

Assessment of Leadership Empowerment of SACCOS Members in Mbeya Region Tanzania

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Abstract: The main objective of this study was to assess if leadership which exists in SACCOS empowers its members. Purposive and simple random sampling techniques were used and 128 questionnaires were distributed, of which 120 were collected and 113 were used. Observation, documentary review and personal interviews were also conducted to SACCOS' members, board members, and employees from 8 SACCOS in 4 districts of Mbeya Region. Data were analyzed and presented using SPSS and frequency distribution tables. Through questionnaires and observation it was found that leadership was very good. However, interviews conducted revealed that there were some weaknesses in leadership. It was concluded that, unless there is democratic leadership, SACCOS can hardly be grow well. It is also recommended that, SACCOS should solicit education funds and ensure regular training to its members. SACCO's members, employees and board members should be equipped with training on various technical skills. Government should strengthen the capacity of SACCOS by supporting them in required facilities, sufficient funds and relevant skills.

Keywords: SACCOS, members, leadership, assessment.

1. INTRODUCTION

1.1. Background information:

In order for a SACCOS to generally adhere to the basic cooperative values based on self help, mutual responsibility, equality and equity, the SACCOS must practice honesty, and in particular by applying the basic cooperative principles issued by WOCCU which are as follow; "Open and voluntary membership, Democratic member control, Economic participation by members, education, Training and information, cooperation among cooperatives, autonomy and independence, and concern for community in general" (WOCCU, 2002).

In Tanzania the importance of SACCOS is crucial. The emergence of SACCOS in rural and urban areas has been seen as "Mkombozi" (Swahili word that refers to savior or solution) to community. SACCOS promotes community ownership and empowerment. It is contributing to give voices to community in accessing financial resources needed. Also they are providing security framework to qualify for bank loans to improve community's effort in income generating activities. SACCOS promotes community ownership and peoples' voice is the driving force in relation to the cooperative principles. Members have equal right to participate in development of their society. (Mwabulanga, 2009).

One of the critical factors, for causing member participation, is member empowerment. Empowerment is a process that increases the capacity of the disempowered to act on their own behalf and analyze and understand their problem, to recognize their ability to act on their own behalf and increase their power and control over resources necessary for sustainability and dignified life (Muro, 1994; Misana, 1995).

However in Tanzania there are many areas where the member empowerment problem manifests itself. Studies conducted revealed that there are internal and external constraints facing SACCOS on empowering its members. External constraints consist of conditional and economic disempowerment. Internal constraints consist of the national system and micro-level dynamics of empowerment inside individual SACCOS. (Chambo, 2003).

One of the critical factors, in causing member participation, is member empowerment. However, for member empowerment to be in place there should be leadership which facilitates member capacity building.

Study conducted by Chambo (2003) revealed that in Tanzania, there are many areas where member empowerment problem manifests itself. There are internal and external constraints facing SACCOS on empowering its members. External constraints consist of conditional and economic disempowerment. Internal constraints consist of the national system and micro-level dynamics of empowerment inside individual SACCOS. However the researcher found that there was a need to assess the internal factors which affect member empowerment, particularly at Mbeya region SACCOS. Consideration was based on micro-level dynamics of empowerment inside individual SACCOS particularly the issues of leadership style in decisions of their SACCOS. The motive was to see whether there is leadership which enhances member empowerment in SACCOS.

2. METHODOLOGY

2.1. Area of study:

The area of study was in a community-based SACCOS in selected four districts in Mbeya region in (Mbeya city, Mbeya rural, Mbozi and Rungwe). The targeted population for this study was SACCO's board members, staff and members from selected SACCOS. Board members were selected because the researcher expects to get essential information that answers research questions due to experience they had in the SACCOS. SACCO's staff was selected because they are the one who deal with daily SACCOS activities, hence having essential information concern SACCOS. Members of SACCOS were selected because they are the one who own the SACCOS. They were expected to provide useful information regarding participation, SACCO's governance and capacity building. It should be noted that, board members and staff are also SACCO's members.

2.2. Sampling techniques:

The study used purposive sampling and simple random sampling. Purposive sampling enables the researcher to use his/her judgment to select cases that will best enable answer research questions and meet research objectives (Saunders et al., 2007) Inclusion of participants depend on the researchers conception of their ability to provide necessary and quality information. SACCOS were selected basing on performance, geographical location and members occupation. Members who joined SACCOS and acquired services for more than two years were selected because they have experience with SACCOS. Board members were selected upon their committee and position in the SACCOS board. After identification the criteria of choosing the sample, members were selected by using simple random sampling. Moreover every effort was made to ensure that all potential and prospective sources of information were optimally utilized for meaningful and unbiased results for the study.

2.3. Sample size:

A total of 80 members were expected to take part in the study, 20 and 10 members from each district and SACCOS respectively; 24 people from board members were selected, 6 and 3 from each district and SACCOS. 24 people from SACCO's employees were also selected 6 and 3 from each district and SACCOS respectively. That means 2 SACCOS were selected from each selected district. The study involved different districts and SACCOS as per selection criteria shown in the table below.

2.4. Data collection methods:

This study used four data collection methods. They include questionnaires, interviews, observation and documentary review. In this study, questionnaires were designed to capture primary data from SACCO's members, staff and board members. Questionnaires consisted both open-ended and close-ended questions. Open-ended questions were employed so as to impress interviewees in expressing their views and opinions on the related matters. Closed-ended questionnaires were used whereby some questions demanded respondents to select an answer from the list provided under each question in the questionnaire. To ensure high response rate, questionnaires were translated and administered in Kiswahili. Pilot study revealed that most of SACCO's members, staff and board members were standard seven leavers who were not conversant with English language. The questionnaires were self administered by the researcher. Before embarking on data collection process, the questionnaires were tested so as to ensure that important considerations were taken into account in refining some of questions and make them user friendly. This instrument was used because it is one of the most widely used as survey data collection technique and it provides an efficient way of collecting respondents from large sample prior to quantitative analysis (Saunders, et. al., 2007).

2.5. Data analysis:

Data obtained were analyzed by using both quantitative and qualitative techniques. Before that, data analysis, data were cleaned. Data cleaning is the process of detecting and correcting errors and inconsistency in the data and it include identification of missing data, eliminating duplication and detecting entry errors (Saunders, et. al., 2007). Preparation of data for analysis was involving coding of data to facilitate the recording and entering in the computer for analysis. The data analysis was carried out with the help of Statistical Package for Social Science (SPSS). The data analysis package helps in producing a tally of summarized data and also coding of the data. Frequency distribution tables were used to facilitate the interpretation and presentation of data. The findings from this study were discussed in relation to the study objectives.

3. RESEARCH FINDINGS AND ANALYSIS

Table 1: Distribution of respondents by overall SACCO's member's occupation

Occupation	Frequency	Percent (%)
Farmers	39	34.5
Business Persons	32	28.3
Employee	12	10.6
SACCOS employee	20	17.7
Farmer and Business person	10	8.8
TOTAL	113	100

Source: Data from survey (2014)

3.1. The SACCOS leadership:

The research objective on SACCOS leadership was “to assess whether the leadership that exists in SACCOS empowers its members” and the corresponding research question was “Does the leadership that exist in SACCOS empower its members?”

In this part, questions were constructed in such a way that they could reveal whether leadership that exist in SACCOS empower its member. The questions based on the issues of transparency, communication, freedom and provision of progress reports. Respondents in this section were asked to indicate whether there were transparency, communication between members and their leaders, freedom to give their opinions and were given periodically progress report.

The following tables 2 to 4 below represent the findings relating to SACCOS leadership indicated that 100%, 88.5%, 85.8% and 84.1% of respondent agreed that there were communication, provision of progress reports, freedom and transparency within the SACCOS respectively. The results indicated that there was transparency, freedom, provision of progress report and good communication within SACCOS. Having these in SACCOS implied that there were democratic leadership within the SACCOS.

Table 2: Distribution of respondents on leader's transparency

	Frequency	Percent
No	11	9.7
Not sure	7	6.2
Yes	95	84.1
	113	100.0

Source: Data from survey (2014)

Table 3: Distribution of respondents on member's freedom

	Frequency	Percent
No	9	8.0
Not sure	7	6.2
Yes	97	85.8
	113	100.0

Source: Data from survey (2014)

Table 4: Distribution of respondents on progress reports

	Frequency	Percent
No	13	11.5
Not sure	-	-
Yes	100	88.5
	113	100.0

Source: Data from survey (2014)

However, on interviewing board members of one of the best performing SACCOS, they revealed that one of the weaknesses noticed on their SACCOS development was the way their chair person manage their SACCOS. He is ex-bank staff who held high post; as a result he felt that nothing could be done better in his absence hence he did not trust to delegate his authority to anyone. They added that, due to his influence in the community, he is heading several organs in the community, thus he has limited time to fulfill his obligations as chair person at the same time. This resulted into delay of decisions which affect SACCO's performance in terms of services rendered to its members, hence members discouragement. It is feared that, if this persists for long time, instead of wasting their time in this SACCOS, members will drop from SACCO's membership and find other means to sustain their livelihood.

In one of the old SACCOS in Rungwe district at Mbeya region; it was revealed that, before the year 2006, its performance was good. In the year 2006 members elected their board members basing on the candidates' influence and their previous posts in the community. Consequently, elected leaders together with their fellow staff misused SACCO's funds and disappeared. They left SACCOS with a debt from PRIDE which funded this SACCOS to assist it to meet loan demand from its members. At that time, the debt was due; failure to return the money would result into disposal of SACCOS assets in order to recover the money. As a result, new leaders were purposely appointed by the District Co-operative Officer to save the dying SACCOS. The task of this newly formed board was to follow up loan repayment. This implied that there was poor governance in this SACCOS. There was breach of laws (Act) and unfaithfulness from leaders, which resulted into absence of trust and impaired member empowerment.

These findings concur with the ones which were noted by Orute (2004) in his article, showing how leadership could act cruelly against their members in an elderly leadership style. It also fit in the model developed by Batmann (1999) "The oppressor- savior- victim relationship model" as propounded by Chambo (2003).

Furthermore, though, in the questionnaires it was revealed that in one of the SACCOS there was market support to members, it was found through interview that, this service is for leaders who participate in exhibition for their own benefits under the umbrella of the SACCOS. This implied that there was divergence of the object of SACCO's establishment which is stated clearly in section 75 of Cooperative Societies Rules (2004) that the societies were established for the benefits of their members and not for leaders only.

In another instant, interviewed SACCOS employees from two different SACCOS complained about their leader's behavior. They said there was a tendency for these leaders to force them to act against the requirements of co-operative societies Act (2003) as well as against by-laws, and resolutions passed by members and professional ethics. One of the employees said that, the vice chair person instructed him to remit employees loan repayment to him, then, he would deposit to SACCOS account. Professionally, this is unethical issue. There was also the issue of forcing to grant loans to the members and non-members who are not eligible for loan according to co-operative societies Act (2003). All these implied that there was a problem in leadership in SACCOS, instead of being facilitative leaders; they were prescriptive as per the oppressor-savior-victim relationship.

Finally the researcher realized that, in this part, questionnaires could not give the true picture of the leadership style dominated in these SACCOS. This was due to weakness of the research instrument that when members fill questionnaires, there is a tendency of copying from each other. Also when they are filled in the presence of their leader, there is a tendency of fear to say the truth. On applying interview as a supplementary technique, to overcome these shortcomings, it was revealed that there was some weaknesses on leaders as discussed above. This implied that, triangulation in data collection techniques was important. It was confirmed in this study that it provide reliable and valid data.

4. CONCLUSION AND RECOMMENDATIONS

4.1. Conclusion:

Generally, from the study it was found out that there are still factors affecting member empowerment especially in the area of leadership. The existence of democratic leadership in SACCOS has been regarded as fundamental facilitating member participation in SACCOS's affairs, one of the key factors of member empowerment. In this study, it was found out that, the results from questionnaires on members' participation and leadership that exists in SACCOS was very good. However, due to sensitivity of issues in leadership style, the researcher decided to conduct interviews to supplement results from questionnaires. Respondents through interviews disclosed that there was still autocratic leadership in some SACCOS. Moreover, market support services were not in place, and member capacity building was minimal if not absent; hence need to be strengthened. Further, it was observed that members do not participate effectively in SACCOS due to lack of skills, abilities, information and training, which can be facilitated through having democratic leadership.

Findings revealed that, though, there was participation in individual SACCOS, still leadership that existed was not sufficient to empower members. Effective participation can exist only and only if members were equipped with skills, knowledge, understanding, abilities, information and training, which can be facilitated through capacity building and having democratic leadership, generally impairs member empowerment.

4.2. Recommendations:

This study recommends that, for the SACCOS to do much better in leadership, member empowerment was inevitable. To facilitate member empowerment within individual SACCOS the study recommends the following:

SACCOS's members, employees and board members should be equipped with training on various technical skills particularly in leadership, business management, computer, marketing, gender, cooperatives, financial management, entrepreneurship, rights and obligation of members and rules and regulation which guide cooperative societies and micro-financial institutions. This can be done by the Government agents and supporting institutions. This will enable them to manage their SACCOS, businesses, farming activities and improve their life standard socially and economically.

SACCOS management, collaboration with other stakeholders should make sure that market support services is in place in order to assist their members in marketing their products. This can be done through involvement of their members in trade fair exhibition and provision of relevant training on marketing.

SACCOS's members should make sure that they attend SACCOS's meetings accordingly so as to enable them to participate full in all matters concern their SACCOS. It is in these meetings where SACCOS's leaders, employees and members can communicate and discuss issues concern SACCOS transparently and get opinions from each group (leaders, employees and members) as well as election of their leaders.

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