EFFECT OF QUALITY MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE OF SAVINGS AND CREDIT CO-OPERATIVES IN KIRINYAGA COUNTY, KENYA

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ABSTRACT

Total Quality Management (TQM) practices operate as a reciprocated system that integrates with other organizational assets to engender competitive advantage. Many Savings and Credit Cooperatives (SACCOs) today have reached at the culmination that effective quality management can augment their competitive abilities and provide strategic leverages in the market place. There seem scarce researches have been conducted addressing Quality Management (QM) practices and their effect on organizational performance of SACCOs. The study examined the Quality Management (QM) practices and their effect on Organizational performance of SACCOs in Kirinyaga County, Kenya. The study employed descriptive research design and targeted a total of six (6) registered deposit taking SACCOs operating in Kirinyaga County, Kenya with a population of four hundred and eighteen (418) respondents. The target population comprised of employees of the SACCOs. The sample size of one hundred and twenty six (126) subjects was drawn using stratified random sampling. The research instrument for this study was a self-administered structured questionnaire that was developed by the researcher. The reliability of the items was determined by utilization of Cronbach's coefficient alpha. The data was evaluated with the aid of the Statistical Packages for Social Sciences (SPSS) software. Multiple regression analysis was used to determine the effects of the elements of total quality management on organizational performance. The findings were presented using comparative tables showing percentages, frequencies and charts. The study findings of correlation analysis disclosed that top management commitment and support, employees' involvement through training and customer focus positively and significantly affected organizational performance. The findings of this research indicate that quality management practices have a high positive effect on organizational performance thus any SACCO managers aiming to achieve enhanced organizational performance should consider implementation of the elements of quality management practices. This study advocates that future studies appraise the effect of the other facets of quality management practices that were not part of the current study, on organizational performance.

Key Words: *quality management practices, organizational performance, savings and credit co-operatives, Kirinyaga County, Kenya*

INTRODUCTION

Organizations globally are experiencing changes in the business milieu due to growing consumer awareness of quality, technological advancement and innovation, globalization and intense competition. To respond to these challenges and ensure their survival, many organizations have implemented mixed quality improvement drives as a means to improve their competitiveness and organizational performance. Some of the quality improvement initiatives being implemented in both manufacturing and service organizations include advanced manufacturing technology, total quality management, total preventive management, just in time, six sigma and lean manufacturing. The advancement of Quality management (QM) in the world of business is normally related to the implementation of Quality systems based on ISO 9000 international standards. The ISO 9000 series of quality management standards represents an international agreement on excellent management practices whose aim is to ensure that organizations produce and deliver offerings that meet and exceed customer expectations.

The term “quality” originates from qualis, a Latin word meaning, “what kind of”. Quality Management (QM) helps in ensuring that all the activities basic to designing, developing and implementing an offering are efficient in consideration of the system and its performance. QM philosophy and approach to management is made up of cooperatively reinforcing principles, each of which is supported by a set of practices and techniques (Dean & Bowen, 1994). It involves managing people with the pertinent objective of improving the quality of offerings that are produced in order to satisfy customer demands (Magutu et al., 2010). QM practices also known as Total quality management (TQM) can help improve an organization’s performance because TQM aims at continuously improving the quality of offerings and processes by focusing on the customer’s needs and expectations to enhance customer satisfaction and firm performance (Sadikoglu and Olcay, 2014). TQM aids in creating a culture of trust, participation, teamwork, quality-mindedness, enthusiasm for continuous improvement, continuous learning and, fundamentally, a working culture that reinforces a firm’s success and existence (Mohd & Aspinwall, 2000).

Total Quality Management (TQM) and TQM Practices

Organizations globally are adopting TQM as a means to improve their traditional way of doing business and ensure their survival in the austere competition of contemporary business world. TQM is embraced as a logical quality improvement approach for management of the entire organization with the objective of enhancing performance in terms of profitability, employee performance, customer satisfaction and quality. According to Powell (1995), TQM is a strategic resource that brings about economic value and provides an organization with competitive advantage over its competitors. TQM is hinged on quality and all members of the organization taking part in the affairs of the organization and aims at long term success through customer satisfaction and benefits to members of the organization and the society (ISO 8402, 1994). According to Ombati (2010), implementation of TQM improves quality and productivity in organizations and it works across board in an organization to include all employees and departments and extends backwards and forward to leverage on the suppliers and clients/customers relationships. TQM supplies a frame of reference for implementing effective quality and productivity resourcefulness that can increase the profits and capacity to compete of an organization.

TQM practices are constructs that can be taken advantage of by organizations in adoption and implementation of Quality management. TQM practices have been researched and discussed in various studies (Sadikoglu and Olcay, 2014; Masindet and Ogollah, 2014; Mwaniki and Bichanga, 2014; Awino et al., 2012; Powell, 1995). Different studies have yielded different sets of TQM practices. Each organization depends on a group of practices depending on the nature of the firm because there are many TQM practices and a variety of dimensions. Magutu, et al., (2010) posits that although an overabundance of practices have been described; similarities among practices can be picked out. The apparent common practices proposed are: top management commitment and support, organization for quality, employee training, employee participation, supplier quality management, customer focus, continuous improvement of quality system, information and analysis and statistical quality techniques use. TQM aspects can also be grouped into soft and hard TQM elements. The soft elements comprise leadership employee relation, employee involvement; focus on customer, strategic quality planning, process management, continual improvement, data and information analysis and knowledge and education while the hard elements encompass quality tools and techniques, customer/supplier relation and product/ process relations, (Nekoueizadeh and Esmaeili, 2013).

The implementation of TQM practices in an organization requires two different types of decisions: what to do (content: the extent to which the different TQM practices should be used) and how to do it (process: how to conduct the change process by which the chosen TQM practices are entrenched in an organization). Implementation of TQM in an organization requires a new working culture that affects the whole organizational processes, all employees and demands the allocation of significant organizational resources. TQM cannot hurriedly be inserted onto existing management structures and systems, it may require the redesigning of work, the redefining of managerial roles, the redesigning of organizational structures, the learning of new skills by employees at all levels, and the at times the change of organizational goals.

TQM Practices and Organizational Performance

TQM is one of the most popular strategies meant to improve the efficiency and competitiveness of an organization through improving of the quality of products and services. TQM practices operate as an interdependent system that combines with other organizational assets to generate competitive advantage. It underscores commitment of the managers and those in positions of leadership, concentrating on the customer, symbiotic supplier relationship, employee empowerment, benchmarking, statistical process control, employee involvement, empowerment and training.

Organizational performance reveals how well an organization achieves its objectives in terms of quality of offerings, operations, innovation, employees' satisfaction, customers' satisfaction, sales, profitability and aggregate organization's vision and mission. Different studies have used varied organizational performance measures. From a review of extant literature organizational performance metrics can be classified into financial and non-financial performance indicators. Financial performance indicators include: market share value, return on investment, earning-per-share and profits while non-financial performance indicators include: productivity, quality, efficiency, process improvement, innovation performance, operational performance, attitudinal and behavioural measures such as commitment, customer satisfaction, employee satisfaction and retention Adoption of TQM practices has been shown to enhance an organization's competitive advantage (Awino, et al., 2012; Powell, 1995). Earlier studies gave varied results of the effect of TQM practices and Organizational performances. In some studies there was positive relationship between TQM practices and organizational performance (Mwaniki and Bichanga, 2014; Masindet and Bichanga, 2014). Other studies reported negative or non-significant relationship between TQM practices and some organizational performance indicators particularly customer focus and financial performance (Mwaniki and Bichanga, 2014); team work and financial performance (Al-Ettayyem and Al-Zu'bi, 2015). The reasons of the mixed results could be due to: The utilization of different methods, considering varied TQM elements and diverse performance standards in their research models; they were performed in variegated backgrounds such as different countries and different industries and some did not address the effect of barriers to TQM practices. This study will seek to mitigate this and add onto the ongoing debate about the TQM implementation and its effect on organizational performance by obtaining sound evidence on performance of SACCOs, an area that has scarcely been given much attention.

History of Cooperatives and SACCOs in Kenya

Cooperatives refer to an alliance of persons who have willingly linked together for the purpose of achieving a mutual need through the formation of an egalitarian controlled organization and who make fair contributions to the capital appropriate for the formation of such an organization and who tolerate the risks and the benefits of the engagement in which they associate with. The values that govern cooperatives are self-help, democracy, equality or affording uniform rights and benefits to members, equity or impartiality by ensuring no member has unfair advantage and teamwork (Patrick et al., 2014).

Co-operatives in Kenya began in 1908 when the first Co-operative Society which was a dairy Co-operative was set up. The government enacted the initial Co-operative Decree in 1931 to supervise the workings of cooperatives; this marked the first formal involvement of the government in Co-operatives. Africans were included as part of the co-operative Movement in 1946 with the then puritan government appreciation of the fact that Africans desired to take part in the economy through cooperatives leading to the execution of a novel Co-operative Societies' Decree. In 1955, in line with the Swynnerton Plan which prepared the path for the creation of additional co-operatives, Africans were involved in the growing of cash crops. From 1932 to 1969, approximately 1,890 co-operatives had already been certified. The original societies were mainly involved in marketing and included the Kenya Co-operative Creameries, KCC established in 1925, the Kenya Planters Co-operative Union, KPCU established in 1923 and the Kenya Farmers Association, KFA established in 1923.

The foregoing organizations were initially enrolled as companies and were registered as co-operatives by 1931 the time the initial Co-operative Decree was propagated. The sessional paper number ten of 1965 on African socialism stimulated the expeditious control of the Kenyan economy by Africans and extermination of poverty hinged on rules synonymous with those espoused in the co-operative movement. The original Government's co-operative development policy after attainment of independence was encompassed in sessional paper number eight of 1970 which had the primary goal being fortification of the cooperative endeavors. The policy involved advancement of management of societies, enhancement of education and training for members and staff with the government providing support staff as caretakers. The revision of the Co-operative Development Policy was effected in 1975 whereby the government persisted to acknowledge co-operatives as indispensable tools for marshalling human, material and financial resources for the development of the country. The government restated its dedication to seek and bolster development of co-operative endeavors in all the levels of production of the economy.

In 1980, Kenya government commenced actualizing structural adjustment programmes for the market based economy. The 1986 sessional paper number one dealing with economic management for revived growth underscored the significance of unburdened economic development chaperoned by the private sector. Through sessional paper number four of 1987 that focused on revived growth through the co-operative movement the government recapitulated its assurance to complement the cooperation of Kenyans in the economy via Co-operatives. The accountability of managing co-operatives was the prerogative of the management committees and the members while the role of the government was purely advisory in nature.

The recovery and sustainable development to the Year 2010 which was sessional paper number one drafted in 1994 rejuvenated the need for an economy guided by the private sector aimed at increased and continued growth of the economy. Through the sessional paper number 6 on co-operatives in a liberalized economic environment of 1997, the government revised its engagement in the running of co-operatives through establishment of statutory structures under which co-operatives were to operate in a competitive economic milieu. The ratification of the Act on Co-operative Societies number 12 of 1997 eliminated fully the government's task in the running of co-operative societies. This culminated in the whole co-operative movement almost disintegrating.

SACCO Societies form the most agile budding sub sector of the Cooperative Movement in Kenya and also the remarkably noteworthy in affecting the livelihoods of their members. They are regulated through the Cooperative Act, which regrettably is largely inferior and lacks commensurate stipulations to guide SACCOs in the competitive financial sector. The Act fails to establish measures of performance needed for such functional Cooperatives supporting financial intervention. The reputable management of a SACCO society depends on the capacity to propagate precise and appropriate financial statements. The major reason for this is that reliable records can reveal problems before they become serious and can serve as an inclination tool to deal with the problem.

In Kenya, SACCOs were instituted after independence by mutual groups that amalgamated to save money and provide loans to customers based on the arising needs. Nonetheless, the premier SACCOs did not survive because the customers, who were either a communal or a church group, lacked constant incomes to sustain the SACCOs. Most of these cooperatives became lethargic and were discontinued. Management was incompetent due to mediocre record keeping and erroneous financial statements.

STATEMENT OF THE PROBLEM

SACCOs perform a pertinent task in the production and distribution of national income. They form a key sector of the economy which can be used as a tool of individual and national economic and financial growth. SACCOs like other business organizations globally are operating under an environment that is characterized by intense competition from other financial institutions, high rate of employee turnover and loss of customers which have adversely affected their organizational performance. To lessen the impact of frequent and high rate of employee turnover, customer dissatisfaction and loss, and competition traditional approaches to management previously adopted by SACCOs must be enhanced by and through incorporation of TQM practices. Implementation of QM practices is widely recognized as a key determinant in enhancing organizational efficiency for both manufacturing and service organizations in the contemporary competitive world. In Kenya, various researches have been conducted on the effect of various TQM practices on varied performance indicators in different industries. Masindet and Ogollah (2014) studied the influence of TQM practices in cement industries. Awino et al. (2012) carried out a study on TQM in Horticultural industry. Magutu et al. (2010) in a study on Quality Management Practices in Kenyan Education Institutions: The case of the University of Nairobi. From the aforementioned, there seems scarce studies have focused on the effect of quality management practices implementation on organizational performance of SACCOs based on the employee performance and customer satisfaction as indicators. This study, therefore, sought to bridge the identified hiatus by examining the impact of QM Practices on Organizational efficacy of SACCOs in Kirinyaga County, Kenya.

GENERAL OBJECTIVE

The broad target of this study was to examine the effect of Quality Management Practices on organizational performance of SACCOs in Kirinyaga County.

SPECIFIC OBJECTIVES

1. To ascertain the effect of top management commitment on organizational performance of SACCOs in Kirinyaga County.
2. To examine the impact of customer focus on organizational performance of SACCOs in Kirinyaga County.
3. To establish how employee involvement through training affects organizational performance of SACCOs in Kirinyaga County.

THEORETICAL REVIEW

Resource Based Theory (RBT)

The resource-based view of the firm and the resultant resource based theory provide an important structure for construing and forecasting the underpinning of a firm's competitive advantage and performance (Palmatier et al., 2014). Every organization possesses resource bundles and capabilities that enable it to compete in the turbulent market. Wernerfelt (1984) considers a firm's resources at a given time as those tangible and intangible assets which are anchored semi-permanently to the firm and include brand names, in-house knowledge of technology, employment of skilled personnel, trade contacts, machinery, efficient procedures, capital etc. For competencies, capabilities and skills to be an essential determinant of worthwhile competitive advantage and promote organizational performance they must be of value, rare, difficult to copy and irreplaceable.

The RBV has been criticised as being static and tautological. Static because it does not either concentrate on the influence of organizational actions on resources effectiveness over time or describe how latent resources affect sustained competitive advantage in changing markets however considering dynamic capabilities as a resource has aided assuage concerns about RBT ability to describe the effects of resources in changing environments. The other point of departure is that RBT is tautological or self-verifying theory which may not be tested analytically (Palmatier et al. 2014).

TQM practices like top management commitment and support, building strong relations with customers and empowering employees through training and improving reward systems coupled with other organizational resources are all valuable resources that can enhance organizational performance in terms of employee and customer satisfaction. Top management commitment and support is a fundamental organizational resource. Top managers in an organization are responsible for the formulation, implementation and monitoring of the organization’s strategies; they are responsible for the overall planning, organization, direction and control; they allocate resources necessary in undertaking an organization’s operational objectives and they help steer an organization in the direction of the required change. An organization is as good as its leaders; this is because the success or failure of an organization largely depends on the level of commitment, engagement and support portrayed by the top managers. Commitment, engagement and support are innate attitudinal characteristics which are valuable, rare and difficult to imitate. Top Management that is committed and supports thorough implementation of TQM practices provides leadership and is held with respect by the employees who are always ready to support any quality programmes emanating from their leaders, this improves the working relationship and creates synergy in an organization. When members of an organization work as a team, they are all committed to the organization’s vision and mission of serving its customers’ needs and expectations. Lack of top managers’ commitment and support in the implementation of any quality initiatives is one of the causes why organizations fail.

Employees who are empowered and involved in decision making, trained in the implementation and execution of the required strategies are an organization’s core resource for they understand the current and the expected future direction of the organization. Necessary training provided at the right time in accordance with the organization’s training needs assessment helps in improving employees’ proficiencies in undertaking their tasks which are in tandem with the objectives of the organization. Efficacious training will enhance employees’ allegiance to the organization, boost their motivation, reduce turnover rates and enhance their work performance. Employees who are fully committed to the organization’s mission of ensuring that the customers receive quality offerings will provide necessary information on quality improvement and on how to improve the organization’s processes, offerings and image. A satisfied employee is as good as a satisfied customer that is a satisfied employee attempts to meet and even exceed the customer's expectations by producing and providing the required quality offerings at the right place, price and time. Employees who feel their organization value them will portray a high level of work engagement while Customers who are satisfied by the quality of an organization's offerings will make repeat purchase, offer relevant information on quality improvement and will positively propagate a positive word of mouth to other potential customers.

An organization that views the customer as the king directs its operations to understanding, fulfilling and even surpassing the customer's anticipations remains competitive and its market share position is not prone to external threats brought about by competition. Satisfied customers are an organization's major resource because they remain loyal to the organization; they will offer necessary information that helps an organization improve on the quality of its offerings; they will make repeat purchase thus helping the organization meet its sale target and remain in business and they are an important organization's network in acquisition of new customers because they propagate positive word of mouth about the organization's offerings. An organization that focuses its efforts on satisfying the customer will arrange its operations in accordance with the customer's needs, presumptions and dissatisfactions. This helps the organization to create high quality and reliable offerings within the stipulated time with increased efficiency.

Kanter's Structural Empowerment Theory

This theory aims attention at interrelations within the organization in place of the individual's own qualities. According to the theory, power possessed by a leader will flourish by sharing it through empowering and delegating to others and as a result, leaders will achieve increased organizational performance (Masindet & Ogollah, 2014). According to Armstrong and Laschinger, 2006 power is the capacity to marshal resources and achieve goals, as opposed to the idea of power in the conventional stratified situations. Power stems from formal and informal systems within organizations. Formal power springs from specific job characteristics such as flexibility, adaptability, creativity associated with independent decision making, visibility and centrality to organizational purpose and goals while informal power proceeds from social connections and the development of communication and information channels with peers, supervisors, subordinates (Masindet & Ogollah, 2014; Armstrong & Laschinger, 2006).

For empowerment to take place employees should have opportunity for advancement, access to information, access to support, access to resources, education and training (Masindet & Ogollah, 2014; Armstrong & Laschinger, 2006). The duty of the management is to make sure that the above conditions are fulfilled to ensure work effectiveness. This theory is in tandem with the requirements for successful implementation of TQM practices in any organization for it envisages that although Top management has formal power by virtue of their positions they should be willing to share in the decision making by consulting, creating an atmosphere of open communication and encouraging their juniors and customers to contribute ideas that can help improve the organization's processes and ability to provide quality offerings.

In the context of SACCOs the top managers must be committed to service quality, they must empower employees to make decisions involving issues and complaints raised by the customers. They must provide opportunities for and resources to support the continuous learning of employees to enhance their skills and capabilities. These actions by top management leads to a motivated workforce that would be ready to serve customers better thus improving organizational performance in terms of employee and customer satisfaction. Managers in an organization that has embraced TQM are positive about shared decision making; they confer with employees and support them in their work; they create an atmosphere of open communication where the employees can inform their seniors about the progress of their accord and indicate when problems arise or when there is stagnation in the task.

Employee involvement through provision of appropriate, relevant and realistic training on how to continuously improve the quality of the organization's offerings and processes in order to meet customer needs and expectations is a way of empowering them, however, that alone cannot enable them to make and implement pertinent decisions on quality. Managers must encourage and support them in an environment free of trepidation. For training to produce the results anticipated and be transferrable in a work situation, the employees must believe in themselves and be committed and engaged.

The organization can empower its customers by creating a platform that enables them to contact the organization with offerings enquiries and related questions. The organization must create channels to collect information from the customer about their preferences. An organization whose members are committed to achieving high degree of customer satisfaction views the customer as the king and takes seriously and acts quickly on any concerns raised by the customer. A customer who feels the organization values them will make repeat purchase of the organization's offerings and will promote the organization to other potential customers.

Top Management Commitment and Organizational Performance

Top management commitment is among the outstanding factors critical to the success of QM implementation in any organization. Top management has immense influence on the attitude and strategic direction of the organization. For an organization to reap the benefits of successful QM implementation the top management must allow and encourage employees throughout the organization to conduct necessary actions on their own initiatives and be actively involved in organizational improvements. Top management must provide necessary resources to promote new ideas and improvement opportunities. The International Organization for Standardization (ISO, 2001) considers top management as an individual or group of individuals who executes the managerial functions of planning, organizing, directing and controlling in an organization at the uppermost echelon. The primary intent is to establish an environment where employees are comprehensively involved and whereby they can work effectively and make recommendations to achieve the objectives of the organization. Management should commit to their leadership and actively take part in the formulation and implementation of strategy. Commitment of top managers involves engaging in and maintaining behaviours that help others achieve a goal (Cooper and Edgett, 2006).

Top management must also guarantee that employees become clearly involved in quality management implementation. By actively engaging in quality circles, employees can mutually fabricate and guard a social stability within the organization that provides the organization with measures of control. Top management commitment and employees involvement is an important and cardinal principle in total quality management, because it is assumed to have a positive relationship with customer satisfaction. Senior management should be willing to allocate significant resources to quality management implementation, particularly to make large investments in training. Psomas et al. (2010) recommends that the top management must make sure that an organization's inspiration for executing quality standards emanate from within and not from without. Top management should concentrate on changing the entire organization's culture with the object of remodelling it to an evidently quality-based way of doing things. The aim of management should be to improve the equipment, facilities and technological resources of the organization. Paying attention to the infrastructure and culture of the organization represents the main determinative area for assuring a strong internal milieu is established as an underpinning for the successful implementation.

Top managers should concentrate on the advancement of their employees. The goal should be to develop enlightened employees who owe allegiance to procedures involving quality and who are freely encouraged to contribute in making decisions on matters of quality. Management should also concentrate on the time, financial resources and paperwork within the organization (Pun, 2001). Management should focus on the features of the external milieu whereby the organization competes. Though the possible impact of the external ambience can at times be very strong, managers should be aware that an organization having a potent internal environment can meliorate the external effect of the market.

Jun et al., (2006) carried out an enquiry on a set of organizations between the border of Mexico and US executing total quality management which is combined with management quality systems; management leadership was seen as a significant element. The study revealed that, essential changes could be introduced to an organization hinged on the level and nature of management commitment. Their work gave rise to different basic hypotheses involving the contribution of top management commitment. Top management commitment affects the level of employee empowerment and involvement positively. Top management commitment is positively related to the quality and level of employee training. Top management commitment impacts on teamwork and resulting synergic relationship is strongly positive. Top management commitment on an organization's performance system of appraising employees and the accompanying employee's attitude are closely linked. Top management commitment has a strong positive effect on employees' remuneration and compensation framework.

According to Ahuja (2012), top management can influence achievement of manufacturing performance advancements by putting in place structures for QM implementation, setting up just reward and recognitionstructure in the organization and ensuring that resources for managing change in the organization are availed on time. It takes necessary planning and a focused QM implementation plan, adequately aided by top management through engaging in organizational cultural improvement over a considerable period of time to appreciate the true results from the comprehensive QM implementation program.

Employee Involvement through Training and Organizational Performance

According to Garavan (1997) training is a programmed and logical undertaking to alter or improve knowledge, skills and attitudes through learning experiences and to attain effective performance in an activity or a gamut of activities. According to Nair and Prajogo (2009) training all employees concerning total quality concepts and QM requirements is vital for the success of the organization. The employee owns it because they have been empowered. The training also acts as a motivation to the employees. Training involves information-giving and a dry run of skills. Training concentrates on organizational stability than it is with change. Training can bolster the employee's inventory of skills, it can prepare employees for future growth, it prepares employees to do the job more efficiently and effectively, and it prepares employees to make positive contributions to the general working milieu (Kim et al., 2009). Efficacious training imparts in employees crucial knowledge about the industry and the structure of the organization and it also improves employees' devotion to the organization, motivation, and work performance. Training of employees on how to produce reliable and high quality products and/or services harnesses their full participation in the production stage and is more fruitful leading to an increase in customer satisfaction and customer complaints reduction (Sadikoglu & Olcay, 2014).

Bunney and Dale (1997) suggested that for training to be effective it should be executed in a situation that employees can rehearse what they have been taught. Particular training needs should be put into consideration for teams involved in the improvement of quality. Local role models should be availed so that employees can network with and consult from them during and after training. A programmed approach on the utilization of techniques and tools should be employed. Managers understanding should be encouraged and clear policies be put in place that a single technique or tool cannot be a solution to all issues. Facilitators' responsibility during training should be to encourage the use of techniques and tools in daily work processes. The key virtues to be observed during training are patience and persistence because different people absorb new knowledge, attitudes and skills at different rates. Over and above, employees should be encouraged to take an active role in measuring and analysing performance of the organization's processes they engage in.

Helper and Kiehl (2004) found that efforts to promote employee involvement led to higher wages meant to offset the additional energy spent in achieving the essential advanced skill levels. Employees of organizations that adopt QM are often expected to carry out optional duties such as documenting new procedures and giving quality improvement ideas. QM embracing organizations must promote and utilize quality-related training to ensure that employees properly implement new procedures and acquire the skills needed to conduct internal audits and continuously improve other procedures.

Customer Focus and Organizational Performance

According to Sadikoglu and Zehir (2010) customer focus involves production and delivery of offerings that fulfil customers' present and future needs and anticipations.

An organization has two sets of customers: those within or internal and those without or external customers. The main focus of the TQM organizations is on serving the external customers. Organizations should understand and strive to meet and exceed current and future customer needs and expectations or anticipations. This can be achieved through open communication throughout the organization, gauging customer satisfaction and logically managing customer relationships (Wafula & Matata, 2015).

Organizations that have adopted QM view the customer highly and always strive to meet and exceed their expectations. In a total quality setting, every member of the organization aims at satisfying the customer through listening to their concerns, ensuring that their concerns are addressed in the best way possible and always remaining in touch with them. It is paramount for the members of the organization to appreciate the customer because the success, competitiveness and survival of the organization are closely intertwined with customer satisfaction.

In Egypt, Magd (2008) carried out a study on ISO 9001 in the Egyptian manufacturing sector: perceptions and perspectives and concluded that the main stimulus for seeking ISO certification was to enhance the adequacy of the quality system and to achieve customer satisfaction. The study was in the context of manufacturing organizations and did not consider the effects of top management commitment and support, employee involvement and customer focus implementation on customer satisfaction.

RESEARCH METHODOLOGY

Research Design

This study utilized descriptive research design. Descriptive research provides information on the characteristics of a population or phenomenon and supplies answers to the questions of who, what, when, where and how associated with a particular research problem. Descriptive design is used to obtain information concerning the current status of the phenomena to describe, "What exists" with respect to variables or conditions in a situation (Cohen et al. 2007). The design was considered appropriate for this study because the main objective was to investigate the viable relationship between Total Quality Management practices on Organizational performance of Saccos in Kirinyaga County.

Target Population

A target population is a particular set of units about whose information is sought. A population comprises clearly demarcated collection of elements, events, people, services, collection of things or group of households that are being studied (Kothari, 2004). According to SASRA website, there are six registered deposit-taking SACCOs in Kirinyaga County, Kenya. This study considered all the deposit-taking SACCOs in the county. The population of the study comprised of Managers including Chief Executive Officers (CEOs) and Non-managerial employees of the registered deposit-taking SACCOs. The target population was 418 members of staff.

Sample Size and Sampling Procedure

A sample size, according to Kothari (2004), is considered to be the group of items chosen from the population to form a subset of the population or the sample. A sample size should be optimal, that is it should neither be too large nor too small. A sample that is optimal is one that is representative, efficient, flexible and reliable. According to Vaughn et al. (1996), the goal of an enquiry should be to enlist items or persons who are clearly identified and who optimally focus on the goals of the enquiry. Persons participating in a study must freely be willing to supply the required information and should be representative of the population being considered. To obtain a sample from the SACCOs staff, the researcher took 30% of the staff and therefore one hundred and twenty six (126) respondents participated in the study. According to Mugenda and Mugenda (1999), a sample size of 30% is sufficient in obtaining a representative sample. The census method was used to select registered deposit-taking SACCOs in Kirinyaga County that participated in the study. Members of staff were stratified as Managers and Non-managerial employees. After stratification of the population, simple random sampling was used to draw the subjects for each stratum.

Data Collection Tools and Procedure

The research instrument utilized for this enquiry was a structured questionnaire which was self-administered and that was developed by the researcher. The researcher took the questionnaires personally to the respondents, left and picked them after two to three days. The major advantage for using the questionnaire is that the questions for each category of respondents are framed the same way thus ensuring uniformity (Mugenda and Mugenda, 2003). The questionnaires had structured (represented by items of the Likert Scale) questions. The researcher prior to the field work undertook pre-field activities which included but not limited to reviewing the research instrument with peers and other scholars and piloting the research instrument in one SACCO in the neighbouring county. After correcting the anomalies in the questionnaire, the researcher engaged in field work activities which entailed seeking permission from the Chief Executive Officers of respective SACCOs by presenting a letter of introduction from the University and clarifying the goals of the study. The researcher made prior arrangement with the SACCO management regarding the day, date and time of the visit. The researcher administered the questionnaires to respondents in person and at the same time clarified any issue that arose; in addition to this the researcher conducted a pilot study to familiarise with the respondents. The researcher allowed the respondents who were not able to fill the questionnaires two to three days to do so; thereafter the questionnaires were picked. After receiving the completed questionnaires, the researcher coded and analysed the data and kept the completed tools safely for future reference.

Data Analysis and Presentation

Data analysis involves examination of what has been collected in the survey and making deductions and drawing inferences. Before the analysis of quantitative data, it was checked to ascertain whether it was complete and consistent. The collected data was sorted to make sure it was orderly; it was also edited to discard errors so as to pinpoint any problem that could have occurred due to the utilization of the questionnaire. The quantitative data in the current inquiry was scrutinized by using Descriptive and Inferential statistics with the help of the Statistical Packages for Social Sciences (SPSS) software. Descriptive statistics include the frequency, mean, percentages and standard deviation. Data was presented using comparative tables showing percentages and frequencies and also by use of charts. In addition, a multiple regression model was adapted to determine the relative significance of each of the three predictor variables relative to the antecedent variable. The regression model adopted was as shown:

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

Where: y = Organizational performance; β_0 = Constant term; β_1, β_2, β_3 = Beta coefficients; x_1 = Top Management Commitment and Support; x_2 = Employee Involvement through training; x_3 = Customer focus; ε = Error term.

RESEARCH RESULTS

Top Management Commitment and Organizational Performance

The first specific intent sought to determine whether there is any link between top management commitment and support and the performance of organizations. For improved performance of SACCOs it is essential to have clear job responsibility for the SACCO staffs. It is also paramount to take corrective action immediately a quality problem is identified. Outlining of work flow can greatly enhance the performance of SACCOs; this is further augmented by having clear work instructions/procedures on various activities. Having effective two way communication processes significantly impacts on performance of an organization as there is free flow of ideas and information in an environment free of fear and intimidation. Closely linked to democratic communication process is the free will of the top management to encourage employee involvement in the production process; this is further supported by equitable appropriation of adequate resources. Involvement of top management in quality improvement activities has the effect of enhancing individual SACCO’s performance to a great extent; this is further supported by having committees established to carry out monitoring of implementation of quality management practices within the SACCOs.

This study finding concur with Karani and Bichanga (2012), who conducted a study in Kenya Wildlife Service, the study highlighted that effective leadership has a positive impact on the implementation of TQM. Top management that is committed and supportive creates the impetus in the other members of the organization to support and go an extra mile in an attempt to achieve the set organizational and individual goals. Changes in performance, has a higher probability of occurring in an environment characterised by autonomous participation by all members of an organization because such an environment leads to changed attitudes which lead to improved employee performance. Such an environment can only occur where the top management is committed and supports quality initiatives. Similarly (Mwaniki and Bichanga, 2014) found that it is imperative for the top management to be involved in the daily operations of the organization.

Employees' Involvement through Training and Organizational Performance

The second intent of this enquiry involved exploring the connection between employees' involvement through training and performance of organizations. This research approved areas that encompassed adequacy of training, adequacy of employees' knowledge of aspects of the market, availability of resources for employee quality training, reduction of turnover rates as a result of training and reduction of customer complaints due to the training of employees on customer management. Provision of adequate training on improvement of service delivery to employees who need it leads to employees in the SACCOs possessing adequate knowledge on the aspects of the market, which when coupled with commitment, loyalty and a sense of ownership significantly leads to improved organizational performance. Availing resources for employee quality training in SACCOs leads to reduced turnover rate and reduced customers' complaints. An organization whose workforce and customer base is loyal enjoys sustained performance in the industry.

This study concurs with Masindet and Ogollah (2014), despite the fact that the two studies were carried out in different industries. In their inquiry, Masindet and Ogollah (2014) provide empirical evidence from Cement Manufacturing firms in Kenya and found that employee involvement through training was paramount to Supply Chain Performance. The current study supports their results. In addition the study also confirms the results of Sadikoglu and Olcay (2014) that employee involvement through training is positively related to customer results, operational and employee performance. They further observed that appropriating organizations resources to training involving means of improving quality pays off as employees know about basic characteristic of their industry and the processes of their organization.

Customer Focus and Organizational Performance

The third intent of this enquiry was about ascertaining the impact of customer focus on the performance of organizations in terms of customers and employees satisfaction. Having close contact with customers by seeking their opinions on their needs and expectations, valuing feedback from an organization's internal and external customers and communicating the same to employees on time can significantly lead to improved performance. Utilization of customers' complaints in the improvement of organizational processes; employees of the various SACCOs regularly holding field days where they interact with external customers leads to enhanced employees satisfaction from meeting customers' expectations. The findings indicate presence of a positive link between customer focus and performance of organizations.

The outcomes of this study agrees with Nekoueizadeh and Esmaeili (2013) who concluded from their study on the Impact of TQM on organizational performance of the Telecommunication Industry in Iran that customer relations significantly affects organizational performance. Similarly, the findings support a study by Nganga (2010) who found positive link between the delivery of high quality goods and services and profitability through customer satisfaction. In addition, the study supports Sadikoglu and Olcay (2014) who found that customer focus is positively linked to an organization's customer results, operational performance and financial and market performance. To have a leeway over its competitors, it is necessary for members of an organization to be conversant with the customers' needs and expectations and this they should know on time and accurately by frequently communicating with and soliciting feedback from the customers. When an organization has clear perception of customers' needs, expectations, and complaints then it can invest in areas that are profitable thus leading to improvement in sales, profitability and market share.

REGRESSION ANALYSIS

This inquiry in addition performed regression analysis to figure out the ambit to which Quality Management Practices namely top management commitment and support, employee involvement through training and customer focus influences performance of organizations under consideration. The results obtained are displayed in table 1.

Table 1: Model Summary

Model	R	R2	Adjusted R2	Std Error of the Estimate	R2 change	F change	df1	df2	Sig. F change
1	.806[a]	.6496	.6401	2.712	.6496	114.58	3	270	0.000

a. Predictors: (Constant), Customer focus, Top Management Commitment and Support, Employee Involvement through training, Customer Focus b. Dependent variable: Organization Performance

From the table above, R^2 stands for the multiple correlation coefficients values among the top management commitment and support, employee involvement through training and customer focus and organizational performance, the predictors utilized in the model. R^2 represent the level of variability in Organizational performance that is addressed by the independent variables. From the model, R2 = 0.6496 revealing that all independent variables explain 64.96% change on the performance of organizations that were considered. Adjusted R^2 value was at 0.6401, elucidating that the forecasting of quality management practices on how organizations perform clarifies approximately 64.01 less variance. Change statistics were utilized to determine whether the shift in R2 is significant using the F proportion. The model led to adjusted R2 shifting from 0 to 0.6496.

Coefficient of Quality Management Practices

Table 2 depicts the estimates of β values and gives the particular contribution of each predictor to the model.

Table 2: Coefficient of Quality Management Practices

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% confidence interval for B	
		B	Std Error	Beta			Lower Bound	Upper Bound
1	β0 (Constant)	5.865	0.834		7.118	0.000	4.243	7.487
	Top Management Commitment and Support	0.644	.059	.187	4.159	0.000	.118	.311
	Employee Involvement through training	.816	.062	.531	9.964	.000	.577	.862
	Customer Focus	.578	.052	.212	4.064	0.000	.117	.328

The β values explain about the relationship between Organizational performance with each predictor (top management commitment and support, employee involvement through training and customer focus). The positive β values indicate the positive relationship that exists between the predictors and the outcome. The β value for top management commitment and support, employees' involvement through training and customer focus had positive effect on organizational performance. The general regression model is:

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

From the table above, the model shows that the top management commitment and support indicates ($t = 4.159$, $p = .05$), employees' involvement through training ($t = 9.964$, $p = .05$) and customer focus ($t = 4.064$, $p = .05$). The findings of the study therefore show that Quality Management Practices have significant relationship with Organizational Performance. The t-test was used as a gauge to identify whether the predictors were making essential contribution to the model. When the t-test associated with B-values is significant and the predictor is yielding important contribution to the model.

The model was improved to reveal the variables of this study:

$$y = 5.865 + 0.644x_1 + 0.816x_2 + 0.578x_3 + \varepsilon$$

Where: y = Organizational Performance; β_0 = Constant term; x_1 = Top Management Commitment and Support, x_2 = Employee Involvement through training, x_3 = Customer focus and ε = Error Term.

CONCLUSIONS

Quality management practices provide for a comprehensive and equitable approach for organizations to continuously improve their offerings or processes with the key goal being to meet their customers' needs and expectations, customers are in turn a major source of business for any organization. This study investigated the effect of top management commitment and support, employee involvement through training, customer focus and performance of organizations. From the findings, this study deduced that the commitment and support of top management towards quality initiatives is vital for organizational performance. Top management of the organizations under study provided resources necessary for quality improvement. Results also indicated that there was open communication and that employees were involved and encouraged in the production process. In addition, committees had been established to carry out monitoring of implementation of quality initiatives.

Pertaining to employees' involvement through training, this study concluded that employee involvement through training affected organizational performance significantly. Employees were getting adequate training on improvement of service delivery. Employees also possessed adequate knowledge of aspects of the market and were also trained on customer management practices. Adequate resources were also being provided for training and there was open and effective two way communication channel between employees and senior managers.

The research also adjudged that customer focus was all-important for performance of organizations. The results revealed that the SACCOs were determined to fulfill their customers' needs and expectations by being close to them, seeking their opinions on their needs and expectations, timely communication of the customers' needs and expectations to employees and incorporating customers' views in the improvement of the SACCOs' processes. To do this, the study found that the SACCOs valued customers' feedback highly and the employees regularly held field days where they would interact with the customers.

RECOMMENDATIONS

This study has shown that the quality management practices such as customer focus, top management commitment and support and employee involvement through training are positively related to organizational performance. It is therefore paramount that they be adopted by organizations in different industries. In addition to this, the study recommends that the top management of SACCOs be fully involved in the daily running of their organizations and they strengthen the already existing effective two way communication channels. It is also necessary for the top management to continue providing resources for training andalso for rewarding employees who portray improved performance. The top management, in addition to, encouraging employees to take part in the production process should encourage them to take part in decision making and in contributing to quality improvement strategies. To achieve this, it is critical for the top management to create an environment devoid of intimidation and witch hunt.

Employees' involvement through training is a way of treating them as an organization's most valued resource; it increases their allegiance to the organization, motivates them, makes them proud of their responsibilities, improves their work based performances, reduces absenteeism, and minimizes intention to quit. This study, therefore, recommends that it is crucial for managers of the SACCOs to continuously identify training opportunities for employees, encourage them to undergo the training and provide the necessary resources to facilitate the same. Employees should also be provided with training that helps increase their skills to work effectively and efficiently, and that which enables them to improve on performance, know the industry and understand the structure of their organizations. It's also recommended that employees be given adequate training that enables them to increase quality, reliability and timely delivery of offerings.

Failure to focus on the customers' needs and expectations is one of the major reasons why organizations fail. This study recommends that since customer focus affects organizational performance, it is critical for managers of SACCOs to regularly carry out market research to find out and understand customers' needs and expectations, provide clear communication links, establish customer relation and enquiry desks in every branch and address customer complaints in time.

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