contribute indirectly to illness absence due to the stresses of balancing work and non-work life, often it leads directly to absences that are not illness related. MacBride-king (1990) collected absence data through self-report measures, however they were subject to bias due to underreporting. He notes that this is particularly so when employees are asked to estimate time lost due to reasons other than illness, as employees are understandably reluctant to disclose this information. In addition, it has been found that employees who are reluctant to disclose child care problems often use their own sick days to stay at home with their children;
this suggests that the proportion of absences categorized as personal illness may be inflated by the inclusion of days off for the family.

Work by Duxbury & Higgins (1998) with a set of employees indicated that thirty percent of employees with high work-family conflict would consider leaving their jobs for one with a better balance as compared to only 4% of low conflict group. The authors caution that high turnover is a particular threat to organizational health as the employees who leave are those that are most 'marketable' and those with skills the employer can least afford to lose. Kinman et al., (2006) argued that employees modern job sector generally perceive their jobs as having become increasingly more demanding as a result of many challenges such as restructuring and mergers, increased commercialization, enhanced external scrutiny and reductions in funding. Winefield et al., (2003) notes that long hours damage the health, mental well-being, productivity, cause work place accidents and errors of judgment. Long hours destroy relationship at home, cause breakup of family and can result in damage to children. Long hours lead to stress, irritability, exhaustion and depression. In conclusion, the above study has focused on the work life conflicts in general and hence the need for in depth study on how the employee work life conflict affect customer satisfaction in Mwalimu National SACCO Society.

2.3.4 Organizational Politics as an Intervening Variable

According to Witt (1998) organizational politics is the use of power within an organization for the pursuit of agendas and self-interest without regard to their effect on the organization's efforts to achieve its goals. Some of the personal advantages may include access to tangible assets, or intangible benefits such as status or pseudo-authority that influences the behavior of others. A number of factors can lead to political behavior: If there is lack of clarity
inorganizational policies and presence of over ambitious individuals in workforce is higher, there are more chances of politics, limited promotional avenues; discriminatory behavior of management can aggravate political behavior. Political behavior may take many forms: It may comprise passing a chain of commands, withholding information, spreading rumors, leaking confidential information, lobbying, using pressure tactics etc. Both individuals and groups may engage in office politics which can be highly destructive, as people focus on personal gains at the expense of the organization. Self-serving political actions can negatively influence social groupings, cooperation, information sharing, and many other organizational functions. Thus, it is vital to pay attention to organizational politics and create the right political landscape. Politics is the lubricant that oils your organization's internal gears and thus office politics has also been described as simply how power gets worked out on a practical, day-to-day basis.

Brass (2002), states that organizations are both cooperative systems of employees working together to achieve goals and political arenas of individuals and groups interests. Furthermore, he believes that interdependence is necessary and that political activity and the exercise of power is most likely to occur when there are different interests (conflict) arise. Though power is relational and situational, perceptions of power are important, and most employees seem to agree on who has general (across situations) power. Adams et al., (2002) discusses organizational politics as an antecedent of employee’s performance, citizenship and commitment through different approaches by the researchers. Ferris et al., (1989) notes that the majority of studies have relied on the definition of organizational politics as behavior tactically designed to maximize self-interest and in conflict with the overall organizational desired outcomes. This perspective (maximize self-interest) has
negative image in the eyes of the organizational members. Along with this, Vigoda-Gadot, (2003) notes several other studies have correlated organizational politics with the theory of justice, fairness and equity. Pfeffer, (1992) elucidate organizational politics as a power game and influence plans intended to attain the best outcomes for the addict. Dipboye and Foster, (2002) notes that most of the studies have focused the employee’s perception and found that the employees perceived workplace politics as self-serving behavior to achieve benefits, advantages and self-interests at the expense of others and sometimes opposing to the interest of the whole organization. Kipnis et al., (1980) agrees that this behavior was often related with exploitation, sub-evasiveness, offense and illegal ways of using power to achieve one’s objectives beyond their authorities.

According to Ngumo (2005), corruption has always bedeviled the cooperative movement and the Sacco’s have not been spared either. In most cases, there is conflict of interests while transacting Sacco business due to corrupt practices. Corrupt practices include areas where by the management committee members employ unqualified staff due to personal interests. He notes that employees who are hired on the basis of whom and not what they know cannot provide the needed edge. Lumumba (2005) elaborates on the need of imparting relevant business and entrepreneurial skills which are highly required by employees in order to enhance efficiency and effectiveness while offering services. This concurs with Nkirote (2001) statement that employees need to be educated on work ethics and integrity while at work place for proper efficiency. In conclusion there is need for a study on how the organizational politics affects employee’s satisfaction and its influence on customer satisfaction in Mwalimu National Sacco Society.
2.5 The Conceptual Framework

The study’s focus will be centered on assessing the functional relation between a set of independent variables: employee training and development, employee motivational level, and employee work life conflicts on customersatisfaction in Mwalimu National Sacco Society in Nairobi.

Figure 2.1: Conceptual Framework

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Intervening variable</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee’s training and development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Improved productivity</td>
<td>Customer satisfaction</td>
<td>• Increase in sales</td>
</tr>
<tr>
<td>• Improved knowledge of products and services</td>
<td></td>
<td>• Positive identification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Loyalty</td>
</tr>
<tr>
<td>Employee’s motivational level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Improved moral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Improved performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Increased participation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee’s work–life conflict</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Absenteeism rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Targets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher, 2013
Fig 2.1 above depicts the relationship between the independent variable and the dependent variable that will form the basis of this study. The success of any organization depends on the understanding of the relationships between the employee’s satisfaction and customers satisfaction. In understanding the influence of employee’s satisfaction on customers, it is essential to understand the factors that influence the customer satisfaction in Mwalimu National Sacco Society.

2.5.1. Interpretation of the Conceptual Framework

The first variable is training and development. This is concerned with the inculcations of the necessary skills and knowledge necessary for Mwalimu National Sacco Society to work in an environment that encourages a feeling of employee satisfaction in order to assist in attaining customer satisfaction. The second variable is employee’s motivational level, which will be concerned with monetary factors (salaries, allowances) as well as non-monetary factors (promotion, benefits, employee relations). The third variable is employee work life conflicts which concerns work demands which include responsibilities that are based but not limited to the core work. Organizational politics is an intervening variable which concerns organizational policies and behavior of staff. It is assumed that all these have a greater influence on the employee’s satisfaction and in essence customer satisfaction.

Saxena (2006) notes that customer satisfaction begins with providing customers with superior service, but it cannot stop there. He continues to state that studies of the factors that Lead to customer satisfaction point in nearly all the cases to one basic finding: customer loyalty which comes from satisfying not just customers themselves, but also from satisfying the employees and partners who interact with them. He adds that it is only by effectively managing these three critical relationships that the benefits of customer loyalty can be
achieved. The dependent variables like loyalty, increased sales and positive identification show that there is customer satisfaction which means that customers will keep on coming for the same services offered and there will be less movement to other competitors. The customers have good identification with the organization which has value for their money.

2.5.2. Summary of Knowledge.

Studies have been carried out on areas related to study topics, for instance Georgina, (2009) did a study on the relationship between employee benefits and customer satisfaction in commercial banks in Murang’a County and concluded that employee benefits are invaluable for organization performance. Mathenge (2011) studied the relationship between employee satisfaction and customer satisfaction in Kenyatta University and found that employee satisfaction had an effect on the satisfaction of the customers in the education sector. This study on the investigation of the relationship between the employee satisfaction and the customer satisfaction in the Sacco Societies has not been carried out in Nairobi county to the best of my knowledge and hence the need to bridge this gap in knowledge.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the study design, target population, location of the study, sampling design, data collection instruments, data collection procedure, ethics in the research, data analysis and datapresentation. The study will be carried out at Mwalimu Co-operative House along Tom Mboya Street in Nairobi.

3.2 Research Design
The descriptive survey method will be used to conduct the study. Sakaran (2003) proposed the method as it involves specific predictions with narration of facts and characteristics concerning the individual employee satisfaction and customer. The descriptive survey studies are designed to obtain pertinent and precise information concerning the status of a phenomenon and whenever possible to draw valid conclusion from the facts discovered.

3.3 Target Population
According to Mugenda and Mugenda (2003), population refers to an entire group of individuals, events or objects having common observable characteristics. The target population will be all the 169 employees of Mwalimu National Sacco Society. According to the human resource manager at the Sacco, the top management are between the grade 12-10 and are 4 employees, the middle management employees who are between grade 9-7 are 36, while in the lower cadre which consists of grade 6-2 has 129 employees. The Sacco serves 4572 customers in Nairobi County: 2031 of these are from the TSC secretariat, 2000 are from...
TSC secondary school teachers, 100 from TSC primary school teachers and 441 are from the tertiary institutions.

3.3.1. Location of the Study

The study will be carried out at the Head office of the Sacco which is based at Mwalimu Co-operative House along Tom Mboya Street in Nairobi County. The Sacco was chosen as it is amongst the largest and best managed Sacco in Nairobi County. The researcher chooses the head office since it’s located at the central business district of the county and this will help in collection of data.

3.4 Sampling Design.

Orodho (2002) defines sampling as a means selecting a given number of subjects from a defined population as a representative of that population. He adds that any statement made about the sample should also be true of the population. Since the population targeted by this study is large and its members are scattered over all the departments, a sample will be selected from the accessible population. Bell (1993) recommends that when the target population is large at least 30% or 1/3 will be sufficient to represent the whole population.

The researcher will use stratified random sampling method to identify a representative sample for the employees which basic generalizations will be deduced. This is because in stratified random sampling method, each member of the target population has an equal and independent chance of being included in the sample. Sakaran (2003) defines stratified random sampling as a technique that identifies sub groups in the population and their proportions and selects from each sub group to form a sample. It groups a population into separate homogenous sub sets that share similar characteristics so as to ensure equitable
representation of the population in the sample. The strata in this study will be identified on the basis of job seniority. There are three strata consisting of top management, middle management and lower management. Each category will then provide a proportion of randomly selected identified employee to complete the questionnaires. The sample was 50 employees as shown in Table 3.1

### Table 3.1: Sampling Frame for the Employees

<table>
<thead>
<tr>
<th>Level of employees</th>
<th>Grade</th>
<th>Number of employees</th>
<th>Multiplier factor (30%)</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>12-10</td>
<td>4</td>
<td>0.3</td>
<td>1</td>
</tr>
<tr>
<td>Middle Management</td>
<td>9-7</td>
<td>36</td>
<td>0.3</td>
<td>10</td>
</tr>
<tr>
<td>Lower management</td>
<td>6-2</td>
<td>129</td>
<td>0.3</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>169</td>
<td>0.3</td>
<td>50</td>
</tr>
</tbody>
</table>

**Source:** Researcher, (2013)

Since the population of the customers is large and the members are scattered all over the County, a sample was selected from the accessible population. Hence, the researcher used a formula to calculate the sample size (n) from a given population (N) as given by Krejcie & Morgan (1970). According to Mwalimu Sacco Society, the target population of customers in Nairobi County is 4572, using a confidence level of 95% which gives a standard variate of 1.96, the precision being 0.08 or 8%, p (which is the proportion estimated to have the characteristic being measured) and q being 0.5 each. The sample was 145 customers and each category then provided a proportion of randomly selected identified customers to complete the questionnaires.
Table 3.2: Sampling Frame for the Customers

<table>
<thead>
<tr>
<th>Customers</th>
<th>Number</th>
<th>Ratio</th>
<th>Percentage</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSC secretariat</td>
<td>2031</td>
<td>0.44</td>
<td>44%</td>
<td>64</td>
</tr>
<tr>
<td>TSC teachers in tertiary institutions</td>
<td>441</td>
<td>0.10</td>
<td>10%</td>
<td>15</td>
</tr>
<tr>
<td>TSC teachers in Secondary Schools</td>
<td>2000</td>
<td>0.44</td>
<td>44%</td>
<td>63</td>
</tr>
<tr>
<td>TSC teachers in Primary schools</td>
<td>100</td>
<td>0.02</td>
<td>2%</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>4572</td>
<td>1.0</td>
<td>100%</td>
<td>145</td>
</tr>
</tbody>
</table>

Source: Researcher, (2013)

3.5 Data Collection Instruments

The researcher collected both primary and secondary data. Bell (1993) suggests that primary data should be collected through the method of questionnaire. Kothari (2007) advanced that the questionnaires are advantageous because of low cost incurred when a large universe is spread widely and free from bias of the interviewer. To assist the researcher meet the study’s pre designed objectives, both primary and secondary data will be used. In this study, secondary data will include information from journals, reports and books. Bell 1993 suggests that primary data should be collected through the method of questionnaire. Kothari (2007) suggests that the questionnaires are advantageous because of low cost incurred when a large universe is spread widely and free from bias of the interviewer.

Two semi structured questionnaires will be used to collect data from the 50 employees and 145 customers in this study. Part I of the questionnaire will include a short demographic questionnaire. Part II will include factors that influence the employee satisfaction in Mwalimu National Sacco Society. Questionnaire two will include customer satisfaction
survey conceptualized in the study. The components which will be included per factor were considered to be indicators of employee and customer satisfaction.

3.5.1 Instrument Reliability.

Mugenda and Mugenda, (2003) explains reliability of measurement as the degree to which a particular measuring procedure gives similar results over a number of repeated trials. Bell (1993) noted that piloting is one way of checking reliability of instrument. Reliability of the questionnaire was done to determine whether there is ambiguity in any of the items and whether the type of data was meaningfully analyzed in relation to research questions. Ten employees and customers of Mwalimu National Sacco Society were selected for a pilot study (they did not form part of the sample) in order to test the questionnaire’s for reliability. The questions that were left blank or answered were fine tuned to ensure that the questionnaire was able to gather the relevant data for the research problem and clear instructions given to respondents so as to avoid misinterpretations.

3.5.2 Instrument Validity

According to Straight et al, (1993), validity refers to the extent to which an instrument measures what it is intended to measure. The research was validated through application of content validity procedures. Mugenda (2003) further argues that content validity is a matter of judgment by the surveyor or researcher. The researcher established content validity by seeking expected judgment from the supervisors while developing and revising the research instruments. This was done through holding discussions, making relevant comments and suggestions which were synchronized with the questionnaire to improve its validity.
3.6 Data Collection Procedure
After preparing the questionnaires, the researcher did a pilot study on a sample of twenty respondents (ten employees and ten customers) and analyzed the responses. The revised questionnaires with an introduction letter attached to create confidence in case the respondents doubt the indent of the assessment were delivered by the researcher to the employees and the customers who in turn filled them and then the researcher collected them after a period of two weeks.

3.7 Ethics in the Research
The researcher ensured that the information obtained during the study was treated with the utmost confidentiality. This also ensured the respondents replied freely and participated openly with no fear of victimization even after the study. The researcher also ensured that proper authorization was obtained and relevant permission given to interact with the employees of Mwalimu National Sacco Society. The researcher further ensured that the information obtained was used purely for the study in that respect, honesty and integrity was maintained throughout the study.

3.8 Data Analysis and Presentation
According to Babbie (2004), quantitative analysis is the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect. To facilitate analysis of the data, each variable in the questionnaire was assigned a numerical representation and the responses from each respondent were coded using the Likert scale to define a coding scheme to facilitate in data analysis.
The data collected for this study was analyzed using descriptive statistics, comparing means and correlation to provide simple summaries in form of tables and figures which formed the basis of the quantitative analysis of the data collected for the study. The data collected was analyzed using SPSS for windows which is the most widely used computer software for the analysis of quantitative data because SPSS can; electronically store questionnaire data; generate routine descriptive statistical data for question responses such as frequency counts of closed questions; create graphical presentations of questionnaire data for reporting and presentations; and explore relationships between responses to different questions.
CHAPTER FOUR
RESEARCH FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study. The general objective of this study was to investigate the relationship between employee satisfaction and customer satisfaction in Mwalimu National Sacco Society. The data from both the Sacco employees and customers was analyzed by using descriptive statistics which together with simple graphics formed the basis of the quantitative analysis of the data in the study which was presented in form of tables and figures. The first part presents an analysis of the general information as provided by the respondents. The second part which consists of section two, three and four explores the information designed to respond to the research questions as outlined in the study with each section addressing a specific research question. The response rate from employees was 86% (43 out of 50) while that of the customers was 83.4% (121 out of 145).

4.2 General Information Analysis

4.2.1 Gender of the Respondents

Table 4.1: Gender of the Respondents

<table>
<thead>
<tr>
<th>Type of Respondent</th>
<th>Employees</th>
<th>Gender of Respondents</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>25</td>
<td>58.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>18</td>
<td>41.9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>43</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>Male</td>
<td>52</td>
<td>43.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>69</td>
<td>57.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>121</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

The study sought to find out the gender of the respondents (employees and customers) that participated in the study. Table 4.1 provides a summary of the population based on the
gender that took part in the study. Among the employees of Mwalimu Sacco respondents, 58.1% were male and 41.9% were female while in the Mwalimu Sacco customers who participated in the study, 43.0% were male while 57% were female. Majority of the customers who participated in the study were TSC teachers in Secondary Schools (47.1%) followed by TSC secretariat (39.7%), TSC teachers in tertiary institutions (10.7%) and TSC teachers in Primary schools (2.5%) as shown in Table 4.2 below.

Table 4.2: Mwalimu Sacco Customer Distribution

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSC secretariat</td>
<td>48</td>
<td>39.7%</td>
</tr>
<tr>
<td>TSC teachers in tertiary institutions</td>
<td>13</td>
<td>10.7%</td>
</tr>
<tr>
<td>TSC teachers in Secondary Schools</td>
<td>57</td>
<td>47.1%</td>
</tr>
<tr>
<td>TSC teachers in Primary schools</td>
<td>3</td>
<td>2.5%</td>
</tr>
<tr>
<td>Total</td>
<td>121</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

4.2.2 Age of Employee Respondents

Figure 4.1: Age Distribution of Employee Respondents
Figure 4.1 above shows the age distribution of Mwalimu Sacco employees that participated in the study. Most of the employees (62.8%) belonged to the age category of between 25 years to 35 years, 25.6% were in the age category of 36 years and 46 years while those of the age category of 47 years and 57 years accounted for 11.6%.

4.2.3 Employee Highest Level of Education

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>79.1%</td>
</tr>
<tr>
<td>College</td>
<td>20.9%</td>
</tr>
<tr>
<td>Secondary</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Figure 4.2: Employee Highest Level of Education Achieved

Majority of Mwalimu Sacco employees had attained university education (79.1%) while those who had achieved college education were 20.9%. All the employees of Mwalimu Sacco who participated in the study had achieved education above secondary education.

4.2.4 Employee Length of Service to the Organization

<table>
<thead>
<tr>
<th>Years</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3 years</td>
<td>51.2%</td>
</tr>
<tr>
<td>4-5 years</td>
<td>4.7%</td>
</tr>
<tr>
<td>6-8 years</td>
<td>7.0%</td>
</tr>
<tr>
<td>10 years and Above</td>
<td>37.1%</td>
</tr>
</tbody>
</table>

Figure 4.3: Employee Length of Service to the Organization
Figure 4.3 above shows the distribution of the number of years that the respondents have worked for Mwalimu Sacco. The study also sought to know the number of years respondents had worked for Mwalimu Sacco. The respondents who had worked for three years or less accounted for 51.2%, while those who had worked for more than ten years accounted for 37.2% of the total employee respondents.

4.3 Employee Training and Development

Table 4.3: Employee’s Training and Development

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I was well inducted when joining this department</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>2</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>30</td>
<td>69.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>8</td>
<td>18.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant training and development sessions to improve skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>23.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>23</td>
<td>53.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>8</td>
<td>18.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training offered for staff is pegged on performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>2</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>15</td>
<td>34.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>7</td>
<td>16.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>16</td>
<td>37.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>3</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SACCO training develops long career paths</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>14.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>18.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>23</td>
<td>53.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>6</td>
<td>14.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Response</td>
<td></td>
<td></td>
<td>3.58</td>
<td>0.995</td>
</tr>
</tbody>
</table>
The study sought to establish whether training and development affects employee satisfaction. Table 4.3 above shows the employees responses with regard to the training offered to them by Mwalimu Sacco. Most of the respondents (69.8%) agreed that they were well inducted when joining their respective work departments, 18.6% strongly agreed, 7.0% disagreed while only 4.7% strongly disagreed to have been inducted when joining their respective departments. The mean response was 3.91 indicating that the respondents agreed to have been inducted when joining their respective departments. The respondents agreed (53.5%) to have constantly been taken for training and development sessions to improve their skills by the Sacco, 18.6% strongly agreed while 23.3% disagreed to have constantly been taken for training and development sessions. The mean response was 3.67 indicating that the respondents agreed to have constantly been taken for training and development sessions to improve their skills by the Sacco.

The mean response was 3.07 (neutral) when the respondents were asked if the training offered for staff was pegged on performance because 37.2% of the respondents agreed that the training offered for staff was pegged on performance but also 34.9% of the respondents felt that the training offered for staff was not necessarily pegged on performance. Majority of the respondents (53.5%) agreed that Sacco training enables the development of long term career paths, 18.6% were neutral while 14% disagreed that Sacco training enables the development of long term career paths. The mean response was 3.67 indicating that the respondents agreed that Sacco training enables them develop long term career paths. The overall mean response to the variable of employee training and development was 3.58 which could be interpreted from the Likert scale as having a positive impact to satisfaction of Mwalimu Sacco employees.
In addition, the employees’ perceptions regarding training and development was that 88.4% of the respondents agreed that the Sacco training had developed their work ability, 90.7% agreed that their recent training was relevant and sufficient while also 83.7% of Mwalimu Sacco employees believed that lack of training contributes to poor performance. The overall mean response regarding employee perception on training and development was 1.12 which could be interpreted from the Likert scale also as to be having a positive impact to satisfaction of Mwalimu Sacco employees.

Discussing the findings regarding employee training and development, the findings show that Mwalimu Sacco employees have undergone training and development which is more likely to improve their skills and satisfy them in their satisfaction. The study supports findings by Sagimo (2002) who found out that training can give benefits like reduction in learning time and cost, improved job performance, less supervision and reduced labour turnover as well lead to better recruitment and selection besides leading to reduced costs and increased customer satisfaction. The findings regarding employee training and development being seen as aiding long career paths in Mwalimu Sacco also concur with Flippo (1984) views that career as a sequence of separate but related work activities that provide Continuity order and
meaning to a person's life and thus Employees should be given the opportunity to learn and relearn in order to keep peace with technological and other advancements which can be employed to improve business performance and hence meet customer's satisfaction.

4.4 Employee Motivation Level

Table 4.5: Employee Motivation Level

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SACCO acknowledges and values my work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>29</td>
<td>67.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>7</td>
<td>16.3%</td>
<td>3.91</td>
<td>0.781</td>
</tr>
<tr>
<td><strong>SACCO provides necessary equipment and tools for work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>4</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>29</td>
<td>67.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>7</td>
<td>16.3%</td>
<td>3.93</td>
<td>0.737</td>
</tr>
<tr>
<td><strong>My benefits are fair compared to other staff at my level</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>1</td>
<td>2.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>9</td>
<td>20.9%</td>
<td>3.12</td>
<td>0.823</td>
</tr>
<tr>
<td>Neutral</td>
<td>17</td>
<td>39.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>16</td>
<td>37.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>0</td>
<td>0.0%</td>
<td>3.12</td>
<td>0.823</td>
</tr>
<tr>
<td><strong>My salary is fair compared with staff of the same responsibility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly disagree</td>
<td>1</td>
<td>2.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>12</td>
<td>27.9%</td>
<td>2.95</td>
<td>0.815</td>
</tr>
<tr>
<td>Neutral</td>
<td>18</td>
<td>41.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>27.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>0</td>
<td>0.0%</td>
<td>2.95</td>
<td>0.815</td>
</tr>
<tr>
<td>Overall Response</td>
<td></td>
<td></td>
<td>3.48</td>
<td>0.789</td>
</tr>
</tbody>
</table>

The study also sought to establish whether an employee motivation levels affect employee satisfaction in their work. Table 4.5 above shows the employees responses with regard to the level of motivation offered to them by Mwalimu Sacco. Most of the respondents (67.4%) agreed that the Sacco acknowledges and values their work, 16.3% strongly agreed, 9.3%
disagreed while only 7.0% were neutral that the Sacco acknowledges and values their work. The mean response was 3.91 indicating that the respondents agreed that the Sacco acknowledges and values their work.

The respondents agreed (67.4%) that Mwalimu Sacco organization provides them with the equipment’s and tools that they need to carry out their work, 16.3% strongly agreed while 7.0% disagreed that Mwalimu Sacco organization provides them with the equipment’s and tools that they need to carry out their work. The mean response was 3.93 indicating that the respondents agreed to Mwalimu Sacco providing them with the equipment’s and tools that they need to carry out their work. The mean response was 3.12 (neutral) when the respondents were asked if their benefits were fair compared to other staff in the same level because 37.2% of the respondents agreed that their benefits were fair compared to other staff in the same level but also 39.5% of the respondents were neutral regarding their benefits being fair compared to other staff in the same level.

Majority of the respondents (41.9%) were neutral when asked whether their salary was fair compared with other staff at the same level of responsibility, 27.9% agreed that their salary is fair compared with other staff at the same level of my responsibility while 2.3% strongly disagreed that their salary was fair compared with other staff at the same level of responsibility. The overall mean response to the variable of employee motivation level was 3.48 which could be interpreted from the Likert scale as having a positive impact to Mwalimu Sacco employee satisfaction.
Figure 4.4: Mwalimu Sacco Ways of Employee Job Enrichment

Figure 4.4 above shows the distribution of the different ways used by Mwalimu Sacco to enrich employees' jobs. Most of the respondents (41.9%) indicated that promotion based on academic standards was the most common way of job enrichment in Mwalimu Sacco followed by training on performance (14.0%), participative decision making (11.6%), seniority based promotion (11.6%), adequate delegation (9.3%), advancement of incentives to develop (7.0%) and performance pegged promotion (4.7%).

The study findings show that Mwalimu Sacco employees are satisfied with the various motivations in the Sacco thus there performance is likely to improve because motivation forces within an individual that account for the level, direction and persistence of effort expended at work. This is in support of the findings by Schermerhorn et al (1985) who noted that the way employees in organizations perceive motivation influences their level of satisfaction and commitment and in essence customer satisfaction and Stoner et al (1995) who accords that the ultimate test of organizational success is its ability to create values sufficient to compensate for the burdens imposed upon human resources contributed.
### Table 4.6: Employee Work-Life Conflicts

<table>
<thead>
<tr>
<th>I often carry extra work home</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>11</td>
<td>25.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td>25</td>
<td>58.1%</td>
<td>2.00</td>
<td>0.845</td>
</tr>
<tr>
<td>neutral</td>
<td>3</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td>4</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>My family members usually complain about the bulk of work</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>8</td>
<td>18.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td>27</td>
<td>62.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>neutral</td>
<td>4</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td>4</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Working hours are not enough for the work i usually have</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>8</td>
<td>18.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td>19</td>
<td>44.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>neutral</td>
<td>5</td>
<td>11.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td>11</td>
<td>25.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work overloads makes me irritated and disagree with colleagues</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>11</td>
<td>25.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td>25</td>
<td>58.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>neutral</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td>5</td>
<td>11.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>2</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Most tension in my department is due to overworking</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>15</td>
<td>34.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td>16</td>
<td>37.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>neutral</td>
<td>3</td>
<td>7.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td>7</td>
<td>16.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>2</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I often have problems with my seniors due to deadline failures</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>11</td>
<td>25.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td>30</td>
<td>69.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>neutral</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>2</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I am often forced to cheat concerning lateness or underperformance due to family needs</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>strongly disagree</td>
<td>15</td>
<td>34.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>disagree</td>
<td>23</td>
<td>53.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>neutral</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agree</td>
<td>5</td>
<td>11.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strongly agree</td>
<td>0</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall Response</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2.09</td>
<td>0.965</td>
</tr>
</tbody>
</table>

42
The study sought to establish whether employee work life-conflicts affect employee satisfaction in their work. Table 4.6 above shows the employees' responses with regard to the work life-conflicts while working for Mwalimu Sacco. Most of the respondents (58.1%) disagreed that they often carry extra work home, 25.6% strongly disagreed while only 9.3% agreed to often carry extra work home. The mean response was 2.00 indicating that the respondents disagreed that they often carry extra work home. The respondents disagreed (62.8%) that their family members usually complain about the bulk of work they always do at Mwalimu Sacco, 18.6% strongly disagreed while 9.3% agreed that their family members usually complain about the bulk of work they do at Mwalimu Sacco. The mean response was 2.09 indicating that the respondents disagreed that their family members usually complain about the bulk of work they do at Mwalimu Sacco. The respondents disagreed (44.2%) that working hours are not enough for the work they usually have, 25.6% of the respondents agreed while 18.6% strongly disagreed that working hours are not enough for the work they usually have. The mean response was 2.44 indicating that the respondents disagreed that working hours are not enough for the work they usually have at Mwalimu Sacco.

The respondents disagreed (58.1%) that work overloads usually make them easily irritated and disagree with fellow colleagues, 25.6% of the respondents strongly disagreed while 11.6% agreed that work overloads usually make them easily irritated and disagree with fellow colleagues. The mean response was 2.12 indicating that the respondents disagreed that work overloads usually make them easily irritated and disagree with fellow colleagues in Mwalimu Sacco. Majority of the respondents (37.2%) were disagreed when asked whether most tension in their departments was as a result of overworking, 34.9% strongly disagreed that most tension in their departments was as a result of overworking while 16.3% agreed...
that most tension in their departments was as a result of overworking. The mean response was 2.19 indicating that the respondents disagreed that most tension in their departments was as a result of overworking.

The respondents disagreed (69.8%) that they often have problems with their seniors due to failure to beat deadlines, 25.6% of the respondents strongly disagreed while 4.7% agreed that they often have problems with their seniors due to failure to beat deadlines. The mean response was 1.88 indicating that the respondents disagreed that they often have problems with their seniors due to failure to beat deadlines in Mwalimu Sacco. The respondents disagreed (53.5%) that they are often forced to cheat concerning lateness or absence or underperformance due to family demands, 34.9% of the respondents strongly disagreed while 11.6% agreed that they are often forced to cheat concerning lateness or absence or underperformance due to family demands. The mean response was 1.88 indicating that they disagreed that they are often forced to cheat concerning lateness or absence or underperformance due to family demands. The overall mean response to the variable of employee work life-conflicts was 2.09 which could be interpreted from the Likert scale as having a positive impact to Mwalimu Sacco employee satisfaction.
Figure 4.5: Threats Creating Conflicts when Enriching Mwalimu Sacco Jobs

Figure 4.5 above shows the distribution of the potential threats creating conflicts when enriching jobs in Mwalimu Sacco. Most of the respondents (44.2%) indicated that limited development chances was the biggest threat when enriching jobs in Mwalimu Sacco followed by discriminative decision making (23.3%), unfair promotion (18.6%) and constrained delegation (4.7%).

The findings from the employees of Mwalimu Sacco concurs with Duxbury and Higgins, (1998) findings which links work life conflict to productivity decreases associated with lateness, unscheduled days off, emergency time off, missed meetings and difficulty concentrating on the job. Work to life conflict occurs when experiences at work interfere with family life like extensive travel, career transitions, unsupportive immediate supervisor or organizations. According to the study findings, life to work conflict occurs when experienced in the family life interfere with work, an example would be interpersonal conflicts within the family unit, unsupportive family members. Galinsky, Freedman & Hernandez (1991) noted that although work life conflict may contribute indirectly to illness
absence due to the stresses of balancing work and non-work life, often it leads directly to absences that are not illness related. The findings also supports Winefield et al., (2003) argument that long hours damage the health, mental well-being, productivity and causes work place accidents or errors of judgment. Long hours destroy relationship at home, cause breakup of family and can result in damage to children. Long hours lead to stress, irritability, exhaustion and depression which may affect an employee’s motivation.

4.6 Customer Satisfaction

Figure 4.6: Customer Membership Years in Mwalimu Sacco Society

Figure 4.6 above shows the distribution of the number of years that the customer respondents have been member’s in Mwalimu Sacco. The customers who had been members of Mwalimu Sacco for more 10 years were the majority and accounted for 60.2% of the customer respondents, while those who had been members for 1-3 years, 4-5 years and 6-8 years accounted for 26.8%, 10.8% and 2.2% respectively.
The study also sought to establish whether the Mwalimu Sacco customers were satisfied with products and services offered by their Sacco. Table 4.7 above shows the customers responses with regard to the products and services offered to them by Mwalimu Sacco. Most of the respondents (66.7%) agreed that they are generally satisfied with Mwalimu National Sacco Society, 12.9% strongly agreed, 11.8% disagreed while only 7.5% were neutral about their satisfaction with Mwalimu National Sacco Society. The mean response was 3.78 indicating that the customers were generally satisfied with Mwalimu National Sacco Society.
Most of the customers agreed (65.6%) that they like the way they are served by Mwalimu Sacco employees, 20.4% strongly agreed while 4.7% of the customers disagreed that they liked the way they are served by Mwalimu Sacco employees. The mean response was 4.00 indicating that the customers agreed to have liked the way they are served by Mwalimu Sacco employees. The mean response was 4.18 (strongly agreed) when the customers were asked if they would recommend a friend to Mwalimu National Sacco Society because 63.4% of the customers agreed that they would recommend a friend to Mwalimu National Sacco, 29.0% strongly agreed while only 5.4% were neutral about recommending a friend to Mwalimu National Sacco. Majority of the customers (82.8%) agreed that the Mwalimu Sacco products and services are easily available them, 14.0% strongly agreed while 1.1% disagreed that the Mwalimu Sacco products and services are easily available them. The overall mean response to the variable of customer satisfaction was 4.10 which could be interpreted from the Likert scale as customers agreeing to be satisfied with Mwalimu Sacco products and services.

The Sacco customers were also asked areas where Mwalimu National Sacco Society excels in satisfying them, the response was quick access to loans, fair interest rates compared to other financial institutions, loan products and FOSA account management, timely availability of financial needs to members when need arises, good customer services and staying ahead of competition from other Sacco’s, early dividend payout, location accessibility, having a wide range of loan products and educating its members.

The customers also thought Mwalimu National Sacco Society needed most improvement in information technology; introduce more microfinance based products due to unfulfilled opportunities in the Sacco’s, automation of services (ATM’s, online banking), open more
branches for greater outreach, credit limits, removal of share prorate rates, increase the rate of dividend payout, give loans that members are able to pay to avoid issues of defaulters, process of recovering defaulted loans, huge interest on defaulters, high interests on other products other than normal loans, amounts of loans advanced, shares contributions updates, the issue of Visa cards which are always offline every month end, expansion of banking halls, cash clearance of loans is not effected fast enough with TSC, reduction of top up loans interest rates, advertising of Sacco products, the percentage given out for loans should be increased, Sacco link cards should have a longer expiry period of more than two years, avail toilets for customer use at the banking halls, create more investment opportunities and updates via SMS.

4.7 Bivariate Correlations between Employee and Customer Satisfaction

Table 4.8: Bivariate Correlations

<table>
<thead>
<tr>
<th></th>
<th>Customer satisfaction</th>
<th>Training and development</th>
<th>Motivational level</th>
<th>Work-life conflicts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>0.658**</td>
<td>0.603**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Training and development</td>
<td>Pearson Correlation</td>
<td>0.658**</td>
<td>1</td>
<td>0.742**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Motivational level</td>
<td>Pearson Correlation</td>
<td>0.603**</td>
<td>0.742**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Work-life conflicts</td>
<td>Pearson Correlation</td>
<td>-0.834**</td>
<td>-0.585**</td>
<td>-0.553**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
From the analysis of Table 4.8, there is a statistically significant relationship between the dependent variable customer satisfaction and independent variables of training and development, motivational level and work-life conflicts which represent employee satisfaction as indicated by correlation coefficients of 0.658, 0.603 and -0.834 respectively.

The strongest relationship exists between the employee work-life conflicts and customer satisfaction, \( r = -0.834, \ p < 0.01 \). This is a strong negative relationship meaning that when employees' work-life conflicts are high, then customer satisfaction will be below because employees are not motivated. There is a positive relationship between training and development and customer satisfaction \( r = 0.658, \ p < 0.01 \) which means that the customer satisfaction will be higher as employees are also getting the necessary training in their work in the Sacco. The relationship between employee motivational levels and customer satisfaction is statistically significant \( r = 0.603, \ p < 0.01 \), this means that when employees motivational levels are high, customers satisfaction is likely to be high.

In summary, the findings of the study established that indeed employee satisfaction affects customer satisfaction. The findings of the independent variables (training and development, motivational level and work-life conflicts) that were used to indicate the level of employee satisfaction correlated with customer satisfaction. Work-life conflicts had the highest effect on customer satisfaction followed by training and development; and motivational level as shown by the inferential analysis in Table 4.8.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1: Introduction

This chapter comprises of four subdivisions namely; summary, conclusions, recommendations and suggestions for further research. The initial section provides a summary of the important elements of the study that includes the study objectives, methodology, and the findings. The following subsequent section discusses the major findings of the study with regards to the specific objectives. Section three discusses the conclusions based on the specific objectives, while the last sub-division provides the recommendations based on the specific objectives and also provides the suggestions for further research.

5.2: Summary

The general objective of the study was to investigate the relationship between employee satisfaction and customer satisfaction in Mwalimu National Sacco Society. The research was steered by the following four detailed objectives; to find out if the employee’s training and development affects customer satisfaction in Mwalimu National Sacco Society, to determine if the employee’s motivational level affects customer’s satisfaction in Mwalimu National Sacco Society, and to establish the effects of employee’s work life conflicts on customer’s satisfaction in Mwalimu National Sacco Society.

Descriptive survey method was used to carry out the study as it involves specific predictions with narration of facts and characteristics concerning the individual employee and customer satisfaction. The target population was all the 169 employees of Mwalimu National Sacco...
Society and 4572 customers in Nairobi County. In order to determine the sample size, a probability sampling procedure was used to select the sample by first stratifying the employee and customer population into respective categories/sectors and then followed by stratified random sampling method to identify a representative sample for the employees and customers whose basic generalizations were deduced. Primary sources were used in this study to collect data through the adoption of a questionnaire to collect the required data from employees and customers of Mwalimu National Sacco Society. The study utilized both descriptive (mean and standard deviation) and inferential statistics (correlations) to to deduce relationships and analyzed data using Microsoft Excel in amalgamation with SPSS. The results were then presented in form of tables, as well as, figures.

The major findings regarding findings were that there was a statistically significant strong relationship between the dependent variable customer satisfaction and independent variables of training and development, motivational level and work-life conflicts which represented employee satisfaction. The strongest relationship existed between the employee work-life conflicts and customer satisfaction followed by training and development and employee motivational levels respectively.

5.3: Conclusion

5.3.1: Employee’s Training and Development

The objective was to find out if the employee’s training and development affects customer satisfaction in Mwalimu National Sacco Society. Employee’s training and development has a strong relationship on how well they are able to serve the Sacco’s customers. In general terms, training can give benefits like reduction in learning time and cost, improved job performance, less supervision and reduced labour turnover as well lead to better recruitment
and selection besides leading to reduced costs and increased customer satisfaction. Training is so important for both employees and organization due to the change in the work place and the work force brought out by increased use of technology, continuing shifts in service economy and the increasing competition among organizations in the banking/Sacco industry which necessitates ongoing employee training to help maintain competitiveness and improve productivity which is essential for maintaining competitiveness.

Comparing the findings regarding employee training and development with past studies, the study supports findings by Sagimo (2002) who found out that training can give benefits like reduction in learning time and cost, improved job performance, less supervision and reduced labour turnover as well lead to better recruitment and selection besides leading to reduced costs and increased customer satisfaction. The findings regarding employee training and development being seen as aiding long career paths in Mwalimu Sacco also concur with Flippo (1984) views that career as a sequence of separate but related work activities that provide Continuity order and meaning to a person's life and thus Employees should be given the opportunity to learn and relearn in order to keep peace with technological and other advancements which can be employed to improve business performance and hence meet customer’s satisfaction.

5.3.2: Employee’s Motivational Level

The objective was to determine if the employee’s motivational level affects customer’s satisfaction in Mwalimu National Sacco Society. The way employees in organizations perceive motivation influences their level of satisfaction and commitment and in essence customer satisfaction. Motivational forces within an individual account for the level, direction and persistence of effort expended at work because the way employees in
organizations perceive motivation influences their level of satisfaction and commitment and in essence customer satisfaction. The ultimate test of organizational success is its ability to create values sufficient to compensate for the burdens imposed upon human resources contributed. Employee's motivational levels confirm that motivation (salary, fringe benefits, job security, physical surroundings and safety) among employees improves their performance and satisfaction leading to customer satisfaction.

Comparing the findings regarding employee motivation and customer satisfaction with past studies, the study findings show that Mwalimu Sacco employees are satisfied with the various motivations in the Sacco thus their performance is likely to improve because motivation forces within an individual that account for the level, direction and persistence of effort expended at work. This is in support of the findings by Schermerhorn et al (1985) who noted that the way employees in organizations perceive motivation influences their level of satisfaction and commitment and in essence customer satisfaction and Stoner et al (1995) who accords that the ultimate test of organizational success is its ability to create values sufficient to compensate for the burdens imposed upon human resources contributed.

5.3.3: Employee's Work Life Conflicts

The objective was to establish the effects of employee's work life conflicts on customer's satisfaction in Mwalimu National Sacco Society. Work life conflicts (extensive travel, career transitions, unsupportive immediate supervisor or organizations) have been linked to productivity decreases associated with lateness, unscheduled days off, emergency time off, missed meetings and difficulty concentrating on the job. Conflict between work and life is important for organizations and individuals because it has been linked to negative consequences. Long hours destroy relationship at home, cause breakup of family and can
result to stress, irritability, exhaustion and depression. For example, conflict between work and family is associated with increased absenteeism, increased turnover, decreased performance and poorer physical and mental health of employees.

In conclusion, the findings from the employees of Mwalimu Sacco concurs with Duxbury and Higgins, (1998) findings which links work life conflict to productivity decreases associated with lateness, unscheduled days off, emergency time off, missed meetings and difficulty concentrating on the job. Work to life conflict occurs when experiences at work interfere with family life like extensive travel, career transitions, unsupportive immediate supervisor or organizations. According to the study findings, life to work conflict occurs when experienced in the family life interfere with work, an example would be interpersonal conflicts within the family unit, unsupportive family members. Galinsky, Freedman & Hernandez, (1991) noted that although work life conflict may contribute indirectly to illness absence due to the stresses of balancing work and non-work life, often it leads directly to absences that are not illness related. The findings also supports Winefield et al., (2003) argument that long hours damage the health, mental well-being, productivity and causes work place accidents or errors of judgment. Long hours destroy relationship at home, cause breakup of family and can result in damage to children. Long hours lead to stress, irritability, exhaustion and depression which may affect an employee's motivation.

5.4: Recommendations

The study recommends that employees in Mwalimu National Sacco Society should be given the opportunity to learn and relearn in order to keep peace with technological and other advancements which can be employed to improve business performance and hence meet customer's satisfaction. The study also recommends that Mwalimu National Sacco
Managers motivate employees by providing an environment for employees to produce to their full capacity because motivation is a managerial responsibility for eliciting what employees expect the organization to supply them with and at the same time the responsibility for eliciting certain behavior from employees so as to improve their performance and satisfaction leading to customer satisfaction. Mwalimu National Sacco Society must also manage its human resource challenges as a result of employees having to manage dual responsibilities at home and at work because work roles are more likely to interfere with family roles and the family roles are also likely to interfere with work roles which might have a negative effect on how employees serve the Sacco customers.

5.4.1: Suggestions for Further Research

This study was done using one Sacco out of the many Sacco's that are registered in Kenya; thus further research should also include other Sacco's or organizations in the service industry to help find out the relationship between employee satisfaction and customer satisfaction. Further research should also be done using organizational politics because both individuals and groups may engage in office politics which can be highly destructive, as people focus on personal gains at the expense of the organizations customers as independent variable to determine the relationship between employee satisfaction and customer satisfaction.
REFERENCES


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Appendix I: Letter to Respondent

TO: MWALIMU NATIONAL SACCO SOCIETY EMPLOYEES AND CUSTOMERS

Dear Sir/ Madam,

REF: EMPLOYEE SATISFACTION/CUSTOMER SURVEY

You have been selected to participate in a study I am conducting to investigate the relationship between employee satisfaction and customer satisfaction in Mwalimu National Sacco Society. Kindly you are being requested to take your time to complete this questionnaire. The information you will give will be very vital to the success of this study whose result is meant to improve the satisfaction of employee of Mwalimu National Sacco Society which will have an effect on customers.

I am conducting this study to complete the requirements for the award of Masters in Business Administration (MBA) of Kenyatta University.

Your participation in this study is completely voluntary and will be strictly confidential. I thank you in advance for your cooperation and participation in this study.

Thank You.

Anne Ngumo
MBA student
Reg No. D53/OL/22162/2011
0721547279
Appendix II: Employee Questionnaire

Questionnaire No: ______________________

Instructions: Kindly respond to the following questions as honest and accurate as possible. The information you will give will be useful for the purpose of this research.

PART A: General information
Please tick appropriately and indicate other responses required. This information will be kept strictly confidential and is collected for statistical purposes only.

1. What is your gender? [ ] Male [ ] Female

2. What is the age of the respondent?
   [ ] 25-35 years [ ] 36-46 years [ ] 47-57 years

3. What is your highest level of education?
   [ ] Secondary [ ] College [ ] University

4. What is your length of service to the organization?
   [ ] 1-3 years [ ] 4-5 years [ ] 6-8 years [ ] above 10 years

TRAINING AND DEVELOPMENT

5. I was well inducted when I joined this department?
   (Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

6. I am constantly taken for training and development sessions to improve my skills by Mwalimu National Sacco Society?
   (Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

7. The training offered for staff is pegged on performance
   (Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)
8. Sacco training enables development of long term career paths?
(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

9. For the length of time you have worked with the Sacco, has the company taken you for training?
   [ ] Yes  [ ] No

10. Was the recent training you undertook relevant and sufficient?
    [ ] Yes  [ ] No

11. Do think lack of training contributes to poor performance?
    [ ] Yes  [ ] No

MOTIVATION LEVEL

12. My organization acknowledges and values my work.
(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

13. The organization provides me with the equipment's and tools that I need to carry my work?
(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

14. My benefits are fair compared to other staff at my level?
(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

15. My salary is fair compared with other staff at the same level of my responsibility?
(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)
16. Which different ways are used in your organization to enrich employees’ jobs?

- Seniority based promotion [ ]
- Performance pegged promotion [ ]
- Promotion based on academic standards [ ]
- Training on performance [ ]
- Advancement of incentives to develop [ ]
- Adequate delegation [ ]
- Participative decision making [ ]

WORK –LIFE CONFLICTS

17. I often carry extra work home.

(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

18. My family members usually complain about the bulk of work?

(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

19. Working hours are not enough for the work I usually have.

(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

20. Work overloads usually make me easily irritated and disagree with my fellow colleagues

(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

21. Most tension in my department is as a result of overworking?

(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

22. I often have problems with my seniors due to failure to beat deadlines?

(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)

23. I am often forced to cheat concerning my lateness or absence or underperformance due to family demands.

(Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)
24. Please identify any potential threats creating conflicts when enriching jobs in your organization.

- Unfair promotion [ ]
- Limited development chances [ ]
- Constrained delegation [ ]
- Discriminative decision making [ ]
- Others (specify) ------------------------------

Thank You.
Appendix III: Customer Questionnaire

QUESTIONNAIRE NO: ______________________

Instructions: Kindly respond to the following questions as honest and accurate as possible. Please tick appropriately.

Part 1: General Information
1. What is your gender?
   [ ] Male [ ] Female
2. What is your customer category in the Sacco?
   TSC secretariat [ ]
   TSC teachers in tertiary institution [ ]
   TSC teachers in Secondary School [ ]
   TSC teachers in Primary school [ ]
3. How long have you been a member of Mwalimu National Sacco Society?
   [ ] 1-3 years [ ] 4-5 years [ ] 6-8 years [ ] above 10 years

Part II: Customer Satisfaction
4. I am satisfied with Mwalimu National Sacco Society?
   (Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)
5. I like the way am served by the employees?
   (Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)
6. I would recommend a friend to Mwalimu National Sacco Society?
   (Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)
7. The products and services are easily available?
   (Strongly agree) (Agree) (Undecided) (Disagree) (Strongly disagree)
8. What areas do you think Mwalimu National Sacco Society excels in satisfying you?

_____________________________________________________________________________________

9. What areas of Mwalimu National Sacco Society do you think improvement is needed most?

_____________________________________________________________________________________

Thank You.