

**TOTAL QUALITY MANAGEMENT PRACTICES AND PERFORMANCE OF
DEPOSIT TAKING SAVINGS AND CREDIT COOPERATIVE
ORGANISATIONS IN NYERI COUNTY, KENYA**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS,
ECONOMICS AND TOURISM IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF
KENYATTA UNIVERSITY.**

MAY, 2023

DECLARATION

This project is my own original work and has not been presented for award of any degree in any University. No part of this project should be reproduced without the permission of the author or Kenyatta University.

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This research project has been submitted for the course examination with my approval as the University supervisor.

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DEDICATION

This research project is dedicated to all who played a significant role in developing this proposal. Special dedication to my wife Carol and daughters Tiffany Warigia and Tracy Wanjiku for motivating me to work harder towards the fulfilment of this endeavour.

ACKNOWLEDGEMENTS

I acknowledge Dr. Paul Waithaka, my supervisor for his guidance in preparation of this project. I appreciate his devotion and commitment in guiding the development of this work. Special regards Dr. Ann Wambui Muchemi, Research Methods course unit lecturer who also played a key role in the accomplishment of this task.

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OPERATIONAL DEFINITION OF TERMS

Continuous improvement	Entails consistent upgrading of the firms offering; products and methods by way of incremental and innovative developments.
Customer focus	Involves the orientation of an organization in serving or meeting its clients' needs.
Employee empowerment	Involves according the workforce a certain level of independence and accountability for making decisions regarding their engagements.
Management commitment	Entails dedicated direct contribution by top management in an explicit and disparagingly essential part or program.
Organisational Performance	It concerns an analysis of a firm's achievement of a task measured against certain pre-set canons of efficiency and productivity.
Total Quality Management Practices	This is in essence, a management scheme that spells out a participatory, customer-focused business that aims at consistently upgrading the organisational products for long-term organisational success.

ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
CCN	County Government of Nairobi
GDP	Gross Domestic Product
ICA	International Cooperative Alliance
ROA	Return on Assets
WOCCU	World Council of Credit Unions
SACCO	Savings and Credit Cooperative Society
TQM	Total Quality Management

ABSTRACT

Savings and Credit Cooperative Organisations have continued to promote financial inclusion globally and the growth of economies. The sub sector plays a critical role to the Kenyan economy. Kenya has the highest fraction, in percentage points, of Gross Domestic Product attributable to cooperative societies globally. The subsector is however characteristically faced with intense competition that has seen several players exit. Performance of Savings and Credit Cooperative Organizations has continued to decline over the years. The current study sought to determine the effect of total quality management practices on Savings and Credit Cooperative Organisations' performance in Nyeri County of Kenya. In particular, the study sought to assess the effect of continuous improvement, employee empowerment, customer focus, and management commitment on performance. The study was guided by the Institutional theory, Deming's Quality Improvement Theory and Resource-Based View Theory. Performance was evaluated using non-financial metrics that considered the outreach performance. The study used a census study approach to subject all the 15 active deposit taking Savings and Credit Cooperative Organisations in Nyeri County as provided by the Directorate of Cooperative Development of Nyeri County. The study also purposively selected Branch Managers, Customer Relationship Managers, Accountants, Credit Managers and Marketing Managers of all the 15 firms as the choice class of respondents. This led to a total of 75 respondents. The study was interested with non-financial (outreach) performance of the Savings and Credit Cooperative Organisations. Both primary and secondary data collection methods were utilised. Primary data was collected through a semi-structured questionnaire which was administered through the drop and pick method. The instrument were tested for validity and reliability using Cronbach's Alpha Reliability test and expert opinion. Secondary data was collected from organisational publications and handbooks. The study employed both descriptive and inferential statistics in analysis and used correlation and regression analysis as key analytical models. The multiple regression analysis provided evidence that total quality management practices; management commitment, employee involvement, continuous improvement and customer focus have a positive and statistically significant effect on Savings and Credit Cooperative Organisations' performance. The results of Pearson correlation analysis indicated that management commitment, employee involvement, continuous improvement and customer focus have a strong positive and statistically significant relationship with performance. On management commitment, the study recommends that the Savings and Credit Cooperative Organisations' management establish a well-established framework to ensure constant evaluation and update of the quality policies. On employee involvement, the study recommends enhancement of the model of participatory decision for successful quality implementation. On continuous improvement, it is recommended that the Savings and Credit Cooperative Organisations' management establish structures to ensure conduct of continuous quality audits and improvement of the promptness with which corrective action is provided. On customer focus, the study recommends that the Savings and Credit Cooperative Organisations enlist the services of registered credit reference bureaus that would be of key help in evaluating the risks involved in lending and determining the credit worthiness of customers prior to lending.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The SACCO subsector in Kenya is acclaimed as one of the best performing in the world (Gamba & Komo, 2014). The financial sector where Deposit Taking SACCOs fall contributes approximately 4percent of the Gross Domestic Product (GDP) in Kenya with the total assets in the financial sector contributing well over 40 percent of GDP (Olando et al., 2013). The closest country to Kenya to this performance is New Zealand with 22 per cent contribution to GDP attributable to SACCOs. The SACCO Societies Regulatory Authority (SASRA) reports that at least 8 million Kenyans are members of SACCOs while 20 million depend on the movement indirectly (Owen, 2007).

The Kenyan SACCO subsector was additionally documented as the fastest growing in the world by WOCCU in July 2013. Additionally, Kenya's SACCO subsector is ranked by the International Cooperative Alliance (ICA) as first in Africa and 7th globally. The sub sector employs over 500,000 people directly and a further 2 million people indirectly(Bwana & Mwakujonga, 2013). The SACCO Society Regulatory Authority (SASRA) documents that the SACCO subsector's growth averages at 30% per annum (SASRA, 2013).

Mumanyi (2014) asserts that despite their significance to the economy, SACCOs locally and globally are faced with a myriad of challenges. Corporate failures have become a common phenomenon in the SACCOS platform today (Odera, 2012). Theorists and researchers have proposed that one of the key determinants of the

survival and growth of SACCOs will be their ability to fully satisfy the needs and growing preferences of the customers through quality and high value products which is the foundation of total quality management.

1.1.1 Organisational Performance

Penman and Penman (2007) describes performance as a measure of an organisation's earnings and value appreciation based on their share prices. By allowing the comparison of actual performance levels with the set standards, performance measurement permits key reconciliations to be taken and guides the prescribed corrective action on organisational issues (Aguinis, 2009). As such, a good performance measurement framework improves both the performance and productivity of a business entity by reducing costs and other risks.

With regard to SACCOs which interests the current study, several parameters are applicable in assessing performance. The methods available for are broadly categorised into financial and non-financial measures (Ittner & Larcker, 2003). Both financial and non-financial metrics aim at evaluating the accomplishment of business objectives. However, financial metrics rely on monetary factors in reporting the state of business performance while the non-financial metrics does not rely on monetary metrics but other factors that are much more long term in nature.

Financial indicators of performance rely heavily on financial ratios which help in understanding the firm's financial (Wild, Bernstein, Subramanyam and Halsey, 2004). An exclusive application of financial metrics to monitor performance has several limitations which include their short-termism and failure to account for long term performance (Kaplan & Atkinson, 2015). The financial metrics also over concentrate

on the internal situation and leave out critical external factors such as customer satisfaction and competitors' actions that are captured by non-financial measures. In addition, financial metrics are open to manipulation of results as desperate managers try to depict the achievement of their targets. Finally, the financial measures are restricted in benefit to the organisation as they may not convey the whole picture regarding the dynamics that drive long-term success and shareholder wealth maximisation goal of the firm. Therefore, non-financial performance measures are considered more broad and objective and superior for ability to reflect on the long-term viability and health of the organisations (Folan & Browne, 2005).

Non-financial performance metrics are ideal for their long term viewpoint and one of the ways in which it can be assessed is a focus on outreach performance. Outreach performance as a non-financial performance measurement metric has been widely applied by SACCOs. This is especially so because the entities aim at reaching out to the financially disadvantaged and underserved class through mobilisation of their savings for on lending to its members at friendly rates (Amey, 2002). Outreach performance in essence entails the delivery of financial services to a large number of clients who had previously been denied such services by the existing system (Rahman, Luo, Hafeez, & Sun, 2012). Outreach performance may be signposted by a range of metrics which include the depth, breadth, length, cost to users, worth of users and scope indicators.

Depth concerns the perceived value attached by the society. Cost of outreach is applied with reference to the cost of a loan to a borrower including the interest rates and the transaction costs. Breadth indicators concerns the number of users while

length of outreach considers the time taken to process loans for clients. Finally, the scope of outreach is used in reference to the number of type of financial contracts offered by the lender (Barry & Tacneng, 2009). The current study applied outreach performance that will consider depth, cost, breadth, length and scope of outreach as the choice nonfinancial metrics to demonstrate the state of SACCO performance.

1.1.2 Total Quality Management Practices

According to Dahlgaard, Khanji, and Kristensen (2008), Total Quality Management (TQM) emerged as an organisational principle in the 1950s. Total Quality is about optimal satisfaction of customer needs and desires (Garvare & Johansson, 2010). As such, the organisational culture and setting requires superb excellence in all dimensions of their products and services. As such, the processes and procedures of the organisation should be aligned to hit a common goal of customer satisfaction.

Goetsch and Davis (2006) posits that TQM spells out the principle of involving all organisational teams to deliver superior products through continuous improvement of products. According to Evans and Dean (2003), TQM represents a management approach that demands the organisation and her members to be entirely focused on customer satisfaction. With customer satisfaction at the pivot, TQM is able to deliver long lasting organisational success. Dale (2015) argues that TQM as a management philosophy integrates all organizational functions towards achievement of customer needs along with the organizational objectives.

The TQM approach holds that firms should work towards consistent improvement of all her processes that make up the organisation by incorporating the knowledge and experiences of employees. Previously, TQM was popularly applied strictly in

manufacturing concerns but the concept has now emerged as a generic management tool valuable also in service and public sector organizations. According to José (2005), total quality management is composed of several integral activities which include: commitment by senior management, customer focus, improvement teams, systems to facilitate continuous improvement, employee involvement and empowerment and effective communication and feedback. As Irani, Beskese, and Love (2004) postulate, the components of total quality management practices can be summarised in four principles. These are; employee empowerment, management commitment, customer focus and continual improvement.

As Sureshchandar, Rajendran, and Anantharaman (2001) holds, continual improvement involves consistent enhancement of the firm's products. Continuous improvement helps firms to be both analytical and creative in devising tactics and methods to become more competitive and effective at meeting the expectations of all stakeholders (Deming & Edwards, 1982). The facets of continuous improvement include systematic measurement and enhancement, promotion of excellence teams, continuous quality audits, bench marking and cross-functional process management. These activities seek to attain, maintain and improve standards.

1.1.3 Performance of SACCOs in Nyeri County, Kenya.

Nyeri County is one of the 47 counties established by Kenya's constitution of 2010. It covers an area of 2,475.4 Km² bordering Kirinyaga County to the east, Murang'a County to the south, Laikipia County to the north, Nyandarua County to the west and Meru County to the northeast. The highly Agricultural County stands approximately 150 km North of Nairobi. The county has a population of 693,558 people (Kenya National Bureau of Statistics, 2009). As gathered from the Directorate of Cooperative

Development of Nyeri County (2016), there are 15 Deposit Taking SACCOs with operations in Nyeri County.

Nyeri County is home to a robust cooperative movement activity. Among the best performing deposit taking SACCOs nationally are headquartered in Nyeri such as NewFortis SACCO, previously known as Nyeri teachers SACCO. The fact that Nyeri County is highly productive in agriculture had also seen momentous growth in the SACCO sub sector in the county with many SACCOs targeting coffee, dairy and tea farmers in the county. Nevertheless, the county is home also to a high number of dormant SACCOs that failed a little moment after inception. According to the Nyeri county cooperative development department statistics as reported by Kiura (2016), over 50 percent of the SACCOs registered in the county had collapsed or become dormant. Poor performance therefore remains a thorny issue facing SACCOs in Nyeri county and Kenya at large.

1.2 Statement of the Problem

Mumanyi (2014) observes that notwithstanding their significance to the economy, Deposit Taking SACCOs locally and globally are faced with a myriad of challenges. Poor performance has remained a thorny issue facing SACCOs in Nyeri county and Kenya at large. According to the county cooperative development department statistics as reported by Kiura (2016), over 50 percent of the Deposit Taking SACCOs registered in the county had collapsed or become dormant. According to Odera (2012), corporate failures have become a common phenomenon in the SACCOS platform today. Academicians, practitioners and researchers have proposed that one of the key determinants of the survival and growth of SACCOs could be their ability to fully satisfy the needs and growing preferences of the customers through quality and

high value products which is the foundation of total quality management. While studies have been done on this are, a lot needs to be covered on the same in order to give enough empirical evidence for decision making.

Peljhan and Marc (2016) studied TQM and organisational performance of the manufacturing sector in Slovenia. The study found that TQM enhances organisational performance enhancing effects. Chepkech (2014) analysed TQM and performance of tertiary institutions in Uasin Gishu County. Employee involvement showed a positive correlation with performance. Jaafreh and Al-abadallat (2012) analysed TQM and performance of Jordanian banks and found performance enhancing effects. Kaynak (2003) studied TQM and performance of textile manufacturers in the United States and found performance enhancing effects. The studies presents contextual gaps on the need to undertake more local studies as well as empirical gaps on the need to cover more TQM variables.

The illustrations bring forth a lot of gaps that remain unaddressed which include contextual gaps in that only a few studies on this subject are available locally. Empirical gaps are also unveiled on the expansion of TQM variables assessed. Methodological gaps are unveiled on the need to consider more objective measures of firm performance, away from subjective metrics. As such, the current study addressed the subject, TQM and performance of Deposit Taking SACCOs in Nyeri County, Kenya.

1.3 Objectives of the study

The study was guided by a number of objectives. These were broadly classified into general and specific objectives.

1.3.1 General Objective

The general objective of the study was determine the effect of total quality management practices on performance of Deposit Taking SACCOs in Nyeri County, Kenya.

1.3.2 Specific Objectives

- i) To establish the effect of continuous improvement on performance of Deposit Taking SACCOs in Nyeri County, Kenya.
- ii) To determine the effect of employee empowerment on performance of Deposit Taking SACCOs in Nyeri County, Kenya.
- iii) To assess the effect of customer focus on performance of Deposit Taking SACCOs in Nyeri County, Kenya.
- iv) To determine the effect of management commitment on performance of Deposit Taking SACCOs in Nyeri County, Kenya.

1.4 Research Questions

- i) How does continuous improvement affect the performance of Deposit Taking SACCOs in Nyeri County, Kenya?
- ii) Does employee empowerment have an effect on performance of Deposit Taking SACCOs in Nyeri County of Kenya?
- iii) How does customer focus affect the performance of Deposit Taking SACCOs in Nyeri County of Kenya?
- iv) How does management commitment affect the performance of Deposit Taking SACCOs in Nyeri County, Kenya?

1.5 Significance of the Study

The study is of great importance to shareholders of SACCOs who are the owners of those investments. The investors will be guided accordingly to make informed decisions in regard to issues to do with total quality management in organisations. The investors will be able to make informed decisions on proposals by management to pursue total quality management investments. They will be in a position to evaluate the proposals based on empirical evidence presented by the study. The management team in SACCOs and other organisations will benefit greatly from the study. Management will be in a position to use empirically total quality management strategy. As such, the current study will enrich the quality of management decisions.

Researchers and academicians alike will find the study useful. The academic class will compare the empirical findings of the study with the theoretical orientations presented by theorists. The study will also serve as a benchmark to future studies on this subject. Researchers will find value in the study and will learn a lot of best methodologies to undertake related research. The study will also identify gaps to be filled in future studies which may interest future researchers.

1.6 Scope of the study

On content scope, the study was limited to the establishment of the effect of total quality management on performance of Deposit Taking SACCOs in Nyeri County, Kenya. In particular, the study addressed the effect of continuous improvement, employee empowerment, customer focus, and management commitment on performance of Deposit Taking SACCOs in Nyeri County of Kenya. In essence, the study sought to identify and describe the link of each of the specific variables with performance of the SACCOs in Nyeri County.

Performance was addressed from an outreach perspective in line with the goal of Deposit Taking SACCOs to promote financial inclusion. On time scope, the study covered five financial years 2014 to 2018 with a justification that total quality management is a continuous strategy that may take time to yield results and therefore the need to cover a considerable period. The choice was further justified by the fact that all the Deposit Taking SACCOs were in existence in this period. On context scope, the study was carried out in Nyeri County, a choice informed by the robust cooperative development activities in the county. This is driven mainly by high agricultural productivity and importance of the county to the region as the headquarters of the defunct Central province of Kenya.

1.7 Limitations of the study

The researcher encountered a non-response situation where the management teams targeted felt hesitant to provide sensitive competitive information regarding their entities. To address this limitation, the researcher obtained prior authorisation from the National Commission for Science and Technology (NACOSTI). Further, the researcher sought an introduction letter from the university. These authorities served to dispel fear by the management and served as a guarantee that the research would purely serve academic purposes. In addition, the researcher attached a personal commitment letter, assuring the participants further that research ethics and confidentiality would be highly observed.

Total Quality Management is by large a management issue which informs the choice of the top class of organisational management. The targeted class of respondents is a busy category of employees, a factor that made data collection a quite hectic exercise. To address this problem, the researcher adopted the drop and pick method in

questionnaire administration. Using this method, the study participants were accorded a reasonable duration within which they could respond to the questionnaire. This further helped in ensuring high response rate was achieved.

1.8 Organisation of the Study

The research project is organised in to five main chapters. Chapter one presents the background of the study as well as key objectives informing the study undertaking. The value of the study as well as methods to overcome possible limitations are also captured. Chapter two captures the literature review which is divided into theoretical and empirical review. This covers a review of key guiding theories and past studies reviewed in the study. The chapter ends with a summary and the development of a conceptual framework guided by the research objectives. Chapter three covers the research methodology and presents tools and statistical procedures used in undertaking the study and addressing the research questions. Chapter four presents the data analysis, presentation and discussion of the research findings. Chapter five summarises the findings, makes conclusions and key policy recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter covers a focused and detailed evaluation of key theoretical and empirical foundations of interest to the study. The theoretical review covers the perspectives of theory and arguments regarding the subjects of total quality management and performance as covered in the current study. The empirical review presents past studies on the subjects with a view to expose key empirical, conceptual, methodological and contextual gaps and a framework for filling those gaps. Both the theoretical and empirical reviews were key in guiding the conclusions of the current study.

2.2 Theoretical Review

The study was guided by institutional theory, quality improvement theory and the resource based theory.

2.2.1 Institutional theory

The Institutional Theory is associated with Moll, Burns and Major (2006) and formulates how organizations are able to survive and succeed through the continuous cultivation of congruence between the expectations of the organisation and their environments. The organisational environment consists of both internal and external environment. The basic premise of the institutional theory is that organisation's propensities toward compliance with main norms, customs, and social pressures in their internal and external environments result to consistency amongst firms in their

structures and behaviours, and that successful firms gain support and authenticity by complying with social pressures.

As such, the performance of firms is largely dependent on how they integrate their internal systems with the dynamics of external environment (Bruton et al., 2010). This would for instance be achieved through maintenance of industry standards, responsiveness to keep up with competition, customer needs and preferences and other prevailing market conditions. The theory will therefore be key in the assessment of continuous improvement as a variable in the study as the organisations engage in activities to match with expectations of the environment (Yang & Konrad, 2011).

2.2.2 Deming's Quality Improvement Theory

The Quality Improvement Theory is associated with Deming (1986) as one of its earliest proponents. The theory essentially postulates that the quality management doctrine is best effected and promoted when it is enshrined as principally the responsibility of top management. As such, without substantial support from the top management team, quality management strategies remain futile (Anderson et al., 1994). At the very core of the theoretical argument is that management is responsible for organisational systems, and that efficiency and effectiveness of such systems is what determines whether the firm succeeds or not. According to Boaden, Harvey, Moxham and Proudlove (2008), total quality management cannot succeed without top management commitment since it is the management that invests in the processes, creates corporate culture, selects suppliers and cultivates long-term relationships.

Deming (1986) promoted a systematic approach to problem-solving and introduced the Plan Do Check Act (PDCA) cycle as a model to ensure continuous improvement

in the firm. The PDCA concept also plays a significant role in reducing the difference between customer requirements and preferences with what the firm actually offers thereby assuring the long term performance and survival of the firm (Goetsch & Davis, 2006b). Oakland (2014) asserts that top management has the responsibility to take the lead in transforming processes and systems in building successful organisations.

The top management team needs to empower employees by providing a conducive working environment, ensuring effective communication and improving the skills base of those employees. Deming's Quality Improvement Theory was relevant to study in guiding the assessment of the effect of continuous improvement, employee empowerment, customer focus and management commitment as facets of total quality management with the basic argument being that investment in these dimensions of total quality management would serve to enhance quality of products and services and ultimately improve performance (Deming, 1986).

2.2.3 Resource-Based View Theory

Also known as the Resource Based View (RBV), the theory was authored by Wernerfelt (1984) and is built on the argument that the basis of the firm's competitive advantage lies in its internal resources and not a firm's place in the external environment. The RBV theory develops the body of knowledge of differential firm performance and introduces new dimensions of understanding of strategic management as a discipline (Barney and Clark, 2007). As a foundational argument, the theory holds that the firm's competitive advantage is results from the unique resources and capabilities that a firm possesses and not simply on the evaluation of environmental opportunities and threats in conducting the business (Barney, Wright,

& Ketchen, 2001). The theory asserts that the real source of a firm's competitive advantage and superior performance is its internal resources that are valuable, rare, inimitable and without substitutes.

Firm's resources are classified into two main categories namely; tangible and intangible resources. Generally, the resources include firm's assets, firm attributes, information, capabilities, organizational processes and knowledge. Tangible resources are physical assets that an organization possesses is made up majorly of materials, premises, machinery and equipment. Intangible resources on the other hand are the resources that cannot be physically located and include corporate brand name, organizational values, networks and processes that are not included in normal managerial-accounting information.

As held by Rouse and Daellenbach (2009), the intangible resources are more significant to a firm than the tangible ones in that they are built over a long period of time and are not therefore easily imitable. The total quality management practices need to be valuable, rare, inimitable and not substitutable to achieve competitive advantage and thus realize superior performance. Therefore, this theory supported variables of continuous improvement, customer focus and management commitment and employee empowerment as facets of superior organisational performance.

2.3 Empirical Review

This part covers a comprehensive presentation of past studies reviewed. The review sought to determine the methodologies, approaches, concepts used and findings established through the studies. The main objective of the review was the identification of research gaps to inform a viable framework of filling those gaps.

2.3.1 Management Commitment and Organizational Performance

Bahia, Abbas and Idan (2023) assessed total quality management and performance of academic organizations. The study relied on a case of the Technical Institute / Diwaniyah in Iraq. Specific variables assessed included customer focus, management commitment, continuous improvement and employee empowerment. An exploratory approach will applied. The study used a questionnaire of 60-items in data collection. The sample comprised of 65 academic staff members from various parts of the organization. The results provided evidence to show that supporting and adopting the total quality will be fruitful as a successful business philosophy for the continuity by creating appropriate requirements and conditions. Management Commitment as a total quality management practice was shown to positively impact on organizational performance. Contextual gaps are highlighted in that studies on this subject are over concentrated in foreign set ups.

Jaca and Psomas (2015) conducted a study on TQM and performance outcomes of service companies in Spain. The study targeted 72 Spanish service companies with questionnaires used in data collection. Exploratory factor analysis was used to extract the latent factors. Study results indicated that top management was committed to TQM implementation for Spanish firms. The study further revealed that management commitment was a statistically significant determinant of the various dimensions of the performance outcomes.

Osazevbaru and Oyibo (2023) assessed the total quality management (TQM) practices and performance measured by customer satisfaction. The population comprised of 20 licensed microfinance banks in Delta State were sampled. The study employed a descriptive survey research design. The total number of employees of the selected

banks was 327. The analysis was carried out using a blend of descriptive as well as inferential statistics. Results showed that total quality management practices were positive predictors of performance. Management commitment as a TQM practice showed a positive and significant effect on organizational performance. In context, gaps are evident as past studies on this subject are mainly from a foreign set up leaving scanty local evidence.

Wanyoike (2016) embarked on a study on TQM practices and performance of Kenyan manufacturers. The study specifically sought to determine the effect of continuous improvement, customer focus and top management commitment on performance of manufacturing firms in Kenya. The philosophical foundation of the study was positivism. The study used a combination of both descriptive and explanatory research designs and targeted a population of all the 60 manufacturing firms in Kenya. Study results indicated that management commitment, continuous improvement and customer focus as facets of total quality management had significant performance enhancing effect for manufacturing firms. The study presents contextual gaps in that similar studies targeting service industries are still rare despite the diffusion of total quality management ideals to service companies too.

Wangai (2015) studied on TQM and performance of firms dealing with manufacture of pharmaceuticals in Kenya. Study findings established that top management team was committed to total quality management and supported the implementation stakeholders to ensure success. Top management support, commitment and direction was found to have statistically significant effect on firm performance. The study presents empirical gaps on the need to cover other TQM variables such as continuous improvement in the analysis.

2.3.2 Continuous Improvement and Organizational Performance

Osazevbaru and Oyibo (2023) assessed the total quality management (TQM) practices and performance measured by customer satisfaction. The population comprised of 20 licensed microfinance banks in Delta State were sampled. The study employed a descriptive survey research design. The total number of employees of the selected banks was 327. The analysis was carried out using a blend of descriptive as well as inferential statistics. Results showed that total quality management practices were positive predictors of performance. Continuous quality improvement showed a positive and significant effect on organizational performance. In context, gaps are evident as past studies on this subject are mainly from a foreign set up leaving scanty local evidence.

Bahia, Abbas and Idan (2023) assessed total quality management and performance of academic organizations. The study relied on a case of the Technical Institute / Diwaniyah in Iraq. Specific variables assessed included customer focus, management commitment, continuous improvement and employee empowerment. An exploratory approach will applied. The study used a questionnaire of 60-items in data collection. The sample comprised of 65 academic staff members from various parts of the organization. Employee empowerment was seen to have a positive effect on performance. From a general perspective, total quality management as a practice was shown to positively impact on performance of academic institutions. Specifically, continuous improvement demonstrated a positive impact on performance. Contextual gaps are highlighted in that studies on this subject are over concentrated in foreign set ups.

Masindet and Ogollah (2014) embarked on a study on TQM practices and performance of the supply chain for Kenyan cement manufacturers. The study applied purely the descriptive statistics methodology of data analysis. The study results indicated that quality reviews were carried out quite often as a facet of continuous improvement framework.

Wanyoike (2016) study focused on TQM practices performance of Kenyan manufacturers. Using a positivist philosophical foundation and a combination of both descriptive and explanatory research designs targeting a population of all the 60 manufacturing firms in Kenya, the study established that continuous improvement had a positive and statistically significant effect on performance of manufacturing firms. The study presents contextual gaps on the need to replicate such studies to the service industries where they are still rare despite the diffusion of TQM ideals to service industry players.

A study by Muthama (2016) focused on TQM and performance of Kenya's mobile telecommunication companies. Organizational performance was indicated through quality, innovation and financial metrics in the mobile telecommunication firms in Kenya. A descriptive survey approach while the study relied solely on primary data collected through questionnaires. Generally, total quality management was found to enhance organisational performance. On continuous improvement, the study found the factor to be a significant determinant of organisational performance. The study presents methodological gaps on the need to use secondary data as well to complement the primary data in the analysis.

2.3.3 Customer Focus and Organizational Performance

Bahia, Abbas and Idan (2023) assessed total quality management and performance of academic organizations. The study relied on a case of the Technical Institute / Diwaniyah in Iraq. Specific variables assessed included customer focus, management commitment, continuous improvement and employee empowerment. An exploratory approach will applied. The study used a questionnaire of 60-items in data collection. The sample comprised of 65 academic staff members from various parts of the organization. The results provided evidence to show that supporting and adopting the total quality will be fruitful as a successful business philosophy for the continuity by creating appropriate requirements and conditions. Results indicated that customer focus as a total quality management practice has a positive effect on organizational performance. Contextual gaps are highlighted in that studies on this subject are over concentrated in foreign set ups.

Jaafreh and Al-abadallat (2012) conducted an empirical study on the TQM and performance of Jordanian banks. The study relied on a target population of 22 Commercial banks and 14036 employees working in the banking sector. Regression results established that customer focus was a statistically significant predictor of operating performance. Contextual gaps are also identified on the need to replicate the study locally to get more applicable results.

Wangai (2015) studied TQM and performance of Kenyan companies dealing with manufacture of pharmaceuticals. Customer focus was found to have performance enhancing effects. Masindet and Ogollah (2014) embarked on a study on TQM and performance of Kenyan manufacturers of cement. Specifically, the study sought to

establish among others the influence of customer orientation on performance. The study established that customer focus is a useful predictor of organisational performance.

Osazevbaru and Oyibo (2023) assessed the total quality management (TQM) practices and performance measured by customer satisfaction. The population comprised of 20 licensed microfinance banks in Delta State were sampled. The study employed a descriptive survey research design. The total number of employees of the selected banks was 327. The analysis was carried out using a blend of descriptive as well as inferential statistics. Results showed that total quality management practices were positive predictors of performance. Customer focus showed a positive and significant effect on organizational performance. In context, gaps are evident as past studies on this subject are mainly from a foreign set up leaving scanty local evidence.

Yaacob (2014) studied customer focus and public companies' performance. The study collected data from 205 managers within the public service sector. Study results revealed that customer focus had a statistically significant effect on performance indicated by employee satisfaction, innovation and customer satisfaction. The study presents empirical and contextual gaps on the need to expand the framework of TQM variables considered and need to replicate the study locally. Wanyoike (2016) in the study on TQM and firm performance among manufacturing firms in Kenya indicated that customer focus as a facet of total quality management had significant performance enhancing effect for manufacturing firms. The study presents contextual gaps in that similar studies targeting service industries are still rare despite the diffusion of total quality management ideals to the sector.

Muthama (2016) studied on TQM and performance of Kenyan companies dealing with mobile telecommunication. The study was interested in determining the extent of implementation of TQM practices including customer focus in the firms and determine their effect on performance. The study found customer focus to be a statistically significant predictor of organisational performance.

2.3.4 Employee Empowerment and Organizational Performance

Muthama (2016) studied TQM and performance of mobile telecommunication firms in Kenya. The study used a descriptive survey approach and used primary data collected through questionnaires. The study used a census study on all the five telecommunication companies operating in Kenya. Study results indicated that employee empowerment was practiced to a large extent and had a statistically significant effect on performance of mobile telecommunication firms. Generally, total quality management was found to enhance organisational performance. The study presents methodological gaps on the need to use secondary data as well to complement the primary data in the analysis.

Osazevbaru and Oyibo (2023) assessed the total quality management (TQM) practices and performance measured by customer satisfaction. The population comprised of 20 licensed microfinance banks in Delta State were sampled. The study employed a descriptive survey research design. The total number of employees of the selected banks was 327. The analysis was carried out using a blend of descriptive as well as inferential statistics. Results showed that total quality management practices were positive predictors of performance. Employee engagement and involvement showed a positive and significant effect on organizational performance. In context, gaps are

evident as past studies on this subject are mainly from a foreign set up leaving scanty local evidence.

Nzuve and Bakari (2012) undertook a study empowerment and performance at Nairobi city council. The empirical study specifically sought to establish the extent to which the City Council of Nairobi (CCN) had introduced employee empowerment programs as a pillar of total quality management. The study further sought to determine the association between TQM and performance. The study relied on a sample of 60 employees, 4 from each of the 15 departments at CCN. Both primary and secondary data resources were used. Performance was measured using return on assets (ROA). Study results indicated that employee empowerment as a facet of total quality management in the City Council of Nairobi was applied to a large extent. Pearson Correlation Analysis results indicated a very strong positive relationship between employee empowerment and performance. The study presents methodological gaps on the need to consider a number of organisations in the analysis away from the case study approach to enhance comparability.

Bahia, Abbas and Idan (2023) assessed total quality management and performance of academic organizations. The study relied on a case of the Technical Institute / Diwaniyah in Iraq. Specific variables assessed included customer focus, management commitment, continuous improvement and employee empowerment. An exploratory approach will applied. The study used a questionnaire of 60-items in data collection. The sample comprised of 65 academic staff members from various parts of the organization. Employee empowerment was seen to have a positive effect on performance. The results further provided evidence to show that supporting and adopting the total quality will be fruitful as a successful business philosophy for the

continuity by creating appropriate requirements and conditions. Contextual gaps are highlighted in that studies on this subject are over concentrated in foreign set ups.

2.4 Summary of Literature Review and Research Gaps

The studied reviewed both local and foreign studies. Though past studies have made good contribution to the existing body of knowledge, a lot of gaps remain unaddressed as established in the review. Contextual gaps are evident on the need to replicate the study locally as many past studies have a foreign orientation making the results less applicable to the local context (Jaca &Psomas, 2015; Jaafreh and Al-abedallat, 2012; Yaacob, 2014). Further contextual gaps are established in that studies on total quality management and performance targeting service industries are still rare despite the diffusion of total quality management ideals to service companies too (Wanyoike, 2016)

Empirical gaps are also unveiled in that on the need to consider an expanded framework of total quality management variables. Most past studies considered a limited framework of TQM variables (Wangai, 2015; Yaacob, 2014; Sadikoglu and Olcay, 2014). Methodological gaps as some studies considered just descriptive statistics which limit generalisation of results to a larger population (Masindet and Ogollah, 2014). Some studies relied solely on primary data creating methodological gaps on the need to use secondary data as well to complement the primary data in the analysis (Muthama, 2016). Further methodological gaps are established on the need to consider a wide range of organisations in the analysis away from the case study approach used in some of the past studies so as to enhance comparability (Nzuve and Bakari, 2012).

2.5 Conceptual framework

A conceptual framework represents an analytical tool that represents a hypothetical relationship between concepts, variables and ideas and gives the users a chance to test those connections (Mugenda & Mugenda, 2003). The conceptual framework consists of four independent variables and the dependent variable. The independent variables are the facets of total quality management used by the SACCOs. These are continuous improvement, employee empowerment, management commitment and customer focus. The dependent variable is performance which will be indicated by outreach indicators.

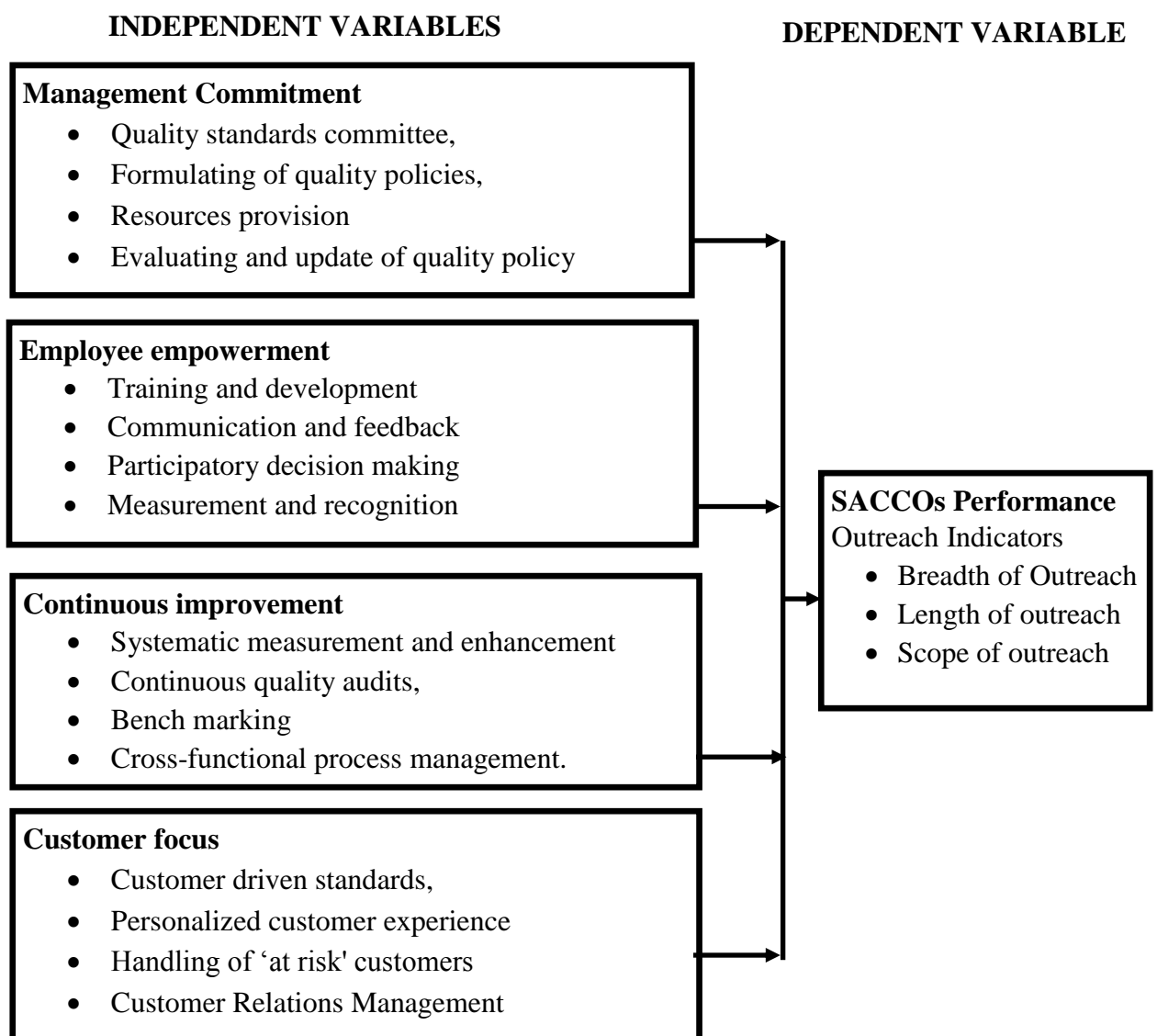


Figure 2.1: Conceptual Framework

Source: *Researcher (2018)*

The schematic diagram in figure 2.1 elucidates the framework of hypothetical interrelationships between variables. The arrows demonstrate the hypothesised direction of the association between the variables under total quality management and performance of SACCOs in Nyeri County, Kenya. The performance of the SACCOs was measured by outreach indicators which considers four dimensions of outreach namely breadth (number of members and customers), length of outreach (average time taken to process loans for clients.), scope of outreach (number of types of financial contracts offered), depth of outreach (perceived value) and cost of outreach (interest rates and the transaction costs). Management Commitment was assessed through evaluation of issues on quality standards committee, formulation of quality policies, resources provision for TQM implementation, and evaluation and update of quality policy.

With regard to continuous improvement, the study was interested with systematic measurement and enhancement, continuous quality audits, bench marking, cross-functional process management. Finally, on customer focus addressed issues on customer driven quality standards, focus on customer needs and expectations, provision of personalized customer experience, handling of 'at risk' customers, implementation of effective measures to retain clients, delivery of the right services at the right time, customer relations management and effective communication and feedback.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The methodology formulated presents designs and procedures used in achieving the set objectives. The key contents of this chapter are the research design, target population, sampling procedures, data collection instrument, data collection methods and data analysis and presentation. The methodology stipulates the stages used in carrying out the research.

3.2 Research Design

A research design is a detailed plan on how a research is conducted so as to attain the pre-set objectives (Orodho, 2005). A research design entails a structured plan used in selecting appropriate information for effectively addressing the research questions (Kothari, 2011). The study used a descriptive survey research design. Mugenda and Mugenda (2003) asserts that a descriptive survey research design helps in obtaining information regarding already existing relationships. The use of the descriptive research design was justified as the researcher sought already existing information on the condition of TQM and performance of SACCOs. The whole objective was to analytically describe the variables as they are and already existing relationships between those variables without an attempt to alter anything in the environment based on study variables. A descriptive survey describes variables and relationships as they are without an attempt to make any alterations in those formations (Bryman & Bell, 2015).

3.3 Target population

This refers to a set of units for which data collected is used to generalize results and make conclusions (Oso & Onen, 2005). It can also be termed as a particular group of individuals with similar characteristics identified as the intended respondents for a particular research (Ott & Longnecker, 2015). The target population consisted of all the 15 Savings and Credit Cooperative Organization (SACCOs) in Nyeri County, Kenya as identified with the Sacco Societies Regulatory Authority of Kenya (SASRA, 2018). The target respondents were 75 in total and comprised of the branch managers, operations managers, customer relations managers, finance and investment managers and credit managers in all the 15 SACCOs in Nyeri County.

3.4 Sampling Technique and Sample Size

A sample is a subset of a population. Sampling helps to identify a representation from the target population from whom data collected will enable the researcher answer the research questions. The more demonstrative the sample, the more confidently inferences can be deduced concerning the larger population (Bryman & Bell, 2015).

The researcher used census approach in identifying the SACCOs to subject to the study. According to Kothari (2011), where a population is small and there are no major research constraints, a census is considered most appropriate as it gives more accurate results. By use of a census approach, all the 15 SACCOs in Nyeri County were included in the research. A purposive sampling technique was used to identify individual respondents from the 15 SACCOs in Nyeri county considered to be best equipped with information sought. The respondents included branch managers, operations managers, customer relations managers, finance and investment managers and credit managers. In using purposive sampling technique, the researcher selects the

respondents who have the know-how of the information being sought in order to accomplish the objectives (Tongco, 2007).

The researcher used census study for the SACCOs and purposive sampling to identify the respondents to target. The census study was preferred as the target population was deemed small. In addition, the census study approach ensured that all the relevant groups were selected. The total registered SACCOs in Nyeri County were fifteen (15) in number, a population which the researcher considered small. For the purpose of identifying the respondents, the researcher used purposive sampling technique. The target respondents were 75 in total and 5 from each of the fifteen Deposit Taking SACCOs in Nyeri County. The targeted number of respondents was deemed ideal going with conventional wisdom presented by Mugenda and Mugenda (2003) who assert that for a sample size to be considered as ideal for normal approximations, it must comprise of more than 30 units, elements, objects or people.

Table 3.1: Target Respondents

	Number per Sacco	No. for all County Sacco's	Proportion of population	Cumulative Proportion of Population
Branch Managers	1	15	20%	20%
Credit Managers	1	15	20%	40%
Finance and Investment officers	1	15	20%	60%
Operations Manager	1	15	20%	80%
Customer Relations Officer	1	15	20%	100%
TOTAL RESPONDENTS	5	75	100%	100%

Source: *Researcher (2020)*

3.5 Data collection Instruments

The researcher used a semi structured questionnaire in collecting primary data. The instrument was administered to the respondents using the drop and pick method informed by the respondents' busy nature of work. Questionnaires deliver notable benefits as they help save on time, and limits interviewer's bias (Kombo & Tromp, 2006). The questionnaires were made up of mainly likert scale questions that sought to find out information about the variables. Likert type questions use a methodical scale from which participants choose the option that best represents their opinion (Sapsford & Jupp, 2006). Secondary data was gathered from management reports and other corporate handbooks. The researcher assessed the validity and reliability of the research instruments.

3.5.1 Validity of Research Instrument

The validity of an instrument is the measure as to whether it gives accurate results of what it purports to measure. An instrument is considered valid if the researcher is convinced that if the measurement is repeated over and over again, there are high chances of obtaining the same result (Guion, 2002). Validity regards three main contexts namely; the form of the test, the purpose of the test and the population for whom it is intended (Golafshani, 2003). The researcher was interested with ascertaining the content validity, face validity, criterion, concurrent, and construct validity status of the instrument. The researcher used expert opinion through assistance from the supervisor in ensuring the validity status of the instrument in relation to study objectives. To this regard, all the recommendations of the supervisor were taken to account. The instruments was also pre-tested on a small sample prior to the main study to ascertain that it measured the intended parameters and issues. The

pre-test involved randomly issuing 5 questionnaires to managers in two Sacco's from a neighboring county and making improvements on the instruments. Csikszentmihalyi and Larson (2014) presents a case for pretesting and expert opinions as reliable validity testing and improvement tools.

3.5.2 Reliability of Research Instrument

Guion (2002) assert that reliability concerns the dependability status of the research instruments in giving consistent results in repeated trials. Reliability refers to the extent to which a research instrument gives the same results for the same respondents over a common issue on repeated trials (Golafshani, 2003). Reliability therefore concerns the extent to which research instruments deliver consistency of the scores. The researcher conducted tests to analyse the reliability of the research instrument by use of the Cronbach's Alpha Reliability test. According to Tavakol and Dennick (2011), this method is suitable for items scored with values other than 1 or 0 such as scores on a 5-point scale. Cronbach's alpha embodies an average correlation that would be attained over all split-halves of the test. The Cronbach's alpha reliability test concerns the internal consistency status of the research instruments (Mugenda & Mugenda, 2003). According to Gliem and Gliem (2003), a Cronbach's reliability coefficient of greater than 0.70 would be considered "acceptable" in social science research circumstances; a scale that was applied to explain the reliability or otherwise of the research instrument.

3.6 Data Collection Procedure

Data collection exercise was carried out using questionnaires by use of the drop and pick approach. Using the drop and pick method, the researcher presented the questionnaires to the target respondents both in person and in some cases using

research assistants and then picked the instruments at a later date. The justification for choice of this method was the fact that the target respondent's availability was limited and therefore needed time to fill the questionnaires. The target population was also considered literate hence minimal interpretation was required. The researcher also gathered secondary data from the SACCOs' financial statements and management reports.

3.7 Data Analysis and Presentation

The data obtained was subjected to a number of operations that included editing to clean up the data, coding and classification in accordance with the study objectives and finally analysis using statistical package for social sciences (SPSS). In analysis the study used both descriptive and inferential statistics. Inferential statistic tools included correlation and regression analysis. The inferential statistics were key in determining the effect and relationship of TQM variables on SACCOs' performance. The study adopted a regression model of the type indicated below as adopted from Kutner, Nachtsheim and Neter (2004).

$$Y_{ij} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where, Y_{ij} = Performance of SACCOs

X_1 = Management Commitment

X_2 = Employee empowerment

X_3 = Continuous improvement

X_4 = Customer focus

β_0 = is the regression intercept

$\beta_1, \beta_2, \beta_3, \beta_4$, are regression gradients

ε is the error term.

Interpretation of the regression analysis results started from the model summary table which contains statistics of the R squared or Coefficient of Determination. R squared varies from 0 to 100 percent and indicates the usefulness of the model in predicting organizational performance. The higher the R squared, the more useful the model in the study. The Analysis of Variance (ANOVA) table was interpreted on the basis of P values in the tables. The interpretation of the F Test on ANOVA was interpreted using a significance level of 0.05 or 5%. As such, should the P Value be greater than 0.05 i.e. $P < (\alpha = 5\%)$, then a conclusion would be reached that the total quality management practice does not influence performance of the SACCOs. For Pearson Correlation Analysis, r values was helpful in interpretation and they represent the Pearson Correlation coefficient. The values of r vary from -1 to +1. If $r = 1.0$, this would show existence of perfect correlation. On the other hand, if $r = 0$ to +1, this would imply that the two variables either increase or decline together. If the value of $r = 0.0$, this shows that the two variables do not vary together at all. Additionally, if values of $r = -1$ to 0, this would indicate that as one variable increases, the other declines. Lastly, if $r = -1.0$, this would indicate perfect negative correlation. The results of the study were presented using tables, graphs, bar charts, pie charts and equations. Frequencies and percentages were presented to indicate the statistics on the tables and figures.

3.8 Ethical Considerations

It is important for researchers to pay attention to ethical issues related to carrying out a research. This is done with a view to protect the integrity of participants and increase the accuracy and quality of results. Before embarking on data collection, research permits were sought from Kenyatta University as well as the National

Commission for Science, Technology and Innovation (NACOSTI). The researcher upheld ethical issues in the process of the study and assured respondents that confidentiality would be observed and data collected would be used for academic purposes only. The researcher also obtained informed consent from all respondents to ensure willingness for full participation. Privacy and anonymity of the respondents was maintained throughout the study as no names were required as recommended in ethics theory. The researcher sought permission to collect all the necessary data required through a letter to the branch managers of the participating savings and credit cooperative organizations. A copy of findings would be availed to the participating respondents wish to have.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The empirical results of the study are presented in the chapter. The presentation is organised in various subsections to reflect different aspects of the output. The preliminary sections contains results of the reliability analysis, response rates and the profile of respondents. The results of the descriptive analysis procedure are then presented. The results of the inferential analysis are then presented.

4.2 Reliability of the Instrument and Response Rate

The reliability status of the research instrument is reported in this section. Reliability concerns the extent to which the research instrument provides consistent results. The study used the Cronbach's Alpha Reliability analysis method to achieve this end.

4.2.1 Reliability of the Research Instrument

The reliability status of the research instrument is reviewed in this section. The test is done through the Cronbach's Alpha reliability analysis. Table 4.1 presents the reliability results.

Table 4.1: Cronbach's Alpha Reliability Analysis

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.711	.701	24

Source: Survey data (2021)

As affirmed by Gliem and Gliem (2003), an alpha coefficient of more or equal to 0.70 would be acceptable and would represent a high level of internal consistency. The Cronbach's Alpha was 0.701 for 24 items. This was a representation of a high level of internal consistency.

4.2.2 Response Rate

An analysis of response rate is presented in this section and in particular Table 4.2. The evaluation is instrumental in determining the extent to which the response threshold is observed.

Table 4.2: Response Rate

Targeted respondents	Responses received	Response rate
75	53	70.67%

Source: Survey data (2021)

In total, 75 questionnaires were distributed to the respondents who were spread across the 15 SACCOs constituting the target population. From this figure, only 53 instruments were returned to the researcher. A response rate of 70.67 percent was therefore attained. This threshold was considered adequate for analysis purposes as Mugenda and Mugenda (2003) recommends 50 percent as the minimum response threshold, further indicating that a response rate of 60 percent is good and above 70 percent as excellent.

4.3 Profile of Respondents

Respondents were also requested to indicate their gender. Figure 4.1 presents the results to this regard. Two thirds of the respondents (66.04 percent) were of the male gender. The remaining third of the respondents were female. The results indicate that the male gender was dominant in employment at SACCOs in Nyeri County, Kenya.

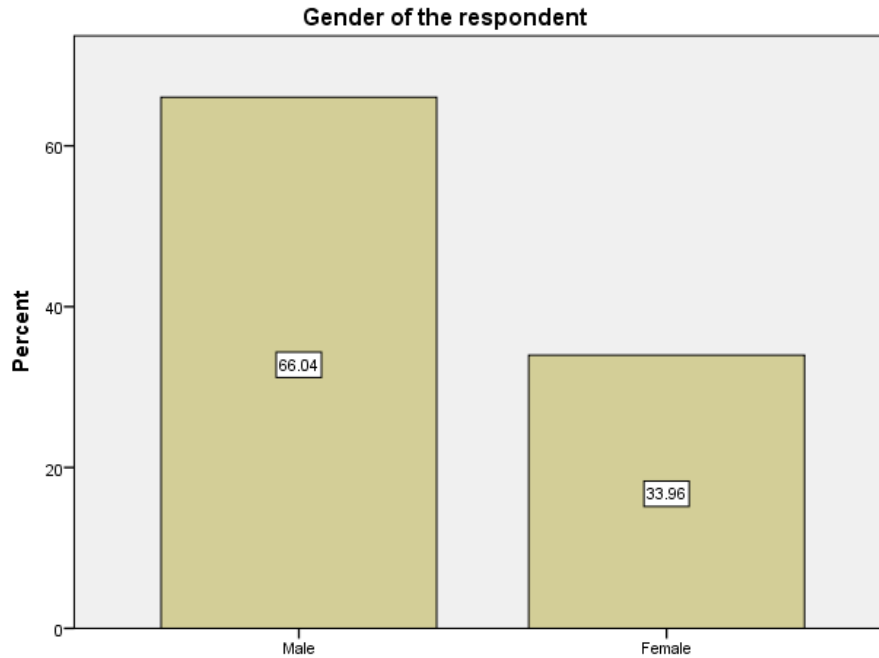


Figure 4.2: Gender of Respondents

Source: Survey data (2021)

The study required the participants to indicate their leadership positions in the organisation. Table 4.3 shows the results to this respect.

Table 2.3: Participants' Leadership Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Branch Managers	6	11.3	11.3	11.3
Customer Relationship Managers	14	26.4	26.4	37.7
Accountants	9	17.0	17.0	54.7
Credit Managers	13	24.5	24.5	79.2
Marketing Managers	11	20.8	20.8	100.0
Total	53	100.0	100.0	

Source: Survey data (2021)

The largest chunk of responses was obtained from the customer relationship managers representing slightly above a quarter (26.40 percent) of total responses. Responses

from credit managers also constituted almost another quarter (24.50 percent) of total responses. The least number of responses were obtained from branch managers.

The study participants were asked to indicate their highest level of education. This would help gauge their capacity to effectively participate in the study. Table 4.4 shows the results.

Table 4.4: Highest Level of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Secondary	2	3.8	3.8	3.8
Certificate	10	18.9	18.9	22.6
Diploma	24	45.3	45.3	67.9
Undergraduate	17	32.1	32.1	100.0
Total	53	100.0	100.0	

Source: Survey data (2021)

The study established that more than three quarters of the participants (77.40 percent) had either diploma level or undergraduate degree qualifications. An additional 18.90 percent had college level certificates. The least class constituted only 3.80 percent of participants who had secondary level qualifications. The study therefore established that the respondents had the basic academic knowledge essential in participating in the study.

4.4 Descriptive Analysis

Descriptive analysis output inform of descriptive statistics; means and standard deviations are presented in this part. The statistics cover the total quality management variables; continuous improvement, employee empowerment, customer focus and management commitment. Performance of Deposit Taking SACCOs (the dependent variable) was also analysed using the descriptive analysis procedure presented in this section.

4.4.1 Management Commitment

Management commitment as a total quality management practice was also assessed to determine the level to which it was applied and how it impacted on performance of the SACCOs. Table 4.5 provides descriptive statistics on management commitment as a TQM practice.

Table 4.5: Management Commitment as a Total Quality Management Practice.

	N	Mean	Std. Dev
The SACCO leadership is effective in formulating and promoting quality policies, guidelines and standards.	53	4.5423	.57326
The SACCO leadership has a well-established quality standards committee that oversees implementation of quality controls.	53	3.9578	.44462
The management of the SACCO provides enough resources to support implementation of quality initiatives	53	3.6573	.60607
The SACCO management constantly evaluates and updates the quality policies.	53	3.2103	.37453
The management team of the SACCO empowers and reinforces their employees to efficiently execute quality initiatives.	53	3.3623	.35432
Average	53	3.7460	.47056

Source: Survey data (2021)

The mean of the means (3.75) shows that management commitment was largely practiced as a total quality management practice by the deposit taking SACCOs in Nyeri County, Kenya. The low average standard deviation (0.47) further gives weight to this condition as it shows that observations are held close to the mean. The results (M=4.54, SD=0.57) show that SACCOs' leadership were largely effective in formulating and promoting quality policies, guidelines and standards. The statistics (M=3.95, SD=0.44) show that SACCOs' leadership had also largely constituted a well-established quality standards committee to oversee the implementation of quality

controls. In addition, results (MM=3.66, SD=0.61) demonstrated that the management of the SACCOs largely provided enough resources to support implementation of quality initiatives. However, the results (M=3.21, SD=0.35) demonstrated that SACCOs' management only moderately implemented a framework of constant evaluation and update of the quality policies. Similarly, the statistics (M=3.36, SD=0.35) established management teams of the SACCOs only moderately empowered and reinforced their employees to efficiently execute quality initiatives.

4.4.2 Employee Involvement

The descriptive statistics in this section regards the employee involvement in the Deposit Taking SACCOs in Nyeri County, Kenya. Table 4.6 provides statistics on various aspects of employee involvement as a total quality management practice.

Table 4.6: Employee Involvement as a Dimension of Total Quality Management

	N	Mean	Std. Dev
The SACCO conducts regular training and development of staff to equip in delivering quality initiatives and standards	53	3.8996	.36323
The SACCO regularly measures and recognises the performance of staff as regards quality implementation.	53	3.8867	.30074
The SACCO pays attention to the role excellence teams and supports them accordingly to ensure success of quality initiatives.	53	3.5602	.56324
The SACCO is committed to regular communication and feedback with employees.	53	3.6581	.50132
The SACCO appreciates the role of participatory decision for successful quality implementation.	53	3.2301	.34521
Average	53	3.6469	.41475

Source: Survey data (2021)

The average mean (3.65) shows that employee involvement was largely practiced as a total quality management practice at the deposit taking SACCOs in Nyeri County, Kenya. The low average standard deviation (0.41) validates this state as it demonstrates closeness of the observations to the mean. The results (M=3.90, SD=0.36) indicate that the SACCOs largely conducted regular training and development of staff to equip in delivering quality initiatives and standards. The statistics (M=3.89, SD=0.30) established that organisations also largely ensured regular measurement and recognition of the performance of staff as regards quality implementation. The results (M=3.56, SD=0.56) showed that SACCOs also largely paid attention to the role excellence teams and supported them accordingly to ensure success of quality initiatives. The results (M=3.65, SD=0.50) established that firms were also largely committed to regular communication and feedback with employees. Nonetheless, results (M=3.23, SD=0.34) indicated that the SACCOs only moderately appreciated the role of participatory decision for successful quality implementation.

4.4.3 Continuous Improvement

Continuous improvement was also assessed as a total quality management practice in the SACCOs. Table 4.7 presents statistics to this regard.

Table 4.7: Continuous Improvement as a Total Quality Management Practice

	N	Mean	Std. Dev
The SACCO regularly and systematically appraises and works on measures to enhance initiatives	53	3.8063	.63420
The SACCO conducts continuous quality audits and takes corrective action promptly.	53	3.1083	.30683
The SACCO compares the performance of quality systems against some pre-set standards and notes areas that need improvement.	53	3.3003	.55232
The SACCO is committed to cross-functional process management to ensure a wholesome impact on the wider organisational goals.	53	3.9863	.33001
Average	53	3.5503	.45584

Source: Survey data (2021)

The average mean (3.55) shows that continuous improvement was largely practiced as a total quality management practice at the deposit taking SACCOs in Nyeri County, Kenya. The low average standard deviation (0.46) validates this state as it demonstrates closeness of the observations to the mean. The results (M=3.81, SD=0.63) indicated that the SACCO largely ensured regular and systematic appraisals and works on measures to enhance initiatives. The results (M=3.98, SD=0.33) indicated that SACCOs were also found to be largely committed to cross-functional process management to ensure a wholesome impact on the wider organisational goals. Nonetheless, the results (M=3.11, SD=0.31) indicated moderation the SACCOs conduct of continuous quality audits and promptness in undertaking corrective action. Similarly, the results (M=3.99, SD=0.33) showed that the SACCO only moderately compared the performance of quality systems against some pre-set standards and notes areas that need improvement.

4.4.4 Customer Focus

Customer Focus as a dimension of total quality management was also assessed. The respondents were required to indicate the extent to which the propositions were reflective of the customer focus application in the SACCOs. The descriptive statistics to this end are shown in Table 4.8.

Table 4.8: Customer Focus as a Total Quality Management Practice

	N	Mean	Std. Dev
The SACCO services are always informed by well-articulated, customer driven quality standards.	53	3.7645	.24343
The SACCO is committed to offering a personalized customer experience for various categories of clients.	53	3.8563	.32345
The SACCO has a well-established system to identify and handle 'at risk' customers to ensure their satisfaction and retention	53	3.1042	.54344
The SACCO has a well-established and effective customer relations management department to improve customer satisfaction.	53	3.9843	.50002
The SACCO's quality management system allows consistent and timely communication and feedback with clients.	53	4.1032	.44354
Average	53	3.7625	.41078

Source: Survey data (2021)

The mean of the means (3.76) shows that customer focus was largely practiced as a total quality management practice by the deposit taking SACCOs in Nyeri County, Kenya. The low average standard deviation (0.41) affirms this condition as it shows that observations are held close to the mean. As results (M=3.76, SD=0.24) indicated, it was largely opined that the services of the SACCOs were always informed by well-articulated, customer driven quality standards. The results (M=3.85, SD=0.32) showed that SACCOs were also largely committed to offering a personalized customer experience for various categories of clients. The statistics (M=3.98,

SD=0.50) established that SACCOs had largely implemented a well-established and effective customer relations management department to improve customer satisfaction. The results (M=4.10, SD=0.44) further indicated that the SACCOs' quality management system largely allowed consistent and timely communication and feedback with clients. Nonetheless, as results (M=3.10, SD=0.54) showed, the SACCO had an only moderately established system to identify and handle 'at risk' customers to ensure their satisfaction and retention.

4.4.5 Performance of Deposit Taking SACCOs

This part covers descriptive statistics; means and standard deviation for the independent variable which is performance. The performance is evaluated using outreach indicators that consist of breadth of outreach, length of outreach and scope of outreach. Table 4.5 presents the output.

The study collected secondary data regarding outreach performance through a review of management reports and published financial statements of the SACCOs. The results are presented in Table 4.9.

Table 4.9: Outreach Performance of Deposit Taking SACCOs

	N	Mean	Std. Dev
Growth in Breadth of Outreach (Number of Members and Customers).	53	.76551	.35234
Change in Length of Outreach (Average Time Taken to Process Loans for Clients).	53	.56466	.44573
Percentage growth in Scope of Outreach (Number of Types of Financial Contracts Offered).	53	.96999	.32111
Percentage change in Cost of Outreach (Interest Rates and the Transaction Costs).	53	.23424	.05364
Average	53	.63361	.29321

Source: Survey data (2021)

As shown by the average mean (0.6336), the SACCOs' outreach performance had improved by an average of 63.36 percent in the review period. This condition is affirmed by the average standard deviation (0.29) which shows proximity of observations to the mean. The results (M=0.77, SD=0.35) indicates that on average, the breadth of outreach indicated by the number of members and customers improved by 76.55 percent in the review period. The length of outreach measured by the average time taken to process loans for clients had improved by 56.47 percent as shown by the statistics (M=0.56, SD=0.44). As the results show (M=0.97, SD=0.32), the scope of outreach (number of types of financial contracts offered) improved by an average of 96.99 percent over the period under review. Finally, the statistics (M=0.23, SD=0.05) indicated that the cost of outreach indicated by interest rates and the transaction costs also improved by 23.42 percent.

Primary data was also collected to assess the outreach performance of the Deposit Taking SACCOs. The statistics are presented in Table 4.10.

Table 4.10: Performance of Deposit Taking SACCOs

	N	Mean	Std. Dev
The SACCO has been able to grow the number of members and customers satisfactorily.	53	3.8572	.40052
The SACCO takes considerable turnaround time to process loans for clients.	53	3.6875	.37576
The number of types of financial contracts offered by the SACCO has been expanding with time	53	3.5674	.65236
The SACCO has sustained a momentum of growth in perceived value of her offerings to clients	53	3.6543	.58621
The SACCO ensures efficient management of interest rates and transaction costs	53	3.1230	.77532
Average	53	3.5779	.55803

Source: Survey data (2020)

The average mean (3.58) demonstrates a good performance condition of the deposit taking SACCOs with regard to outreach indicators that consist of breadth of outreach, length of outreach and scope of outreach. The low average standard deviation (0.56) validates this state as it demonstrates closeness of the observations to the mean. The results (M=3.86, SD=0.40) show that the SACCOs had largely achieved in growing the number of members and customers satisfactorily. As statistics (M=3.68, SD=0.38) show, the respondents also largely held that their SACCOs took considerable turnaround time to process loans for clients. The results (M=3.57, SD=0.65) further demonstrated that the number and types of financial contracts offered by the SACCOs were also seen to be largely expanding with time. The statistics (M=3.65, SD=0.58) showed that SACCOs had also largely sustained a momentum of growth in perceived value of her offerings to clients. Nonetheless, as the results demonstrate (M=3.12, SD=0.78), SACCOs only moderately ensured efficient management of interest rates and transaction costs.

4.5 Inferential Analysis

The inferential statistics were considered vital in making inferences or generalisation upon the entire population. The inferential statistics include Pearson correlation analysis and multiple regression analysis. They were useful in answering the research questions and determining the effect of total quality management practices on performance of Deposit taking SACCOs.

4.5.1 Pearson Correlation Analysis

The Pearson Correlation analysis helped in determining the relationship between total quality management practices and performance of Deposit Taking SACCOs. Table 4.11 presents the output to this effect.

Table 4.11: Pearson Correlation Analysis

		SACCOs' Performance
Management Commitment	Pearson Correlation	.509**
	Sig. (2-tailed)	.002
	N	53
Employee Involvement	Pearson Correlation	.683**
	Sig. (2-tailed)	.022
	N	53
Continuous Improvement	Pearson Correlation	.696**
	Sig. (2-tailed)	.017
	N	53
Customer Focus	Pearson Correlation	.850**
	Sig. (2-tailed)	.002
	N	53

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Survey data (2021)

The Pearson correlation analysis output showed that all the independent variables considered; total quality management practices namely management commitment, employee involvement, continuous improvement and customer focus have a positive relationship with performance of the Deposit Taking SACCOs. Customer Focus has the greatest relationship with performance followed by continuous improvement, employee involvement and management commitment in that order.

Management commitment has an associated Pearson Correlation Coefficient of 0.506 which is representative of a strong and positive relationship with SACCOs' performance. Since the P-value is less than 5% or 0.05, the relationship is therefore statistically significant. The results supported earlier propositions by Jaca and Psomas (2015), Wanyoike (2016) and Wangai (2015) who indicated that management commitment has a positive relationship with organisational performance.

The Pearson Correlation Coefficient for employee involvement (0.683) signposts a strong and positive relationship with SACCOs' performance. The relationship is statistically significant since the p-value stands at 0.022 which is less than 5% or 0.05 significance level. The study results agreed with past studies such as Wangai (2015), Muthama (2016), Nzuve and Bakari (2012) and Muthama (2016) who indicated that employee involvement has a positive relationship with SACCOs' performance.

Continuous improvement has a Pearson correlation coefficient of 0.696 which demonstrates a strong and positive relationship with SACCOs' performance. The statistical significance test is met as the P value of 0.017 is within the 5% threshold. The results agree with past findings by Masindet and Ogollah (2014), Wanyoike (2016) and Muthama (2016) who indicated that continuous improvement has a positive relationship with organisational performance.

Finally, customer focus has a Pearson correlation coefficient of 0.850 which demonstrates a very strong and positive relationship with SACCOs' performance. The relationship is statistically significant since the p-value (0.002) is below the 5% significance level. The results agree with Jaafreh and Al-abedallat (2012), Wangai (2015), Masindet and Ogollah (2014), Yaacob (2014), Wanyoike (2016) and Muthama (2016) who established that customer focus was positively related with SACCOs' performance.

4.5.2 Multiple Regression Analysis

To effectively answer the research questions and determine the collective and individual effect of total quality management on performance of Deposit Taking SACCOs in Nyeri County, Kenya. Specifically, the regression analysis is also useful

in determining the individual strength and direction of effect the component TQM practices; management commitment, employee involvement, continuous improvement and customer focus on performance. Table 4.12 provides statistical output of the F test.

Table 4.12: F- Test on ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	274.573	4	68.643	108.532	.011
Residual	23.001	49	.469		
Total	297.574	53			

a. Predictors: (Constant), Management Commitment, Employee Involvement, Continuous Improvement, Customer Focus.

b. Dependent Variable: SACCOs' Performance

Source: Survey data (2021)

The study gathered evidence to show that at the 5% level of significance, the gradient of the regression line was different from zero. This is since the p value of 0.011 stood below the 5% level of significance. As such, at least one of the total quality management variables; management commitment, employee involvement, continuous improvement and customer focus is a useful predictor of SACCOs' performance.

The model summary output of the multiple regression analysis indicates the usefulness of the model in predicting the performance of Deposit Taking SACCOs in Nyeri County, Kenya. Table 4.13 presents the regression model summary.

Table 4.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.945 ^a	.893	.875	.21109	2.342

a. Predictors: (Constant), Management Commitment, Employee Involvement, Continuous Improvement, Customer Focus

b. Dependent Variable: SACCOs' Performance

Source: Survey data (2021)

The R Square which represents the coefficient of determination, 89.30 percent of the variation in performance of Deposit taking SACCOs (the dependent variable) was explained by variation in total quality management practices i.e. management commitment, employee involvement, continuous improvement, and customer focus. To that end, only 10.70 percent of variation in the performance of Deposit Taking SACCOs was explained by other predictors not included in the model. As such, a conclusion was reached that at least one variable; management commitment, employee involvement, continuous improvement, and customer focus was a statistically significant determinant of employee performance.

The Coefficients output of the multiple regression analysis demonstrates the magnitude of effect of each total quality management practice on performance of the Deposit Taking SACCOs. Performance was analysed as the dependent variable while total quality management practices were the independent variables. The specific independent variables considered were management commitment, employee involvement, continuous improvement, and customer focus. Table 4.14 shows the coefficients of the multiple linear regression.

Table 4.14: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.645	.234	2.654	15.577	.005
Management Commitment	.260	.153	.216	1.699	.028
Employee Involvement	.332	.222	.314	1.495	.001
Continuous Improvement	.497	.109	.388	4.559	.012
Customer Focus	1.065	.115	.977	9.261	.002

a. Dependent Variable: SACCOs' Performance

Source: Survey data (2021)

The multiple regression analysis output provides evidence that all the total quality management practices are useful determinants of SACCOS' performance. In addition, all the TQM practices assessed, that is, management commitment, employee involvement, continuous improvement, and customer focus all have a positive effect of performance. The regression model is developed as:

$$Y_{ij} = 3.645 + 0.260X_1 + 0.332X_2 + 0.497X_3 + 1.065X_4 + \varepsilon$$

Where, Y_{ij} = Performance of SACCOS

X_1 = Management Commitment

X_2 = Employee empowerment

X_3 = Continuous improvement

X_4 = Customer focus

β_0 = is the regression intercept

$\beta_1, \beta_2, \beta_3, \beta_4$, are regression gradients

ε is the error term.

The coefficient for management commitment (0.260) has a p-value of 0.028 which is within the 5% level of significance. This implies that management commitment has a positive and statistically significant effect on SACCOS' performance. Therefore, a unit improvement in management commitment as a TQM practice would lead to a 0.260 unit improvement in SACCOS' performance. The results supported earlier propositions by Jaca and Psomas (2015), Wanyoike (2016) and Wangai (2015) who indicated that management commitment has a positive and statistically significant effect on organisational performance.

The coefficient for employee involvement (0.332) has an associated p-value of 0.001. The P-value is less than 5% level of significance. Therefore, employee involvement is

a useful predictor of SACCOs' performance. Therefore, a unit increase in employee involvement as a TQM practice would lead to a 0.332 unit improvement in SACCOs' performance. The study results agree with past studies such as Wangai (2015), Muthama (2016), Nzuve and Bakari (2012) and Muthama (2016) who indicated that employee involvement was a useful determinant of SACCOs' performance.

The coefficient for continuous improvement (0.497) has an associated p-value of 0.012 which is less than 5% significance threshold. This shows that continuous improvement is a significant predictor of SACCOs' performance. As such, a unit increase in continuous improvement as a TQM practice would result in a 0.497 unit improvement in SACCOs' performance. The results agree with past findings by Masindet and Ogollah (2014), Wanyoike (2016) and Muthama (2016) who indicated that continuous improvement was useful predicting organisational performance.

Finally, the coefficient for customer focus (1.065) has an associated p-value of 0.002 which is within the 5% level of significance. As such, customer focus has a statistically significant effect on SACCOs' performance. To that end, a unit increase in customer focus would result to a 1.065 unit increase in SACCOs' performance. The results agree with Jaafreh and Al-abadallat (2012), Wangai (2015), Masindet and Ogollah (2014), Yaacob (2014), Wanyoike (2016) and Muthama (2016) who established that customer focus has a positive effect on SACCOs' performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter summarises the results presented in the fourth chapter and makes appropriate conclusions. Key policy recommendations are also made in view of the unique findings. The chapter also takes note of the contribution of the study to knowledge. Finally, the suggestions for further studies are presented in view of gaps that remain exposed.

5.2 Summary of Findings

The study sought to determine the effect of total quality management on SACCOs' performance in Nyeri County of Kenya. In particular, the study sought to assess the effect of continuous improvement, employee empowerment, customer focus, and management commitment on performance of SACCO's. Performance was evaluated using non-financial metrics that considered the outreach performance of the SACCOs. The metrics included breadth of outreach (number of members and customers), length of outreach (average time taken to process loans for clients, scope of outreach (number of types of financial contracts offered) and cost of outreach (interest rates and the transaction costs). The study use a census study approach to subject all the 15 active deposit taking SACCOs in Nyeri County as provided by the Directorate of Cooperative Development of Nyeri County. The study used both descriptive and inferential analysis in undertaking the study.

5.2.1 Total Quality Management and SACCOs' Performance

The R Square which represents the coefficient of determination demonstrates that over three quarters of the variation in performance of Deposit taking SACCOs (the dependent variable) was explained by variation in total quality management practices i.e. management commitment, employee involvement, continuous improvement, and customer focus. Only about a tenth of variation in the performance of Deposit Taking SACCOs was explained by other predictors not included in the model.

The multiple regression analysis output provides evidence that all the TQM practices assessed, that is, management commitment, employee involvement, continuous improvement, and customer focus all have a positive effect of SACCOs' performance. The Pearson correlation analysis output showed that all the independent variables considered; total quality management practices namely management commitment, employee involvement, continuous improvement and customer focus have a positive relationship with performance of the Deposit Taking SACCOs. Customer Focus has the greatest relationship with performance followed by continuous improvement, employee involvement and management commitment in that order.

5.2.2 Management Commitment and SACCOs' Performance

The multiple regression analysis output showed that management commitment has a positive and statistically significant effect on SACCOs' performance. The Pearson correlation analysis output showed that management commitment has a strong, positive and statistically significant relationship with SACCOs' performance. Management commitment was largely practiced as a total quality management practice by the deposit taking SACCOs in Nyeri County, Kenya. The SACCOs' leadership were largely effective in formulating and promoting quality policies,

guidelines and standards. They had also largely constituted a well-established quality standards committee to oversee the implementation of quality controls. In addition, the management had largely provided enough resources to support implementation of quality initiatives. However, the SACCOs' management only moderately implemented a framework of constant evaluation and update of the quality policies. The management teams of the SACCOs also moderately empowered and reinforced their employees to efficiently execute quality initiatives.

5.2.3 Employee Involvement and SACCOs' Performance

The multiple regression analysis output indicated that employee involvement is a useful predictor of SACCOs' performance. The Pearson Correlation analysis results indicated that employee involvement has a strong, positive and statistically significant relationship with SACCOs' performance. Employee involvement was largely practiced as a total quality management practice at the deposit taking SACCOs in Nyeri County, Kenya. The SACCOs largely conducted regular training and development of staff to equip in delivering quality initiatives and standards. The organisations also largely ensured regular measurement and recognition of the performance of staff as regards quality implementation. The role excellence teams was also highly regarded and the organisations supported them accordingly to ensure success of quality initiatives. The firms were also largely committed to regular communication and feedback with employees. Nonetheless, results indicated that the SACCOs only moderately appreciated the role of participatory decision for successful quality implementation.

5.2.4 Continuous Improvement and SACCOs' Performance

The multiple regression analysis results showed that continuous improvement is a significant predictor of SACCOs' performance. The Pearson Correlation analysis results showed that continuous improvement has a strong, positive and statistically significant relationship with SACCOs' performance. Continuous improvement was largely practiced as a total quality management practice at the deposit taking SACCOs in Nyeri County, Kenya. The SACCOs largely ensured regular and systematic appraisals and worked on measures to enhance initiatives. The organisations were also found to be largely committed to cross-functional process management to ensure a wholesome impact on the wider organisational goals. Nonetheless, the results indicated moderation the SACCOs conduct of continuous quality audits and promptness in undertaking corrective action. Similarly, the firms only moderately compared the performance of quality systems against some pre-set standards and notes areas that need improvement.

5.2.5 Customer Focus and SACCOs' Performance

The multiple regression analysis results showed that customer focus has a statistically significant effect on SACCOs' performance. The Pearson Correlation analysis results demonstrated a very strong, positive and statistically significant relationship with SACCOs' performance. Customer focus was largely practiced as a total quality management practice by the deposit taking SACCOs in Nyeri County, Kenya. The services of the SACCOs were always informed by well-articulated, customer driven quality standards. The organisations were also largely committed to offering a personalized customer experience for various categories of clients. The firms had largely implemented a well-established and effective customer relations management

department to improve customer satisfaction. The SACCOs' quality management system largely allowed consistent and timely communication and feedback with clients. Nonetheless, the firms had an only moderately established system to identify and handle 'at risk' customers to ensure their satisfaction and retention.

5.2.6 SACCOs' Performance

The SACCOs registered a good level of performance with regard to outreach indicators that consist of breadth of outreach, length of outreach and scope of outreach. The SACCOs had largely achieved in growing the number of members and customers satisfactorily. The SACCOs also took considerable turnaround time to process loans for clients. The number and types of financial contracts offered by the SACCOs had also significantly expanded in the review period. The SACCOs also largely sustained a momentum of growth in perceived value of her offerings to clients. Nonetheless, the SACCOs only moderately ensured efficient management of interest rates and transaction costs.

The SACCOs' outreach performance registered a significant improvement on all dimensions of outreach performance over the review period. The scope of outreach (number of types of financial contracts offered) registered the highest level of growth in the review period. The SACCOs almost doubled the number of financial contracts offered in the review period. The breadth of outreach indicated by the number of members and customers also registered a significant improvement. This was followed by the length of outreach measured by the average time taken to process loans for clients and finally the cost of outreach indicated by interest rates and the transaction costs.

5.3 Conclusion of the Study

In view of the data analysis results, the study made key conclusions regarding total quality management and SACCOs' performance in Nyeri County, Kenya. The conclusions are anchored on the inferential statistics which allow generalisations to the entire population. It was concluded that the SACCOs registered a fairly good level of performance with regard to outreach indicators that consisted of breadth of outreach, length of outreach and scope of outreach. Nonetheless, the study concluded that the SACCOs were only moderately effective in ensuring efficient management of interest rates and transaction costs.

The multiple regression analysis results informed a conclusion that management commitment is a useful, positive predictor of SACCOs' performance. Therefore, improvement in management commitment as a TQM ideal would result to improvement in Sacco's performance. In contrast, a decline in management commitment as a TQM ideal would result to a decline in SACCOs' performance. The Pearson correlation analysis results further informed a conclusion that management commitment is positively associated with SACCOs' performance. The multiple regression analysis results informed a conclusion that employee involvement is a useful, positive predictor of SACCOs' performance. Therefore, an enhancement of employee involvement as a TQM ideal would result to an improvement in SACCOs' performance. Contrariwise, a decline in employee involvement would result in a decline in SACCOs' performance. The Pearson Correlation analysis results further informed a conclusion that employee involvement has a positive relationship with SACCOs' performance.

The multiple regression analysis results informed a conclusion that continuous improvement is a useful, positive determinant of SACCOS' performance. Thus, an enhancement of continuous improvement would result in an improvement in SACCOS' performance. On the contrary, a decline in use of continuous improvement as a TQM variable would result to a decline in SACCOS' performance. The Pearson Correlation analysis results informed a conclusion that continuous improvement is positively associated with SACCOS' performance. The multiple regression analysis results informed a conclusion that customer focus is a significant predictor of SACCOS' performance. Therefore, an increase in application of customer focus as a TQM ideal would result to an improvement in performance of the SACCOS. On the same note, a decline in the application of customer focus would result in a decline in SACCOS' performance. The Pearson Correlation analysis results informed a conclusion that customer focus has a positive relationship with SACCOS' performance.

5.4 Recommendations of the Study

Regarding the performance of the SACCOS, although the firms registered a fairly good level of performance with regard to outreach indicators that consist of breadth of outreach, length of outreach and scope of outreach, there was only moderate achievement with regard to the cost of outreach that concerned efficient management of interest rates and transaction costs. As such, the study recommends measures to be undertaken to address this condition. The enhancement of the total quality management system; management commitment, employee involvement, customer focus and continuous improvement is recommended as a sure way to address this performance, going by the empirical evidence of the current study.

Although management commitment was largely practiced as a total quality management practice, some aspects were found to be weakly incorporated despite high potential to drive performance. To this end, the study recommends that the SACCOs' management establish a well-established framework to ensure constant evaluation and update of the quality policies. The study further recommends improvement on the practice of empowering and reinforcing employees to efficiently execute quality initiatives as this was found to be only moderately executed. Although employee involvement was largely practiced as a total quality management practice at the deposit taking SACCOs, the study identified green areas that called for improvement. In particular the study recommends enhancement of the model of participatory decision for successful quality implementation.

Continuous improvement was largely practiced as a total quality management practice at the deposit taking SACCOs. Nonetheless, the study identified some areas that needed to be addressed. It is recommended that the SACCOs' management establish structures to ensure conduct of continuous quality audits and improvement of the promptness with which corrective action is provided. In addition, the study recommends that the SACCOs management establish a system that regularly reviews the performance of quality systems against some pre-set standards and notes areas that need improvement. Customer focus was largely practiced as a total quality management practice by the deposit taking SACCOs in Nyeri County, Kenya. Nonetheless, the study identifies some dimensions of customer focus that were not properly entrenched especially with the identification and handling of 'at risk' customers to ensure their satisfaction and retention. The study recommends that the SACCOs enlist the services of registered credit reference bureaus that would be of

key help in evaluating the risks involved in lending and determining the credit worthiness of customers prior to lending.

5.5 Contribution to Knowledge

The study makes significant contribution to expansion of strategic management as a discipline.

In particular, the study develops the strategic management practice and theory by making major contributions to knowledge of the subject matter; total quality management practices and organizational performance. Notably, past studies have concentrated with financial metrics of organizational performance and only moderately considered non-financial indicators. More specifically, the outreach indicators have rarely been considered in assessment of organizational performance. The study considered a balance approach in measuring the outreach performance of SACCOs incorporating dimensions of breadth of outreach, cost of outreach, length of outreach and scope of outreach. Therefore, the study provides indispensable empirical evidence to guide decision making on organizational performance. The study underlines the importance of total quality management practices as outlined by the institutional theorists, Deming's quality improvement theory and the resource based view (RBV).

5.6 Suggestions for Further Studies

Research limitations such as limited resources greatly impacted on the scope and approach of the current study. The scope of the study was limited to SACCOs in Nyeri County, Kenya. The researcher recommends an expansion of the target population to consider more organisations for better generalizability of results. The study therefore recommends a study on total quality management practices and

outreach performance of Deposit Taking Saving and Credit Co-operative Organisations in Kenya. The study also recommends the incorporation of more total quality management practices in the analysis besides customer focus, management commitment, employee involvement and continuous improvement.

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APPENDICES

Appendix I: Letter of Transmittal

Waweru David Njega
P.O BOX 1619-10100,
NYERI.
Email: dnjegah@yahoo.com
Cellphone: 0721839541

16TH March, 2019

Dear respondent,

RE: DATA COLLECTION FOR A STUDY ON TOTAL QUALITY MANAGEMENT PRACTICES AND PERFORMANCE: A CASE OF SACCOs IN NYERI COUNTY, KENYA.

I am student of Kenyatta University pursuing Master of Business Administration, with a specialization in strategic management. This is in line with the university requirements for partial fulfillment of the above stated postgraduate degree. For that matter, I have developed a questionnaire aimed at obtaining relevant data. I wish to request you to accord me some of your valuable time to respond to the questionnaire as guided. The data collected is purely for academic use.

Thanks as you respond.

Yours,

Waweru David Njega

Appendix II: Questionnaire

Instructions: This questionnaire seeks to seek information on total quality management and performance of SACCOs in Nyeri County, Kenya. Feel to share information without reservations as confidentiality will be highly upheld. The Questionnaire is divided in to three sections: SECTION A contains background information, SECTION B contains items on total quality management. In addition, SECTION C contains questions on PERFORMANCE OF THE SACCO. **Tick appropriately** and provide information on spaces as guided.

SECTION A: GENERAL INFORMATION

1. Name of the SACCO.....
2. Gender of participant Female () Male ()

3. Respondents’ Leadership position in the Company.

Branch Managers	(<input type="checkbox"/>)	Customer Relationship Managers	(<input type="checkbox"/>)
Accountants	(<input type="checkbox"/>)	Credit Managers	(<input type="checkbox"/>)
Marketing Managers	(<input type="checkbox"/>)		
4. Education level of the respondent:

(<input type="checkbox"/>) Primary	(<input type="checkbox"/>) Secondary	(<input type="checkbox"/>) Certificate
(<input type="checkbox"/>) Diploma	(<input type="checkbox"/>) undergraduate Degree	
(<input type="checkbox"/>) Post graduate	(<input type="checkbox"/>) others.	

SECTION B: TOTAL QUALITY MANAGEMENT

PART I: MANAGEMENT COMMITMENT

To what extent do you agree with the following positions regarding management commitment or executive management as practised in the organisation?

**SCALE: 1) Not At All 2) Little Extent 3) Moderate Extent
 4) Great Extent 5) Very Great Extent**

		1	2	3	4	5
5.	The SACCO leadership is effective in formulating and promoting quality policies, guidelines and standards.					
6.	The SACCO leadership has a well-established quality standards committee that oversees implementation of					

	quality controls.					
7.	The management of the SACCO provides enough resources to support implementation of quality initiatives					
8.	The SACCO management constantly evaluates and updates the quality policies.					
9.	The management team of the SACCO empowers and reinforces their employees to efficiently execute quality initiatives.					

PART II: EMPLOYEE EMPOWERMENT

Kindly indicate, in your opinion the extent to which the following statements are valid concerning employee involvement in total quality initiatives the SACCO Society?

**SCALE: 1) Not At All 2) Little Extent 3) Moderate Extent
4) Great Extent 5) Very Great Extent**

		1	2	3	4	5
9.	The SACCO conducts regular training and development of staff to equip in delivering quality initiatives and standards					
10.	The SACCO regularly measures and recognises the performance of staff as regards quality implementation.					
11.	The SACCO pays attention to the role excellence teams and supports them accordingly to ensure success of quality initiatives.					
12.	The SACCO is committed to regular communication and feedback with employees.					
13.	The SACCO appreciates the role of participatory decision for successful quality implementation.					

PART III: CONTINUOUS IMPROVEMENT

To what extent do you share with the following statements regarding continuous improvement as a facet of total quality management in the SACCO?

SCALE: 1) Not At All 2) Little Extent 3) Moderate Extent

4) Great Extent 5) Very Great Extent

		1	2	3	4	5
14.	The SACCO regularly and systematically appraises and works on measures to enhance initiatives					
15.	The SACCO conducts continuous quality audits and takes corrective action promptly.					
16.	The SACCO compares the performance of quality systems against some pre-set standards and notes areas that need improvement.					
17.	The SACCO is committed to cross-functional process management to ensure a wholesome impact on the wider organisational goals.					

PART IV: CUSTOMER FOCUS

Kindly indicate the extent to which you share with the following propositions regarding customer focus as a quality perspective in the SACCO?

SCALE: 1) Not At All 2) Little Extent 3) Moderate Extent

4) Great Extent 5) Very Great Extent

		1	2	3	4	5
18.	The SACCO services are always informed by well-articulated, customer driven quality standards.					
19.	The SACCO is committed to offering a personalized customer experience for various categories of clients.					
20.	The SACCO has a well-established system to identify and handle 'at risk' customers to ensure their satisfaction and retention					
21.	The SACCO has a well-established and effective customer relations management department to improve customer satisfaction.					
22.	The SACCO's quality management system allows consistent and timely communication and feedback with clients					

SECTION C: PERFORMANCE OF THE SACCO

Kindly tick to show the level to which the statements are true concerning the outreach performance condition of the SACCO?

**SCALE: 1) Not At All 2) Little Extent 3) Moderate Extent
4) Great Extent 5) Very Great Extent**

		1	2	3	4	5
18.	The SACCO has been able to grow the number of members and customers satisfactorily.					
19.	The SACCO takes considerable turnaround time to process loans for clients.					
20.	The number of types of financial contracts offered by the SACCO has been expanding with time					
21.	The SACCO has sustained a momentum of growth in perceived value of her offerings to clients					
22.	The SACCO ensures efficient management of interest rates and transaction costs					

23. Please provide in the space provided below, any recommendations that you feel can help in improving the performance status of the SACCO?

.....

24. Use the space provided to give any more information you deem relevant to the study but which may not have been captured

.....

Thank you for filling this Questionnaire

Appendix III: Secondary Data Checklist

SACCO

Name.....

	Outreach Performance Indicators of the SACCO (Percentage Annual Growth).			
YEAR	Breadth (number of members and customers)	Length of outreach (Average time taken to process loans for clients)	Scope of outreach (number of types of financial contracts offered)	Cost of outreach (Interest rates and the transaction costs)
2014				
2015				
2016				
2017				
2018				

Appendix IV: List of Deposit Taking SACCOs in Nyeri County

S/ No.	Name of the SACCO
1.	TAIFA RURAL SACCO
2.	BIASHARA RURAL SACCO
3.	NYERI BUSINESS RURAL SACCO
4.	NGAO YETU RURAL SACCO
5.	ACK MT KENYA URBAN SACCO
6.	MAISHA URBAN SACCO
7.	MOUNKENBOT URBAN SACCO
8.	NEW FORTIES SACCO
9.	NYERI USHIRIKA URBAN SACCO
10.	NYEWASCO URBAN SACCO
11.	RUARE URBAN SACCO
12.	ACTION URBAN SACCO
13.	NYEKATRA URBAN SACCO
14.	NYERI YOUTH BUNGE SAACO
15.	2NK SACCO SOCIETY LTD

Source: *Department of Cooperative Development, Nyeri County (2018).*

Appendix V: Research Authorization by NACOSTI



REPUBLIC OF KENYA



NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

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Date of Issue: 12/March/2021

RESEARCH LICENSE



This is to Certify that Mr. DAVID NJEGA WAWERU of Kenyatta University, has been licensed to conduct research in Nyeri on the topic: TOTAL QUALITY MANAGEMENT PRACTICES AND ORGANISATIONAL PERFORMANCE OF DEPOSIT TAKING SACCOS IN NYERI COUNTY, KENYA for the period ending : 12/March/2022.

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Appendix VI: Research Authorization by Kenyatta University



KENYATTA UNIVERSITY GRADUATE SCHOOL

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P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 57530

Internal Memo

FROM: Dean, Graduate School

DATE: 19th February, 2021

TO: Waweru D. Njenga
C/o Department of Business Administration
KENYATTA UNIVERSITY

REF: D53/NYI/PT/24823/13

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that the Graduate School Board at its meeting of 27th January, 2021 approved your MBA Project Proposal Entitled "Total Quality Mngement Practices and Organisational Performance of Deposit Taking Saccos in Nyeri County, Kenya".

You may now proceed with your Data collection, subject to clearance with the Director General, National Commission for Science, Technology & Innovation

As you embark on your data collection, please note that you will be required to submit to Graduate School completed supervision Tracking Forms per semester. The forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

A handwritten signature in blue ink, appearing to read 'JL'.

JACKSON LUVUSI
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Department of Business Administration
Supervisors:

1. Dr. Paul Waithaka
C/o Department of Business Administration
KENYATTA UNIVERSITY

JL/cao