
**NON FINANCIAL CONTROLS AND CUSTOMER SATISFACTION IN
MICROFINANCE INSTITUTIONS FOCUSING ON WAKISO
DISTRICT, UGANDA**

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ABSTRACT

Customer satisfaction is one of the most important and serious factors for success in today's competitive environment. A satisfied customer is a need and demand for the survival and growth of any business and growing competition today. The purpose of this study was to investigate the influence of non-financial controls on customer satisfaction in microfinance institutions in Wakiso district, Uganda. A co-relational cross-sectional survey design was employed. Data was collected using questionnaires and interviews from 10 SACCOs, and, a sample of SACCO members, the board of directors, audit committee members, and members of staff. Documentary analysis was done to enrich the conceptualization of the problem and interpretation of data. Findings revealed that work rules and procedures are not collectively explanatory variables of customer satisfaction, while service quality was found to be a significant predictor of customer satisfaction. The combined non-financial controls (work rules and procedures and service quality) are also significant influential factors of customer satisfaction. Work rules and procedures although insignificant factors of customer satisfaction should be emphasized in SACCOs because they bolster a strong sense of solidarity and commitment towards organizational goals. Managers need to take care to deliver better service quality to attain maximum customer satisfaction. They should also stress the aspect of service quality of communicating with all stakeholders so as to deliver better service quality. Management of SACCOs should investigate to better understand how their customers think and respond to service quality because they are seeking to improve their customers' satisfaction levels and consequently increase their economic participation in their institutions.

Keywords: Non-financial controls, work rules and procedures, service quality, customer satisfaction and savings, and credit cooperatives.

1.0 INTRODUCTION

The goals of microfinance institutions are to service the financial needs of the underserved or the unserved markets as a means of meeting development objectives such as creating employment (Buwule & Nyonyintono, 2017). The microfinance paradigms focus on the reduction of poverty through improving access to finance and financial services (Buwule, 2016). Microfinance Institutions (MFIs) have expanded the frontiers of institutional finance and have brought the poor where extreme poverty is conspicuous and became pandemic into the formal financial system (Buwule, Senyonjo & Kyeyune, 2017). The key providers of microfinance services among institutional providers in Uganda, both in urban and rural areas are the Savings and Credit Cooperatives-SACCOs (the member-owned microfinance institutions). Their vision is to provide sustainable financial services to the economically active poor who are unable to access the financial services from mainstream financial institutions (Buwule, 2017).

To achieve their objectives, SACCOs must have management control systems put in place to provide information to assist in control so that members become satisfied and continue to access the much needed financial services. It is, therefore; necessary to review the performance of these SACCOs constantly to ensure that members who are also the customers continue to be satisfied. Such management control systems that can be put in place to evaluate the performance of SACCOs are non-financial controls, which in this study are operationalized as work rules and procedures (existence of policies in different operational areas, SACCO bye-laws, regulations and ethical rules of conduct) and service quality (presence of competent staff, timeliness of services and product standardization).

Customer satisfaction is a function of the customers' expectations and perceived performance of the services rendered. Prior studies (e.g. Tikkanen & Alajotsijami, 2002 and Ooi, Lin & Yee-Long, 2011) note that customer satisfaction is one of the main areas of interest in the business and it is known to be one of the most important and serious factors towards success in today's competitive environment. It affects organizational market share and customer retention. It is not only necessary to retain customers but to also attract new customers. A satisfied customer is a need and demand for the survival and growth of any business. With the increasing number of businesses and growing competition today, each company wants to be the customers' first choice. A customer is satisfied when a service performs better than expected.

An enduring problem facing SACCOs in Uganda is how to have satisfied customers who should continue to access their financial services (Kabuga, 2007). There is a need to identify factors that influence customer satisfaction in member-owned microfinance (the SACCOs) to ensure sustainable poverty reduction. Whereas studies have been conducted to determine factors affecting the performance of MFIs in various countries and economies, there are limited studies on factors that determine the performance of SACCOs (which are considered small firms in Uganda) in terms of customer satisfaction. Further, previous studies indicated that the level of significance of different factors in affecting the performance of MFIs varies due to several underlying factors in a given country. Some of the factors are found to be significant in one economy or applicable to a set of MFIs. Some are not significant (Christen, Rhyne, Vogel & McKean, 1995). Other studies are based on financial factors (Buwule & Nyonyintono, 2017). Moreover, unlike other MFIs, which are supervised by central banks and listed on the exchange markets, with possibly extra regulations, SACCOs in Uganda are

not supervised by Central Bank (BoU), with exception of a few of them with monetary savings of shs 1.5b and share capital of worth 500m (Mugasha,2018) which begun being supervised, starting in the year 2018. But all of them are not listed on the exchange market. Results in these institutions may be different and therefore the need for this study to bridge the knowledge gap. The study was designed to investigate the influence of non-financial controls (rules and procedures and service quality) on the performance of SACCOs (considered small firms in Uganda) in terms of customer satisfaction measured in terms of ownership and participation in SACCO activities, the loyalty of members to their society and visible benefits to members.

Thus, the objectives of the study are:

1. To investigate the influence of work rules and procedures on customer satisfaction in selected SACCOs in Wakiso district.
2. To analyze the influence of service quality on customer satisfaction in selected SACCOs in Wakiso district.

The Null hypotheses tested in line with the above objectives are:

Ho1: There is no statistically significant influence of work rules and procedures on customer satisfaction in selected SACCOs in Wakiso district.

Ho2: There is no statistically significant influence of service quality on customer satisfaction in selected SACCOs in Wakiso district

2.0 THEORETICAL REVIEW

The theory which underpinned this study is agency theory. The theory suggests that in many modern organizations there is the separation between ownership and management and that the separation may result in agency problems and costs. In order, therefore, to better align principal Agent interests, earlier agency theorists Jensen & Meckling, 1976 and Farma & Jensen, 1983, suggested having effective monitoring mechanisms to ensure that they discharge their duties in the best interest of owners (Shakir, 2012)

Tiessen & Waterhouse (1983), also believe that the agency theory is developed around the concept of a contractual relationship between two groups (the principals and agents) with conflicting objectives. For Tiessen and Waterhouse (1983), the main objective in agency theory is to structure the contractual relationship between these conflicting groups so that agents take actions to maximize the interests of the principals.

In a SACCO, the principals (members), delegate the management of the institution to agents (managers), who are supposed to run it so that members/customers get satisfied and continue to access financial services. However, due to the individualistic tendencies of agents, customers who are at the same time owners may be dissatisfied. The principals and agents make contracts. However, uncertainty about the agents' efforts to maximize owners' value and uncertainty about the state of nature of an agent, leads to uncertainty about the outcomes of the agency relationships. Therefore, putting in place monitoring mechanisms such as

management control systems can help to resolve agency problems and costs. The agency theory is, therefore, an aid that allows us to understand, describe, explain and predict SACCO performance in terms of customer satisfaction, using non-financial controls (work rules and procedures and service quality). The central idea in the agency theory is: having effective management control systems (monitoring mechanisms) in SACCOs and any other firms to reduce the agency problems and costs so that members/customers get satisfied with the services rendered by those institutions.

3.0 LITERATURE REVIEW

3.1 Customer Satisfaction

Customer satisfaction is the measure of how products and services supplied by a company meet or surpass customer expectations. People often think that profits are the sole measures of performance yet other measures are sometimes more useful for making specific decisions. Satisfaction implies a conscious and deliberate evaluation of outcome if the expectation is met the outcome, of course, is satisfaction. When the alternative is perceived as falling short in significant ways, dissatisfaction is the result. Customer satisfaction is matching customers' expectations. If SACCOs match customers' expectations or are above their expectations, then there is satisfaction but, if customers perceive SACCO's services as below their expectations, then, there is dissatisfaction. However, every customer has a unique set of needs.

Customer is the key to business. His/her satisfaction is the most important tool that helps to increase sales and one of the factors that can help to increase sales is customer satisfaction because satisfaction leads to customer loyalty (Wilson, Zeithml, Bitner & Gremler, 2008). The questions asked in the strategic planning ranges from who will use the services; where are they, and will the services yield them maximum satisfaction? After these questions as Buwule (2016), notes, the organization will then design the products, segment the markets, and create awareness. This does not only show the importance of customers in the business environment, but also the importance of satisfying them. Building customer relationships means delivering superior value over competitors to the target customers. Higher levels of quality lead to higher levels of customer satisfaction (Kotler & Keller,2009)

Every company should work hard to win the hearts of customers by satisfying them so that they become loyal customers. With the increasing number of businesses and growing competition today, each company wants to be the customers' first choice. To achieve this, organizations need to carry out continuous research in this area, so as to lead them to their twin objectives of satisfying customers and making a profit (Buwule, 2016). In this paper, customer satisfaction is measured in terms of ownership of the SACCOs activities, participation in SACCOs' activities, consensus decision making and visible benefits to members who happen to be the customers as well, according to SACCO's philosophy.

Management control systems are mechanisms put in place to provide information about performance progress and to assist in control. Controls are purely a means to an end, the end controls. Control is the function that makes sure that actual work is done to fulfill the original intention and that controls are used to provide information to assist in determining the control action to be taken (Buwule,2016). "Controls" encompass all the methods and procedures that direct employees towards achieving the organization's objectives. Drury (2006), notes that,

there has been a shift from treating financial figures as the foundation for performance measurement, and control to treating them as one among a broad set of measures.

He further notes that in today's worldwide competitive environment, companies are competing in terms of many non-financial aspects (e.g. service quality) and that there is a need to incorporate non-financial measures that provide information in evaluating the performance of an organization.

There is a danger if performance reports include only those items which can be expressed in monetary terms because, managers will concentrate on only those and ignore other important variables that cannot easily be quantified in monetary terms (Drury, 2006). In today's competitive environment, companies are competing in terms of many non-financial aspects including product quality, delivery, reliability, after-sales services, and customer satisfaction. Further, in a highly intense competitive environment, running a business professionally is not only just a good idea but a requirement for its survival (Ariyo, 2009, Banabo & Karoye, 2011). However, one frequently mentioned specific shortcoming especially in small businesses including SACCOs in Uganda is the failure to put in place management control systems especially non-financial controls that can add value in evaluating organizational performance (Adeniyi, Abiola & Bisayo, 2014). Scholars (e.g. Drury, 2006, Stoner, 2001 & Merchant, 1984) indicate a relationship between non-financial controls and firm performance. Drury (2006) advises that performance reports should be broadened to incorporate other variables other than financial. He stresses that performance reports based on only cost and revenues, do not give a sufficient indication of the future results than can be expected from present actions. Therefore, emphasis should also be placed on non-financial performance measures that provide feedback on key variables required to compete successfully in today's competitive environment (Buwule, 2016). Nonfinancial management controls in this study include work rules and procedures and service quality.

3.2 Work Rules and Procedures and Customer Satisfaction

Work rules and procedures are a type of action accountability controls. They involve defining actions that are acceptable or unacceptable, observing the actions and rewarding acceptable or punishing unacceptable actions. Action controls are effective only when managers know what actions are desirable or undesirable and can make sure that the desirable actions occur or that the undesirable actions don't occur. Action controls that focus on preventing undesirable behaviour are the ideal form of controls because they aim at preventing the behavior from occurring, (Buwule, 2016; Drury, 2006).

In a SACCO, the bye-laws and cooperative regulations should set out some of the work rules and procedures that guide the different stakeholders. Simons (1990), also mentions behavioral controls such as work policy, rules, and regulations, a company code of conduct as fostering a strong sense of solidarity and commitment towards organizational goals. The effectiveness of the business unit is dependent on a match between work rules and procedures and the firms' performance in terms of strategic postures and customer satisfaction (Gutherie, 1994). Dent (1990) and Simons (1990), contemplate that to support business strategy, competitive advantage, and superior performance, employee work ethics and procedures have to be regularly monitored. Non-financial management controls, are correlated to business performance and are specifically used to make better decisions for customer satisfaction

through emphasizing the rules of procedures (Langfield –Smith, 1997, & Miles and Snow, 1978).

Since most of the SACCOs in Uganda are not supervised by Central Bank and are not listed on the exchange market with possibly extra regulations, strong work rules and procedures may be absent in these institutions, since most previous studies link between work rules and procedures and business performance in big companies. It is also possible in SACCOs that members of the Board of Directors (BoDs), as an important governance organ may not be aware of all the work rules and procedures and thus fail to reward acceptable actions or punishing the unacceptable actions and thus consequently rendering the work rules and procedures ineffective. It is, therefore, necessary to find out whether or not work rules and procedures influence customer satisfaction in small firms like SACCOs in Uganda. The first hypothesis to test in this study, therefore, was that: (Ho1: There is no statistically significant influence of work rules and procedures on customer satisfaction in selected SACCOs in Wakiso district)

3.3 Service Quality and Customer Satisfaction

Service quality is what clients receive as a result of their interaction with the service firm (Leonard & Sasser, 1982). In order, for a firm to compete successfully, it must have an understanding of the client's perception of the quality. As many industry sectors mature, competitive advantage through high-quality service is an increasingly important weapon in business survival. Although several other factors such as price, exist than service quality that determines customer satisfaction, our motivation for service quality for this study, is because service quality has been proven to be the best determinant of customer satisfaction in service sectors like the microfinance sector (Wilson et.al, 2008). Providing quality services is one of the main targets when it comes to management in regards to customer satisfaction in the business environment today.

Service quality has become a major area of attention to practitioners, managers, and researchers due to its strong impact on business performance lower costs, customer satisfaction, customer loyalty, and profitability (Guru, 2003; Newman, 2001). An organization that consistently satisfies its customers enjoys higher retention levels and greater profitability due to increased customer loyalty (Wicks & Roethlein, 2009). Every company should work hard to win the hearts of customers by satisfying them so that they become loyal customers. Service Quality and customer satisfaction have been proven from past researchers to be positively related (e.g. Kuo, 2003). Since customer satisfaction has been considered to be based on the customer' experience on a particular service encounter, it is in line with the fact that service quality is a determinant of customer satisfaction, because service comes from the outcome of services from service providers in organizations (Cronin & Taylor, 1992). Higher customer satisfaction in any business entity may be gained from service quality delivery (Fitzmmons & Elvis, 2002). In ordeToclearer picture of the influence service quality gives to performance and customer satisfaction, Zethaml, Valarie, & Dwayne (2006), advises that a firm can compete by nurturing a service culture that attracts quality in the industry. The company must provide the best service in order for customer satisfaction and best performance (Buwule, 2016). Quality and customer satisfaction have long been recognized as playing a crucial role in success and survival in today's competitive market (Bashoff & Gray,2004). Satisfaction is an ex-post evaluation of customers' experience with the service

and it is captured as a positive, indifference, or negative feeling. Research has demonstrated that quality of service and achieving customer satisfaction are significant

Kabuga (2007), notes that SACCOs in Uganda have consistently been accused of failing to do many service quality aspects (e.g. recruiting competent staff who are kind, listen and responsive to customer needs; giving timely loans to their members, and communicating effectively with all stakeholders). Furthermore, many previous studies on the influence of service quality and customer satisfaction (e.g. Fitzmmmons et.al.,2002; Stoner,2001 & Zeithaml et.al., 2006) were mainly on big and listed companies with possibly extra regulations and were also in distant geographical locations, such as Australia and Canada, and not SACCOs in Uganda. This study filled this knowledge gap by investigating how service quality influences customer satisfaction in SACCOs in Wakiso district, Uganda. The second hypothesis to test in this study was that (Ho2: There is no statistically significant influence of service quality on customer satisfaction in selected SACCO in Wakiso district)

4.0 METHODOLOGY

According to Kothari (2004), the research design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure, and therefore provides the glue that holds the research project together. The study took the quantitative correlational cross-sectional survey and ex-post-facto design. It was quantitative because it was based on variables measured with numbers and analyzed with statistical procedures. The correlational design was chosen because the problem in the study was identifying factors that influenced an outcome that is customer satisfaction (Amin, 2005). The study was cross-sectional because it was conducted across participants at a point in time and was intended to pick only some representative sample elements of the cross-section of the population. It did not necessitate the researchers to make a follow up on the participants. It was thus, used on account of its rapid turn-around in data collection as Creswell (2003) advises. The survey design enabled the collection of data from a large number of respondents. It was preferred to generalize from the sample used, to the whole target population in Wakiso district. Surveys are also amenable to rapid statistical analysis and are comparatively easy to administer and manage (Ahuja, 2005 and Shajahan, 2005). It was exposed- facto since the researcher had no control over the study variables and only sought to report facts that were existing (Cooper & Schindler, 2008).

The study took a quantitative cross-sectional survey and ex-post-facto design. It was quantitative because it was based on variables measured with numbers and analyzed with statistical procedures, and correlational, because, the problem was identifying factors that influence an outcome, that is, performance of SACCOs (Amin, 2005). The cross-sectional design was adopted because the study was conducted across participants at a point in time without requiring the researchers to make a follow-up on the participants. Thus, it was used on account of its rapid turn- around in data collection as Creswell (2003) advises. The survey design helped to collect data from a large number of respondents and to generalize from the sample used, to the whole target population of all SACCOs in Wakiso district. According to Ahuja (2005) and Shajahan (2005), surveys are also amenable to rapid statistical analysis and are comparatively easy to administer and manage. The study was expost-facto since the researchers had no control over the study variables and only sought to report facts that were existing (Cooper & Schindler, 2008).

The study targeted one SACCO from each of the ten sub-countries in Wakiso district, which became the researchers' sampled population, and data was collected from members, board members, audit committee members, members of staff of SACCOs and technical officers from Ministry of Trade, Industry and Cooperatives, Uganda Cooperative Alliance (the apex organization of the cooperative movement in Uganda) and Uganda Cooperative Savings and Credit Union (UCSCU).

The above target respondents were divided into categories using a stratified sampling technique to ease the collection of relevant data from each category most efficiently and effectively (American statistical Association, 1999). Thereafter, the researchers used a mixture of methods including; random and purposive sampling methods to select the required sample from each category.

The unit of analysis in this study is a SACCO. One SACCO from a list of active SACCOs was randomly selected from each of the ten sub-Counties of Wakiso district. This made a total of ten SACCOs selected. For respondents, the researchers used the Table developed by Krejcie & Morgan (1970) as cited in Gay & Airasian (2003) for determining the sample sizes.

Quantitative primary data were mainly collected using self-administered questionnaires, while qualitative data were obtained through open-ended questions in the questionnaire and were also collected by interviewing key informants using an interview guide.

Secondary data collection internally involved consulting SACCO's bye-laws, financial, and other operating policies. For external sources, the researchers used documents such as laws governing SACCOs in Uganda including Cooperative Statute 1991, and Cooperative Regulations 1992. Other documents used included; official national publications, international publications, textbooks, and the internet among others.

An item analysis based on means and standard deviations was used to help show how respondents rated themselves on the independent and dependent variables. Correlation and regression analyses were used to determine the associative relationship and casual relationships respectively, consistent with the study objectives. Qualitative data that were collected through open-ended questions in the questionnaires, interviews, and scrutiny of documents were categorized, summarized, organized, and analyzed along with the themes of the major variables. This was used to triangulate, findings obtained through quantitative analysis (Barifajjo, Basheka & Oonyu, 2010) advice.

5.0 FINDINGS

The paper's findings are organized and presented according to the hypotheses stated in the introduction and literature review sections. Descriptive, correlation, and regression results are presented.

5.1 Descriptive statistics results

Table 1, gives the summary descriptive statistics results on customer satisfaction, work rules, and procedures and service quality.

Table 1: Perception of respondents regarding customer satisfaction, work rules, and procedures and service quality

Aspects	Mean	Standard deviation	t
Customer satisfaction	3.70	0.548	6.752
Work rules & procedures	4.27	0.527	8.102
Service quality	3.58	0.567	6.314

In this study, customer satisfaction in SACCOs was operationalized as (ownership of SACCO activities by members, visible benefits that members get in a SACCO, members patronizing their SACCOs, members being proud to be associated with their SACCOs, etc).

Work rules and procedures were operationalized as (SACCOs having well-defined actions that are acceptable and unacceptable, SACCOs having bye-laws and regulations, superiors in SACCOs rewarding acceptable actions, etc) and lastly, service quality was operationalized as (SACCOs having competent staff who listen and responsive to customer needs, management communicating effectively with all stakeholders, SACCOs giving timely services, product standardization in SACCOs, etc). Means and standard deviations for all the variables were determined. According to summary results in Table 1, respondents rated themselves high on a scale of 5, on all aspects of customer satisfaction according to the overall mean (mean = 3.70; S.D= 0.548 and t = 6.752) significant at 0.01 or 1% critical level. Results further indicate that respondents also rated themselves very high on overall aspects of work rules and procedures as reflected by the overall mean (mean = 4.27, S.D = 0.527 and t=8.102), significant at 0.01 or 1 % critical level. Descriptive results on all aspects of service quality indicate a high mean on average according to the overall mean (mean = 3.58; S.D= 0.567 and t=6.314), again, significant at 0.01 or 1% critical level.

5.2 Correlation Results

Table 2: Correlation between non-financial controls (work rules and procedures and service quality) and customer satisfaction

		Customer satisfaction
Non-financial controls (work rules and procedures and service quality)	Pearson correlation	0.201
Work rules and procedures	Pearson correlation	0.086
Service quality	Pearson correlation	0.212 ^(*)
	N	86

*** Correlation is significant at the 0.05 level (2-tailed)**

Correlation results in Table2, show that the associative relationship between non-financial controls (work rules and procedures and service quality) and customer satisfaction is insignificant (r=0.201). Further, the associative relationship between work rules and customer

satisfaction is also insignificant ($r= 0.086$). Correlation results indicate that the associative relationship between service quality and customer satisfaction is positive and weak but significant ($r=0.212^*$). The positive relationship, if predictive meant that, if service quality in SACCOs increases, customer satisfaction will also increase or that a small increase in service quality results in a corresponding small increase in customer satisfaction. There was however need to find out whether the above relationships were predictive or not by carrying out regression analyses.

5.3 Regression Results

Table 3: Regression results of work rules and procedures and customer satisfaction

Model	Sum of square	df	Mean square	F _C	F _t	Interpretation
Regression	1.151	2	0.635	2.234	2.369	Not significant
Residual	24.373	81	0.284			
Total	25.254	83				

Regression results in Table 3, indicate that work rules and procedures are not collectively explanatory variables of customer satisfaction in SACCOs in Wakiso district because the F computed (FC) =2.234 is less than F tabulated ($f_{2, 81; 0.10} = 2.369$). The insignificant influence of work rules and procedures on customer satisfaction is further confirmed by the regression value of 1.151 compared to the residual value of 24.373. The study hypothesis that there is no statistically significant influence of work rules and procedures on customer satisfaction in selected SACCOs in Wakiso district was confirmed.

Findings have proven true the views of Langsfield (1997) and Miles & Snow (1978), who note that non-financial controls as correlates to business performance, are specifically used to make better decisions for customer satisfaction through emphasizing the rules and procedures. Findings concur with Merchant (1984), who observes that the behavioural controls like the use of work rules and procedures are just measures preventing undesirable organizational actions and also support Simons (1990), who points out that those behavioural controls such as work rules and procedures foster a strong sense of solidarity and commitment towards organization goals, but not necessarily influencing performance. Guthrie (1994), also in the same vein, shows that the effectiveness of the business unit is dependent on a match between work rules and procedures and the firm's performance in terms of strategic postures. Findings also support Drury (2006) who argued that firms use different non-financial controls to cope with the problem of organizational controls, classified under behavioural, social, and output controls, which point at customer satisfaction. He also notes that action controls apply to those situations where the actions themselves are the focus of control and are effective only when managers know what actions are desirable (or undesirable) and can make sure that the desirable actions occur (or that the undesirable actions do not occur).

Table 4: Regression results of service quality and customer satisfaction

Model	Sum of square	df	Mean square	F _C	F _t	Interpretation
Regression	2.502	4	0.625	2.277	2.019	Significant
Residual	21.148	77	0.275			
Total	23.650	81				

Adjusted R square = 0.059

Results in Table 4, indicate that service quality aspects are collectively explanatory variables of customer satisfaction in SACCOs in Wakiso district. F computed (FC) = 2.277 is greater than the tabulated F (f_{4, 77; 0.10} = 2.019). The second study hypothesis that there is no statistically significant influence of service quality on customer satisfaction in selected SACCOs in Wakiso district was rejected. However, service quality only explains about 6 percent to variations in customer satisfaction as revealed by the (Adjusted R Square 0.059), meaning that other factors strongly influence customer satisfaction in SACCOs in Wakiso district other than service quality. This was also confirmed by the obtained regression value of 2.502 compared to the residual value of 21.148. Findings support authors (e.g. Fitzmmons et.al. 2002, Zeithaml et al., 2006 and Drury, 2006). Fitzmmons et.al.2002 avers that higher customer satisfaction may be gained from service quality because customers are interested in quality service delivery.

Similarly, Zeithaml et al., 2006 advise that a firm can compete by nurturing a service culture that attracts quality in the industry. They note that in attracting customer satisfaction and best performance, the company must provide the best services which can be comparable to service quality indicators such as communicating effectively with all stakeholders. Further, in the same vein Drury, (2006), notes that in today's worldwide competition in terms of service quality, etc, there is a need to incorporate non-financial measures that provide information, for example, on service quality and others in evaluating the performance of organizations.

Table 5; Regression results of non-financial controls (work rules and procedures and service quality) and customer satisfaction

Model	Sum of square	df	Mean square	F _C	F _t	Interpretation
Regression	1.036	1	1.036	3.553	2.766	significant
Residual	24.488	84	0.292			
Total	25.524	85				

Adjusted R square = 0.029

Results in Table 5, show that non-financial controls (work rules and procedures and service quality) are collectively explanatory variables of customer satisfaction at a 10 percent critical level. F computed (FC) = 3.553 and tabulated F (F_t) = 2.766. F computed is greater than F tabulated. (f_{1, 84; 0.10} = 2.766). The hypothesis that there is no statistically significant

influence of non-financial controls on customer satisfaction in selected SACCOs in Wakiso district was rejected. However, non-financial controls only explain about 3 percent of variations in customer satisfaction (adjusted R square = 0.029) as also supported by the regression value of 1.036 compared to the residual value of 24.488, meaning that there are other factors which strongly influence customer satisfaction in SACCOs in Wakiso district other than non-financial controls (work rules and procedures and service quality).

6.0 CONCLUSION AND RECOMMENDATIONS

The main objective of the study was to examine the influence of non-financial controls on customer satisfaction in SACCOs in Wakiso district. Specifically, the study focused on investigating the influence of work rules and procedures and service quality, respectively, on customer satisfaction in selected SACCOs in Wakiso district.

Non-financial controls (work rules and procedures and service quality) are statistically influential factors of customer satisfaction in SACCOs in Wakiso district. There is thus a need to apply non-financial controls (work rules and procedures and service quality) in SACCOs in Wakiso district. There is a danger as Drury, (2006), observes, that if performance reports include only information which can be expressed in monetary terms, managers will concentrate on only those variables and ignore other important variables that cannot easily be quantified in monetary terms (e.g. quality of service provided). In today's competitive environment companies are increasingly competing in terms of product/service quality, delivery, reliability, after-sales services, and customer satisfaction. Firms use different non-financial controls to cope with the problem of organizational control. Drury (2006) advises that performance reports should be broadened to incorporate other variables other than financial.

Work rules and procedures are not statistically significant influential factors of customer satisfaction in SACCOs in Wakiso district. However, though not significant predictors of customer satisfaction in SACCOs in Wakiso district, they are necessary in SACCOs because managers knowing what actions are desirable (or not desirable) and rewarding employees when desirable actions occur or punishing them when undesirable actions occur, and having in place different guiding rules and procedures are necessary factors in behavioral controls. Further, work rules and procedures should be emphasized in SACCOs in Wakiso district because they bolster a strong sense of solidarity and commitment towards organizational goals and consequently customer satisfaction. Work rules and procedures should be properly implemented and adhered to in order to make better decisions for customer satisfaction. The effectiveness of a business is dependent on a match between work rules and procedures and firm performance in terms of strategic postures (Guthrie, 1994).

Service quality is statistically a significant predictor of customer satisfaction because customers are interested in the quality of service delivery (Fitzmmons et al., 2002). Satisfying the customers by making sure they obtain good quality service is the latest strategy for organizations in today's business environment. That is why companies are going in for Total Quality Management (TQM) to improve quality because quality has a great impact on customer satisfaction (Kotler et al., 2002). Customer satisfaction is an essential requirement for the survival and growth of any business. So, the managers, need to take care to deliver

better service quality to attain maximum customer satisfaction. The aspect of service quality of management communicating effectively with all stakeholders in SACCOs is an influential factor of customer satisfaction and therefore, managers should stress it to deliver better service quality. Management in SACCO should also investigate to better understand how their customers think and respond to service quality because they are seeking to improve their customers' satisfaction levels and consequently increase their economic participation in their institutions.

The study has contributed to the understanding of the influence of non-financial controls on customer satisfaction in SACCOs. However, the study has limitations like any other studies and thus findings should be used with caution, considering the following limitations. First, the study is limited to member-owned MFIs (the SACCOs), which in Uganda are considered small firms, the majority of which are not supervised by Central Bank (BoU) and which are not listed on the exchange market which has additional regulations. Secondly, the study was carried out at a point in time to examine the influence of non-financial controls on customer satisfaction. That is, it was essentially a cross-sectional study. Thirdly, there were a few variables included in the model. Many other measures of non-financial controls were left out and many other performance measures of SACCOs other than customer satisfaction. Fourthly and lastly, the nature of the sampling units under the study cannot be generalized to a large population, as only 10 SACCOs out of over 80 SACCOs in Wakiso district were examined. Further, only one district (Wakiso) out of many districts in Uganda was considered.

Consequently, considering all those limitations, the study opens up areas for further research. One, the model could be extended to other types of MFIs and other organizations in Uganda and elsewhere. Secondly, future studies should explore appropriate econometric methods that may improve the understanding of the performance of SACCOs. Thirdly, more variables should be included in the model based on literature and be tested empirically to increase our understanding of the influence of non-financial controls and customer satisfaction. Fourth, a large sample size could be used for more accurate findings and which is more generalized nationwide.

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