The Influence of Total Quality Management Practices on the Performance of Saccos in Kiambu Sub County, Kenya

BY

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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THE INFLUENCE OF TOTAL QUALITY MANAGEMENT PRACTICES ON THE PERFORMANCE OF SACCOS IN KIAMBU SUB COUNTY, KENYA

BY

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University - Africa in Nairobi for academic credit.

Signed: ___________________________ Date: _________________________
Pauline Njeri Kihiu
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This research report has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________ Date: _________________________
Dr. Maina Muchara

Signed: ___________________________ Date: _________________________
Dean, Chandaria School of Business
DEDICATION

I dedicate this project to my son Stanley Kihiu.
AKNOWLEDGEMENT

First, I thank God for the enabling me complete this project. Secondly, I wish to sincerely express my gratitude and appreciation to my parents for their patience and support during the period of study. Thirdly, I would like to give a special thank to my supervisor, Dr. Maina Muchara, for professional guidance during the time I worked on the project. Lastly, I offer my regards and blessings to all of those who supported me in any way during the time of my studies.
ABSTRACT
The purpose of this study was to establish the influence of total quality management practices on the performance of SACCOs in Kiambu Sub County. In other words, does the overall performance of SACCOs in Kiambu Sub County influenced by total quality management practice. Three research objectives of this study was to determine how internal and external customers influences SACCO performance through TQM practices, to determine how employee engagement influences the SACCO performance through TQM practices and to determine how quality leadership influences SACCO performance through TQM practices. The study used descriptive technique. The target population of the study consisted of Sacco’s operating in Kiambu County. The study sampling frame consisted of a list of Saccos accredited by the SASRA. Simple random sampling technique was employed in selecting the sample size for the study. A sample size of 30 Saccos was randomly selected from a total of 35 Saccos accredited by the SASRA in Kiambu County. The study used primary data that was collected using a structured questionnaire. Quantitative approach was used for data analysis. A Computer Package was used to run descriptive statistics such as frequency and percentages so as to present the quantitative data in form of tables and graphs based on the major research questions.

The study showed that the Saccos used recorded customer feedback for improvement as agreed to by 83% of the respondents and disagreed to by 4%. The study showed that the Saccos had a well-established customer relationship system as agreed to by 85% and disagreed to by 2%. The study also showed that the Saccos carried out customer satisfaction surveys annually as agreed to by 46% and disagreed to by 3%. The study showed that the Sacco employees were readily available to attend to their customers as agreed to by 94% and disagreed to by none. The study showed that the Saccos gave personalized services to their customers as agreed to by 92% and disagreed to by 2%. The study showed that the Saccos kept their client data base and transactions confidential as indicated by 93% of the respondents who agreed while none disagreed. The study showed that the Sacco workers were always engaged in every business processes as agreed to by 83% and disagreed to by 2%. The study showed that the Sacco’s workforce was educated and trained regularly as agreed to by 69% and disagreed to by 15%. The study showed that the Saccos gave employees the authority to solve problems at the source as agreed to by 65% and disagreed to by 10%. The study showed that the Saccos encouraged employee creativity and innovation as agreed to by 72% and disagreed to by 3%. The study showed that the organization offered an atmosphere of trust rather than resentment and
punishment for failure as agreed to by 78% and disagreed to by 2%. The study showed that the organization leaders had power to strengthen the process in which work was completed by staff as agreed to by 81% and disagreed to by 2%. The study showed that governance structure in the Sacco was not bureaucratic as agreed to by 47% and disagreed to by 14%. The study showed that the Sacco managers practiced transformation leadership style as agreed to by 61% and disagreed to by 9%. The study showed that the Sacco leadership had instilled quality as the basic principle as agreed to by 57% and disagreed to by 15%. The study showed that the Sacco managers practiced transactional leadership style as agreed to by 78% and disagreed to by 4%. The study showed that the organization profits had improved as agreed to by 91% and disagreed to by 2%. The study showed that employee morale is high as agreed to by 70% and disagreed to by 12%. The study showed that there was a culture of excellence in the organizations as agreed to by 83% and disagreed to by 3%. The study showed that the Saccos’ market share had increased as agreed to by 89% and disagreed to by 4%. The study showed that customer base had increased as agreed to by 90% and disagreed to by 4%. The study showed that the asset base of the Saccos had increased as agreed to by 83% and disagreed to by 2%. From the findings of the study it is recommended that the SACCO leaders and mangers adopt more interactive technologies like SACCO short code for customer enquiries, that will facilitate better engagement between SACCOs and the customers, the SACCOs should also put in more effort and also invest heavily in the training of their employees to better their skills and the leadership of the SACCO needs to search for and develop more understandable and open ideas that can be embraced easily by the employees so as to achieve the SACCO goals.
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ABBREVIATIONS AND ACRONYMS

ANSI  American National Standards Institute
ASQ   American Society for Quality
BSC   Balanced Score Card
CEO   Chief Executive Officer
CIC   Cooperative Insurance Company
GDP   Gross Domestic Product
KUSCCO Kenya Union of Saving and Credit Co-operative Limited
SACCO Savings and Credit Cooperative
SASRA Sacco Societies Regulatory Authority
TQM   Total Quality Management
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Though challenging, quality management has become almost a norm in international business. Further, the need for firms to be viewed as quality organizations has made International Organization for Standardization’s (ISO) 9001 certification to virtually become a mandatory requirement for exports to Europe, forcing companies in Japan to be certified, not because of quality issues, but as a way of increasing market share (Muchara, 2012).

There is no common accepted definition of quality management; however there have been attempts to arrive at a description for the ideal of total quality management. Oakland (2003) defined Total Quality Management (TQM) as a comprehensive approach that helps organizations to improve their competitiveness as well as their flexibility through planning, organizing and understanding each activity, and involving everyone at each level. Dale et al (2003) on the other hand defines TQM as the mutual co-operation of every member of an organization together with the associated business processes so as to be able to produce products as well as services that are likely to meet and hopefully surpass the needs and expectations of customers. Finally Montgomery et al. (2011) looks at total quality management from the perspective of a set of management practices whose main aim is to instill awareness of quality principles via the organization while at the same time making sure that the customer requirements are consistently met or exceeded.

From the above definitions it is clear that TQM is a philosophy for improving quality, productivity and services, improving every aspect of the organizations’ activities, with the objective of meeting the requirements of consumers at present and the future. Hence one may conclude that TQM is a comprehensive philosophy, which adopts a strategic overview of quality, creating an organizational culture committed to the continuous improvement process in every aspect of an organization’s activities (Montgomery et al., 2011). This is achieved through top management commitment, the participation of employees, providing products and services of high quality in order to improve the competitiveness of the organization, and consistently meeting the needs and expectations of customers to achieve customer satisfaction (Sila, 2014).
John (2001) explained that TQM is termed as a philosophy, a process, and a set of principles that provide an organization with what is needed to continuously improve its effectiveness. There has to be an overall change in the attitudes, communications, employee involvement and even the overall commitment in the entire organization from the top most to the least level of the organization (Evans, 2011).

According to the American National Standards Institute (ANSI) and the American Society for Quality (ASQ) (1991) defined TQM as the totality of features and characteristics of a product or service that bears on its ability to satisfy a given need. TQM is an improvement to the outdated way of doing business. It is also a proven method to an assurance of survival in world-class competition (Dale, 1999). TQM is therefore the art of managing the whole to achieve excellence and the implementation of TQM further ensures that organizations change how they perform activities so as to eliminate inefficiency, improve customer satisfaction and achieve the best practice (Porter, 1996).

According to Sila (2014), TQM can minimize the total cost of production through single sourcing. The cost in this case is reduced by limiting the number of suppliers used by the firm and providing them with necessary training and technology. The efficient functioning of an operation will then depend on how well the suppliers meet up with the expectations of the organisation. This is why the TQM principle emphasizes the totality of quality in all facets which includes the suppliers. The total quality approach creates an integrated method of analyzing operation by focusing the processes of production on customer satisfaction. Thus, it requires that quality be built into all the processes so as to be efficient in the overall operation (Andrle, 2014).

In Kenya, Savings and Credit Co-operatives (SACCO’s) contribute 45 percent of the country’s gross domestic product (GDP) and to date the sub-sector has effectively mobilized over Kshs. 300 billion deposits and assets (Kenya National Bureau of Statistics, 2014). Services provided by Saccos and other major financial institutions will play a crucial role in improving the reach and access of financial services According to the National Bureau of Statistics (2014) only 19 percent of Kenyans have access to formal financial services.
Empirical evidence has further shown that cooperatives play an important role in Kenya’s economy, the greatest contribution being in the financial cooperatives such as Sacco’s, Kenya Union of Savings and Credit Co-operatives Limited (KUSCCO), Co-operative Bank, and CIC, holding substantial savings portfolios.

Kiambu County is rated among the wealthiest counties in Kenya. The county is well endowed with industries mostly located in Thika and Ruiru Constituencies. Thika Town constituency has several industries namely Bideco Oil Industries, Thika Motor Vehicle dealers, Thika Pharmaceutical Manufacturers Limited, Devki Steel Mills, Broadway Bakeries, Kenblest Industry, Kel Chemicals, Thika Rubber Industries Limited, Macadamia Nuts, Campwell Industry and Kenya Tanning Extracts Limited. In Ruiru constituency, the major industries include Clay Works as well as Spinners and Spinners. The Bata Shoe Factory which is the country’s major producer of leather products is located in Limuru constituency. These industries act as a major source of employment and market outlet for agricultural and non-agricultural products both for domestic use and export (Kenya National Bureau of Statistics, 2014).

The county has 902,848 persons who are wage earners representing 51.6 per cent of the total households’ income in the county. These people are either skilled or unskilled and most of them are employed in coffee plantations, tea farms, industries, quarry sites and other agricultural farms. In order to ensure the county’s economy remains vibrant there is need for expansion of the job market to ensure great percentage of the population becomes wage earners. Therefore this study will seek to understand TQM effect on the overall growth of Sacco’s in Kiambu County.

1.2 Statement of the Problem

Total Quality Management as a management approach of an organization is centered on quality, based on the participation of all its members and aiming at long term success. This is achieved through customer satisfaction and benefits to all members of the organization and to society. According to the American Society for Quality core definition of total quality management (TQM) describes a management approach to long–term success through customer satisfaction. In a TQM effort, all members of an organization participate in improving processes, products, services, and the culture in
which they work. TQM has been widely implemented throughout the world. Many firms have arrived at the conclusion that effective TQM implementation can improve their competitive abilities and provide strategic advantages in the marketplace (Anderson, Rungtusanatham and Schroeder, 1994). According to a survey of manufacturing firms in Georgia, the benefits of TQM are improved quality, employee participation, teamwork, working relationship, customer satisfaction, employee satisfaction, productivity, communication, profitability, and market share (Dale, Zairi, Van der Wiele & Williams, 2000). It will be interesting to find out if the above also applies to Saccos in Kiambu County.

A study conducted by Rategan (2012) indicated that a 90% improvement rate in employee relations, operating procedures, customer satisfaction, and financial performance is achieved due to TQM implementation. Longenecker and Scazzero (2013) indicated that achieving high product quality and pursuing successful TQM implementation are highly dependent on top management support. However, Mahmoun, and Rice (2014) reported that there is no association between top management support for quality and the level of product quality achieved. Thus, conflicting research findings have been reported surrounding the effects of TQM implementation on overall business performance.

In order to bridge this gap, an investigation into the effects of TQM practices among Sacco’s in Kenya is urgently needed. Through this research it was clear; the most important asset of any organization is its customer (Evans, 2012). An organization’s success depends on how satisfied a customer is and hence will increase the turn over, buy more and buy more frequently organizations products or services. This is greatly reflected in the Malcom Baldrige National Quality Awards, wherein customer satisfaction accounts for 30% of the total points (National Institute of Standards, 2012).

Employee involvement is one approach to improving quality productivity. Its use is credited for contributing to the success enjoyed by Japanese in the world marketplace (Idris, 2011). Employee involvement is not a replacement for management nor is it the final word in quality improvement. It is therefore a means to better meet the organizations goals for quality and productivity at all levels of the organization (Hashim, 2005). Kiambu Sub County SACCOs have a role in keeping the employees involved in the day
to day activity so as to achieve expected goals and objects, therefore the study will shed light on the impact of employee involvement in the SACCOS. Leadership requires positive reinforcement which encourages and rewards success. The TQM implementation process begins with senior management and most importantly the CEO’s commitment. In order to build quality into the culture, the human resource manager is in charge of the implementation of quality performance. Improvement and learning need to be embedded in the way the organization functions. This will mean excellent daily performance at work, seeking to eliminate problem at source and a driven opportunity to do better through research and development programs. Therefore the study will highlight the importance of the leadership in the SACCOS.

1.3 General Objective
The general objective of this study was to establish the influence of total quality management practices on the performance of Sacco’s in Kiambu Sub County.

1.4 Specific Objectives
The study was guided by the following specific objectives:
1.4.1 To determine how customer focus influences the performance of Sacco’s.
1.4.2 To determine how employee engagement influences the performance of Sacco’s.
1.4.3 To determine how quality leadership influences the performance of Sacco’s.

1.5 Importance of the Study
1.5.1 Sacco’s
This study has provided the Sacco societies with a document that they may refer to, in order to gauge the effects of TQM on their operations and how they may tap the opportunities presented by the TQM implementation as well as come up with measures to mitigate the challenges posed.

1.5.2 Financial Institutions
This research may be of benefit to financial institutions such as banks who are the main Sacco competitors in setting up sound strategies to compete with these Sacco’s.
1.5.3 The County Government

Through the study the county government will be able to realize the reason as to why many of the SACCOs may be lagging behind in their growth. The county government will have a clear understanding on the performance of the SACCO and this can trigger them to do a more detailed research and compare with other counties.

1.5.4 Academicians

The research may assist academicians to understand the impacts of TQM on the growth of Sacco’s. Scholars interested in studies on these institutions may also use the findings of this study. For these set of individuals, the findings of this research may instigate further investigation in the area. It may constitute a starting point of reference and a foundation for secondary data for further scrutiny in the area.

1.5.5 Non-governmental Organizations

Many Non-governmental organizations are involved in trainings and financing Sacco activities. The study may assist them tailor make training kits that may enable the participants develop their own innovative and creativity skills. It may also facilitate creation of programs that are in line with the current demands in the industry so as to suit their needs.

1.6 Scope of the Study

The study targeted 35 Sacco’s which were legally licensed to operate in Kenya. The list of these Sacco’s was obtained from SASRA. Information from these selected Sacco’s was sourced from the employees who worked with the Sacco’s at the time. The study took place between the months of July 2015 to December 2015. The Sacco’s have quite a few clients in ordinary days unlike when bonuses are being issued. This posed a limitation in avoiding repetition of the same clients when there was no much activity in the banking halls. Another limitation was language barrier especially the old who did not really understand the importance of the study when explained to in English.
To counter these limitations, the use of bank representatives while asking questions to the customers at the banking halls was utilized, as well as when having focus groups when it was necessary to counter language barrier. Both employees and the customers were involved in the study. The employees were of best interest since they were able to give the best view in regard to employee engagement as well as leadership while the customers were able to give the best feedback in regard to how they as the customer had an influence to the SACCO.

1.7 Definition of Terms

1.7.1 Total Quality Management
According to the American National Standards Institute (ANSI) and the American Society for Quality (ASQ) (1991) defined TQM as the totality of features and characteristics of a product or service that bears on its ability to satisfy a given need.

1.7.2 Internal Customer
These are the end user as well as the intermediate processors. Other external customer may not be purchasers but may have some connections with the product (Sila, 2014).

1.7.3 External Customer
According to Sila (2014) these are other divisions of the company that receive the processed product or service.

1.7.4 Leadership
Yulk (2006) defines leadership as the process of influencing others to understand about what needs to be done and how it needs to be done and the process of facilitating individuals and collective efforts to accomplish shared objectives.

1.7.5 Balanced Score Card
Kaplan and Norton (1996) defined BSC as a comprehensive set of performance measures defined from four different measurement perspective (financial, customer, internal and learning and growth) that provides a framework for translating the business strategy into operational terms.
1.8 Chapter Summary

The study focused on the importance of total quality management and it helped realize that many organizations have mainly been focusing in the improvement of the customer care to in turn improve company or organization. In Chapter two, the study focused on the theoretical frame works of each and every factor that contributes to TQM. It gave a detailed view of other researchers prove on the importance of TQM as well as theories to support this. While chapter three focused on the methodology of data collection, sampling, procedure and data analysis to help support as well as represent the views of the all stakeholders of the Sacco. Chapter four focused on the results and findings of the study, while chapter five gave the study discussions, conclusions and offered recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter will give a review of literature related to the study. It specifically concerns with the concept of TQM ad performance. The chapter will present an overview of the fundamentals of TQM in terms of its concept and history, the influence of quality ‘gurus’ and their contributions, models of implementation and a brief introduction to TQM awards, the movement of TQM implementation in developed and developing countries. This is done in order to provide an understanding TQM theory, which underpins the foundations of its implementation by organizations.

2.2 Customer Focus on Performance

The concept of quality is very extensive and correlates to a wide variety of human needs. The literature discovered that there are a number of definitions of quality. These definitions are interrelated to knowledge of products, services, and consumer and client satisfaction. There is no sole universal definition of quality, and quite a few authors and experts have well-defined it in different ways, conformance to rations (Crosby, 1979), quality should be aimed at the needs of the customer, present and future (Deming, 1986), quality is “the fitness for use” (Juran, 1992, p. 9), the total composite product and service characteristics of marketing, engineering, manufacturing and maintenance through which the product and service in use will meet the expectation by the customer and meeting the customer requirements (Oakland, 2003).

Ishikawa defined quality as (1) quality and customer satisfaction are the equivalent thing: and (2) quality is a wide concept that goes past just product quality to also include the quality people, process, and every other aspect of the organization (Goetsch and Davis, 2010). It can be resolved from these definitions that quality is professed as meeting the needs and anticipations of customers through providing superior products and services in order to accomplish the goals of the organization. TQM is the fourth level of quality management evolution. TQM became popular in the mid-1980s, yet many essential elements were established during the period between the 1950s and 1970s. Most theoretical developments in the improvement of the concept were made in the US, although Japan has held the initiative in terms of application (Smith, 2008).
Khan (2003) considers Deming, Juran, Ishikawa, Crosby, and Feigenbaum to be the most important gurus of the quality management movement, and calls them the big five. Their views and methodologies to TQM are not the same, however. Oakland (1993) stated that all these gurus concentrated on the basic principles of total quality, but wrought as if they are presenting different solutions to the requirements of quality management. They are all talking the same language but they use different dialects.

The end of World War II saw America's industries overwhelmed with success, as such; they did not see a need to adopt Dr. Edward Deming's quality philosophy. Dr. Deming was however sent as an advisor to the Japanese census in 1950, by the MacArthur Government. In an attempt to help shattered post war Japan rebuild their industry, Deming introduced his quality philosophy to the Union of Japanese Scientists and Engineers (Kanji, 1990). While Deming proposed the use of statistical information and process control to trace faults, Dr Joseph Juran also stressed the client's point of view of a product's fitness for use customer satisfaction and quality (Evans and Lindsay, 2011).

In numerous more developed economies, TQM became one of the most important competitive strategies available to managers during the 1990s; it was widely implemented throughout different regions of the world. A consensus settled that TQM represents a philosophy that offers an organisation with the capacity to improve its overall effectiveness, permitting it to compete globally (Anderson, 1994; Kanji and Tambi, 1999). The benefits of TQM consist of such examples as products with less defects, a reduction in rework and lead times, cost reductions, improved business competitiveness, increases in market share and profitability, increased flexibility, and enhanced employee and customer satisfaction (Yulk, 2006).

The global market, as it exists in the early twenty-first century, is highly competitive, and the demands of customers are becoming more and more exacting, as they are able to access improved quality products and services from markets in regions all over the world. Modern business organizations therefore require a process of continuous improvement in all of their business activities, and must place the needs of the customer at the center of all organizational activities, with an emphasis on flexibility and quality as a means of confronting the competitive threats that are constantly evolving (Dale, 2003).
Total Quality Management has been broadly regarded as an instrument for refining performance through measures observed such as leftover, quality of product, product of service as well as effectiveness. As the customer’s anticipations rise, so must the product’s quality. This theory leads to the principle of continuous improvement and every month innovative ways of improvement must be measured and implemented. Moreover, this continuous improvement ought to be directed not at productions but at the inputs and processes that the supervisor can directly control (Zhang, 2002). The effective execution of total quality management will escalate customer satisfaction with the service offerings (Dale, 2000).

Quality enhances customer loyalty through satisfaction; this in turn can generate repeat business and lead to the attraction of new customers through positive word of mouth advertisement. The word of mouth communication will help in cost reduction. This in return will provide competitive edge to the company. The improvement in quality will result in increased market share and profitability. Total quality management is a management philosophy which emphasizes the devolution of authority to the front line staff. It ensures the participation of everyone in the decision making process through activities such as quality cycles and team work (Lagrosen, 2002).

Devolution of authority to employees may motivate them to give better service. This is said to increase the employee’s level of job satisfaction (Ugboro and Obeng, 2000). The implementation of total quality management ensures that every worker in the organization does his work with quality the first time, thus improving the efficiency of operation and avoiding some cost associated with waste and rework. This in turn will offer more value to customers in terms of price and service quality, thus making them satisfied.

Implementation of total quality management will ensures that organizations change how they perform activities so as to eliminate inefficiency, improve customer satisfaction and achieve the best practice (Zhang, 2000). Total quality management helps in improving the quality of products and also reduces the scrap, rework and the need for buffer stock by establishing a stable production process (Dale, 1994). Total quality management will reduce the cost of production and time of production. Continuous improvement which is a feature of total quality management is said to reduce the product cycle time thus improving productivity (Vance and Celliers, 2006).
2.2.1 Internal and External Customers

Goetsch and Davis (2010) emphasized that keeping employees in touch with customers is critical to forming a customer focus, and stated that the empowerment of employees is a necessary stage when aiming to satisfy customers. They state that it is essential to obtain full and accurate customer satisfaction information if customer focused efforts is to be successful. It can be useful for example, to conduct a thorough examination of the company's finished products from the viewpoint of the customer.

Customer service should be addressed from two main areas: internal customer service and external customer assurance. Components of an internal customer service plan should include providing timely and dependable deliveries, presenting improvements or cost saving suggestions to management and authorizing employees to self-implement solutions, cross training employees for mastery of more than one job and providing adequate technical training. Then, an external customer service program should include providing customers with timely information and quick responsiveness to complaints, and maintaining a corporate goal to reduce the quantity of questions or complaints while recognizing all successful efforts by employees in providing outstanding service (Kasul and Motwani, 1995).

TQM makes customer satisfaction the number one organization priority, where an emphasis is placed on meeting or exceeding external customer expectations in every transaction (Kanji, 1990). A close relationship with the customers is necessary to fully determine their requirements, thus customer involvement is necessary in the product design and development process. TQM is one such philosophy which aims to provide organizations with a template for success through customer satisfaction (Arasli and Ahmadeva, 2004).

2.2.2 Internal Customer

These are the end user as well as the intermediate processors. Other external customer may not be purchasers but may have some connections with the product (Sila, 2014). An internal customer is therefore an individual of another department within an organization that is served by an internal supplier. An organization consists of a chain of individual units, which are linked together. Furthermore, the linked units are there to satisfy external customers (Jun and Cai, 2010).
A synonym for the internal suppliers is internal service providers. Because the internal customers and the internal suppliers form a chain the cooperation of each employee within the chain effects to the companies’ ability to meet or exceed the external customers’ needs and expectations (Jun, 2010). When an organization is huge, the challenges to reach a satisfactory communication level become higher. More people interact with each other and it can lead to a situation where the same message comes from several communication channels. Additionally, when striving for a high service level, communication with colleagues grows to a value unexpected.

2.2.3 External Customers
According to Sila (2014) these are other divisions of the company that receive the processed product or service. Motwani (2001), stated that all external customer service programs should include the provision of timely advice and information to customers; including systems to provide a rapid response to complaints, and data collection channels to record the quantity and nature of questions or complaints received, while recognizing that success is measured by those activities which show a measurable improvement in customer satisfaction and retention, and do not merely involve monitoring people’s work. Aaker and Jacobson (1994) have reported that perceived product or service quality is a direct relation to the increase in sales and profit and any consumer will make a purchasing decision based on the perceived quality.

2.3 Employee Engagement on Performance
According to Douglas and Eric (2008), employee engagement refers to the positive, affective psychological work-related state of mind that leads employees to actively express and invest themselves emotionally, cognitively, and physically in their role performance. Engaged employees work harder, are more likely to go above the requirements and expectations of their work and thus improve on performance (Beer, 2007). Employee input can be solicited concurrent with customer research since it can help identify barriers and solutions to service or the organizational product as well as serve as a customer-company interface (Borg and Gall, 20013). Such surveys conducted can help the top manager identify the necessary changes that can be implemented so as to have quality of the organization improved.
Fiona (2004) also agreed with Borg and Gall (2003) and stated that the employee’s measure on their performance will bring about effectiveness in total quality management, skills and behaviors that need improvement, the effectiveness of the team problem solving process, the outcome of the training programs and the needs of internal customers. David (2005) in the study of employee responses to employee participation programs used a measure of the perceived gap between the desired and actual influence.

According to Macey (2012), an employee who is engaged is well positioned to meet the needs of the organization, such an employee takes initiative, reinforces while at the same time supports the organization’s culture and values. Jones and Wood (2012) argues that in practice organizations define engagement as being part of the organization, having pride and loyalty in the company, while also being committed, and going above and beyond the call of duty. This agrees with the definition put forward by Khan (1990), who argued that engagement means to be psychologically as well as physically during the time when is carrying out a role in the organization.

Employee engagement has been linked to customer satisfaction, retention, and loyalty and also to a good relationship among co-workers. Employee engagement has become important in the business consulting world for its statistical relationship with variables such as job involvement, job satisfaction, and organizational citizenship behavior and employee commitment and in effect productivity and profitability (John, 2001).

The concept of employee engagement is currently in its early stage hence the need for more rigorous studies (Jones and Wood, 2010) to unearth its theoretical underpinnings and practical application, along with its antecedents and consequences. However, very little is known about the relationship between employee work engagement and commitment. Employees also commit themselves to specific individuals, including their spouses, children, parents and siblings, as well as to their employers, co-workers, supervisors and customers (Vance, 2006).

Recent changes in the global economic downturn have had significant implications for commitment and reciprocity between employers and employees and thus for employee engagement (Jones, 2012). Many organizations are now able to compete by cutting prices and costs, refining business processes and having well organized management structures. Scarce and costly resources have prompted organizations to reduce resources given to
employees to perform their tasks (Vance, 2006) hence reducing employee engagement and consequently organizational commitment. Ultimately, employee engagement impacts positively on employee behaviors, leading to organizational success, as measured against indicators such as productivity, profitability, safety, customer satisfaction and corporate reputation, employee commitment, key staff retention among others particularly in changing labor markets (Robinson, 2004).

According to Jones and Woods (2012) is crucial for organizations to create a fertile ground for employee engagement to flourish if they are to tap into their knowledge and human capital. Macey and Schneider (2008) posit that employees come to work ready to be engaged, and emphasize that organizations need to create favorable conditions for engagement. As engaged employees connect with each other, the multiplier effects of synergy lead to the collective actions, which influences organizational performance. This means the moment an employee enters the organization it is the business of the employer to device mechanisms for effective utilization of labor, which essentially involves engaging employees. Despite all of this interest there is evidence of an overall decline in employee engagement, suggesting that there is still a number of managers who do not yet understand about how organizations can encourage and sustain high levels of engagement (Arasli and Ahmadeva, 2004).

Bates (2004) reported that as much as 50% of the American work force merely shows up at work to do only what is expected of them, but are not willing to contribute more and thus are not considered engaged in their work. Extending this, Shuck (2011) insist that the engagement literature must begin to focus far more on the work context in order to truly understand how and why employees are, or are not, engaged. Specifically, most research on employee engagement has been conducted in private or manufacturing companies, or the research has been conducted on a broad level without specific attention to the impact of different occupational settings (Harter, Schmidt and Hayes, 2002). For this reason, the question has been raised as to whether models of employee engagement will be transferable across contexts, and in particular whether the methods used to encourage employee engagement in the private sector are applicable in the public sector (Dirks and Ferrin, 2001).
Armstrong (2009) argues that the accomplishment of any organization can be well determined with respects to how it creates effective use of its assets so as to accomplish the anticipated results. Human beings unlike any other resource appropriate to the organization have diverse needs. This means consequently that the supervision of any organization has a duty of recognizing such desires and satisfying them as well as developing the human resource management systems.

Armstrong (2009) additionally avows that if the organization wants to keep on being competitive, it is vital to constantly improve the performance of these workforces. This can only be accomplished by making certain that the employees are extremely motivated and the best way to do so is by employee engagement. This will profit the company since it will not only increase the labor throughput and decrease the labor cost per unit, but also appeals and preserves the quality of employees desired at all levels (Armstrong, 2009).

2.3.1 Employee Engagement and Employee Commitment

According to Stringer (2010), employee obligation is not just a personality attribute but a feature that can be strategically prejudiced. As such most employees are tangled in their daily professions as they care about it and have a yearning to complete their assigned responsibilities in the most perfect way. Organizations therefore need devoted employees so as to be capable of successfully execute their agreed strategies (NCT, 2003). A study by Stringer (2010), exhibited that committed personnel are more likely to give an organizations clientele better service, they are willing to take the time to solve challenging problems, their work is of greater quality, and they are more likely not to leave the organization.

According to Ryan and Ryan (2007), employees have endowments and capabilities are only utilized to a 48% degree. In this regard therefore organization leaders have the obligation of releasing the remaining 52% by achieving a buy-in from the employees. Leaders must allow their employees distinguish how they will profit from accepting the vision (Dimatteo, 2006). Numerous leaders shoulder that their employees are onboard with organization's objectives. However, Ryan and Ryan (2007) conditions that this cannot be assumed, and by only communicating the strategy to them, employees cannot be assumed to back the strategy and utilize their best capabilities to execute them.
This is the main purpose why Sterling (2013) attributes the downfall of some strategies to lack of sufficient buy-in among those who implement them. Guffey and Nienhaus (2002) established a solid relationship between buy-in and employees' backing of the organization's strategic plan. These findings are also defined by Hrebiniak (2006) who established incapability to generate buy-in as an obstacle to employee engagement. According to David (2005), the difference between successful and unsuccessful organization is the basically way administration motivates and teaches its people to act. This therefore highlights the strong relationship between buy-in and motivation. From the above findings, it can be proposed that the lack of employee engagement leads to reduced commitment and thus lowers performance.

2.3.2 Employee Engagement and Motivation

According to Bhat (2009), employees are impelled to work and act by unconscious forces within us. Motivation for any employee in an organization is classified under three types of theories that include Content Theories which deals with the what motivates people and it is concerned with individual needs and goals, Process Theories deal with the process of motivation and is concerned with how motivation occurs example Vrooms Theory and Environmental Theories are concerned with where the motivation will emerge from and what will cause its existence example Adams Equity theory (Kane and Tremble, 2000). Douglas and Erick (2008) said that motivation theories can be used to support the application of high performance and quality service in the organization. For instance, “Hertzberg’s theory suggests that ignoring maintenance factors such as supervision, working conditions, salary, peer relations, status and security will produce dissatisfaction in the work environment” (Evans and Lindsey, 2011).

According to Nicole (2008), behavioral changes were the key and the greatest focus to improving the quality of organizational products and services. This could however come as a result of the support from slogans, posters and motivational programs that were mainly calling for Zero Defects and improvement of the productivity and the quality. In this support, an article by Fiona (2008), added that human behavior is a problem that will led to the quality of production. This is because when the workers become frustrated they do not tent to take the responsibility of their individual work and go an extra mile as per expectancy theory of motivation. They simply do what is expected only if there is a reward attached to it.
2.4 Leadership and Performance

Yulk (2006) defines leadership as the process of influencing others to understand about what needs to be done and how it needs to be done and the process of facilitating individuals and collective efforts to accomplish shared objectives. Leadership is the process of influencing people to follow with the aim of achieving organizational objectives. According to Evan (2011) leadership is the ability to positively influence people and systems under one’s authority to have a meaningful impact and achieve important results. Leadership style is the combination of traits, skills, and behaviors leaders use as they interact with employees (Lussier and Achua, 2004). Spinelli (2006) describes a successful leader as being accountable and suitable. Leadership has been described as an influence relationship among leaders and employees who intend real changes and outcomes that reflect their shared purposes (Daft, 2005). The qualities for effective leadership and followership are the same (Daft, 2005).

2.4.1 Transformational Leader

The central importance of interpersonal trust for sustaining team and organizational effectiveness is increasingly being recognized (Dirks and Ferrin, 2001). Employees’ trust in their leaders has been related to a range of productivity-related processes and outcomes, such as the quality of communication and problem-solving, discretionary effort, organizational citizenship behavior, organizational commitment and the rate of employee turnover (Dirks and Ferrin, 2002).

Transformational leaders motivate their followers to perform beyond expectations by making them more aware of the importance and value of goals, inducing them to transcend self-interest for the good of the group/organization, and appealing to followers’ higher order needs (Dirks, 1999).

Transactional leadership, also known as contingent reward, is based on the leader providing assistance and reward that meet follower’s needs contingent on the follower’s performance. In contrast to transformational leadership, transactional leadership is not believed to require a high level of trust between leaders and followers (Jung and Avolio, 2000). Jung and Avolio (2000) argue that transactional leadership, including contingent reward, is inadequate for building the level of trust to achieve high quality at the work place and a team of highly quality workforce.
Rather, intellectually stimulating, leadership and shared values developmentally oriented, inspirational, and therefore transformational modes of leadership, are required to achieve high levels of follower trust.

2.4.2 Transactional Leaders

Jung and Avolio (2000) portrayed a transactional leader as one whom, recognizes what it is one wants to get from his/her work and tries to see that one gets what his/her wants if performance warrants it, exchanges rewards and promises of reward for effort; and is responsive to one’s immediate self-interests if they can be met by getting the work done (Jones and Wood, 2007). Taylor (2009) asserts that employees are held accountable regardless of competency or resource availability. Transactional theories of leadership assert that people will follow leaders who are inspirational. The leader will develop a vision (possibly collaboratively), sell the vision and lead the way (Taylor, 2009). Vance (2008) defined transactional leadership as a transactional process between the leader and employee.

Dirks and Ferris (2001) supported this by stating that leaders and/or employees can exercise a significant amount of control and influence over one another during this exchange and bargaining process. The overall success of the organization depends on whether the leader has the power to strengthen the process in which work is completed by staff (Jones and Wood, 2007). McGuire and Kennerly (2006), report that transactional leaders are only interested in maintaining the “status quo” for their organizations. Transactional leaders are known to establish performance specifications and make sure they are accomplished by a given deadline, limit the contentment of employees and create a low amount of employee commitment.

Transactional leadership is divided into three distinct processes that influence employees: active management by exception, passive management by exception and contingent reward (Vance, 2006). In the case of active management by exception, the leader looks for mistakes, indiscretions, exceptions, divergence from standards, complaints, infractions of policy and regulations, and failures and he or she takes corrective action before or when these occur (Vance, 2006).
Transactional leadership has more shortcomings than merit. Rugieri (2009) contends that a transactional leader is more commanding, has high confidence and is usually more fixated on the job. Trott and Windsor (1999) stress that transactional leadership is best suited for group settings that are under crisis because it offers satisfaction through an urgent resolution. David (2005) noted the results with transactional leadership are not very valuable over time (Trott and Windsor, 1999). Although transactional leaders center on employee needs; they do not offer opportunities for obtaining motivation, job contentment or allegiance (Sahin, 2004).

2.4.3 Democratic/ Participative Leaders
Democratic leadership involves a group of people making decisions with guidance from the leader. Democratic leadership encourages participation in decisions, facilitates discussion so everyone will know what to do and then allows them to do their jobs without close supervision (Lussier and Achua, 2004).

A participative leader must have a pioneering, imaginative and adventuresome mindset in order to empower employees to make decisions involving the organization (Smith, 2008). Participative leadership requires and encourages participation from everyone and shares decision-making for the betterment of the organization. Employee motivation is derived through obtaining financial and self-image awards. Leaders reward employees through financial gains and positive evaluations which in turn increases motivation and morale (Murphy, 2005). The research contends there are some advantages and disadvantages to using this style of leadership.

Skogan (2006) noted that leaders who allowed employees to participate in decision-making showed improvement in labor-management relations, encouraged employee commitment, enhanced community service, and diminished employee rejections of police restructuring (Steinheider and Wuestewald, 2008). Research provides a plethora of findings for implementing participative leadership such as: increased occupational contentment, organizational allegiance, an organizational ownership behavior, apparent support, labor-management collaboration and employee performance (Steinheider and Wuestewald, 2008).
2.4.4 Autocratic Leaders

Autocratic leadership is concerned with giving orders to accomplish a task quickly. Autocratic leadership is when employees are told what to do, how to do it, when to do it and then are watched to make sure it is done (Lussier and Achua, 2004). Autocrat according to the Merriam Webster online dictionary, “is a person (as a monarch) ruling with unlimited authority or one who has undisputed influence or power.” This style of leadership is considered job centered. The job-centered (task-initiating structure) behavior focuses on the leader taking control in order to get the job done quickly. It relies heavily on employees taking orders from the leader instead of the leader offering much clarification or dialogue (Webb, 2007).

According to Murphy (2005), employees are inspired through threat of correction and reprimand. The autocratic leadership style offers several advantages: swiftness of project completion keeps group members from producing alternatives that influence the minority negatively, guarantees the leader is heard and informs members when their conduct is undesirable. The disadvantages of the autocratic leadership style are: dissociates group members, non-development of employees and convenience of use instead of round tabling quandaries. One might use this style of leadership when the group is in danger of not accomplishing a task in a timely manner or in a crisis situation (Murphy, 2005).

2.4.5 Laissez-fair leader

Laissez-Faire leadership allows a group of people to make decisions on their own, but gives no guidance (Lussier and Achua, 2004). The Laissez-Faire leadership style frequently has a negative connotation. This style of leadership depicts an inert leader who is averse to stimulating subordinates or giving focus (Deluga, 1990). The Laissez-Faire leadership style places an emphasis on the employee centered attribute. Leaders who use this style fail their employees because they offer no positive or negative direction nor do they interfere at any time (Webb, 2007). According to Deluga (1990), Laissez-Fair leaders renounce their leadership thus giving employees a wide spectrum of decision-making which could lead to amplifying their power and influence.
2.4.6 Employee Training, Development and Mentoring

Mehra (2008) states that employees have to be aligned to the organization vision and leaders must whet the appetite for truth in the employees in every possible way. According to Kaluarachi (2010) mentoring is the process of giving direction to the employees through constant guidance and advice on the course of action taken while training and development involves activities that add value to the education or skill levels of the employees. According to his definition, training will involve exposing the employees to expert coaching by specialist in their field so that they can learn new skills or improve their current way of carrying out tasks. Development will involve the organization allowing their employees to undertake courses that help them to progress in their careers such as in universities. Market trends are constantly changing and the environment both internal and external is constantly turbulent.

Employees have to be strategically positioned to respond to these changes effectively (Desimone, Werner and Harris, 2002). It is therefore crucial that leaders of an organization strategically place themselves in a competitive position by heavily investing in the greatest resource, human capital. This can only be achieved by exposing their employees to training, constant guidance through mentoring and development. This prepares the employees for any changes in the business which in turn makes the leadership of an organization successful because as the employees perform well, then the results are evident in the organization performance. Trainings are offered either on job or off job. These trainings are conducted by consultants who have vast knowledge and experience in the field.

The employees are trained on areas that affect the way they work. An example is whereby the organization employees are trained on how to handle customers better (Hellsten and Klefsjo, 2000). Web (2007) stated that as the employees gain the skills on proper handling of customers, there will be a ripple effect whereby the customers will keep coming back to buy from the business loyalty. This will therefore provide constant sales for the organization and hence the successful performance of the organization.
2.5 Total Quality Management and Performance

Several researchers also reported that TQM implementation has led to improvements in quality, productivity, and competitiveness in only 20-30% of the firms that have implemented it (Benson, 1993). According to a survey of manufacturing firms in Georgia, the benefits of TQM are improved quality, employee participation, teamwork, working relationship, customer satisfaction, employee satisfaction, productivity, communication, profitability, and market share (Dale, Zairi, Van der Wiele and Williams, 2000).

A study conducted by Rategan (1992) indicated that a 90% improvement rate in employee relations, operating procedures, customer satisfaction, and financial performance is achieved due to TQM implementation. However, Dirks (1999) reported a 95% failure rate for initiated TQM implementation programs; Longenecker and Scazzero (2013) indicated that achieving high product quality and pursuing successful TQM implementation are highly dependent on top management support. However, Motwani, Mahmoun, (1995) reported that there is no association between top management support for quality and the level of product quality achieved. Thus, conflicting research findings have been reported surrounding the effects of TQM implementation on overall business performance.

2.5.1 The Balanced Scorecard

The Balanced Scorecard (BSC) is a performance management tool that permits a company to interpret its vision and strategy into a noticeable set of performance measures. However, it is more than a quantifying device. The scorecard provides an enterprise view of an organization’s overall performance by incorporating financial measures with other key performance pointers around customer perspectives, internal business processes, and organizational growth, learning, and innovation. Kaplan and Norton (1992) describe the innovation of the balanced scorecard as follows: The balanced scorecard retains traditional financial measures. Financial measures tell the story of past events, a satisfactory story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are insufficient, however, for guiding and assessing the journey that information the companies must make to create future value through investment in customers, suppliers, employees, procedures, expertise or technologies and innovation (Kaplan and Norton, 2006).
The Balanced Scorecard depends on the concept of Strategy developed by Kaplan and Norton, (2008). The core of formulating a competitive strategy lies in linking a company to the competitive forces in the industry in which it competes. The scorecard interprets the vision and strategy of a business unit into purposes and measures in four different areas: the financial, customer, internal business process and learning and growth perspective. The financial perspective identifies how the company wishes to be viewed by its shareholders. The customer perspective defines how the company wishes to be viewed by its customers.

The internal business process perception defines the business processes at which the company has to be particularly adept in order to satisfy its shareholders and customers. The organizational learning and growth perspective includes the changes and enhancements which the company needs to realize if it is to make its vision come true (Nelson and Gary 2012). A strategy is an established of hypotheses about cause and effect. The measurement system should make the relationships (hypotheses) amid objectives (and measures) in the various perspectives obvious, so that they can be managed and authenticated. The chain of cause and effect should suffuse all four perspectives of a BSC (Kaplan and Norton, 2007).

The complete chain of cause-and consequence relationships can be recognized as a vertical course through the four BSC perspectives relationship: measures of organizational learning and growth, measures of internal business processes, measures of the customer perspective, financial measures. The measures of organizational learning and growth are therefore the drivers of the measures of the internal business processes. The measures of these processes are in turn the drivers of the measures of the customer perspective, while these measures are the drivers of the financial measures. According to Kaplan and Norton a good balanced scorecard should have an appropriate mix of outcomes (lagging indicators) and performance drivers (leading indicators of the business unit’s strategy (Kaplan and Norton, 2008).

In line with Kaplan and Norton (2008), organization learning and growth involves training employees and hiring experienced consultants so that they can mentor the existing employees. This implies that employee career development elements (training and education, career guidance interventions such as mentorships and coaching, and
employee self-development) are crucial building blocks to the achievement of balance score card performance. It encompasses the provision of services in many different jurisdictions and delivery settings to assist people to gain the knowledge, skills, attitudes and behaviors that help them to manage their career more effectively.

Career development programs enable a deeper focus on an employee’s aims and aspirations from identification of the handicaps being faced by an employee in accomplishing these goals to the solutions in terms of re-skilling or reassignment. This focus acts as the significant motivator for an employee to excel and exceed the targets. It facilitates powerful personal and professional development. As per the motivational theories, achievement orientation, growth and development are the basic human needs (Armstrong 2005). Globally, the importance and challenges of balance scorecard implementation has been acknowledged in various studies.

2.6 Chapter Summary

This chapter gave a review of literature related to the study. It specifically concerns with the concept of TQM ad performance. The chapter will present an overview of the fundamentals of TQM in terms of its concept and history, the influence of quality ‘gurus’ and their contributions, models of implementation and a brief introduction to TQM awards, the movement of TQM implementation in developed and developing countries. This is done in order to provide an understanding TQM theory, which underpins the foundations of its implementation by organizations.

Total Quality Management has greatly changed the way organizations thought about customers, human resources and manufacturing and service processes. Many top executives have come to realize that all business activities such as leadership in guarding and organization, how an organization creates strategic plans and how data or information collected in the organization need to be aligned with quality principles and continuously improve quality. In chapter three, the study focuses on the research methodology which shows the sampling techniques and procedures that were used in support of the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
In this chapter, the research design, population and sampling design, sampling frame, sample size, data collection methods, research procedures and data analysis methods have been presented. This chapter gives a guide on how the research study was conducted towards the realization of the study objectives.

3.2 Research Design
A research methodology as defined by Ogula (2005) is a process by which data is collected. According to Kumar (20011), a research methodology needs to be grounded on the framework that encourages good research. A descriptive study technique was used in this study. According to Mugenda and Mugenda, (2003), this study technique, involves direct observation of behavior and environmental events in naturalistic contexts. In the same regard, Lengnick- hall and Lengnick-Hall (2003), state that a descriptive research design is a set of methods and procedures that describe variables while Churchill and Brown (2007), postulate that a descriptive research design is typically concerned with determining the frequency with which something occurs. This design was an appropriate approach for this survey in terms of evaluating the effects of total quality management in the performance of Saccos in Kiambu County. Additionally, this research design was selected because it was the most recommended for business and sociological studies.

3.3 Population and Sampling Design
3.3.1 Population
According to Cooper and Schindler (2008), a population is the total of the elements while an element is the subject on which measurement is being taken, upon which inferences can be made. On the other hand Mugenda and Mugenda (2003), define a population as the entire group of individuals, events, or objects having in common observable characteristics. The target population of the study consisted of Sacco’s operating in Kiambu County. The study targeted 33 Sacco’s which were legally licensed to operate in Kenya. The list of these Sacco’s was obtained from SASRA. Information from these selected Sacco’s was sourced from the employees who worked with the Sacco’s at the time. The employees sought were from both management and subordinate staff.
3.3.2 Sampling Design

3.3.2.1 Sampling Frame
According to Cooper and Schindler (2003), a sampling frame is a list of the population from which the researcher can make a selection. Also a sampling frame describes the list of all population units from which the sample was selected (Cooper and Schindler, 2003). The study sampling frame consisted of a list of 33 Saccos accredited by the SASRA.

3.3.2.2 Sampling Technique
Simple random sampling technique was employed in selecting the sample size for the study. In this study every three employees from the various Saccos were selected. The choice for random sampling was based on the fact that the method had an advantage in that it assured that each population element was given a known non-zero chance of selection (Cooper and Schindler, 2008), however, according to Churchill and Brown (2007) it is a sample in which each target element has a known, non-zero chance of being included in the sample. The study sample population was made up of all licensed Saccos located within Kiambu County.

3.3.2.3 Sample Size
According to Ngechu (2004), a sample size is the set of elements from which data is collected. The sample size enables the researcher to have adequate time and resources in piloting and designing the means of collecting data. Cooper and Schindler (2008) also articulate that the extent of how large a sample should be is a function of the variation in the population parameters under study and the estimating precision needed by the researcher. As such, the sample size ensures that the information is detailed and comprehensive. However, due to some limitations especially associated with time and cost, the whole population was not studied. A sample size of 30 Saccos was randomly selected from a total of 35 Saccos accredited by the SASRA in Kiambu County.

3.4 Data Collection Methods
The study used primary data using a structured questionnaire. According to Cooper and Schindler (2014), a questionnaire is an instrument delivered to the participants via personal or non-personal means that is completed by the participant. The questionnaire consisted of four sections. The first section was aimed at collecting the respondents’ general information such as gender, name etcetera. The second part consisted of questions
based on the first objective of this study which was on customers. The third part consisted of questions aimed at realizing the second objective which was based on employees while the forth based on the leadership from the top line managers. The questionnaire had open ended and the closed ended questions which were used for collecting the qualitative and the quantitative data.

The structured questions were used in order to save on the time and the money that was spent. The questionnaire facilitated easier analysis since they were used immediately, while the structured questions were used to encourage the respondents to give an in depth and a more comprehensive response without feeling held back in revealing any information.

3.5 Research Procedure
A pilot questionnaire was first used to determine the validity and reliability of the research instrument. Once the pilot questionnaire had been approved and was ready for data collection, it was important to obtain all the necessary documents, including an introduction letter from the University. The human resource managers were requested to send out an introductory email giving a brief explanation of what the research was based on so as to enhance confidence from the employees as well as their corporation. Upon getting clearance, the questionnaires were distributed to the various employees and customers. Use of questionnaires was expected to ease the process of data collection as all the selected respondents were reached in time. During the distribution of the instruments, the purpose of the research was explained.

3.6 Data Analysis Methods
Both quantitative and qualitative approaches were used for data analysis. Quantitative data from the questionnaire was coded and entered into the computer for computation of descriptive statistics. A Computer Package was used to run descriptive statistics such as frequency and percentages so as to present the quantitative data in form of tables and graphs based on the major research questions. The qualitative data generated from open ended questions was categorized in themes in accordance with research objectives and reported in narrative form along with quantitative presentation. The qualitative data was used to reinforce the quantitative data.
3.7 Chapter Summary
The chapter has presented the methods that guided the collection and analysis of data. This chapter identified the research design used, the population target, the sample frame, sample size and the sampling technique that was used to select the respondents. The data collection instrument used was structured questionnaires which helped answer the research questions that were in line with the research objectives. The chapter also shows how data was collected and analyzed for final presentation. The next chapter presents the findings of the study as per the data collected and analyzed.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
Data was collected using structured questionnaires. This section offers the study findings based on the analyzed data results. The section is guided by the breakdown of the questionnaires.

4.2 General Information

4.2.1 Respondents’ Position

Figure 4.1 Position in the Sacco

Figure 4.1 shows that majority of the respondents were subordinate staff as indicated by 45%, 38% were in mid-level management, and 17% were in senior management. The results show that the population covered all areas of the Saccos.

4.2.2 Sacco Services

Figure 4.2 Services Offered by the Saccos
Figure 4.2 shows that the Saccos offered both front office and back office services. The figure indicates that 54% of the Saccos offered back office services only, 6% offered front office services only, while 40% offered both front office and back office services. The results indicate that the Saccos offer services that their members need.

4.2.3 Sacco Membership

Figure 4.3 Sacco’s Membership

Figure 4.3 indicates that 40% of the Saccos had 251 members and above, 31% of the Saccos had between 51-150 members, 18% had 50 members and below, and 11% had membership between 151 and 250. These results show that the Saccos had a considerable number of memberships.

4.2.4 Sacco Operational Years

Figure 4.4 Sacco Operational Years
Figure 4.4 shows the number of years the various Saccos had been in operation. Forty-seven percent had been in operation for 1-10 years, 22% had equally been in operation for 16-20 years and for 21 years and above, and 9% had been in operation for 11-15 years. These results show that the Saccos had been in operation for a decade and above.

4.2.5 Estimated Turnover

![Figure 4.5 Estimated Saccos Turn Over]

Figure 4.5 shows the estimated turnover of the Saccos. The figure shows that 54% of the Saccos had a turnover of below 5 million, 28% had a turnover of 6-15 million, 15% had a turnover of 26 million and above and 3% had a turnover of 16-25 million. The results indicate that the Saccos were doing well.

4.2.6 Staff Numbers

![Figure 4.6 Sacco Staff Numbers]

Figure 4.6 Sacco Staff Numbers
Figure 4.6 indicates the number of staff members in the various Saccos. The figure shows that 54% of the Saccos had staff members that were 10 and below, 22% had staff members between 11-30, 13% had staff members between 31-50, 7% had 71 and above employees, and 4% had between 51-70 employees.

4.3 Influence of Customer Focus on the Performance of Sacco’s

4.3.1 Customer Focus and Sacco Performance

Table 4.1 shows that the company uses recorded customer feedback for improvement since 40% of the respondents strongly agreed; 43% agreed; 13% were neutral; 2% disagreed and another 2% strongly agreed. The results had a mean of 4.21. The study shows that the Saccos have a well-established customer relationship system since 54% strongly agreed; 31% agreed; 13% were neutral; 2% disagreed; and 0% strongly disagreed and the results had a mean of 4.39. The study also shows that the Saccos carry out customer satisfaction surveys annually since 15% strongly agreed; 31% agreed; 31% were neutral; 20% disagreed and 3% strongly disagreed and the results had a mean of 3.37. The table shows that the Sacco employees are readily available to attend to their customers since 64% strongly agreed; 30% agreed; 6%; were neutral and none disagreed nor strongly disagreed and the results had a mean of 4.59. The study shows that the Saccos give personalized services to their customers since 64% strongly agreed; 28% agreed; 6% were neutral; 2% disagreed and none strongly disagreed. The results had a mean of 4.56. The study shows that the Saccos keep their client data base and transactions confidential as indicated by 72% of the respondents who strongly agreed; 21% agreed; 7% were neutral and none disagreed nor strongly disagreed. The results had a mean of 4.65. The study shows that most of the Sacco’s products are designed based on the customer preferences as shown by 64% who strongly agreed; 24% agreed; 10% were neutral; 2% disagreed; and none strongly disagreed. These results had a mean of 4.52. The study showed that the Saccos believed in lifelong customers relationships as shown by 66% who strongly agreed; 27% agreed; 7% were neutral; and none disagreed. These results had a mean of 4.59.
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</tr>
<tr>
<td>We have a well-established customer relationship system</td>
<td>54%</td>
<td>31%</td>
<td>13%</td>
<td>2%</td>
<td>0%</td>
<td>4.39</td>
</tr>
<tr>
<td>We carry out customer satisfaction surveys annually</td>
<td>15%</td>
<td>31%</td>
<td>31%</td>
<td>20%</td>
<td>3%</td>
<td>3.37</td>
</tr>
<tr>
<td>Our employees are readily available to attend to our customers</td>
<td>64%</td>
<td>30%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>4.59</td>
</tr>
<tr>
<td>We give personalized services to our customers</td>
<td>64%</td>
<td>28%</td>
<td>6%</td>
<td>2%</td>
<td>0%</td>
<td>4.56</td>
</tr>
<tr>
<td>We keep our client database and transactions confidential</td>
<td>72%</td>
<td>21%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>4.65</td>
</tr>
<tr>
<td>Most of our products are designed based on the customer preferences</td>
<td>64%</td>
<td>24%</td>
<td>10%</td>
<td>2%</td>
<td>0%</td>
<td>4.52</td>
</tr>
<tr>
<td>Our company believes that lifelong customers relationships</td>
<td>66%</td>
<td>27%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>4.59</td>
</tr>
</tbody>
</table>
4.3.2 Spearman’s Correlations for Customer Focus and Sacco Performance

Table 4.2 presents the Spearman’s correlation analysis results that establish the relationship between customer focus and Sacco performance. The results show that using customer feedback for improvement had a correlation of 0.372 at a significant level of 0.001 with Sacco performance; having a well-established customer relationship system had a correlation of 0.357 at a significant level of 0.002; carrying out customer satisfaction surveys annually had a correlation of 0.120 at a significant level of 0.319; having employees that are ready and available to attend to our customers had a correlation of 0.279 at significant level of 0.018; giving personalized services to customers had a correlation of 0.310 at significant level of 0.009; keeping a client data base and transactions confidential had a correlation of 0.163 at a significant level of 0.175; having products that are designed and based on the customer preferences had a correlation of 0.361 at a significant level of 0.002; the company believing in lifelong customers relationships had a correlation of 0.383 at a significant level of 0.001.

Table 4.2 Spearman’s Correlations for Customer Focus and Sacco Performance

<table>
<thead>
<tr>
<th>Customer Focus</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company uses recorded customer feedback for improvement</td>
<td>0.372”</td>
</tr>
<tr>
<td></td>
<td>0.001</td>
</tr>
<tr>
<td>We have a well-established customer relationship system</td>
<td>0.357”</td>
</tr>
<tr>
<td></td>
<td>0.002</td>
</tr>
<tr>
<td>We carry out customer satisfaction surveys annually</td>
<td>0.120</td>
</tr>
<tr>
<td></td>
<td>0.319</td>
</tr>
<tr>
<td>Our employees are readily available to attend to our customers</td>
<td>0.279’</td>
</tr>
<tr>
<td></td>
<td>0.018</td>
</tr>
<tr>
<td>We give personalized services to our customers</td>
<td>0.310”</td>
</tr>
<tr>
<td></td>
<td>0.009</td>
</tr>
<tr>
<td>We keep our client data base and transactions confidential</td>
<td>0.163</td>
</tr>
<tr>
<td></td>
<td>0.175</td>
</tr>
<tr>
<td>Most of our products are designed based on the customer preferences</td>
<td>0.361”</td>
</tr>
<tr>
<td></td>
<td>0.002</td>
</tr>
<tr>
<td>Our company believes that lifelong customers relationships</td>
<td>0.383”</td>
</tr>
<tr>
<td></td>
<td>0.001</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level
* Correlation is significant at the 0.05 level
4.4 Influence of Employee Engagement and the Performance of Sacco’s

4.4.1 Employee Engagement and Saccos’ Performance

Table 4.3 shows that the Sacco workers are always engaged in every business processes since 45% strongly agreed; 38% agreed; 15% were neutral; 2% disagreed and none strongly disagreed and the results had a mean of 4.27. The study shows that the Sacco’s workforce is educated and trained regularly since 38% strongly agreed; 31% agreed; 16% neutral; 13% disagreed; and 2% strongly disagreed. The results had a mean of 3.92. The study shows that the Saccos gives employees the authority to solve problems at source as indicated by 25% who strongly agreed; 40% agreed; 25% were neutral; 10% disagreed and none disagreed strongly. The results had a mean of 3.80. The table shows that the Saccos encourage employee creativity and innovation since 40% strongly agreed; 32% agreed; 25% were neutral; 3% disagreed and none strongly agreed. The results had a mean of 4.08. The study shows that the organization offers an atmosphere of trust rather than resentment and punishment for failure as shown by 43% who strongly agreed; 35% agreed; 20% were neutral; and 2% disagreed while none disagreed strongly. The mean result was 4.21. The study shows that the Saccos’ workforce are involved in quality improved teams to perform better as shown by 46% that strongly agreed; 38% agreed; 14% were neutral; 2% disagreed; 0% strongly disagreed and the results had a mean of 4.30. The study shows that the organizations value teamwork is critical to a successful quality effort as shown by 66% that strongly agreed; 25% agreed; 7% were neutral; 2% disagreed; 0% strongly disagreed and the results had a mean of 4.56. The results show that information is freely shared rather than closely guarded as a source of control and power as strongly agreed to by 49% of the population; 35% agreed; 7% were neutral; 7% disagreed; 2% strongly disagreed, and the results had a mean of 4.24. The table shows that the Saccos’ employees are given recognition in their achievements as shown by 53% strongly agreed; 20% agreed; 20% were neutral; 5% disagreed; 2% strongly disagreed and the results had a mean of 4.18.
Table 4.3 Influence of Employee Engagement on Saccos’ Performance

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our workers are always engaged in every business processes</td>
<td>45%</td>
<td>38%</td>
<td>15%</td>
<td>2%</td>
<td>0%</td>
<td>4.27</td>
</tr>
<tr>
<td>Our workforce is educated and trained regularly</td>
<td>38%</td>
<td>31%</td>
<td>16%</td>
<td>13%</td>
<td>2%</td>
<td>3.92</td>
</tr>
<tr>
<td>Our organization gives employees the authority to solve problems at source</td>
<td>25%</td>
<td>40%</td>
<td>25%</td>
<td>10%</td>
<td>0%</td>
<td>3.80</td>
</tr>
<tr>
<td>Our organization encourages employee creativity and innovation</td>
<td>40%</td>
<td>32%</td>
<td>25%</td>
<td>3%</td>
<td>0%</td>
<td>4.08</td>
</tr>
<tr>
<td>Our organization offers an atmosphere of trust rather than resentment and punishment for failure</td>
<td>43%</td>
<td>35%</td>
<td>20%</td>
<td>2%</td>
<td>0%</td>
<td>4.21</td>
</tr>
<tr>
<td>Our workforce are involved in quality improved teams to perform better</td>
<td>46%</td>
<td>38%</td>
<td>14%</td>
<td>2%</td>
<td>0%</td>
<td>4.30</td>
</tr>
<tr>
<td>Our organization values teamwork is critical to a successful quality effort.</td>
<td>66%</td>
<td>25%</td>
<td>7%</td>
<td>2%</td>
<td>0%</td>
<td>4.56</td>
</tr>
<tr>
<td>Information is freely shared rather than closely guarded as a source of control and power</td>
<td>49%</td>
<td>35%</td>
<td>7%</td>
<td>7%</td>
<td>2%</td>
<td>4.24</td>
</tr>
<tr>
<td>Our employees are given recognition in their achievements</td>
<td>53%</td>
<td>20%</td>
<td>20%</td>
<td>5%</td>
<td>2%</td>
<td>4.18</td>
</tr>
</tbody>
</table>
4.4.2 Spearman’s Correlations for Employee Engagement and Sacco Performance

Table 4.4 presents the Spearman’s correlation analysis results that establish the relationship between employee engagement and Sacco performance. The results show that engaging workers in every business processes had a correlation of 0.701 at a significant level of 0.000; educating and training the workforce regularly had a correlation of 0.646 at significant level of 0.000 with Sacco performance; giving employees the authority to solve problems at the source had a correlation of 0.485 at a significant level of 0.000; encouraging employee creativity and innovation had a correlation of 0.544 at a significant level of 0.000; offering atmosphere of trust rather than resentment and punishment for failure had a correlation of 0.457 at significant level of 0.000; involving the workforce in quality improved teams to perform better had a correlation of 0.493 at significant level of 0.000; valuing teamwork as critical to a successful quality effort had a correlation of 0.519 at a significant level of 0.000; sharing information freely rather than closely guarding it as a source of control and power had a correlation of 0.489 at a significant level of 0.000; and giving recognition to employees for their achievements had a correlation of 0.498 at a significant level of 0.000.

Table 4.4 Spearman’s Correlations for Employee Engagement and Performance

<table>
<thead>
<tr>
<th>Customer Focus</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our workers are always engaged in every business processes</td>
<td>0.701”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Our workforce is educated and trained regularly</td>
<td>0.646”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Our organization gives employees the authority to solve problems at source</td>
<td>0.485”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Our organization encourages employee creativity and innovation</td>
<td>0.544”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Our organization offers an atmosphere of trust rather than resentment and punishment for failure</td>
<td>0.457”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Our workforce are involved in quality improved teams to perform better</td>
<td>0.493”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Our organization values teamwork is critical to a successful quality effort.</td>
<td>0.519”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Information is freely shared rather than closely guarded as a source of control and power</td>
<td>0.489”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>Our employees are given recognition in their achievements</td>
<td>0.498”</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level
4.5 Influence of Leadership on the Performance of Saccos

4.5.1 Leadership and Saccos’ Performance

Table 4.5 shows that the organization leaders have power to strengthen the process in which work is completed by staff as shown by 17% who strongly agreed; 64% agreed; 17% were neutral; 2% disagreed; 0% strongly agreed and the results had a mean of 3.97. The study shows that governance structure in the Sacco is not bureaucratic since 16% strongly agreed; 31% agreed; 39% were neutral; 12% disagreed; 2% strongly disagreed and the results had a mean of 3.46. The Sacco managers practice transformation leadership style as shown by 16% who strongly agreed; 45% agreed; 31% were neutral; 6% disagreed; 2% strongly disagreed, and this had a mean of 3.70. The study shows that the Sacco leadership has instilled quality as the basic principle as strongly agreed to by 25%; 32% agreed; 28% were neutral; 9% disagreed; and 6% strongly disagreed and the results had a mean of 3.63. The Sacco managers did not practice laissez-fair leadership style since 20% strongly disagreed; 34% disagreed; 18% were neutral; 21% agreed; 7% strongly agreed. The results had a mean of 2.62. The organization leadership ensures continuous quality improvement in meeting customer requirement since 35% strongly agreed; 41% agreed; 22% were neutral; 2% disagreed; 0% strongly disagreed and the study results had a mean of 4.10. The Sacco managers practiced transactional leadership style since 26% strongly agreed; 52% agreed; 18% were neutral; 2% disagreed; 2% strongly disagreed and the resulting mean was 4.01. The organization leadership ensures innovative products that fully satisfy existing and latent requirement since 44% strongly agreed; 39% agreed; 14% were neutral; 3% disagreed and 0% strongly disagreed and the results had a mean of 4.24. The organization does not practice autocratic leadership style since 31% strongly agreed; 35% agreed; 28% were neutral; 3% disagreed; 3% strongly disagreed and the results had a mean of 3.89. The organization encourages democratic leadership since 42% strongly agreed; 34% agreed; 21% were neutral; 3% disagreed; 0% strongly disagreed and the results had a mean of 4.13.
### Table 4.5 Influence of Leadership on Saccos’ Performance

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization leaders have power to strengthen the process in which work is completed by staff</td>
<td>17%</td>
<td>64%</td>
<td>17%</td>
<td>2%</td>
<td>0%</td>
<td>3.97</td>
</tr>
<tr>
<td>The governance structure in our organization is not bureaucratic</td>
<td>16%</td>
<td>31%</td>
<td>39%</td>
<td>12%</td>
<td>2%</td>
<td>3.46</td>
</tr>
<tr>
<td>Our managers practice transformation leadership style</td>
<td>16%</td>
<td>45%</td>
<td>31%</td>
<td>6%</td>
<td>2%</td>
<td>3.70</td>
</tr>
<tr>
<td>Our organization leadership has instilled quality as the basic principle</td>
<td>25%</td>
<td>32%</td>
<td>28%</td>
<td>9%</td>
<td>6%</td>
<td>3.63</td>
</tr>
<tr>
<td>Our managers practice Laissez-fair leadership style</td>
<td>7%</td>
<td>21%</td>
<td>18%</td>
<td>34%</td>
<td>20%</td>
<td>2.62</td>
</tr>
<tr>
<td>Our organization leadership ensures continuous quality improvement in meeting customer requirement</td>
<td>35%</td>
<td>41%</td>
<td>22%</td>
<td>2%</td>
<td>0%</td>
<td>4.10</td>
</tr>
<tr>
<td>Our managers practice transactional leadership style</td>
<td>26%</td>
<td>52%</td>
<td>18%</td>
<td>2%</td>
<td>2%</td>
<td>4.01</td>
</tr>
<tr>
<td>Our organization leadership ensures innovative products that fully satisfy existing and latent requirement.</td>
<td>44%</td>
<td>39%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
<td>4.24</td>
</tr>
<tr>
<td>Our organization does not practice autocratic leadership style.</td>
<td>31%</td>
<td>35%</td>
<td>28%</td>
<td>3%</td>
<td>3%</td>
<td>3.89</td>
</tr>
<tr>
<td>Our organization encourages democratic leadership</td>
<td>42%</td>
<td>34%</td>
<td>21%</td>
<td>3%</td>
<td>0%</td>
<td>4.13</td>
</tr>
</tbody>
</table>

#### 4.5.2 Spearman’s Correlations for Leadership and Sacco Performance

Table 4.6 presents the Spearman’s correlation analysis results that establish the relationship between leadership management and style and its impact on Sacco performance.
The table shows that organizational leaders having power to strengthen the process in which work was completed by staff had a correlation of 0.350 at a significant level of 0.003; governance structure in our organization not being bureaucratic had a correlation of 0.498 at a significant level of 0.000; managers practicing transformation leadership style had a correlation of 0.203 at a significant level of 0.090; the organization leadership instilling quality as the basic principle had a correlation of 0.509 at a significant level of 0.000; managers practicing laissez-fair leadership style had a correlation of 0.0215 at a significant level of 0.072; the organization leadership ensuring continuous quality improvement in meeting customer requirements had a correlation of 0.425 at a significant level of 0.000; managers practicing transactional leadership style had a correlation of 0.336 at a significant level of 0.004; the organization leadership ensuring innovative products that fully satisfied existing and latent requirements had a correlation of 0.419 at a significant level of 0.000; the organization not practicing autocratic leadership style had a correlation of 0.409 at a significant level of <0.01; and the organization encouraging democratic leadership had a correlation of 0.461 at a significant level of 0.000.

**Table 4.6 Spearman’s Correlations for Employee Engagement and Performance**

<table>
<thead>
<tr>
<th>Leadership Factors</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization leaders are power to strengthen the process in which work is</td>
<td>0.350&quot;</td>
</tr>
<tr>
<td>completed by staff</td>
<td>0.003</td>
</tr>
<tr>
<td>The governance structure in our organization is not bureaucratic</td>
<td>0.498&quot;</td>
</tr>
<tr>
<td>Our managers practice transformation leadership style</td>
<td>0.203</td>
</tr>
<tr>
<td>Our organization leadership has instilled quality as the basic principle</td>
<td>0.509&quot;</td>
</tr>
<tr>
<td>Our managers practice Laissez-fair leadership style</td>
<td>0.0215</td>
</tr>
<tr>
<td>Our organization leadership ensures continuous quality improvement in meeting</td>
<td>0.425&quot;</td>
</tr>
<tr>
<td>customer requirement</td>
<td>0.000</td>
</tr>
<tr>
<td>Our managers practice transactional leadership style</td>
<td>0.336&quot;</td>
</tr>
<tr>
<td>Our organization leadership ensures innovative products that fully satisfy</td>
<td>0.419&quot;</td>
</tr>
<tr>
<td>existing and latent requirement.</td>
<td>0.000</td>
</tr>
<tr>
<td>Our organization does not practice autocratic leadership style.</td>
<td>0.409&quot;</td>
</tr>
<tr>
<td>Our organization encourages democratic leadership</td>
<td>0.461&quot;</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level
* Correlation is significant at the 0.05 level
4.6 Performance Measurement

4.6.1 Performance Measurement of the Saccos

Table 4.7 shows that the organization profits had improved since 63% strongly agreed; 28% agreed; 7% were neutral; 2% disagreed; 0% strongly disagreed and the mean was 4.54. Employee morale is high had 43% strongly agreeing; 27% agreed; 18% were neutral; 10% disagreed; 2% strongly disagreed and the mean was 4.01. There is a culture of excellence in the organization had 45% strongly agreed; 38% agreed; 14% were neutral; 3% disagreed; 0% strongly agreed and the mean was 4.25. The Sacco market share increasing had 52% strongly agree; 37% agreed; 7% were neutral; 4% disagreed; 0% strongly disagreed and the results had a mean of 4.37. The customer base has increased was noted by 61% who strongly agreed; 29% agreed; 6% were neutral; 4% disagreed; and 0% strongly disagreed and the mean was 4.46. The asset base has increased was indicated by 61% who strongly agreed; 22% agreed; 15% were neutral; 2% disagreed; 0% strongly disagreed and the mean was 4.42. Communication within the company has increased was shown by 48% who strongly agreed; 32% agreed; 15% were neutral; 3% disagreed; 2% strongly disagreed and the mean was 4.23. The product range has increased was shown by 44% who strongly agreed; 33% agreed; 14% were neutral; 7% disagreed; 2% strongly disagreed and the mean was 4.11. The organization resources are well managed had a result of 44% strongly agreed; 39% agreed; 14% were neutral; 3% disagreed; 0% strongly disagreed and the mean was 4.11. Organization has a well laid out strategy was shown by 56% who strongly agreed; 24% agreed; 16% were neutral; 2% disagreed; 2% strongly disagreed and the mean was 4.32. Organization has an operational process that aid in continuous improvement was indicated by 55% who strongly agreed; 34% agreed; 8% were neutral; 3% disagreed; 0% strongly disagreed and the mean was 4.41.
### Table 4.7 Saccos’ Performance Measurement

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>MEAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization profits have improved</td>
<td>63%</td>
<td>28%</td>
<td>7%</td>
<td>2%</td>
<td>0%</td>
<td>4.54</td>
</tr>
<tr>
<td>Employee morale is high</td>
<td>43%</td>
<td>27%</td>
<td>18%</td>
<td>10%</td>
<td>2%</td>
<td>4.01</td>
</tr>
<tr>
<td>There is a culture of excellence in the organization</td>
<td>45%</td>
<td>38%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
<td>4.25</td>
</tr>
<tr>
<td>Our market share has increased</td>
<td>52%</td>
<td>37%</td>
<td>7%</td>
<td>4%</td>
<td>0%</td>
<td>4.37</td>
</tr>
<tr>
<td>Our customer base has increased</td>
<td>61%</td>
<td>29%</td>
<td>6%</td>
<td>4%</td>
<td>0%</td>
<td>4.46</td>
</tr>
<tr>
<td>Our asset base has increased</td>
<td>61%</td>
<td>22%</td>
<td>15%</td>
<td>2%</td>
<td>0%</td>
<td>4.42</td>
</tr>
<tr>
<td>Communication within the company has increased</td>
<td>48%</td>
<td>32%</td>
<td>15%</td>
<td>3%</td>
<td>2%</td>
<td>4.23</td>
</tr>
<tr>
<td>Our product range has increased</td>
<td>44%</td>
<td>33%</td>
<td>14%</td>
<td>7%</td>
<td>2%</td>
<td>4.11</td>
</tr>
<tr>
<td>Our organization resources are well managed</td>
<td>44%</td>
<td>39%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
<td>4.24</td>
</tr>
<tr>
<td>Organization has a well laid out strategy</td>
<td>56%</td>
<td>24%</td>
<td>16%</td>
<td>2%</td>
<td>2%</td>
<td>4.32</td>
</tr>
<tr>
<td>Organization has an operational process that aid in continuous improvement</td>
<td>55%</td>
<td>34%</td>
<td>8%</td>
<td>3%</td>
<td>0%</td>
<td>4.41</td>
</tr>
</tbody>
</table>
4.6.2 Spearman’s Correlations for the Sacco’s Performance Measurement

Table 4.8 presents the Spearman’s correlation analysis results that establish the relationship between the factors of the Saccos’ performance. The table shows that organization profits improvement had a correlation of 0.699 at a significant level of 0.000; employee morale being high had a correlation of 0.586 at a significant level of 0.000; there being a culture of excellence in the organization had a correlation of 0.645 at a significant level of 0.000; observing an increase in the market share had a correlation of 0.634 at a significant level of 0.000; observing an increase in customer base had a correlation of 0.636 at a significant level of 0.000; observing an increase in asset base had a correlation of 0.646 at a significant level of 0.000; communication within the company increasing had a correlation of 0.604 at a significant level of 0.000; observing an increase in product range had a correlation of 0.543 at a significant level of 0.000; the organization resources being well managed had a correlation of 0.549 at a significant level of 0.000; the organization having a well laid out strategy had a correlation of 0.484 at a significant level of 0.000; and the organization having an operational process that aided in continuous improvement had a correlation of 0.443 at a significant level of 0.000.

**Table 4.8 Spearman’s Correlations for Sacco Performance Measurement**

<table>
<thead>
<tr>
<th>Sacco Performance Measurement</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization profits have improved</td>
<td>0.699” 0.000</td>
</tr>
<tr>
<td>Employee morale is high</td>
<td>0.586” 0.000</td>
</tr>
<tr>
<td>There is a culture of excellence in the organization</td>
<td>0.645” 0.000</td>
</tr>
<tr>
<td>Our market share has increased</td>
<td>0.634” 0.000</td>
</tr>
<tr>
<td>Our customer base has increased</td>
<td>0.636” 0.000</td>
</tr>
<tr>
<td>Our asset base has increased</td>
<td>0.646” 0.000</td>
</tr>
<tr>
<td>Communication within the company has increased</td>
<td>0.604” 0.000</td>
</tr>
<tr>
<td>Our product range has increased</td>
<td>0.543” 0.000</td>
</tr>
<tr>
<td>Our organization resources are well managed</td>
<td>0.549” 0.000</td>
</tr>
<tr>
<td>Organization has a well laid out strategy</td>
<td>0.484” 0.000</td>
</tr>
<tr>
<td>Organization has an operational process that aid in continuous improvement</td>
<td>0.443” 0.000</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level
4.7 Chapter Summary

This chapter has presented the analyzed data. Spearman’s correlation has been used to indicate the relationship between independent variables (customer focus, employee engagement and leadership styles) and the dependent variable (Sacco performance). The presentation was in form of tables. Mean values have also been used to indicate the strength of the various study factors and percentages have been used to show the level of responses from the collected data. The next chapter concludes the study.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is divided in various sections. The first section offers the study summary, the second section deals with the discussion of the study findings. The fourth section offers the study conclusions and the final section give the study recommendations.

5.2 Summary of Findings

The purpose of this study was to establish the influence of total quality management practices on the performance of SACCOs in Kiambu Sub County. In other words, does the overall performance of SACCOs in Kiambu Sub County influenced by total quality management practice. Three research objectives of this study was to determine how internal and external customers influences SACCO performance through TQM practices, to determine how employee engagement influences the SACCO performance through TQM practices and to determine how quality leadership influences SACCO performance through TQM practices.

The study used descriptive technique. The target population of the study consisted of Sacco’s operating in Kiambu County. The study sampling frame consisted of a list of Saccos accredited by the SASRA. Simple random sampling technique was employed in selecting the sample size for the study. A sample size of 30 Saccos was randomly selected from a total of 35 Saccos accredited by the SASRA in Kiambu County. The study used primary data that was collected using a structured questionnaire. Quantitative approach was used for data analysis. A computer package was used to run descriptive statistics such as frequency and percentages so as to present the quantitative data in form of tables and graphs based on the major research questions.

The study showed that the Saccos used recorded customer feedback for improvement as agreed to by 83% of the respondents and disagreed to by 4%. The study showed that the Saccos had a well-established customer relationship system as agreed to by 85% and disagreed to by 2%. The study also showed that the Saccos carried out customer satisfaction surveys annually as agreed to by 46% and disagreed to by 3%.
The study showed that the Sacco employees were readily available to attend to their customers as agreed to by 94% and disagreed to by none. The study showed that the Saccos gave personalized services to their customers as agreed to by 92% and disagreed to by 2%. The study showed that the Saccos kept their client data base and transactions confidential as indicated by 93% of the respondents who agreed while none disagreed.

The study showed that the Sacco workers were always engaged in every business processes as agreed to by 83% and disagreed to by 2%. The study showed that the Sacco’s workforce was educated and trained regularly as agreed to by 69% and disagreed to by 15%. The study showed that the Saccos gave employees the authority to solve problems at the source as agreed to by 65% and disagreed to by 10%. The table showed that the Saccos encouraged employee creativity and innovation as agreed to by 72% and disagreed to by 3%. The study showed that the organization offered an atmosphere of trust rather than resentment and punishment for failure as agreed to by 78% and disagreed to by 2%.

The study showed that the organization leaders had power to strengthen the process in which work was completed by staff as agreed to by 81% and disagreed to by 2%. The study showed that governance structure in the Sacco was not bureaucratic as agreed to by 47% and disagreed to by 14%. The study showed that the Sacco managers practiced transformation leadership style as agreed to by 61% and disagreed to by 9%. The study showed that the Sacco leadership had instilled quality as the basic principle as agreed to by 57% and disagreed to by 15%. The study showed that the Sacco managers practiced transactional leadership style as agreed to by 78% and disagreed to by 4%.

The study showed that the organization profits had improved as agreed to by 91% and disagreed to by 2%. The study showed that employee morale is high as agreed to by 70% and disagreed to by 12%. The study showed that there was a culture of excellence in the organizations as agreed to by 83% and disagreed to by 3%. The study showed that the Saccos’ market share had increased as agreed to by 89% and disagreed to by 4%. The study showed that customer base had increased as agreed to by 90% and disagreed to by 4%. The study showed that the asset base of the Saccos had increased as agreed to by 83% and disagreed to by 2%.
5.3 Discussions

5.3.1 Customer Focus and Sacco Performance

The study showed that the Saccos used recorded customer feedback for improvement. Goetsch and Davis (2010) emphasized that keeping employees in touch with customers is critical to forming a customer focus, and stated that the empowerment of employees is a necessary stage when aiming to satisfy customers.

The study showed that the Saccos had a well-established customer relationship system. Evans and Lindsay (2011) suggested that quality planning begins with identifying customers, both external and internal, determining their needs, translating their needs into specifications and developing product feature that respond to those needs and developing the process capable of producing the product or delivering service.

The study also showed that the Saccos carried out customer satisfaction surveys annually. According to Goetsch and Davis (2010) state that it is essential to obtain full and accurate customer satisfaction information if customer focused efforts is to be successful. It can be useful for example, to conduct a thorough examination of the company's finished products from the viewpoint of the customer.

The study showed that the Saccos’ employees were readily available to attend to customers. According to Motwani (2001), all external customer service programs should include the provision of timely advice and information to customers; including systems to provide a rapid response to complaints, and data collection channels to record the quantity and nature of questions or complaints received, while recognizing that success is measured by those activities which show a measurable improvement in customer satisfaction and retention, and do not merely involve monitoring people’s work.

The study showed that the Saccos offered personalized services to their customers. Marquis and Huston (2000) noted that the perception of customer satisfaction is yet another important trait which must be taken in to account when shaping the overall demand of the customers towards their service providers.
From the study, it was noted that the Saccos kept clients’ data bases and their transactions were treated confidentially. Mehra and Ranganathan (2008) stated that security and privacy are associated with customers’ feelings of protection and safety during their transactions and usage, for example, feeling secure to provide their personal information.

The study showed that most of the products offered by the Saccos were designed based on their customer preferences. Evans and Lindsay (2012) state that the overall service quality is the excellence and perceptions of quality of the overall service, as well as customers’ opinions of service standards and performance in general.

The study showed that the Saccos believed in lifelong customer relationships. Goetsch and Davis (2010) suggest that effective quality management is built on the foundation of customer focus where: the customer must always be the organization's highest priority; customers define quality and value; and loyal, lifelong customers are essential for long-term success.

5.3.2 Employee Engagement and Saccos’ Performance
The study showed that the workers at the Saccos were always engaged in every business process. According to Macey (2012), an employee who is engaged is well positioned to meet the needs of the organization, such an employee takes initiative, reinforces while at the same time supports the organization’s culture and values.

The study showed that the workforce was educated and trained regularly. According to Stringer (2010) organizations need to develop competencies for current employees through development programs such as training and development so as to endeavor to bring success to the organization.

The study showed that the Saccos gave their employees the authority to solve problems at the source. Lipley (2004) has stated categorically that organizations with developed capabilities or competencies which are consistent with a chosen strategy would perform better as compared to those organizations that are yet to achieve this fit between strategy and capabilities.
The study showed that the Saccos encouraged employee creativity and innovation and that they offered an atmosphere of trust rather than resentment and punishment for failure. According to Lipley (2004), the problem that many organizations tend to ignore the people factor when it comes to strategy. In fact lower managers and employees are considered as the last people to even know about the company strategy.

From the study, it was noted that the workforce was involved in quality improved teams to perform better and that, the Saccos valued teamwork since it was critical to a successful quality effort. According to Dimettoe (2006), the human resource function should be designed in a manner that makes it not only part of the whole organization anatomy but also as a strategic business partner. This will enable it to take part in both strategy formulation and implementation.

The study also showed that information was freely shared rather than closely guarded as a source of control and power and that the employees were given recognition in their achievements. Hrebiniax (2006) cites that human beings always want recognition. Motivational theories also argue that employees will also want their good work to be recognized and rewarded by those in leadership positions in the organizations they work for.

5.3.3 Leadership and Saccos’ Performance

The study showed that the organization leaders had the power to strengthen the process in which work was completed by staff. Mathew and James (2006) state that a lot of focus is only on higher management skills such as leadership and the specific leadership skills that is necessary to align people and culture to execute strategy.

The governance structure in the Saccos’ organization was not bureaucratic and the managers practiced transformational leadership style. Marquis and Huston (2000) note that without competencies, either on the top or in the bottom of the organizational structure, even the best strategy with the best environmental factors will have limited chances of success.
The study showed that the organization leadership had instilled quality as the basic principle and the leadership ensured continuous quality improvement in meeting customer requirements. Kaluarachi (2010) observed that for any organization that has total quality as the main objective will tend to reduce the number of suppliers they work with to the point of having only one supplier for some components.

The study showed that managers practiced transactional leadership style and that leadership in the Saccos ensured innovative products that fully satisfied customers existed. Flynn (1995) stated that quality has always been regarded as one of the basic necessities for any producer or service deliverer. Aaker and Jacobson (1994) have reported that perceived product or service quality is a direct relation to the increase in sales and profit and any consumer will make a purchasing decision based on the perceived quality. Intrinsic attributes can be improved in two ways: offering improved performance, additional features (which has a clear cost implication) and by applying Total Quality Management (TQM), which not only improves conformance levels but also has a positive impact on other quality dimensions.

5.3.4 TQM and Performance Measurement of the Saccos

The study showed that the organization profits had improved. Kouzes and Posner (2007) further finds that a higher level of the entire organization’s involvement during employee engagement practices had positive effects on the level of, implementation success, the organization’s profits and overall success of the organization.

The study showed that there was a culture of excellence in the organization. Marquis and Huston (2000) states that as leaders reward employees, they feel appreciated and that someone in the organization is noticing the extraordinary effort the employee is putting into the organization. This will in turn create a culture whereby employees desire to work harder because their effort will not go unrecognized.

The study showed that the market share and customer base for the Saccos had increased. Goetsch and Davis (2010) emphasized that keeping employees in touch with customers is critical to forming a customer focus, and stated that the empowerment of employees is a necessary stage when aiming to satisfy customers.
The study showed that the organization had a well laid out strategy. According to Shuck (2011) positive relationship between TQM and price, advertising and warranties could indicate that those companies which make considerable efforts in improving quality communicate this to consumers by means of extrinsic attributes and, at the same time, aim to obtain increased prices for their products.

The study also showed that the organization had an operational process that aided in continuous improvement. Robert and John (2000) also sited that better quality products may need less extrinsic attributes in order to sell, therefore, companies who produce better quality products may use extrinsic attributes to lesser degree, and, in this case, the relationship between TQM and extrinsic attributes would be negative. Moreover, it is not unusual to find a lack of co-ordination between marketing and production departments with the marketing strategy being decided by the marketing department and the TQM policy being the responsibility of production departments.

5.4 Conclusion

5.4.1 Customer Focus and Sacco Performance

From the study it can be concluded that focusing on customers is prudent for the success of the Saccos as well as improvement of services. From the study, it was noted that the Saccos relied on customer records and feedback to improve their services and that meant using a customer relationship system that the Saccos had established. The use of regular customer satisfaction surveys also facilitated the success of the Saccos as well as the availability of employees to attend to customers. Other factors employed by the Saccos have been noted to improve the Saccos’ performance like offering personalized services, confidentiality of transactions and the Saccos’ belief of maintaining long-term relationships with clients.

5.4.2 Employee Engagement and Saccos’ Performance

The study also concludes that employee engagement results in improvement of the performance of Saccos. The study revealed that the workers at the Saccos were always engaged in every business process and they were also educated and trained regularly. This improved their technical skills to serve their clients better and thus improving the Saccos
performance. The study concludes that the Saccos had given their employees job autonomy to manage, innovate and be creative thus improving on the services offered as well as performance. The Saccos offering an atmosphere of trust rather than resentment and punishment for failure and the involvement of employees in quality improved teams led to better performance of the Saccos and employee motivation.

5.4.3 Leadership and Saccos’ Performance

The study finally concludes that leadership affects the performance of Saccos. The study revealed that leaders in the Saccos had the power to strengthen the process in which work was completed by staff improving the performance of the Saccos. The study also showed that governance structure in the Saccos’ organization was not bureaucratic and the managers practiced transformational leadership style indicating their ability to work as a team and thus leading to better performance from their organizations. The study revealed that the organization leadership had instilled quality as the basic principle of business operation indicating that the services offered were of great quality, and that the leadership of the Saccos ensured continuous quality improvement in meeting customer requirements improving the overall service provision of the Saccos.

5.4.4 Performance Measurement of the Saccos

The study concludes that the performance of the Saccos had improved given the noted changes in the various performance measures. The study indicated an improvement in the Saccos’ profits and staff morale. The study showed that the Saccos had adopted a culture of excellence which improved their services and in turn their performance. Other factors like the Saccos’ market share, customer base, product range, and asset base had increased and their internal communication had also improved factors that denote an improvement in terms of performance. Proper management of the Saccos’ resources and proper strategies adopted by the institutions also denote the increase in performance, supported by operational processes that aid in continuous improvement.
5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Customer Focus and Sacco Performance
The study recommends that the Saccos’ leaders and managers adopt more interactive technologies that will facilitate a better engagement between the institutions and their customers. This will facilitate a complete understanding of their customers and in turn, it can be used make better decisions for meeting the customers’ needs.

5.5.1.2 Employee Engagement and Saccos’ Performance
The study showed that the Saccos were in the right path in terms of employee engagement. The study however, recommends that the Saccos should advance their staff recruitment and selection policies so as to ensure that they employ and maintain staff members whose academic and professional qualifications are high. This would ensure that the training courses required by their staff is minimal and thus save on staff training costs whilst maintaining their performance.

5.5.1.3 Leadership and Saccos’ Performance
The study recommends that the leaders of the Saccos need to search for and develop Sacco policies that facilitate and maintain the accomplishment of their various ideal performances.

5.5.1.4 Performance Measurement of the Saccos
The Saccos should use the correct performance measurement mix during their evaluations and embed this in their structure. This will ensure that their performance is measured according to the services they render and their goals. Therefore, the Saccos need to ensure that they have an optimum mix between their measurement and their organizational goals to fully meet their organizational requirements and customer needs.

5.5.2 Recommendations for Further Studies
This study was limited in terms of its focus. The study narrowed down to the influence of TQM practices on the performance of Saccos that were located in Kiambu Sub County. Other researchers may carry out studies that focus on other elements of strategic management on the performance of Saccos in Kenya.
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58


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60


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Dear respondents,

I am a student at the United States International University – Africa School of Business, pursuing a Master Degree in Human Resource Management. I am carrying out a study on Total Quality Management and factors that influence quality services at Kiambu Sub-County. The main purpose of my study is to fulfill the requirements for the award of a Master degree in Human Resource Management. All the information collected will be solely used for academic purposes. Your response will be treated with strict confidentiality.

Thank you in advance

Yours Faithfully,

Pauline Kihiu.
APPENDIX II: QUESTIONNAIRE

SECTION ONE: GENERAL INFORMATION

Kindly answer the following questions by ticking in the boxes provided

1. Position held by respondent?
   - Senior-level management [   ] Mid-level Management [   ] Subordinate Staff [   ]

2. Which services are offered by Sacco?
   - Front Office Services [   ] Back Office Services [   ] Both [   ]

3. Number of members in the Sacco
   - Below 50 [   ] 51-150 [   ] 151-250 [   ] Above 250 [   ]

4. How long has the Sacco been in operation?
   - Below 5 years [   ] 10-15 years [   ] 16-20 years [   ] Above 20 years [   ]

5. How much is the estimated turn over
   - Below 5 Million [   ] 5-15 Million [   ] 15-25 Million [   ] Above 25 Million [   ]

6. Number of staff members of the SACCO
   - Below 10 [   ] 11-30 [   ] 31-50 [   ] 51-70 [   ] Above 71 [   ]
SECTION TWO: TO DETERMINE HOW CUSTOMER FOCUS INFLUENCES THE PERFORMANCE OF SACCO’S

To what extent do you agree with the following? Please tick appropriately; 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(5)</td>
<td>(4)</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
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<tr>
<td>The company uses recorded customer feedback for improvement</td>
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<tr>
<td>We have a well established customer relationship system</td>
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<td>We carry out customer satisfaction surveys annually</td>
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<td>Our employees are readily available to attend to our customers</td>
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<td>We give personalized services to our customers</td>
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<td>We keep our client data base and transactions confidential</td>
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<td>Most of our products are designed based on the customer preferences</td>
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<td>Our company believes that lifelong customers relationships</td>
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</table>
SECTION THREE: TO DETERMINE HOW EMPLOYEE ENGAGEMENT INFLUENCES THE PERFORMANCE OF SACCO’S

To what extent do you agree with the following? Please tick appropriately; 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
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<tbody>
<tr>
<td>Our workers are always engaged in every business processes</td>
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<tr>
<td>Our workforce is educated and trained regularly</td>
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<td>Our organization gives employees the authority to solve problems at source</td>
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<td>Our organization encourages employee creativity and innovation</td>
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<td>Our organization offers an atmosphere of trust rather than resentment and punishment for failure</td>
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<td>Our workforce are involved in quality improved teams to perform better</td>
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<td>Our organization values teamwork is critical to a successful quality effort.</td>
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<tr>
<td>Information is freely shared rather than closely guarded as a source of control and power</td>
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<td>Our employees are given recognition in their achievements</td>
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SECTION FOUR: TO DETERMINE HOW LEADERSHIP THROUGH QUALITY AND LEADERSHIP STYLE GIVES RISE TO TOTAL QUALITY SERVICE AND THUS INFLUENCES THE PERFORMANCE OF SACCO’S

To what extent do you agree with the following? Please tick appropriately: 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
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<tbody>
<tr>
<td>Our organization leaders are power to strengthen the process in which work is completed by staff</td>
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<tr>
<td>The governance structure in our organization is not bureaucratic</td>
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<td>Our managers practice transformation leadership style</td>
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<td>Our organization leadership has instilled quality as the basic principle</td>
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<td>Our managers practice Laissez-fair leadership style</td>
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<td>Our organization leadership ensures continuous quality improvement in meeting customer requirement</td>
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<tr>
<td>Our managers practice transactional leadership style</td>
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<td>Our organization leadership ensures innovative products that fully satisfy existing and latent requirement.</td>
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<tr>
<td>Our organization does not practice autocratic leadership style.</td>
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<tr>
<td>Our organization encourages democratic leadership</td>
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SECTION FIVE: PERFORMANCE MEASUREMENT

To what extent do you agree with the following? Please tick appropriately; 5 = Strongly Agree, 4 =Agree, 3 = Neutral, 2= Disagree, and 1 =Strongly Disagree

<table>
<thead>
<tr>
<th>Statement</th>
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<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
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<tr>
<td>Our organization profits have improved</td>
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<tr>
<td>Employee morale is high</td>
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<td>There is a culture of excellence in the organization</td>
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<td>Our market share has increased</td>
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<td>Our customer base has increased</td>
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<td>Our asset base has increased</td>
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<td>Communication within the company has increased</td>
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<td>Our product range has increased</td>
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<td>Our organization resources are well managed</td>
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<td>Organization has a well laid out strategy</td>
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<td>Organization has an operational process that aid in continuous improvement</td>
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THANK YOU FOR YOUR PARTICIPATION