

# Analysis of Factors Affecting the Operational Efficiency of Jua Kali Sector: a Case of Apparel Industry in Nairobi, Kenya

Brenda Chitechi Okwang'a  
Mount Kenya University, Nkubu University Campus

Agnes Kinanu Mungania  
School of Business & Economics, Meru University of Science & Technology, Meru Kenya.

John Gakuu Karanja (Corresponding Author)  
KIM School of Management, Meru and Kenya Prisons Service, Kenya.

## Abstract

All firms' value operational efficiency but few organizations excel at designing, communicating and managing their performance-improvement initiatives. The specific objectives of the study were to: identify the effect of management factors such as planning, organizing and leading, the contribution of communication, the effect of artisans' level of skills, and the influence of financial resources to operational efficiency as well as investigate the constraints faced by the entrepreneurs in their effort to achieve operational efficiency. The study used the questionnaire as the main tool for data collection. Findings reveal that management factors such as leadership, planning and organizing are some of the management aspects that are core in achieving operational efficiency in the apparel industries. Communication plays a key role in work places because an idea or procedure no matter how great, is useless until it is transmitted and understood by others. Financial resource availability is necessary in improving the working conditions, employing other factors that affect operational efficiency and in retaining committed employees. Artisan skill and experience was found to be of importance by the research in that it facilitated artisans to profitability as viewed by all the respondents. The research further revealed that most of the apparel industries do not operate efficiently because they are ignorant of the factors that affect operational efficiency and also they do not have financial resources that are necessary in employing these factors. The study recommends that improving operational efficiency should be one of the company's top objectives. Implementation of company-wide operational efficiency framework will enable organizations to drive consistency in direct management of its core business processes.

**Keywords:** *Operational Efficiency, Jua Kali Sector, Management, Communication, Artisans Level of Skills, Financial Resources*

## 1. Introduction

Operational efficiency underpins the companies' most basic strategic goals. Improving customer satisfaction and increasing shareholder value both depend on achieving operational efficiency. Therefore improving operational efficiency is one of the companies' top objectives. Companies indeed try to improve operational efficiency, but performance improvements fail because they are not properly communicated to all parts of the organization. Most efficiency measures start at the top, yet employees' recommendations are necessary in implementing strategic initiatives. Over the last ten years there has been a great concern regarding the competitiveness of this industry. The reason for this is that the textile and clothing sector has experienced the most turbulent chapter in its history with respect to the competition from low wage countries, the advance in technology, the development of new production plants, the rapid progress in information technology, and the increasing demand for variety (Owen, 2001).

At the same time, they face growing competition in their home market with Abernathy et al. (1995) and Mize (1992) noting the extent to which traditional industry players have been challenged in recent times by global competition, market volatility and changing technology. The apparel business is reportedly very competitive given the ease of entry and the small investment requirement (Ochola, 2006). A further challenge has been the highly labour intensive nature of the industry (Taplin 1994; Waldinger 1986; Gereffi 1994), which has caused many apparel firms (both large and small) to outsource the manufacturing process, either locally or globally. These types of apparel firms have been labeled 'manufacturers without factories' (Gereffi 1994). With labour accounting for 30–50% of the final garment cost (Lin et al. 2002), substantial savings can be made by taking advantage of labour market differentials.

Significant foreign competition, shorter product and service life-cycles, better-educated and quality-conscious consumers, and the capabilities of new technology have placed increasing pressures on the operations function to improve productivity while providing a broader array of high-quality products and services (Goetsch, 2000). With the globalization of markets, firms are recognizing that the operations function can be used to strengthen their position in the market place. Managers in operations management play a strategic and tactical role in satisfying customer needs and making their firms strong international competitors. For this reason, this research was concerned with analyzing the factors that affect operational efficiency of the Jua Kali sector in Kenya.

### **1.2 Statement of the problem**

Operational efficiency is difficult to achieve when a business runs on desperate resources. But even among top performers, there are significant barriers to achieving operational efficiency (Economic Intelligent Unit, 2004). It is particularly important for the Jua kali firms to operate efficiently, because they often have more limited resources than larger enterprises (Martin, 2007). Firms that do not operate efficiently will soon run out of business. Operating efficiently ensures that firms produce at lower costs, increases customer satisfaction and stays ahead of the competition. Various impediments have been cited by writers on efficient provision of services to customers, (Munguti, 2006). This is because many entrepreneurs are either unfamiliar with or are unaware of available technologies. Because of the spontaneous growth, very few small enterprises have actually been able to graduate into the formal sector, (Sessional paper 2 of 1992 on small enterprise and Jua Kali development in Kenya). The 'quick fix' short term solutions have become the norm and consequently, the entire formal legal framework takes a giant step backwards to accommodate the de facto 'standard' (Harrell, 2010). Researchers have come up with factors that enhance operational efficiency. However, there are obvious gaps depending on the development level of individual countries and apparel organizations. It is therefore against this background that this study sought to analyze management factors (leadership, planning and organizing), communication, skills, and financial resources and their effect on operational efficiency of the apparel sector.

### **1.3 Objectives of the study**

The main objective of the study was to analyze factors affecting the operational efficiency of the apparel industries in Kenya.

The objectives of the study were specifically:

- i) To identify the effect of management factors such as leadership, planning, and organizing on the operational efficiency in the apparel industries
- ii) To establish the contribution of communication on operation efficiency in the apparel industries
- iii) To find out the effect of artisans level of skills on operational efficiency in the apparel industries
- iv) To establish the influence of financial resources to operational efficiency of the apparel industries

### **1.4 Research Questions**

The following research questions were formulated to elicit information for the purpose of this study;

- i) What are the effects of management factors such as leadership, planning, and organizing on the operational efficiency in the apparel industries?
- ii) What is the contribution of communication on operational efficiency in the apparel industries?
- iii) To what extent does an artisan level of skills affect operational efficiency in the apparel industries?
- iv) Do financial resources affect operational efficiency of the apparel industries?

### **1.5 Scope of the study**

The study focused on analysis of factors affecting the operational efficiency of Jua Kali sector, a study of Jua Kali Apparel Industries in Nairobi's Central Business District. Nairobi was chosen as a research site because of evidence of the increasing number of Jua Kali businesses within the CBD.

skill and task urgency parameters, in consideration of specialisation requirements as well as cross-training opportunities.

In the realm of academic management, Karapetrovic & Willborn (1999) constructed a holonic model for quality systems in higher education as to implementing ISO 9000 international standards. Their model contains a set of seven holons to carry out parallel series of tasks on documenting a service organisation. Bell *et al.* (2000) proposed a "holon planning and costing framework" based on system dynamics (SD) and soft systems thinking (SST) to assist in improving the teaching and research qualities given the cost constraints. Montilva *et al.* (2010) used the combination of holonic networks and business models to design an academic organisation devoted to professional training programmes (PTP) on software engineering.

Despite the flourishing research works listed above, the extension of HMS on the subject of labour planning is barely seen. As the gap in the literature is addressed, this paper intends to formulate a holonic model called Workforce Sizing Plan (WOZIP), which is particularly suitable for job-shop production.

## **2. Literature Review**

### **2.1 Concept of Leadership**

Just as humans, the needs of an organization are numerous. Therefore it is important for an organization to effectively coordinate the behavior of people in order to achieve its aims and objectives. According to London (2001), objectives assist executives in performing Management roles by providing the basis for uniting the efforts of the workers within the organization. It was further stressed that achieving set objectives helps to give identity to an organization as well as recognition, not forgetting satisfying the employees' needs. As mentioned by Dubrin (2007), there are different classes of needs. These include: physical, social and egoistic needs. However, job satisfaction is often associated with human need and condition.

Leadership has been linked to management as it involves directing, controlling to an extent the nature, degree, extent and passé of activities and changes occurring within the organization. Management as a process is rooted in the interactions of people at work directed towards maximization of efficiency and scarce resources: labour, machines, raw materials and information (Hoover, 2001). Importantly, leadership of an organization should be given adequate attention, if the organization intends to achieve its objectives.

### **2.2 Planning and Organizing**

Pooley (2004) explained that planning is a process of looking ahead to determine the course of action(s) a firm or an organization will follow to achieve its objectives. Both short and long term plans should be duly considered for an organization's success.

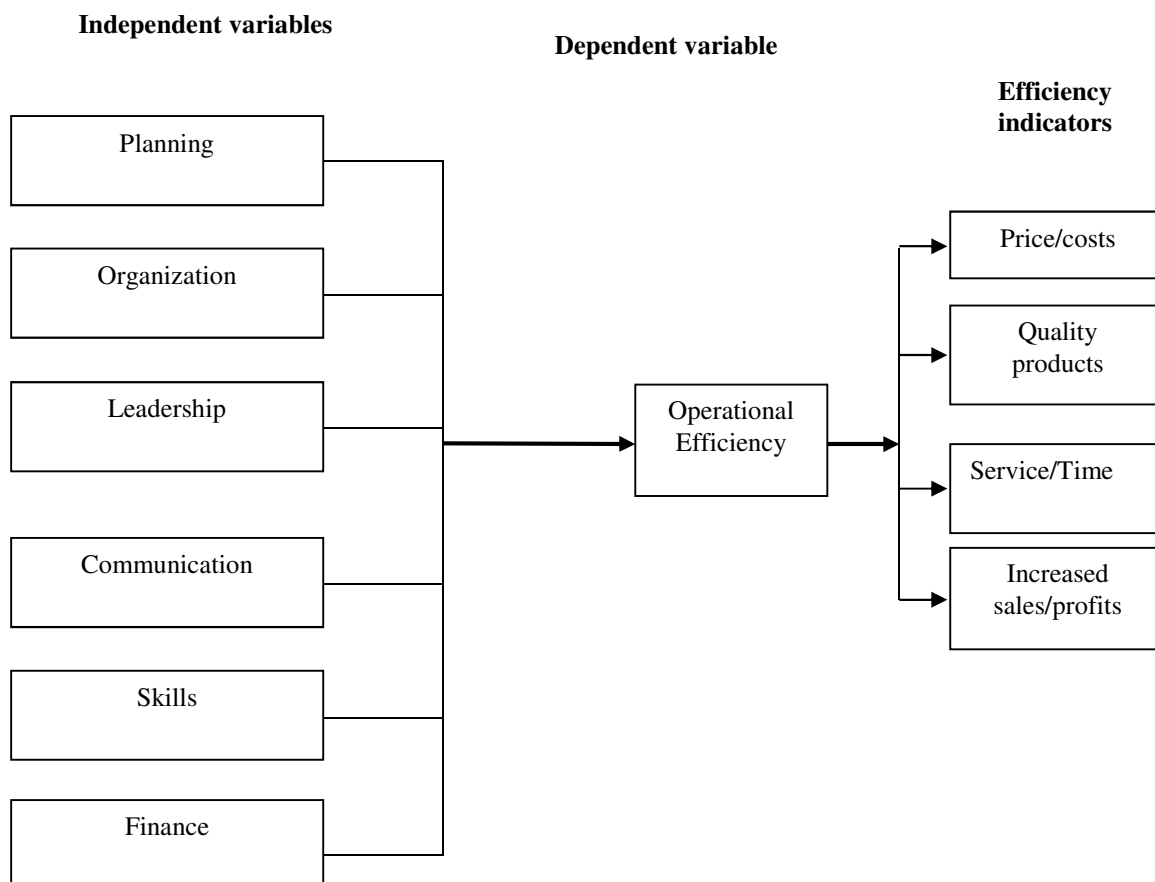
Organizing on the other hand involves correlating the basic components of the firm: people, tasks and materials so that they follow and align with the set goals and objectives. In most Jua Kali sector enterprises, directing involves face-to-face supervision. In the daily business activities, the effectiveness of the manager or leader in directing is a major factor in determining the success of the industry.

Management as a practice is intellectual work undertaken by people in organizational settings. It is comprised of goal-oriented activities, usually designed to organize simple or complex organizations which are clusters of people working or cooperating together in interdependent relationships. The concept of interdependence and interrelatedness can be identifiable social systems or structures characterized by goal-orientation-groups of people with purposes, psychosocial systems – people interacting and depending on one another in groups to achieve specific goals, technological systems – people using knowledge, skills, attitudes, and techniques to perform goal-oriented tasks, and finally integration of systematized activities- involving people working together in formally defined and patterned relationships. Thus, management can be said to incorporate giving direction, forms and contents to social and technological interrelationships aimed at achievement of set goals and objectives.

### **2.3 Management and communication factors**

As noted above, the interaction processes among individuals in organizations can be broadly construed as protocols which could be written or verbal, gestures, facial expressions, signs, nods, glances, pats on the back, frowns, caresses, shaking of heads, etc. these, and any other means through which meaning can be conveyed from one person to another, is characterized as communication. Without this kind of interactive protocols, a group would be static, uneventful, unprogressive, individualistic, or a collection of persons with disintegrated, disharmonious intentions, aspirations and goals. In this vein, Lee (1952) emphasizes that without the means, the capacity, and the will to communicate, what we know as business, government and community activities could not be. But it is not enough for people to talk to others; rather, they need to know how to talk with others. Communication is a sine qua non for effective and efficient organizational performance. Without doubt, communication plays a key role in work places because an idea or procedure no matter how great, is useless until it is transmitted and understood by others. Individuals in organizations spend a great deal of their work hours writing, reading, speaking, listening, gesturing, etc. it is therefore conceivable that one of the crucial factors for individual and group performance at work is effective communication. Without communication, no one or no group can exist since communication is the only tool through which meanings can be transmitted from one person to another so that information and ideas can be conveyed. Therefore, the current study will attempt to incorporate communication both the transference and the understanding of meanings in investigating the effect of management factor on the quality service delivery.

## 2.4 Conceptual framework



## 3. RESEARCH METHODOLOGY

### 3.1 Research Design

The study adopted a descriptive survey method utilizing both quantitative and qualitative approaches. The descriptive design was selected because of its nature of description and its determination of relationships between variables. It was preferred because it is efficient in collecting large amounts of information within a short time; this research design does not permit manipulation of the variables. Sproul (1995) observes that descriptive survey is the only means through which views, opinions, attitudes and suggestions for improvements regarding the phenomenon under study can be expressed. The study combined both qualitative and quantitative approaches because no one method was adequate in looking for solutions to causal problems.

### 3.2 The target population

The population of this study was defined as all businesses dealing in textiles in Nairobi's CBD during the sampling time frame (Walonick, 2005). Therefore, the study population consisted of a total of 58 Jua Kali apparel enterprises (N=58) mainly drawn from the city centre (Yellow pages of the Nairobi business Directory, 2010). The study employed a census, meaning that all the 58 enterprises were studied whereby all the 58 managers participated in the study. At the same time sampling was done to select 2 employees from each enterprise.

### 3.3 Sample Size and Technique

Sampling is a procedure of selecting a part of population on which research can be conducted, which ensures that conclusions from the study can be generalized to the entire population. For the purpose of this study and due to the fact that not all employees in the apparel firms participated, purposive sampling was used to select those that would participate in the study. Two employees were selected from each of the 58 enterprises to answer the questionnaire.

**Table 1 Sample Population**

Levels of respondents	Sample size
Managers	58
Employees	116
<b>Total</b>	<b>174</b>

**3.4 Data collection Instrument**

Data was collected through for this study qualification. The aim of collecting it was to obtain first-hand information about the industries being studied and their businesses. The bulk of the primary data was obtained through the questionnaire designed by use of information generated from secondary survey (desk survey) after taking due cognizance of the purpose and objectives of the study.

**3.5 Data Analysis**

The analysis was based on the questionnaire administered and returned by use of descriptive statistics such as measures of central tendency; the mode, the mean and the median which were used to describe the results while the graphs, tables and pie charts were used to add value to the information and make it more appealing to the reader.

**4. DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

**Table 2. Response rate**

Population category	Managers	Percentage	Employees	Percentage
Responded	54	93%	100	86%
Did not respond	4	7%	16	14%
<b>Total</b>	<b>58</b>	<b>100%</b>	<b>116</b>	<b>100%</b>

The above shows the total number of people who responded and those who did not respond. The total number of questionnaire that was distributed to the field was 58 for the managers and 116 for the employees. 93% of the managers returned their questionnaire while 86% of the employees returned theirs. This is an indication of a good response rate because only 7% and 14% of questionnaires for managers and employees respectively, were not returned.

**Management factors**

The study sought to establish the effect of management factors such as planning, organizing and leadership to operational efficiency. To achieve this, the researcher sought to know from the respondents whether or not management factors affect operational efficiency.

**Table 3. Effect of Management factors**

	Managers			Employees	
	Frequency	Percent		Frequency	Percent
Agree	54	100.0	Yes	90	90.0
Disagree	0	0.00	No	10	10.0
<b>Total</b>	<b>54</b>	<b>100.0</b>	<b>Total</b>	<b>100</b>	<b>100.0</b>

According to the findings an overwhelming 90% of the respondent employees acknowledged that managerial factors affected operation efficiency against 10% who disagreed. All the managers (100%) were in agreement that leadership, planning and organizing affected operational efficiency. This is a clear indication that managerial aspects contribute immensely to efficient operations in the organization if management systems are properly put in place. Asked to indicate why they perceived managerial factors affected operational efficiency in the organization, most of them were of the opinion that since the managers were also the owners, it was their responsibility to ensure that systems are put in place through proper planning, organizing and leadership.

**Importance of Management Factors on Operational Efficiency**

The researcher sought to establish the importance of management factors to operational efficiency. The respondent were asked to rate the importance of the management factors on the Likert scale. The findings are as shown below:

**Table 4. Management Factors on Operational Efficiency**

Factors	Very important		Important		Undecided		Not important	
	F	%	F	%	F	%	F	%
Coordinates behavior to achieve set goals	24	44.4	30	55.6				
Encourages participation in decision making	30	55.6	24	44.4				
Gives training to employees to enhance growth			46	85.2			8	14.8
Motivates employees	8	14.8	32	59.3	14	25.9		

The findings show that all the 54 managers who responded, that is 100% of the respondent managers were overwhelmingly in agreement that coordination and participation in decision making were some of the management factors that were of importance in achieving operational efficiency. Employee motivation was also highlighted as a management factor contributing to effective operational efficiency as indicated by 74% of the respondent population in the study.

**Table 5. Role of Communication in Operational Efficiency**

	Agree	Disagree
Enhance customer relationship	100%	0%
Informs customers on product quality	100%	0%
Ensures quality control measures for quality service	100%	0%
Ensures that staff involved in the apparel industry are motivated	100%	0%
Ensures decisions in relation to customer satisfaction are effectively arrived at	100%	0%
Serves as a means of market survey on control and monopoly	100%	0%

The findings in table 4 is a clear indication that communication plays a major role in ensuring that operational efficiency system are functional in the organization and the set goals are attained. All the participants agreed with the stated roles played by effective communication. Both categories of respondents indicated that communication is vital for effective and efficient organizational performance. Through communication, meanings are transmitted from one person to another so that information and ideas can be conveyed. It serves four major functions; control, motivation, emotional expression and information. The respondents concurred that in the Jua Kali enterprises, communication channels are top down as opposed to bottom up. There is no participatory decision making which is necessity for better organizational performance.

#### **Skill and Training**

As one of the objectives it was important that the study looked at the skill and training of the respondents and whether it had any effects in the operation efficiency systems in the apparel industries under study. From the findings it emerged that all the respondent managers were unanimously in agreement that skill and training had effects in operation efficiency which was in line with the perception of all the employee respondents' (100%) who were of the opinion that for effective operational efficiency, skill and training were a requirement. On skill and training the study established that only 29% of the employee respondents had training compared to 71% who had no training. On whether their organizations provided for any job training, an overwhelming 90% said that their organizations did not provide for training against 10% who had their respective organizations offering training to staff.



**Importance of Artisan Skill and Experience**

**Table 6(a) Artisan Skills and Experience (Managers)**

Importance of artisan skill and experience (Managers)	Important		Very important	
	F	%	F	%
Facilitates artisans to profitably operate and manage business	46	85.2	8	14.8
Familiarizes artisans with potential business benefits and risks	8	14.8	46	85.2
It enhances artisans' flexibility	46	85.2	8	14.8
Facilitates the introduction of new routines, technology and service delivery	46	85.2	8	14.8

According to the findings the respondent managers found artisan skill and experience to be of importance in facilitating artisan to profitability as indicated by all the 54 respondents who found the artisan skills and experience as either important or very important in operational efficiency. It was also noted that skill and experience was important in familiarizing artisans with potential business benefits. Introduction to technology and new routines for service delivery were also an aspect of skill and experience. None of the respondents indicated that artisan skills were not important or least important in contributing to operational efficiency.

Table 5 (b) indicates that artisan skill and experience were either important or very important in operational efficiency given the response of 91% to 9% respectively. None of the managers felt that skills and experience was either not important nor was any manager undecided.

**Table 7 (b) Artisan Skills and Experience (Employees)**

Importance of artisan skill and experience (Employees)	Important		Very important	
	F	%	F	%
Facilitates artisans to profitably operate and manage business	9	9.0	91	91.0
Familiarizes artisans with potential business benefits and risks	9	9.0	91	91.0
It enhances artisans' flexibility	9	9.0	91	91.0
Facilitates the introduction of new routines, technology and service delivery	9	9.0	91	91.0

From the findings it emerged that all the respondents, managers and employees concurred that artisan skill, training and experience greatly affected operational efficiency. However, only 29% of the employees had received any training. Most of them had learned on the job. The employers do not provide any formal training save for what the artisans learn on the job. Artisan skills, training and experience are of paramount importance because it enables them to understand the concepts fast thus making them to be flexible to the changes in demand and increasing the firm's profitability. When one has training, it facilitates introduction of new routine, technology and service delivery easier. None of the employee respondents felt that skills and experience were not important nor were they undecided.

**Financial Resources**

Lastly the researcher sought to know whether financial resources had any effect to operational efficiency of the apparel enterprises. The findings of the study below indicate that all the respondents either agree or strongly agree that financial resources play a vital role in operational efficiency. None of them feels otherwise as shown below.

**Table 8. Role of Financial Resources in Operational Efficiency**

Role of financial resources	Agree		Strongly agree	
	F	%	F	%
organization lacks financial resources necessary to implement factors that affect operational efficiency	8	14.8	46	85.2
Is necessary in order to improve the working conditions and retain committed employees.	8	14.8	46	85.2
Enable the firm to automate its business operations and thus enhance the quality of its products.				
Enable the firm to have staff incentive systems linked to their performances and thus a source of motivation.	15	27.8	39	72.2
Enable the firm to diversify products and thus broaden clientele.	8	14.8	46	85.2

Table 7 shows that financial resources are important in the apparel firms' bid to achieve operational efficiency. 85% of the respondents indicate that most organizations lack financial resources necessary to implement the other factors that enhance operational efficiency. The financial resources enable the firms to improve the working conditions and retain committed employees as shown indicated by 85% of the respondents. 72% of the respondents indicate that availability of financial resources is necessary to enhance automation of business operations, while another 85% indicate that financial resources enable firms to diversify products and broaden clientele. The financial resources aspect is always important in attaining business success. According to the managers who responded, financial resources have a major influence on operational efficiency. It was also noted that finances enabled firms to diversify their products thus broadening their clientele. Managers indicated that their organizations lack financial resources, and therefore limits their ability to employ the factors that enhance operational efficiency. With adequate financial resources, they are able to retain committed staff, implement proper communication channels and even automate their production lines thus enhancing the quality of the products.

## 5. CONCLUSIONS AND RECOMMENDATIONS

### *Management Factors In Operation Efficiency*

It is important for any organization to effectively coordinate the behavior of people in order to achieve its aims and objectives. According to London (2001), objectives assist executives in performing Management roles by providing the basis for uniting the efforts of the workers within the organization. From the research findings it was observed that managerial aspects affected operational efficiency with an overwhelming majority 90% of the employees in the apparel industry indicating that, while 100% of the managers concurred to that their actions were a core aspect of the organization operation efficiency system. The researcher noted leadership, planning and organization as some of the management aspects that were core in achieving operation efficiency in the apparel industries under study. In further revelations of the research findings all 54 managers were overwhelmingly in agreement that coordination and participation in decision making were some of the management factors that were of importance in achieving operational efficiency while 74% highlighted Employee motivation as a management factor contributing to effective operational efficiency. The findings concur with studies by other scholars Kast and Rosenzweig (1985) who in their studies believe that management is mental (thinking, initiating, feeling) work performed by people in an organizational context whereby a process of planning, organizing, and controlling activities spans the entire organization and is the vital force that links all subsystems.

### *Communication and Operational Efficiency*

Communication is a sine qua non for effective and efficient organizational performance. Communication plays a key role in work places because an idea or procedure no matter how great, is useless until it is transmitted and understood by others. As echoed by Lee (1952) that without the means, the capacity, and the will to communicate, what we know as business, government and community activities could not be. As established from the research, communication was important as it ensured customer relationship was maintained as cited by 55% of the respondent. A further 85% were of the opinion that through communication, the staff are motivated while a further 74% were of the idea that communication contributed to ensuring that decisions made in relation to customer satisfaction were effectively arrived at which concurs with Robbins, (1998) "Communication serves four major functions within a group or organization: control, motivation, emotional expression, and information".



### **Artisan Level of Skill and Experience on Operation Efficiency**

Artisan skill and experience was found to be of importance by the research in that it facilitated artisan to profitability as viewed by all the 54 (100%) of the respondent managers whereas the respondent employees found artisan skill and experience to be either important or very important in ensuring operational efficiency was achieved given the response of 91% to 9% respectively. Despite the importance of skills and experience of employees, the findings revealed that a majority of them did not have any formal training. They had only learned on the job and the entrepreneurs or the managers did not take initiative to offer more training to their employees.

### ***Influence of Financial Resources on Operational Efficiency***

Financial resources affected operational efficiency in the various apparel organizations according to 100% respondent managers' who suggested financial resources was a major influence in operation efficiency. As noted from 85% financial resource availability was necessary in improving the working conditions and efficient in retaining committed employees. The findings reveal that apparel industries lack financial resources to enable them to implement the factors that would ensure operational efficiency. They operate on the very survival minimum and being an informal sector, they do not readily acquire credit facilities from the financial institutions due to lack of security.

### **6. Conclusions**

From the study findings, the following conclusions can be made on factors affecting operational efficiency in the Jua Kali sector in Nairobi's CBD. This study established that management factors such as planning, organizing and leadership are paramount in ensuring that operational efficiency is realized in the apparel industry. However, because of the challenges sited above, the managers are not able to ensure that firms operate efficiently. Communication plays a vital role in an organization since it is the medium through which ideas can pass from one person to the next. From the findings, it was established that top down communication is used as opposed to bottoms up. The employees do not participate in decision making and thus it is a challenge to implement decisions made from above. The artisan skills and experience are important for the apparel organizations to achieve operational efficiency. However, the findings reveal that a majority of employees have only the basic skills. Most of them learn on the job training and there is no organized college training. Financial resources are important for employing factors that affect operational efficiency. This was however sited by both the managers and the employees as lacking in all the organizations. The study does therefore conclude that the owners, management other authorities in charge of the apparel organizations under study need to work towards embracing factors that promote operational efficiency in totality in their day to management, supervision and running of the organizations. The findings thus concur with those of the empirical studies on operational efficiency in business organizations. However, it has been established that the apparel industry players do not operate efficiently either because they are ignorant of these factors or they lack the capacity to implement them due to the constraints cited.

### **7. Recommendations**

The following recommendations can be made from the findings of this study:

There is need for the government to formulate appropriate education and training policy that supports the entrepreneurs in the Jua Kali sector because it is the sector that provides linkages to the formal sector. The entrepreneurs need to be trained in management related courses so that they can understand their roles as decision makers and make decisions geared to achieving operational efficiency. Through such training they will not only understand all management aspects such as planning, leadership, organizing and directing, but will also be able to practice them in their firms. When this happens the firms will produce high quality products at lower costs which will enable them to charge lower prices and thus get a competitive edge over their competitors.

Communication is crucial both to the individual and the organization as a whole. Communication serves four major functions within a group or the organization; control, motivation, emotional expression and information. Without communication, no one or no group can exist since it is the only tool through which information can flow from one person to another. It is therefore important that the managers of the firms establish proper and effective communication channels that will play the above four roles well. The managers should encourage participatory communication where employees are given a chance to give their views. The recommended way is the bottom up communication channels as opposed to the top down, as is the case in our findings.

Just like for managers, the government should formulate appropriate and relevant education and training policies so that students learn some of the skills while at school. The 8.4.4 education system was established to cater for this need but the implementation failed. Yet, the findings reveal that most of the workers in the Jua kali sector are only primary school leavers. The government should also put measures in place to create an enabling

environment for Non-Governmental Organizations (NGO) that support and promote skills for primary school leavers. At the same time, the managers of these firms should set aside some resources for training purposes either in the technical colleges or have a department to serve the training need. This will ensure that they retain committed staff and at the same time the firm will be able to have staff that is flexible to the rapid changes in demand.

There is need for the government to formulate policies that enable financial institutions to enhance accessibility of credit facilities by the Jua Kali entrepreneurs. Appropriate policies should be formulated to ensure that financial institutions encompass and support the enterprises. This will assist in expanding the range of products offered by the firms, broadening their clientele and establishing profitable businesses. The apparel industry players should also form groups, where they pool funds through monthly contributions where some of it is given to a member as merry go round, while some is saved in the bank. What is saved in the bank acts as collateral for any member who wants a bank loan. Banks such as Equity and K-Rep have played a vital role by offering loans to business people through this arrangement. This has resulted to growth for both the banks and the businesses.

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