

**BUSINESS EXCELLENCE PRACTICES AND PERFORMANCE OF FAST
MOVING CONSUMER GOODS MANUFACTURING FIRMS IN NAIROBI
COUNTY, KENYA**

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DECLARATION

This research project is my original work and has not been submitted for examination in any other University or institution of higher learning. No part of this research project will be reproduced without prior written permission of the author and/ or Kenyatta University.

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This research project has been submitted for oral defense with my approval as the university Supervisor.

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DEDICATION

This project is dedicated to my husband Rogers Ndege and my daughter Ayanna Sifa, I have always looked to them as a source of motivation. As a result of their influence, I now have the desire and determination to take on any work with passion and commitment. This proposal wouldn't be feasible without their love and support.

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ABBREVIATIONS AND ACRONYMS

ABEM	Airport Business Excellence Model
ANOVA	Analysis of variance
BEM	Business Excellence Models
E.A	East Africa
EFA	Exploratory factor analysis
EFQM	European Foundation of Quality Management
EVP	Employee Value Proposition
FMCG	Fast Moving Consumer Goods
IT	Information Technology
KAM	Kenya Association of Manufacturers
KPAs	Key Performance Areas
MPC	Malaysia Productivity Corporation
MPIC	Malaysia Productivity Innovation Class
NACOSTI	National Commission for Science, Technology and Innovation
NGOs	Non-Governmental Organization
RBV	Resource Based View
SCQ	Supply Chain Quality
SEM	Structural Equation Modeling
SPSS	Statistical Package for the Social Sciences
VRIN	Valuable, Rare, Inimitable and Non-Substitutable

OPERATIONAL DEFINITION OF TERMS

Business excellence model: When used inside a company, they can assist to focus thinking and activity in a much more methodical and structured fashion, which should enhance organizational performance as well as profitability. They comprise continuous improvement, people focus, strategic management and leadership support.

Continuous improvement: Systematic search for and application of new ways of working, i.e. creating process improvements on a continuous basis.

Creativity and innovation: It's the process of turning a new idea about a product into a real product

Customer loyalty: It is an ongoing positive relationship between a customer and the organization

Customer's voice: Refers to giving prominence to the customer, their views of, experiences with and feedback about the company brand.

Leadership support: It entails developing trust, inspiring coworkers, and assisting them in overcoming obstacles they face.

Market share: It is the percent of total sales the company generates in the manufacturing industry.

Organization values: They are the beliefs, philosophies, and principles that guide the organization

People focus: It involves paying attention to customers as well as employee's needs.

Performance: Measured against anticipated outcomes, it is the actual production or result of an organization (or goals and objectives).

Process improvement:	Identification, analysis, and improvement of current business practices are all part of process improvement.
Product improvement:	It relates to the procedure of ensuring full product modifications that lead to new clients or enhanced advantages for existing consumers as a result of those changes.
Productivity:	It is a measure of efficiency of a person completing a task
Profitability:	It refers to an organization's capacity to utilize its resources in a way that generates more money than it expends.
Quality of Goods:	These are products that are free of defects and working exactly as expected and claimed to do.
Strategic management:	It's the extent to which company strategy and business infrastructure are in sync and integrated.
Strategic direction	It is what is necessary in order for a company to achieve its vision and achieve its goals.
Strategic integration:	It is a combination of components or functions of different units in the organization into a single combined and centralized unit to extract more benefits.
Strategic objective:	In order to maximize advantages, it combines or centralizes components or activities of multiple organizational units and this is considered to be strategic objective.
Strategic plan:	Document applied in conveying goals and activities required to realize those goals to an organization.

ABSTRACT

In terms of retail sales, Kenya is Africa's second-largest structured economy following South Africa. Kenyan FMCG has a huge potential but recently some of them closed down. For example, Cadbury recently shuttered its Nairobi factory owing to poor performances, while others, such as Eveready, had difficulty competing in the Kenyan market. This study's general objective was to establish the influence of business excellence practices on performance of fast moving consumer goods manufacturing firms in Nairobi County Kenya. Specific objectives were to determine the influence of continuous improvement, people focus, strategic management and leadership support on performance of FMCG firms in Nairobi County Kenya. The theoretical foundation for this study was resource based view, strategic success and contingency theories. This study used a descriptive research design. The study respondents were 154 management level employees in the FMCG manufacturers. The study employed stratified random sampling for the purpose of getting equal representations of respondents. The study sample size was calculated using the Yamane formula. The sample was 111 respondents. Structured questionnaires were used to collect primary data. A pilot test was conducted to determine the validity and reliability of the questionnaire. Descriptive statistics that included measures central tendency (mean), measures of frequency, and measures of variability (standard deviation, variance) was used to analyze quantitative data. The information was presented in form of tables, figures and pie charts. The inferential statistics that include correlational and regression analysis was also used in analyzing quantitative data. Correlational analysis determines the strength and direction of the link between the study variables. Multiple regression analysis method was used to establish the effect of business excellence practices on performance of fast moving consumer goods manufacturing firms in Nairobi County Kenya. The study found that continuous improvement was statistically significant to performance FMCG manufacturers. People focus had a significant positive relationship with performance FMCG manufacturers in Nairobi County. Strategic management had a significant positive relationship with performance FMCG manufacturers. leadership support had a significant positive relationship with performance FMCG manufacturers in Nairobi County. The study suggests that the manufacturers should adopt a methodical approach to problem solving to ensure constant improvement inside a company. The study recommends that the FMCG manufacturers must pay attention to whole supply chain, including finding competent suppliers, creating goods that meet consumer expectations, delivering products on time, pricing items competitively, and providing efficient after-sales support. The study recommends that the manufacturers need to adapt its operations to the external business environment and for the internal operations to be readjusted in a way that support the market. The study suggests that leaders in the organization should act as examples or advocates for business initiatives, encouraging managers and workers to promote the company's efforts through a supportive work environment, and allocating the appropriate resources to the firm's efforts.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Globally, Consultancy Group (2018) report indicated that, fast-moving consumer goods (FMCG) are under stress to attain their projections on revenue and attain operation profits. This has highly been impacted by the varying global political stability, income level variations and market preferences. The report also indicates that increased digital competition and increase in volatility has seen the greatest companies unable to sustain growth. Equally, the Mckinsey Group (2018) indicateas that FMCG sector that has experienced undeniable success recently has since 2015 proved a plateauing in their general performance and failure to improve in value creation.

In Africa, however, the Brookings Group (2019) indicates that changing consumer demographics and improving the business environment is expected to foster growth in the FMCG sector. The study notes that changing demographic profiles across Nigeria, Ethiopia, South Africa, Congo, Egypt, Tanzania, and Kenya are expected to drive demand in the FMCG industry, leading to the attainment of a \$2.5 trillion value by 2030. Similarly, KPMG (2017) reveals that Africa's FMCG sector is expected to improve significantly due to the large market available on the continent and increasing household incomes. The report reveals that the continent remains relatively under-served by FMCG companies; hence there is room for improvement by individual firms in the sector.

Kenya is one of Sub-Saharan Africa's leading exporters of manufactured goods (KPMG, 2017). This is due to the Kenyan government's aggressive development goals, which aim to boost economic growth in the FMCG industry. Despite the efforts of the Kenyan government to set up policies that seek to improve the consumer goods firms in manufacturing industry, the sector which is the pillar of vision 2030 has stagnated (World Bank, 2014). Further, although the sector contributed 9.6% of the nation's gross

domestic product in 2011, it only contributed 9.2% in 2012, and its growth rate dropped from 3.4% to 3.14% (Kenya National Bureau of Statistics, 2018).

Performance is important in every organization. Performance should take into account assessing the efficacy and efficiency of activities taken by individuals. It is possible to represent this measurement both in qualitative and quantitative terms. Effectiveness and efficiency are strongly connected to performance. Organizational performance can involve financial as well as non-financial measures. Financial and non-financial measures include service delivery, consumer satisfaction, efficiency, innovation and learning, market share, product quality, flexibility, introducing novel products and responsiveness (Bakri, 2017).

Business Excellence practices have become vital for manufacturing companies so that to compete in local and global markets, giving a pathway for globalisation (Mohammad, 2016). Additionally, the execution of business excellence practices has assisted manufacturing companies in that the organisation's external image was improved as a result of increased quality, cost savings, customer happiness, staff motivation, and employee engagement (Karapetrovic, Simon & Casadesús, 2016). This business movement has gained traction, with countries such as Sweden, the Netherlands, Denmark, and Australia creating or planning to develop business excellence standards (Jørgensen, Remmen & Mellado, 2016).

In order to grow, every company strives to attain organizational success. An organisation's success and competitiveness within marketplaces that it competes are measured by this milestone (Mathai, 2014). Organisational management and culture are necessary for manufacturing businesses to achieve business excellence. This leads in sustainable competitiveness and success (Latham, 2012). An organisation's managers and executives may enhance quality, satisfy stakeholders, and satisfy customers by implementing excellence practices (Kanji, 2018). Organisational financial performance has also been

shown to be improved by achieving high levels of business efficiency. Organizations that embraced business excellence methods and earned the award showed an increase in financial performance, both in terms of sales revenues and in terms of the company's share value (Dahlgaard, 2013).

In order to obtain quality management awards and enjoy the profits of achieving business excellence, organizations must have excellent management systems as a foundation, as well as cultural reforms (Gómez, Costa & Lorente, 2017). To attain business excellence, a company must adopt a comprehensive approach to culture and management systems (Wilkinson & Dale, 2019). Companies may design, develop, and execute management systems that contribute to business excellence intrinsically through time by recognizing systemic as well as cultural elements.

According to Graham and Frankenberger (2015), competition, recessions, and image issues have all plagued FMCG businesses during the previous two decades. Due to established home markets with little future development prospects, several FMCG companies have expanded their businesses abroad. Organizations that produce fast-moving commodities have been pushed to embrace business excellence strategies to survive and expand in today's fast-paced marketplace. Aiming to shed light on these issues, the project aimed to examine the influence of business excellence practices on performance of fast-moving consumer goods manufacturers in Nairobi County Kenya

1.1.1 Performance

Efficiency and effectiveness are measures of an organization's ability to achieve its goals utilizing people and material assets. It is a vital indicator of any organization success or failure (Ittner & Larcker, 2012). Performance, according to Krause (2015), is the extent to which an organization's important qualities have been achieved or might be achieved. The capacity of a firm to fulfill expectations is defined by Grüning (2012) as performance. It is

therefore impacted by results in a broad sense, but also by setting goals which goes along with them.

Three elements of corporate success are identified by Chesire and Kombo (2015): financial performance, commodities economic performance and shareholder return. "An organization's success will indicate change in the market growth or economic position more so than sales statistics individually," Harzing (2010) wrote. The market share of a firm may be used to assess its success in comparison to its competitors. Comparatively, firms attempt to grow their business by increasing their proportion of the market in an effort to capitalize on the efficiencies that come with size. In order to achieve a competitive edge, economies of scale are necessary. A sluggish industry's sales growth provides the impetus for expanding the company's share of the market. According to Neely (2012), performance should take into account assessing the efficacy and efficiency of activities taken by individuals. It is possible to represent this measurement both in qualitative and quantitative terms. Effectiveness and efficiency are strongly connected to performance.

Luo, Huang, and Wang (2012) remark that economic and operational parameters are used to measure organizational performance. Success in respect of monetary and market results, such as earnings, sales and return on investment for shareholders, are taken into account when evaluating economic growth. Observable indices such as customer happiness and loyalty, social power, and competitive advantage are the emphasis of the organisational performance.

There are a number of performance indicators that may be used to measure an organization's success, according to Ittner and Larcker (2012). In addition to net income, sales, and staff count, organizational performance can also be measured in terms of physical growth, increasing market share, and economic stability (Kotter, 2012).

Profitability and shareholder value are included in Richard's (2013) definition of organizational success.

Li, Zhou and Tian (2018) explain that organizational performance can be measured in terms of operations' effectiveness and efficiency. Effectiveness means attainment of results that are related to the goals of the needs of consumers. Conversely, efficiency implies the usage of firm resources in an economic way to attain a firm goal. Bakri (2017) firm performance can involve financial as well as non-financial measures. Financial and non-financial measures include service delivery, consumer satisfaction, efficiency, innovation and learning, market share, product quality, flexibility, introducing novel products and responsiveness.

This study measures performance in terms of productivity, profitability and market share. This comprises the financial and non-financial measures. Productivity is a metric of efficiency of an employee completing a task. Profitability is the organization capability to yield returns on their investments in regard to the resources as compared with an alternate investment. Market share refers to the portion or percentage of a market earned by the organization (Kogo & Kimencu, 2018). Therefore, this study conceptualized performance in a similar way as the scholarly conceptualization of performance.

1.1.2 Business Excellence Practices

Business excellence practices is about strengthening and developing the management processes and systems of an organization to improve the performance and generate value for the stakeholders (Mann, Adebajo & Tickle, 2011). SAI Global (2017) defines business excellence practices as integrated management and leadership system that explains the components necessary to sustainable business excellence. It is much above having a quality system in place and about attaining excellence in all aspects of an organization (incorporating strategy, leadership, customer focus, people, information

management, techniques, and processes) and most significantly, attaining better business outcomes (Mann, Adebaj & Tickle 2011). Regardless of the different definitions used to define business excellence practices, the objectives and core values of most of these practices are similar and focus on enhancing the competitiveness level of organizations in their respective countries (Talwar, 2019).

According to Talwar (2019), the evolution of business excellence practices was very much driven by the introduction of excellence awards in many countries around the world in the 1980s and 1990s. Given the widespread of business excellence practices, many scholars have attempted to study them thoroughly to assess their benefits, limitations, and validity (Talwar, 2019). Regardless of the specific model used, BEMs are considered generally to be an efficient way of achieving better financial and non-financial results, as concluded by many researchers (Escrig & Menezes, 2015). According to Bou-Llusar, Escrig-Tena, Roca-Puig and Beltrán-Martín (2016), organizations implementing business excellence practices can gain three major benefits, having a holistic framework for systematically tackling many quality issues, providing a tool for assessing the organization's current performance level and planning improvement initiatives and providing a mechanism for benchmarking the organization's performance with other similar organizations through structured and unified scoring references. Business excellence practices comprise continuous improvement, people focus, strategic management and leadership support in the organization (Hendricks & Singhal, 2017).

Systematic search for and use of new work methods, i.e. active as well as recurring process improvement is the goal of constant improvement. Experiments are accumulated throughout time in order to learn. Continual improvement leads to a steady flow of incremental improvements (Singh & Singh, 2015). For instance, a methodical approach to problem solving or the capacity to exchange information over intra-organizational borders

are examples of particular talents that may be developed through constant improvement inside a company (Sanchez and Blanco 2014). Evaluation as well as process improvement, goods, and services demand an organization-wide commitment, as well as the creation of arrangements to support them. Members of the organization must be continually guided to seek for development and learning through an organizational infrastructure and atmosphere (Yang, 2016). From the discussion, continuous improvement can constitute creativity and innovation, product improvement and process improvement.

People focus in an organization involves paying attention to customers as well as employee's needs. A purpose-driven workplace is a people-focused workforce. Workers are the center of firm culture and so, are vital to the company. When managers make the effort to prioritize and value the experience of workers, the firm thrives by producing quality products for its customers (Alam, 2015). For their part, customer-focused businesses go beyond just offering products and services that satisfy consumer expectations (Verhoef & Lemon, 2016). Instead, companies must pay attention to whole supply chain, including finding competent suppliers, creating goods that meet consumer expectations, delivering products on time, pricing items competitively, and providing efficient after-sales support. As a result of concentrating on consumers, organizations are required to continually improve all of their operations (Anaza & Rutheford, 2016). Therefore, a company's emphasis on people can have a direct or indirect influence on many performance metrics, like employee happiness, innovation as well as cost savings (Krivokapic, Vujovic, Jovanovic, Petrovis & Pekovic, 2017). To measure people focus the study will adapt quality of goods, customer loyalty and customers voice measures.

Strategic management is the degree of fit and integration between business strategy and business infrastructure. It is also the sharing and supporting of the business strategy with the business infrastructure (Wernerfelt, 2014). An organization needs to adapt its operations

to the external business environment and for the internal operations to be readjusted in a way that support the market. In addition, a firm's functional integration should be extended to all functional departments since business strategies keep on changing continuously and this requires that policies and processes change in tandem. Strategic management also requires managers to share the information about organizational goals and objectives to various levels and within different units of the organizational hierarchy (Cole, 2015). The study will use strategic integration, strategic objective and strategic plan to measure strategic management.

This method involves one or even more people influencing an entire group to go in a specific direction. Every divisions of the business can benefit from leadership help in communicating the goal and procedures of workplace initiatives (Drucker, 2017). This includes acting as examples or advocates for business initiatives, encouraging managers and workers to promote the company's efforts through a supportive work environment, and allocating the appropriate resources to the firm's efforts. A manager's style of leadership and communication can also influence performance (Muijs, 2016). Scott and Davis (2015) suggested that the behavior of leaders like the provision of strategic direction and budget approvals, manner of communication such as consideration for individual employees, provision of clarity in goals and role and supporting firm values increase firm performance. This study used strategic direction, organization values and budget approvals to measure leadership support.

The study variables are continuous improvement, people focus, strategic management and leadership. Continuous improvement is the systematic effort to seek out and apply new ways of doing work i.e. actively and repeatedly making process improvements. People focus involves paying attention to customers as well as employee's needs. Strategic management refers to the degree to which company strategy and business infrastructure are

aligned and integrated. Developing trust, inspiring others, and helping them overcome obstacles are all part of leadership (Hendricks & Singhal, 2017).

1.1.3 Fast-Moving Consumer Goods Manufacturers

Fast Moving Consumer Goods (FMCGs) are items that sell quickly and at a low cost. They also can be described as often purchased necessary or non-essential products (Mandrinos, 2014). It comprises soaps, shaving products, toiletries and detergents, as well as soft beverages and processed meals. It also includes consumables such as glasses or batteries, cosmetics and plastics items (Wasonga, 2012).

FMCG items have a limited shelf life. These items have a limited shelf life in part because they are perishable and go bad quickly. Fruits, meat, baked products, as well as veggies, for example, are very perishable. In addition, FMCG does have a wide distribution network from the perspective of marketers (Nyaga, 2014). A set of procedures and related resources make up the FMCG distribution chain. They comprise manufacturers, warehouses, distributors, logistics providers, wholesalers and distributors, as well as all other stakeholders in supply chain's web of interconnectedness.

Over the previous several decades, the Kenyan FMCG industry has experienced rapid expansion. Numerous firms, both domestic and international, have entered the sector to gain a part of the market due to its expansion (Wasamba, 2018). Currently, Nairobi is home to 20 FMCG firms. Among them are Interconsumer Limited, Bidco Oil Refineries, Kapa Oil, Finlay, Kenya Seed Company, Kenya Nut Company, Dawa Group, Maisha Flour Mills, Melvin Marsh International, Nestle Foods Kenya, Eveready East Africa, Premier Food Industries, Proctor & Allan (E.A), Coca-Cola, PepsiCo, Ramzco, and HACO Industries (K) among many others (Njambi & Katuse, 2013). These among other companies manufacture a variety of FMCG that is sold both locally and internationally.

Oil and fat products account for roughly 24 percent of Bidco's sales in Kenya (Euromonitor, 2015). According to production capacity, Kapa Oil Refineries owns around 12 percent of the market share, while Unilever Kenya comes in third with 9 percent (Euromonitor, 2015). Coca-Cola had the largest market share of soft drinks in Kenya as of 2018, at around 70%. The homegrown companies Kevian and Excel Chemicals accounted, respectively, for 5% and 2% of the market sales (Euromonitor, 2018). As of 2020, East African Breweries Limited has a 90 percent market dominance in Kenya. As a result, the Kenya-EABL has reported a 39 percent drop in earnings after taxation for the next fiscal year. As of 2019, profitability was approximately Ksh.7 billion (64.4 million dollars), down from approximately Ksh.11.5 billion (Euromonitor, 2020).

A combination of rising competitiveness and technical improvements have rendered certain FMCG companies outdated in Kenya, as they have in many other nations (Wasonga, 2012). In addition, sophisticated logistics management presents a problem owing to the greater distribution network and higher distribution speeds. One FMCG leader in Kenya has failed owing to excessive prices and poor performance. Eveready East Africa was once a market leader in Kenya (KAM, 2017).

1.2 Statement of the Problem

Statistics by Consumer Insight (2017) indicated that in Africa, Kenya has the second-largest structured retail sector, behind South Africa. According to a poll, 30% of Kenyans buy at retail shops, which is good news for fast-moving consumer goods. Kenya's FMCG producers have a lot of promise. Cadbury Kenya shuttered its Nairobi factory owing to poor results (RoK, 2014), whereas Eveready struggled on the Kenyan market and saw company net profit decline by 58.7% (Kandie, 2017). According to the Kenya Association of Manufacturers (2019), the return on assets of FMCG reduced by 8% in 2019 while market share reduced to 78.9% in 2019 as compared to 2018 where it was at 86.9%. Further, there

was a decline in productivity between 2018 and 2019 by 14%. From the indicated statistics on profit, return on assets and market share, it is evident that there is a problem on performance of FMCGs in Kenya.

Empirical studies include; Masrom (2017) studied the impact of business excellence on operational performance among halal certified food manufacturers in Malaysia. The study was based on Malaysia firms, hence a contextual gap. Zdrilić and Dulčić (2016) researched on business excellence as a success factor for the performance of large Croatian enterprises. Nonetheless, this study was based in large Croatian enterprises hence a contextual gap. Using Kanji and Sá's Leadership Excellence Model as a measure of business excellence maturity in commercial and public sector companies, Oakland and Tanner (2017) explore the connection between business excellence and organizational performance. The study sought to fill the theoretical gap by adopting the European Foundation for Quality Management model. The study aimed to fill the identified gaps by researching on the effect of business excellence practices on performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya.

1.3 Objective of the Study

1.3.1 General Objective

The general objective of the study was to investigate the effect of business excellence practices on performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya

1.3.2 Specific Objectives

The study was guided by the following objectives

- i. To determine the effect of continuous improvement on performance of FMCG manufacturers in Nairobi City County Kenya

- ii. To establish the effect of people focus on performance of FMCG manufacturers in Nairobi City County Kenya
- iii. To assess the effect of strategic management on performance of FMCG manufacturers in Nairobi City County Kenya
- iv. To find out the effect of leadership support on performance of FMCG manufacturers in Nairobi City County Kenya

1.4 Research Hypothesis

The study sought to test the following research hypotheses

- H₀₁ Continuous improvement has no significant effect on performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya.
- H₀₂ People focus has no significant effect on the performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya.
- H₀₃ Strategic management has no significant effect on the performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya.
- H₀₄ Leadership support has no significant effect on the performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya.

1.5 Significance of the Study

The study findings would be important to the Government's Big 4 Agenda designed to develop the manufacturing sector. This is because the study would provide an understanding on the effect of business excellence practices on performance. Therefore, the government will be able to encourage the manufacturing firms to adopt the business excellence practices. This would help the manufacturing firms to strengthen their management systems and processes to improve performance and create value for stakeholders.

The study findings would be important to the management of fast-moving consumer goods manufacturers. It would enhance their understanding on the influence of business excellence practices on performance. The management would be able to use the business excellence practices to improve performance in their organizations. The study findings would also be important to government and policy makers. It would provide insights on the influence of business excellence practices on performance of fast-moving consumer goods. The policy makers can come up with strategies to encourage the use of business excellence practices to enhance the performance of fast-moving consumer goods.

The study findings would be important to researchers and academicians. It would enhance their understanding on the influence of business excellence practices on performance of fast-moving consumer goods. Additionally, the study would add to the current body of evidence on the performance impact of business excellence methods already in existence. Reference material for future studies in the field may be gotten from the study.

1.6 Scope of the Study

The study sought to establish the influence of business excellence practices on performance of manufacturing firms in Nairobi City County, Kenya. Specifically, the study sought to establish the influence of continuous improvement, people focus, strategic management and leadership support on performance of fast-moving consumer goods manufacturers in Nairobi County Kenya. The focus was in Nairobi County because it is the location of many of the FMCGs manufacturers. Resource based view theory, Ansoff strategic success, stakeholder theory, balance score card model form the theoretical foundation for this study. The target population was the management level employees.

1.7 Limitation of the Study

The study was limited to fast-moving consumer goods manufacturers in Nairobi City County Kenya. The respondents had a busy work schedule hence hesitant to participate in

the study. This was mitigated by ensuring that the study took few minutes to fill the questionnaires. The respondents were also be hesitant to provide information thinking that it may leak to their competitors. However, the respondents were informed that the study was purely for academic purposes and their information was kept confidential.

1.8 Organization of the Study

Chapter one covers the study background, statement of problem, study objectives, hypothesis, significance and scope of the study and limitation of the study. Chapter is about the literature review. Chapter three research methodology. Chapter four results and findings and chapter five summary, conclusions and recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers literature review on the influence of business excellence practices on performance of fast-moving consumer goods manufacturers. It discusses the theoretical review, conceptual framework, empirical review and summary of literature review and research gaps.

2.2 Theoretical Literature Review

The study was based on business excellence models, ansoff strategic success theory and balanced scorecard theory.

2.2.1 Business Excellence Models

This theory was developed by Williams (2008). This will be the main theory of the study since it explains the variable used in the study in the different business excellence models. Success in a company is a wide notion that encompasses customer happiness, employee satisfaction, social impact, supplier as well as partnership success, and business outcomes (Williams, 2008). The balanced scorecard, lean production, six sigma, statistical tools, process management, and project management are among of the instruments that are continuously employed in the quest of BE. For lengthy organizational success, excellence models are built upon fundamental concepts or values (Talwar, 2019). In the Baldrige criteria for quality improvement and the EFQM (European Foundation for Quality Management) model, these values and concepts are described to as core values and concepts (Mann, Adebajo & Tickle, 2011).

In recent years, quality management models and quality awards have been tightly intertwined. The relationship is also that suitable evaluation techniques are used in the quality standards to determine the extent to which an organization has adopted BE. This prize was given for the first time in 1951 by the Japanese government. In many ways, it

was the forerunner of today's quality management models, that is still in continuous operation. MBNQA (Malcolm Baldrige National Quality Prize) was the next major award, founded in 1987 and presented for the first time in 1988. (Adebanjo, 2010). In terms of Quality Management, it was a huge stride forward. The European Society for Quality Management established the EFQM Excellence Model in 1991 to improve efficiency across Europe (Mann *et al.*, 2011).

Those who serve on the Global Excellence Model Council (GEM) are indeed the custodians of world's most prestigious Excellence Models. Globally, they form a community of greatness. Reviewing how corporate trends including external variables might affect the usefulness and implementation of Excellence Models, as well as exploring prospects for new products and award programmes, the GEM Council maintains a leadership stance on Excellence Models (Williams, 2008).

There is a GEM Council that examines business developments and external variables that might affect the usefulness and deployment of excellence models plus investigates opportunity for future services including award programs. It comprises of Australian Model; SAI Global, the European Model (EFQM), the Indian Model; Confederation of Indian Industry (CII), The Japanese Model; Japanese Productivity Centre for Socio-Economic Development; Fundibeg, The Latin America Model; Redibex, The Singapore Model; Spring Singapore, and the United States Model; Baldrige National Quality Program (Williams, 2008).

It is an integrated leadership and management framework that defines the aspects necessary to achieving sustained business performance in Australia, known as the Business Excellence Framework (BEF). As a company grows and evolves, so does the framework, which could be applied to analyze or enhance leadership, strategy, plan, knowledge and skills, safety and service provision to enhance bottom-line outcomes (Talwar, 2010).

An evaluation tool, the EFQM Excellence Model is a nine-criteria non-prescriptive structure that offers a representation of how much a company relates to other organizations of similar or quite different types. In its leadership roles, it may help establish the institution's capacity and performance goals. Managers, individuals, policy and strategy, partnership as well as resource management and procedures are among the EFQM factors (Talwar, 2010).

In 1994, CII and the Export-Import Bank of India (EXIM) jointly launched the Award for Business Excellence with goal of enhancing India Inc.'s competitiveness. EFQM Excellence Model is used to choose the winner. Excellence is achieved via a holistic management approach, as well as by the acknowledgement provided by the model (Talwar, 2010).

Redibex is the Latin American version of the REDIBEX. A constant platform for cooperation and exchange amongst the Twelve various National Quality Award organizations, REDIBEX is an exchange and cooperation network. In order to increase the management ability of American businesses, REDIBEX aims to establish synergies and boost the competitiveness drivers. The Japanese Productivity Center of Socio-Economic Development founded the Japan Quality Award in 1995. Each company, irrespective of company size or kind of company, may use it to analyze its organizational performance. It was modeled after the Baldrige Self-Assessment Framework (Talwar, 2010).

The 1994 saw the introduction of the Singapore Quality Award (SQA). According to SQA's Excellence Model, the Malcolm Baldrige Quality Improvement Program, the European Quality Management Award, as well as Australia's Business Excellence Award are widely acknowledged criteria. An international emblem of organisational success, the SQA pushes businesses to improve its business processes and competencies to increase their competitiveness (Talwar, 2010).

The Baldrige Performance Excellence Program, established in the United States, offers a systems approach on organizational performance. Organizations can use the criteria to gauge their performance against verified, cutting-edge management techniques. As a leading model in quality improvement, the criteria are recognized both nationally and worldwide, and they serve as a common language for businesses to communicate and share best practices. The Malcolm Baldrige National Quality Award procedure is likewise based on these criteria (Talwar, 2010).

This study adopted the EFQM Excellence Model because it can be used to measure performance using determinants such as leadership, people, policy and strategy, partnership and resource, processes, people results, customer results, society results and key performance results. These determinants were used in this current study to see how they affect results of FMCGs in Kenya.

2.2.2 Ansoff Strategic Success Theory

Ansoff (1984) suggested the Ansoff strategic success formula, which he and McDonnell developed (1990). Operational success, according to the Ansoff formula, is ensured when a firm's strategy is reactive to the environment's volatility as well as its capabilities meet its aggression. When three conditions are met, according to the theory, an organization's performance potential is maximized. These conditions include: an aggressive approach which really meets the turmoil of its environment; an adaptive capability that matches its aggressive strategy; and components of an institution's capacity that complement each other.

To help a business expand, the theory suggests four techniques. This includes product innovation and market penetration as well as market development and diversification, among other things. The goal of market penetration is to increase sales of current items in an existing market through increased sales. Market penetration through fresh product

innovation. In business expansion, existing items are used to join a new market, whereas in diversification, new products are introduced to enter a new market (Ansoff & McDonnell, 1990).

The theory shows the overarching strategy the business should use to grow and improve its performance. It's a methodical method for assessing the adjustments that must be done in an organization's strategy and internal capabilities in order to ensure its success in its future, as well. This theory supported the objective the influence strategic management on performance of FMCG manufacturers in Nairobi County Kenya.

2.2.3 Balance Score Card Theory

This Kaplan and Norton's Balanced Scorecard model was created in early 90's as it tries measuring performance of organization using different financial and non-financial measures. This model mainly focused on aligning organizational activities with its vision and strategies for the purpose of improving communication both external and internal and monitoring performances of organizations against its strategic goals. There are four dimensions in this model; the perspective of customer, innovation and learning, internal business processes and financial. Leading performance measures are provided by the first three measures while the final measure provides lagging performance measure.

Using the customer perspective, it is possible to determine how capable an organization is in providing goods and services that are of high quality and how effective deliveries are and generally the level of consumer satisfaction. Therefore, majority of the organization are focused on its customers and as a result they have set a mission for customers that aims at determining organizational performance based on customer perspective (Kaplan & Norton, 1992). It is the responsibility of managers as indicated by BSC to translate overall statement on the mission of services to customers into key measures reflecting aspects which are of importance to customers.

Measure of performance using the perspective of business process is mainly the analysis of internal processes of the organization. Those activities that enable an organization achieve their performance expectations are referred to as internal business processes. Measures based on customers are of great importance but should be translated to what is expected of the organization internally, in order to achieve expectations of customers. It is thus important for managers to focus on crucial internal process enabling them to satisfy the needs of their customers (Kaplan & Norton, 1992). It is important for organizations to decide the processes and competencies they want to excel in and identify the measures to be used. In order to ensure that the results obtained are satisfactory, it is important to monitor key internal processes.

Measures of financial performance help in determining whether implementation of strategies in organizations and its executions contribute to overall improvements. Also it helps determine the outcome of the selected strategic choices. When key improvements are made on operations, financial numbers will adjust themselves accordingly (Kaplan & Norton, 1992). To achieve good performance the organization should have different dynamic capabilities that ensure customer needs are met and business processes are smooth.

2.3 Empirical Literature Review

2.3.1 Continuous Improvement and Performance

Chang (2015) studied influence of continuous improvement and performance factors in total quality organization. To create recognition and reward systems in Total Quality Management, this study evaluated performance assessment methodologies. An in-depth research paper of efficiency of performance measurement in encouraging continuous improvement, as well as the creation of a framework for optimum overall quality-based performance assessment, were the two phases of fieldwork performed. All corporate activities are involved in the measuring process. A company's information management

plan should include them as a key component. They should be integrated into all elements of the corporate mission. There is a methodological gap in the study as it adopted a case study research approach. The current study will use a descriptive research approach.

Chiang, Birtch, Cai and Bavik (2015) the impact of tremendous work methods, work environment, and individualism on constant improvement was studied. An examination was made of workers' constant improvement behaviors and the reasons for attenuating or enhancing the process that affects it. A study of 2,470 factory floor workers revealed that high-performance work methods were predictive of continued progress in the workplace. The work climate was also revealed to be a mediator in this connection. This impact was further accentuated by individuals' collectivistic attitude. There is a contextual gap in this study as it examined the predictors of employee's continuous improvement focusing on shop floor workers thus failing to establish how continuous enhancement influences performance. The current study will determine how constant development influences performance of the company and the respondents will be drawn from the management level.

Khan, Ali, and Hongqi (2018) Pakistani researchers conducted study on the influence of constant improvement in organizational performance. In interview with managers was conducted with 40 firms from four categories (textile, sports, and surgical equipment). When innovation is introduced into the industry, productivity and failure rates increase resulting in higher service quality. By incorporating continual development into their product design, production, employee participation as well as quality management system, companies may gain a competitive edge over their competitors. There is contextual gap in this study since it was based in textile, sports, and surgical instrument in Pakistan.

Zain and Kassim (2012) researched on the firm's competitiveness was examined in relation to the internal environment and continual improvements. Within a developing nation, this study examined the impact of internal organizational environment, climate, and continuous

improvement initiatives on company competitiveness. Only four of Ekvall's ten creative atmosphere characteristics had a beneficial impact on a business's competitiveness, according to the study's findings. The businesses' competitiveness was also shown to be positively impacted by their continuous improvement efforts. It was also observed that the firm's internal environment had an impact on its competition in a good way. Lastly, the company's competition was discovered to have a substantial impact on its success. There is knowledge gap in this study since it focused on firm competitiveness and the current study will focus on firm performance.

Otieno (2016) researched on continuous improvement practices and efficiency of Kenya's commercial banks. According to the research, the link between continual improvement methods and efficiency was the primary goal of the research project. An exploratory descriptive survey research methodology was used in the study to collect appropriate data on the subject matter. Bank employees from 39 financial institutions were the intended audience. In order to analyze information, a questionnaire was used. SPSS data analysis revealed a link between commercial banks' efficiency and their continuous improvement initiatives. In this study, it was shown that the practices of customer focus, employee involvement, improvement initiatives, leadership, as well as actual strategic thinking had a good impact on organizational effectiveness. There is contextual gap in this study as it focused on commercial banks while the current study will focus on FMCGs.

2.3.2 People Focus and Performance

Salau (2018) conducted study on evaluating employee value proposition (EVP) as well as effectiveness of chosen FMCG businesses in Nigeria. EV) and performance of chosen FMCG businesses in Nigeria were provided in the paper as a single integrated dataset. According to our research, employee value proposition is mostly determined by quantitative factors, which were examined using a descriptive research design. Personnel

and management from the selected businesses were included in this investigation. A measurement and structural equation modeling approach was used to evaluate the data, and the field data set is made publicly available to enable a critical or complete examination to take place. Companies' enhanced performance may be predicted by EVP based on career progression and reward flexibility. The current study aims to fill the knowledge gap by determining how valuing customer's influences performance of FMCG.

As part of their research, Zdrilic and Duli (2016) looked at business excellence as a success factor for the performance of Croatian big businesses. Success In business and its Values in Croatian Business Practice was the focus of this study. Investigating the relationship between continuous improvement ideals and firm success, the authors studied 106 major Croatian companies with more than 250 workers. A favorable link was found between the use of quality improvement concepts and effective firm performance. However, this study was based on large Croatian enterprises; the aim of the current study is to fill the contextual gap by carrying out a study in FMCG manufacturers in Kenya.

As a result of their research, business excellence was identified as a critical element of organization competitiveness by Pozega, Crnkovic, and Udovicic (2014). The research focuses on the extent of company improvement and quality standards knowledge among the senior management. Companies in Sibenik-Knin County were surveyed. Businesses in Sibenik-Knin County lacked efforts for a holistic approach as well as execution of business improvement practices, although they were well-versed in management excellence's fundamentals, according to the findings. Since this study focused on organization competitiveness the current study will fill the knowledge gap by studying organizational performance.

Azrol and Dali (2016) conducted a study on the quality management model and its influence on organizational effectiveness. The purpose of this research was to investigate

the influence of implementing the Business Excellence Model (BEM) and its practices on the performance of a firm. The study attempts to evaluate the link between organizational performance and the six aspects of the BEM: management, planning, knowledge, customers, persons, and processes. Quality Management Program participants and Malaysia Productivity Corporation MPIC awardees were studied in this study (MPC). By using statistical research, it was determined that the Business Excellence Model's five aspects all had a positive and substantial impact on wellbeing of companies. Since this study was based in Malaysia, the current study will fill the contextual gap by conducting a study in Kenya.

2.3.3 Strategic Management and Performance

Amlus, Abdullah and Ibrahim (2015) studied the influence of strategic management on company performance in Malaysian Electrical and Electronic Industries. The purpose of this study was to look at the link between tactical management and firm performance. A total of 84 firms from various industries in Malaysia's Northern Region answered to a survey. Correlation and regression methods were used to evaluate the hypothesis. The study's findings back up all of the theories. According to the results of the multiple regression analysis, there are substantial connections between the components on each criteria and production capacity. Since this study focused on Malaysian Electrical and Electronic industries, the study will fill the contextual gap by focusing on FMCG manufacturers in Kenya.

The influence of strategic management on the performance of public organizations was investigated by Al Khalifa (2016). The objectives of this research were to look at the influence of strategy formulation between company as well as IT on public-sector company effectiveness. It illustrates the elements that influence management. A online poll was issued to 413 Bahraini public-sector leaders to investigate this link A web-based

questionnaire was utilized to gather data from 163 respondents, who were mostly IT leaders, business leaders, or both. The outcomes suggest that strategic management has a favorable influence on public-sector organizational effectiveness. Also suggesting that acceptance of IT acceptance and previous success in IS has a significant effect on strategic management in public organizations of Bahrain. Since this study focused on public organizations, the current study will fill the contextual gap by focusing on FMCG manufacturers in Kenya.

Bryd (2016) conducted an empirical study on the leveraging impact of strategic management on IT investment. For a set of manufacturing companies, the study looked at the role of strategic management in regulating the link between IT investment and business success. The findings revealed that strategic management and IT investment are linked to company success in a synergistic manner. Firms with well-aligned IT and business objectives may invest in more IT resources with confidence that they'll be well-used. Since study focused on strategic management on IT investment, the current study will fill the knowledge gap by concentrating on strategic management and performance in FMCG manufacturers.

In Nakuru Town, Kenya, Sang, Ngamau, and Ragama (2018) investigated the effects of strategic management on the performance of non-governmental organizations. The purpose of this study was to see how strategy formulation of organizational structure, infrastructure, talent, and knowledge management systems affected the performance of Nonprofits companies in Nakuru, Kenya. The study used a descriptive survey research approach and examined a sample of 83 non-governmental organizations. A questionnaire was utilized to get data. The primary data was analyzed using descriptive and inferential statistics with the help of the SPSS. The study discovered a favorable and substantial link between strategic management of organization culture and the performance of NGOs in

Nakuru town. Organizational structure strategic management showed a favorable and substantial link with success. Furthermore, the study discovered a favorable, modest, and non-significant link between strategic management of organizational talent and NGO performance. The link between management of strategies of an organization's knowledge management systems and NGO performance was found to be favorable, although weak, and insignificant. Since this study focused on NGOs, the current study will fill the contextual by focusing on FMCG manufacturers.

2.3.4 Leadership Support and Performance

In the FMCG, Ettiene and Chengedzai (2016) investigated transactional leadership, supply chain quality, and company success. The relationship amongst transactional leaders, supply chain quality (SCQ), and company success in the FMCG industry in South Africa's Gauteng area was investigated in the study. The study took a quantitative method, with data obtained via a survey of FMCG sector managers and professionals in the Gauteng area. Descriptive statistics, exploratory factor analysis, Pearson correlations, and regression analysis were used to evaluate the obtained data. Statistically significant influences on SCQ were found in two transactional leadership styles: contingent reward and management by expectation (active). SCQ was not predicted by passive-avoidant management. The financial and non-financial firm results were statistically impacted by supply chain quality. Since this study operationalized leadership in terms of contingent reward and management, the current study will fill the knowledge gap by operationalizing leadership in terms of strategic direction, firm values and budget approvals.

Paraschi, Georgopoulos and Kaldis (2019) researched on Airport Business Excellence Model: A holistic performance management system. This research proposed the Airport Business Excellence Model (ABEM) as a variant of the European Foundation of Quality Management (EFQM) for the very first time, and tested it at 143 airports throughout the

world. This research firstly identified the primary Key Performance Areas (KPA) and its independent variables, then investigated the complex system of causal links between them inside the multidimensional airport business system, based on a variety of theoretical premises and using SEM. The causal paths were modeled in the form of a performance pyramid, with influence flowing from key priorities enablers via human as well as technical enablers to create primary and secondary outcomes. Furthermore, key performance research indicates the most crucial success element for airport excellence is employee outcomes, then by management as well as operating results. Since this study focused on the aviation industry, the study will fill the contextual gap by focusing on the manufacturing industry.

Eustace and Martins (2014) investigated the effect of leadership in influencing organizational environment using the fast moving consumer goods sector as an example. The purpose of this study was to look at the link among organizations and leadership environment in a South African FMCG company. The study included 896 participants (all of whom worked for the same company) and was conducted using a descriptive, cross-sectional field survey technique. Multivariate analyses using exploratory factor analysis (EFA) and structural equation modeling (SEM) presented a new range of leadership dimensions, as well as confirming the relationship between organizations and leadership environment, and also the relationship between organizational climate and its different aspects. Since this study was based in South Africa, the present study will fill the contextual gap by focusing on FMCG in Kenya.

In Nigeria, Ukaidi (2016) investigated the impact of leadership styles on organizational performance. The Oates (2011) leadership style measure was used, and 84 valid responses were received. The criterion variable was project success, while the independent variables was leadership style (democratic, authoritarian, and laissez-faire). Using one-way

ANOVA, Cronbach alpha >0.9. Leaders with liberal inclination were shown to explain more variance in academic achievement than those with autocratic or laissez-faire tendencies. The implications of this, as well as the outcome, are explored in support of regional as well as individual interest, as well as prospective adjustments. Since this study operationalized leadership by democratic and autocratic leadership styles, the current study will fill the conceptual gap by operationalizing leadership in terms of firm values and budget approvals.

2.4 Summary of Literature Review and Research Gaps

Table 2.1: Summary of Literature Review and Research Gaps

Author	Topic	Findings	Research Gap	Focus of the current study
Salau (2018)	Employee value proposition (EVP) and performance of selected fast moving consumer goods (FMCGs) firms in Nigeria	Career growth and reward flexibility as predictive determinants of EVP for increased performance of sampled firms	Knowledge gap since this study failed to establish how continuous improvement affects firm performance	The study will fill the knowledge gap
Sang, Ngamau & Ragama (2018)	Strategic management on the performance of non-governmental organizations in Nakuru Town, Kenya.	The study found that the relationship between strategic management of organization culture and performance of NGOs in Nakuru town was positive and significant	Contextual gap since the study was based on NGOs which are not focused on making profits like the FMCG manufactures	The study will fill the contextual gap by studying fast-moving consumer goods manufacturers in Kenya
Ettiene and Chenedzai (2016)	Transactional leadership, supply chain quality and business performance in the fast-moving consumer goods industry.	Two transactional leadership styles, namely contingent reward and management by expectation (active), were statistically significant in influencing SCQ.	Knowledge gap since this study only focused on one type of leadership (transactional leadership)	The study will fill the knowledge gap by studying leadership support and performance of fast-moving consumer manufacturers in Kenya
Amlus, Abdullah and Ibrahim (2015)	The influence of strategic management on company performance in	There are significant relationships among the factors on each criterion to manufacturing capabilities	Contextual gap since it was done in Malaysian Electrical and Electronic Industries	The study will fill the contextual gap by studying fast-moving consumer goods

	Malaysian Electrical and Electronic Industries			manufacturers in Kenya
Chiang, Birtch, Cai and Bavik (2015)	Continuous improvement: the influence of high performance work systems, work climate, and collectivism.	High performance work systems predicted continuous improvement.	Empirical gap as this failed to establish how continuous improvement affects performance in firms	The study will fill the empirical gap manufacturers
Chang (2015)	Influence of continuous improvement and performance factors in total quality organization.	Successful performance measurement systems tend to develop empirically, ensuring congruence between all elements of the measurement system	Methodological gap since this study adopted a case study research approach	The current study will use a descriptive research design
Eustace and Martins (2014)	The role of leadership in shaping organizational climate: An example from the fast moving consumer goods industry.	A new set of organizational dimensions, confirmed the relationship between leadership and organizational climate	Contextual gap since this study was based in South Africa	The present study focus is on leadership support and performance of FMCG in Kenya
Pozega, Crnkovic, and Udovicic (2014)	Business excellence as a crucial component for organization competitiveness.	organizations in Sibenik-Knin County lack the initiatives for the systematic approach and implementation of business excellence model	Knowledge gap since this study focused on firm competitiveness whereas the present study focus will be on performance	The study will fill the knowledge gap

Source: Researcher (2022)

2.5 Conceptual Framework

Mugenda and Mugenda (2008) and Smith (2014), define a conceptual framework a hypothesized model identifying the model under study and the relationship between the dependent and independent variables. The independent variables are continuous improvement, people focus, strategic management and leadership support while the dependent variable is Performance of Fast-Moving Consumer Goods Manufacturers. The conceptual showed that continuous improvement, people focus, strategic management and leadership support affects performance. Figure 2.1 shows the conceptual framework.

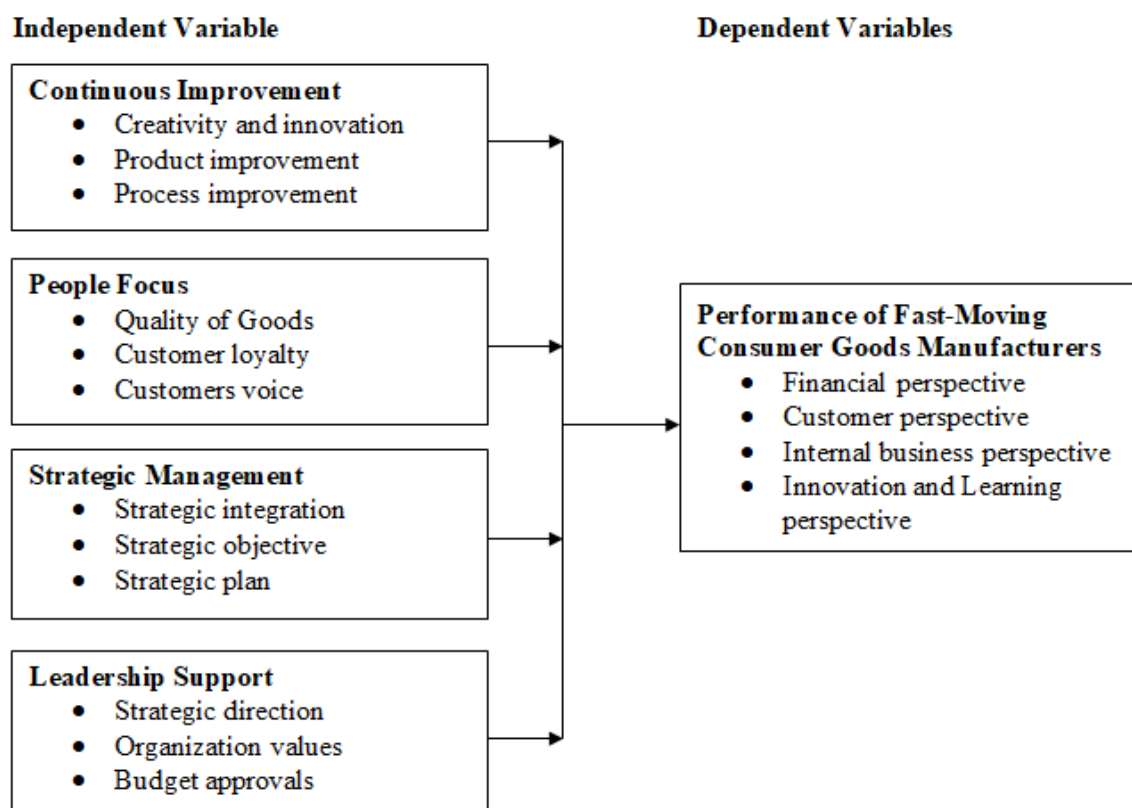


Figure 2.1: Conceptual Framework

Source: Reseachar (2022)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research methodology. It discusses the research design, target population, sampling and sample size, data collection instrument, pilot testing, data collection techniques and data analysis and presentation.

3.2 Research Design

A research design is a strategy for deciding the resources as well as types of data to utilize to address the research topic. This is a framework that defines the connections between the variables of the study. It also provides a blueprint for each operation, through hypothesis through data analysis (Kothari, 2010). A descriptive research design was used for this investigation. Descriptive research is a way of gathering interview or surveying a group of people. This technique was used in the study since it allowed for the clear collection of data, summarizing, presenting, and analyzing of quantitative and qualitative data.

This design was appropriate since it allowed for the observation of a phenomena in a totally natural and unaltered setting. It allowed the research to be conducted in the respondent's natural environment, which ensures that high-quality and honest data is collected. The results of descriptive research were further analyzed and used in other research methods. It is cheap and quick to conduct descriptive research. The goal of descriptive research would be to disclose a detailed profile of a person's circumstances or occurrences. As a result, it was appropriate for determining the impact of business excellence techniques on the performance of FMCG firms in Nairobi County, Kenya.

3.3 Target Population

In research, a population is described as a whole collection of components, topics, phenomena, or occurrences that researcher is interested in that may be inferred or studied.

A common observable trait exists throughout the population (Sekaran, 2010). There are 20 FMCGM firms in Kenya. The study focused on 20 fast-moving consumer goods manufacturing firms in Nairobi County Kenya (Appendix V). The study respondents were the management level employees in the fast-moving consumer goods companies. They were targeted because they are involved in the management activities in the organization and they were in a position to give information about business excellence practices. The unit of analysis was companies while the unit observation was management level employees in the companies. The population distribution was as demonstrated in Table 3.1

Table 3.1: Target Population

Category	Frequency	Percent
Top level management	16	10
Middle level management	42	27
Entry level management	96	63
Total	154	100

3.5 Data Collection Instrument

Using questionnaires, the researcher gathered primary data. A questionnaire is a kind of study tool that comprises a set of questions that are utilized to gather information from respondents. Open-ended and closed-ended questions were included in the survey. The questionnaire had five areas: the first asked for demographic data from participants, whereas the other four focused on the study's specific goals. Questions on continuous improvement were asked in the second section, and questions about people were asked in the third section. Questions on strategic management were covered in the fourth portion, leadership support were covered in the fifth section, and performance were covered in the sixth area. The research prefers questionnaires since they may be regarded of as a type of written interview. Face-to-face, telephone, computer, or postal execution are all options.

They offer a low-cost, fast, and effective ways of obtaining huge large of data from a wide range of participants.

3.4 Sampling and Sample Size

A sample size is determined by what one wants to know, the aim of the investigation, the stakes, what was valuable, what was credible, and what can be accomplished with the time and resources available (Creswell, 2013). The study sampled all the 20 firms. The research sample size was determined using stratified random sampling in order to ensure that all respondents are represented equally. A stratified random sample is a population sample that divides the population into smaller groupings known as strata. After that, random samples are taken from each stratum or group. This approach was appropriate since it aids in the creation of a sample population that represents the total population. In addition, stratification minimizes sample error and assures a higher degree of representation. Additionally, this technique ensured that all subgroups were well represented. Top-level managers, middle-level managers, and low-level managers were split into three groups for the research. The small groups were then used to select random samples.

The sample size for this study was determined using Yamane formula:

The formula is; $n = N / 1 + N (e)^2$

Where;

Where; N= Size of the population

n= Size of the sample

e= Accept error (e= 0.05)

$$n = 154/1+ 154(0.05)^2$$

$$= 111$$

The study's sample size was 111 participants, which represents 72.1 percent of the target population. A sample of 10% or more, as per Mugenda (2009), is appropriate for a social study. The study population was divided into strata, which are top level, middle level and entry level management from where the study sample was randomly selected.

Table 3.2: Sample Size

Category	Population	Sample %	Sample Size
Top level management	16	72.1%	12
Middle level management	42	72.1%	30
Entry level management	96	72.1%	69
Total	154	72.1%	111

3.6 Pilot Test

Piloting is a way for evaluating a survey instrument before it is utilized in a study. It entails running preliminary tests on data gathering equipment and ways in order to identify and eliminate mistakes. The goal of piloting is to ensure that the study design and instruments are accurate and suitable (Saunders, Lewis & Thornhill, 2009). Piloting is critical for determining the reliability of the instrument and the study's validity, according to Sekaran (2010). The researcher aimed to make the study questionnaire uniform, straightforward, and intelligible to everyone. A pilot research was done to ensure that the questionnaires were valid and reliable in collecting the data needed for the investigation. There were 11 respondents who participated in the pilot test. This is 10% of the study sample and according to Mugenda (2009) this sample is appropriate for the pilot study.

3.6.1 Validity

The extent whereby the instrument assesses the variables under inquiry is referred to as validity (Creswell, 2013). The term "content validity" was used to describe how well the selection of questions reflected the material that the assessment is supposed to evaluate.

Regarding the study questions, the researcher created a questionnaire. The validity of the instrument was confirmed by a discussion with a topic expert and study supervisor. The researcher identified questions which need modification and those that have ambiguities based on the conversation. After that, the completed questionnaire was printed and sent to the ground for data gathering.

3.6.2 Reliability

Pre-testing of a research tool utilizing a sample group that is comparable to the real sample will be used to ensure the study's dependability. The results of the pre-test were used to assess the instrument's compliance and consistency with the current study criteria, and editing was then performed in areas that need to be improved in order to produce a reliable instrument. Participants for the pre-test came from a different company than the one that was utilized in this study, but with similar features.

Cronbach's Alpha, that evaluates internal consistency, was utilized to examine the reliability of the tool. The Alpha values was calculated using SPSS. The alpha coefficient, with values of 0-1 and could be applied to explainn the reliability of variables. A greater number indicates that the produced scale is more trustworthy. As per Cooper and Schindler (2011), 0.7 is an acceptable reliability coefficient. The questionnaire's reliability was determined by a reliability study. Cronbach's Alpha was employed in the research. Cooper & Schindler (2019) set the Alpha value threshold at 0.7, establishing a baseline for the research.

Table 3.3: Reliability Results

Scale	Cronbach's Alpha	Number of Items
Continuous Improvement	0.847	7
People Focus	0.804	7
Strategic Management	0.868	7
Leadership Support	0.819	6

Source: (Author, 2022)

The outcomes in Table 4.2 show that strategic management has an alpha of 0.868, continuous improvement has an alpha of 0.847, leadership support has an alpha of 0.819 and people focus has an alpha of 0.804. This infers that all the variables were reliable.

3.7 Data Collection Procedure

It refers to the procedures for obtaining, measuring, and evaluating precise research ideas using established, verified approaches (Creswell, 2013). An introductory letter was gotten from the university and it was used to introduce the study to the respondents. The researcher conducted the questionnaire himself. This research used the drop and pick later approach as well as emailing. Any queries that the responders may had were answered by the research. The study was careful to guarantee that all questionnaires sent to participants are gotten, as well as the researcher kept track of them in a questionnaire register.

3.8 Data Analysis and Presentation

The information gathered in the field was cleansed and double-checked for accuracy. SPSS version 23.0 was used to code the data. To evaluate quantitative data, descriptive statistics like mean, standard deviations, and percentages were employed. Tables, figures, and pie charts was used to show the data. The narrative analysis approach was used to evaluate qualitative data. This technique entailed reformulating tales provided by participants, taking into consideration the setting of each instance and each participant's unique experiences.

The data was also analyzed utilizing inferential statistics. The link amid the research variables was examined via correlational analysis. The effect of quality management practices on performance of FMCG firms, was investigated using a multiple regression analysis approach.

The following was the regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where

Y is the dependent variable (Performance),

β_0 is the regression constant,

β_1 , β_2 , β_3 and β_4 are the coefficients of independent variables,

X_1 is continuous improvement, X_2 is people focus, X_3 is strategic management and

X_4 is leadership support

The level of significance of the created model was determined using ANOVA.

3.9 Ethical Considerations

Kenyatta University provided the researcher with an introduction letter. The letter served as introductory study for the participants. NACOSTI was also contacted for research permission. Respondents freely engaged in the research. Those willing to partake were given a consent form to sign. The anonymity of the participants was ensured, since did not indicate their name anywhere in the study. The participants was informed that there are no hazards associated with the research. The study was conducted only for academic goals, and all information collected was kept private.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter discusses major data findings, interprets them, and presents them in a way that addresses the study's unique goals. The study's results were discussed using descriptive and inferential statistics..

4.2 Response Rate

The study had a target sample size of 111 respondents, with 102 filling out and returning surveys, leading to a 92.0 percent response rate. This rate was adequate for making conclusions. A response rate of 50 percent is suitable for analysis and reporting, as per Mugenda & Mugenda (2003); a rate of 60 percent is good, and a rate of 70 percent or more is exceptional. The response rate was deemed sufficient based on the assertion.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	102	92.0
Unreturned	9	8.0
Total	111	100.0

Source: (Author, 2020)

4.3 Demographic Information

4.3.1 Gender of Respondents

The respondents were required to indicate their gender. The results were as indicated in

Figure 4.1

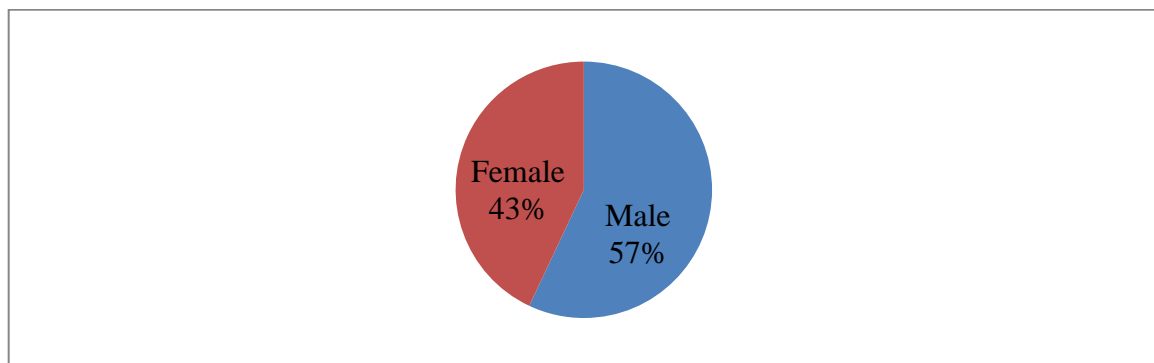


Figure 4.1: Gender of Respondents

From the findings, 57 percent of the participants were male while 43 percent were female. This implies that gender parity is put into consideration by FMCG manufacturers. Hence, both genders will participate in the study.

4.3.2 Period of Service in the Organization

The respondents were required to indicate the period they had served in their organizations. The result were as shown in Figure 4.2

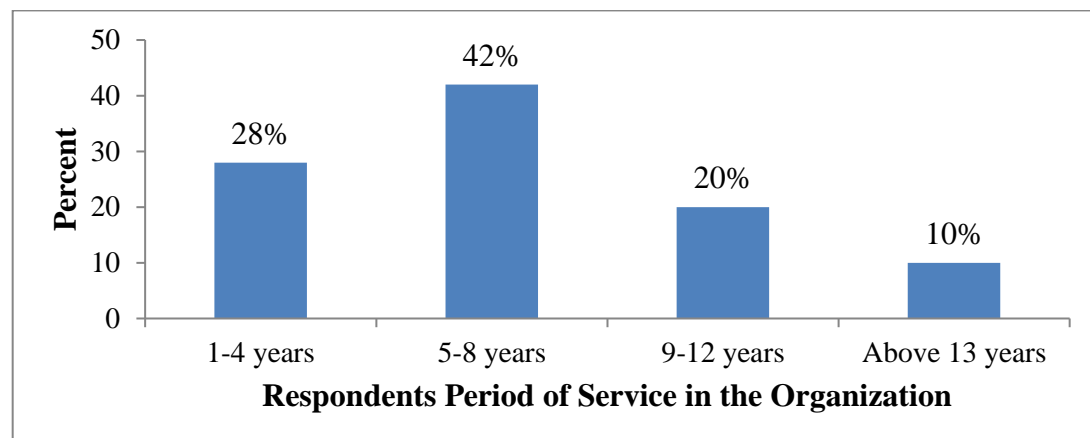


Figure 4.2: Period of Service in the Organization

The results shows that 42% of the participants had worked in the firm for a period between 5-8 years, 28% for a period of between 1-4 years, 20% for a period between 9-12 years and 10% for more than 13 years. This infers that the respondents had worked in their organizations long enough to provide data required in the study.

4.3.3 Respondents Highest Level of Education

The respondents were required to indicate their highest level of education. The findings were as shown in Figure 4.3.

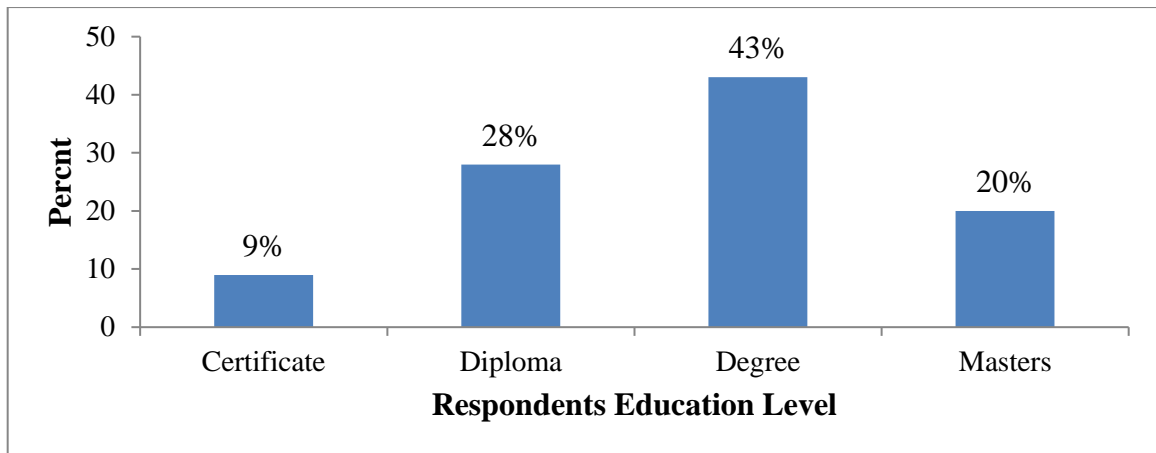


Figure 4.3: Respondents Highest Level of Education

The outcomes show that 43% of the participant's highest education level was degree, 28% diploma, 20% masters and 9% certificate. This means that individuals with varied levels of education participated in the study.

4.3.4 Respondents Position in the Organization

The respondents were required to show their position in the firm. The results were as indicated in Figure 4.4.

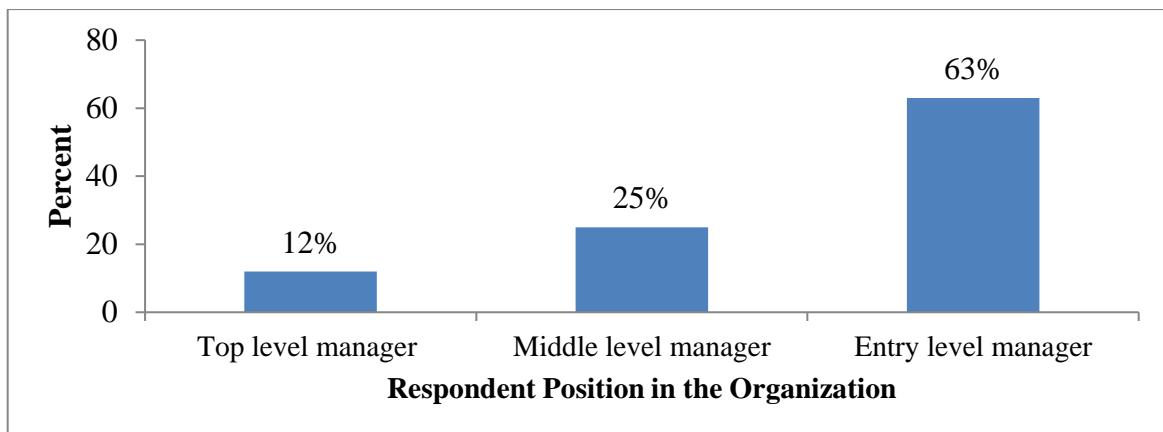


Figure 4.4: Respondents Position in the Organization

From the outcomes, 63% of the respondents were entry level managers, 25% were middle level managers and 12% were low level managers. This infers that employees from different cadres partook in the study.

4.4 Descriptive Statistics

Using the scale 1-strongly disagree, 2-disagree, 3-Somewhat agree, 4-agree, 5- strongly agree. The respondents were required to indicate their level of agreement with the statements.

4.4.1 Continuous Improvement

The respondents were asked to indicate their agreement level on the following statements about the effect of continuous improvement on performance of FMCG manufacturers. The results were as shown in Table 4.2.

Table 4.2: Continuous Improvement

Statements on Continuous Improvement	1	2	3	4	5	Mean	Std. Dev
The company encourages creativity to meet new market needs	4	6	8	51	33	4.010	0.932
In the organization new innovations are adopted to create products to meet the changing customer needs	3	3	9	60	27	4.029	1.014
In the organization existing products are continuously improved to meet market demands	3	5	7	46	41	4.147	0.988
In the organization new products are developed to meet emerging needs in the market	5	6	6	54	31	3.980	0.958
The organization enhances its process to reduce production costs	2	4	10	61	25	4.010	1.013
In the organization processes are improved to ensure efficiency in the organization	4	7	9	49	33	3.980	0.899
In the organization improving processes helps to improve the quality of products	6	6	8	70	12	3.745	1.135
Aggregate						3.986	0.991

From the outcomes in Table 4.2, the participants agreed that in the firm existing products are continuously improved to meet market demands (m = 4.147), in the organization new

innovations are adopted to create products to meet the changing customer needs (m= 4.029), the firm encourages creativity to meet new market needs (m = 4.010), the company enhances its process to reduce production costs (m = 4.010), in the organization new products are developed to meet emerging needs in the market (m = 3.980), in the firm processes are improved to ensure efficiency in the organization (m = 3.980) and in the organization improving processes helps to enhance the quality of products (m = 3.745). The aggregate mean was 3.986, this implies that on average the respondents agreed with the statements on the effect of continuous improvement on performance of FMCG manufacturers. The respondents further indicated that continuous improvement improves performance since the organization is able to remain competitive by adopting new technologies.

The results agree with those of Khan, Ali, and Hongqi (2018) that incorporating continual development into product design, production, employee participation as well as quality management system, companies may gain competitive edge over their competitors. Otieno (2016) found that the practices of customer focus, employee involvement, improvement initiatives, leadership, as well as actual strategic thinking had a good impact on organizational effectiveness. Zain and Kassim (2012) found that businesses' competitiveness positively impacted by their continuous improvement efforts. The aggregate standard deviation was 0.911.

4.4.2 People Focus

The respondents were required to indicate their level of agreement on the statements about the effect of people focus on performance of fast-moving consumer goods manufacturers. The results were as indicated in Table 4.3.

Table 4.3: People Focus

Statements on people focus	1	2	3	4	5	Mean	Std. Dev
The firm improves its employees by training and coaching them	6	7	8	61	20	3.804	0.983
In the organization training equips employees with skills which facilitates the production of quality products	4	6	10	55	27	3.931	0.924
In the organization customer opinions are considered in decision making	7	9	12	41	33	3.824	0.781
In the organisation customers complaints are solved on time	6	7	10	49	30	3.882	0.859
In the organization the needs of customers are put in consideration and met	4	8	9	58	23	3.863	0.943
In the organization focusing on customers enhances customer loyalty	3	5	9	51	34	4.059	0.944
In the organization focusing on customers helps to know whether customers are satisfied with the products provided	7	8	11	44	32	3.843	0.809
Aggregate						3.887	0.892

From the outcomes in Table 4.3, the respondents agreed that in the firm focusing on customers enhances customer loyalty (m = 4.059), in the organization training equips staff with skills which facilitates the production of quality products (m = 3.931), in the organisation customers complaints are solved on time (m = 3.882), in the organization the needs of customers are put in consideration and met (m = 3.863), in the organization focusing on customers assists to know whether customers are satisfied with the products provided (m = 3.843), in the organization customer opinions are considered in making decisions (m = 3.824) and the organization improves its employees by training and coaching them (m = 3.804). The average mean score was 3.887, this implies that on average

the respondents agreed with the statements on the effect of people focus on performance of FMCG manufacturers. The respondents indicated that people focus has enabled the company to design products that meet employee needs and also improve on the existing products to meet emerging needs.

The findings are in agreement with those of Salau (2018) that companies' enhanced performance may be predicted by employee value proposition (EVP) based on career progression and reward flexibility. Zdrilic and Duli (2016) found a favorable link between the use of quality improvement concepts and effective firm performance. Azrol and Dali (2016) noted that Business Excellence Model's five aspects (management, planning, knowledge, customers, persons, and processes) all had a positive and substantial impact on wellbeing of companies. The aggregate standard deviation was 0.891.

4.4.3 Strategic management

The respondents were required to indicate their level of agreement on the following statements about the effect strategic management on performance of fast-moving consumer goods manufacturers. The results were as demonstrated in Table 4.4.

Table 4.4: Strategic management

Statements on Strategic management	1	2	3	4	5	Mean	Std. Dev
In the firm departments work together to achieve the set goals	3	6	11	71	11	3.794	1.149
In the organization employees connect their strategic efforts to the firm goals	2	5	9	63	23	3.980	1.035
In the organization team strategic efforts are integrated with organization objectives	4	7	10	57	24	3.882	0.932
In the organization employees are involved in strategy development, decision making and implementation	1	4	13	51	33	4.088	0.926
In the organization strategic management is ensured by communicating of the strategy at all levels of the organization	5	8	8	60	21	3.824	0.969
In the organization strategic plan is ensured by linking individual performance goals to strategy	5	9	10	48	30	3.873	0.841

In the organization strategic plan is achieved by ensuring human resource management reflects in the strategy	6	8	11	42	35	3.902	0.828
Aggregate						3.906	0.954

The respondents agreed that in the organization employees are involved in strategy development, making decisions and execution (m = 4.088), in the organization employees connect their strategic efforts to the firm goals (m = 3.980), in the organization strategic plan is achieved by ensuring human resource management reflects in the strategy (m = 3.902), in the organization team strategic efforts are integrated with organization objectives (m = 3.882), in the organization strategic plan is ensured by linking individual performance goals to strategy (m = 3.873), in the organization strategic management is ensured by communicating of the strategy at all levels of the organization (m = 3.824) and in the firm departments work together to achieve the set goals (m = 3.794). The aggregate mean score was 3.906, this implies that on average the respondents agreed with the statements on the effect of strategic management on performance of FMCG manufacturers. The respondents indicated that strategic management enables the organization to review the changing business environment. This helps the company to keep up with competition.

The results agree with those of Al Khalifa (2016) who found that strategic management has a favorable influence on public-sector organizational effectiveness. Also suggesting that acceptance of IT acceptance and previous success in IS has a significant impact on strategic management in public organizations. Bryd (2016) revealed that strategic management and IT investment are linked to company success in a synergistic manner. Firms with well-aligned IT and business objectives may invest in more IT resources with confidence that they'll be well-used. Kenya, Sang, Ngamau, and Ragama (2018) discovered a favorable and substantial link amid strategic management of organization culture and performance of firms. Organizational structure strategic management showed a favorable and substantial link with success. The aggregate standard deviation was 0.954.

4.4.4 Leadership Support

Indicate your agreement level on statements about the effect of leadership support on performance of FMCG manufacturers. The results were as demonstrated in Table 4.5.

Table 4.5: Leadership Support

Statements on leadership support	1	2	3	4	5	Mean	Std. Dev
In the company leaders ensure that employees understand the firm mission and vision	5	7	7	54	29	3.931	0.932
In the organization leaders ensure that all individuals in the firm work towards a similar goal	6	8	9	61	18	3.755	0.972
The firm leaders make sure that employees work together as a team	2	9	12	49	30	3.941	0.852
The company leaders make sure that staff understand and adhere to firm values	5	6	10	58	23	3.863	0.944
In the organization leaders approve budget on time to ensure smooth operations in the organization	4	7	9	50	32	3.971	0.900
In the organization leaders ensure that approved budget are followed to ensure smooth operations	3	5	8	66	20	3.931	1.076
Aggregate						3.899	0.946

The respondents agreed that in the organization leaders approve budget on time to ensure smooth operations in the organization (m = 3.971), the company leaders ensure that employees work together as a team (m = 3.941), in the firm leaders ensure that employees understand the firm mission and vision (m = 3.931), in the organization leaders ensure that approved budget are followed to ensure smooth operations (m = 3.931), the organization leaders ensure that employees understand and adhere to firm values (m = 3.863) and in the organization leaders ensure that all individuals in the firm work towards the same goal (m

= 3.755). The aggregate mean was 3.899, this implies that on average the respondents agreed with the statements on the effect of leadership support on performance of FMCG manufacturers. The respondents indicated that leadership support plays an essential role as teams are able to work together to achieve the set goals.

The results concur with those of Eustace and Martins (2014) who found a relationship between organizations and leadership environment, and also the relationship between organizational climate and its different aspects. Ukaidi (2016) found that leaders with liberal inclination were shown to explain more variance in academic achievement than those with autocratic or laissez-faire tendencies. The aggregate standard deviation was 0.946.

4.4.5 Performance

The respondents were required to indicate your level of agreement on the following statements about performance of FMCG manufacturers. The results were as shown in Table 4.6.

Table 4.6: Performance

Statements on performance	1	2	3	4	5	Mean	Std. Dev
Adoption of business excellence model has enhanced efficiency in our organization	2	5	8	69	18	3.941	1.125
Adoption of business excellence model has enhanced productivity in our organization	1	3	6	72	20	4.049	1.193
Adoption of business excellence model has enhanced profitability in our organization	4	6	8	52	32	4.000	0.934
Adopting business excellence model has enhanced the organization market share	3	3	12	61	22	3.912	0.994
The organization has been able to serve its customers better through adoption of business excellence model	4	7	9	58	24	3.892	0.951
Aggregate						3.959	1.039

The respondents agreed that Adoption of business excellence model has enhanced productivity in our organization as shown by a mean of 4.049, Adoption of business excellence model has enhanced profitability in our organization as shown by a mean of 4.000, Adoption of business excellence model has enhanced efficiency in our organization as shown by a mean of 3.941, Adopting business excellence model has enhanced the organization market share as demonstrated by a mean of 3.912 and The organization has been able to serve its customers better through adoption of business excellence model as shown by a mean of 3.892. The average mean was 3.959, this means that on average the respondents agreed with the statements on performance of FMCG manufacturers. The aggregate standard deviation was 1.039.

4.5 Inferential Statistics

Correlation analysis and multiple regression analysis were addressed in this section.

4.5.1 Correlation Analysis

The relationship of independent and dependent variables is investigated using correlation analysis. In this study, Pearson Moment Correlation analysis was used. Table 4.7 displays the findings.

Table 4.7: Correlation Results

		Performance of FMCG	Continuous Improvement	People Focus	Strategic Management Leadership support
Performance of FMCG	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	102			
Continuous Improvement	Pearson Correlation	.863**	1		
	Sig. (2-tailed)	.001			
	N	102	102		
People Focus	Pearson Correlation	.811**	.471**	1	
	Sig. (2-tailed)	.001	.042		
	N	102	102	102	
Strategic Management	Pearson Correlation	.845**	.469**	.354**	1

	Sig. (2-tailed)	.001	.037	.042	
	N	102	102	102	102
Leadership support	Pearson Correlation	.816**	.426**	.398**	.326**
	Sig. (2-tailed)	.001	.034	.047	.051
	N	102	102	102	102

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

The study outcomes demonstrate a strong positive correlation amid continuous improvement and performance of FMCG manufacturers in Kenya demonstrated by ($r = 0.863$, $p = 0.001 < 0.01$). Also, there was strong positive correlation amid people focus and performance of FMCG manufacturers in Kenya demonstrated by ($r = 0.811$, $p = 0.001 < 0.01$). Strategic management had a strong positive correlation with performance of FMCG manufacturers in Kenya demonstrated by ($r = 0.845$, $p = 0.001 < 0.01$) and there was strong positive correlation between leadership support and performance of FMCG manufacturers in Kenya demonstrated by ($r = 0.816$, $p = 0.001 < 0.01$). The findings concur with those of Zdrilic and Duli (2016) who found a favorable link between the use of quality improvement concepts and effective firm performance.

4.5.2 Model Summary

The model summary was used to look at how the dependent variable varies as the independent factors change. This study sought to determine the disparities of performance of FMCG manufacturers due to changes of continuous improvement, people focus, strategic management and leadership support. The outcomes were as in Table 4.8.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897 ^a	.805	.801	.03181

The results show that R^2 is 0.801 meaning that there was 80.1% variation in performance of FMCG manufacturers due to changes in continuous improvement, people focus, strategic management and leadership support. The remaining 19.9% infer that there are other factors that affect performance of FMCG manufacturers that were not covered in the study. The

findings are in agreement with those of Paraschi, Georgopoulos and Kaldis (2019) who found that key performance indicates the most crucial success element for airport excellence is employee outcomes, followed by management as well as operating results.

4.5.3 Analysis of Variance

The ANOVA test was used to see if the data in the study is significant.

Table 4.9: ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.508	4	5.377	48.749	.001 ^b
	Residual	10.699	97	0.110		
	Total	32.207	101			

The processed data had a significance level of 0.001 according to the ANOVA results in Table 4.9. As the value of significance (p-value) is below 5%, the data is excellent for drawing inferences about the population's parameter. The F calculated was higher than F critical ($48.749 > 2.239$). This implies that the model was fit for the data.

4.5.4 Beta Coefficients of the study Variables

The regression equation was

$$Y = 0.169 + 0.429X_1 + 0.402 X_2 + 0.433 X_3 + 0.396 X_3 + \epsilon$$

The equation above reveals that holding continuous improvement, people focus, strategic management and leadership support at a constant, the variables will significantly affect performance FMCG manufacturers as shown by a constant value of 0.169 as shown in Table 4.10.

Table 4.10: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.169	.072		2.347	.008
1 Continuous Improvement	.429	.103	.379	4.165	.001
People Focus	.402	.109	.365	3.688	.002

Strategic Management	.433	.104	.390	4.163	.001
Leadership Support	.396	.101	.327	3.921	.002

The first research hypothesis was **H₀₁** continuous improvement has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The findings established that continuous improvement had significant effect on performance of FMCG manufacturers since the p-value obtained (0.001) was below the selected level of significance (0.05). The finding further indicated that the effect of continuous improvement on performance of FMCG manufacturers was positive ($\beta=0.429$). This infers that we reject the null hypothesis and conclude that continuous improvement has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The results agree with those of Khan, Ali, and Hongqi (2018) that incorporating continual development into product design, production, employee participation as well as quality management system, companies may gain competitive edge over their competitors.

The second research hypothesis was **H₀₂** people focus has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The results show that people focus had significant effect on performance of fast-moving consumer goods manufacturers since the p-value obtained (0.002) was less than the selected level of significance (0.05). The finding further indicated that the effect of people focus on performance of FMCG manufacturers was positive ($\beta=0.402$). This implies that we reject the null hypothesis and conclude that people focus has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The findings are in agreement with those of Salau (2018) that companies' enhanced performance may be predicted by employee value proposition (EVP) based on career progression and reward flexibility.

The third research hypothesis was **H₀₃** strategic management has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The results revealed that strategic management had significant effect on performance of FMCG manufacturers since the p-value obtained (0.001) was below the selected level of significance (0.05). The finding further indicated that the effect of strategic management on performance of FMCG manufacturers was positive ($\beta=0.433$). This implies that we reject the null hypothesis and conclude that strategic management has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The results agree with those of Al Khalifa (2016) who found that strategic management has a favorable influence on public-sector organizational effectiveness. Also suggesting that acceptance of IT acceptance and previous success in IS has a significant impact on strategic management in public organizations.

The fourth research hypothesis was **H₀₄** leadership support has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The results show that leadership support had significant effect on performance of FMCG manufacturers since the p-value obtained (0.002) was less than the selected level of significance (0.05). The finding further showed that the effect of leadership support on performance of FMCG manufacturers was positive ($\beta=0.396$). This implies that we reject the null hypothesis and conclude that leadership support has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya. The results concur with those of Eustace and Martins (2014) who found a relationship between organizations and leadership environment, and also the relationship between organizational climate and its different aspects.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion drawn from the findings highlighted and recommendations made there-to. The objectives of the study were to determine the effect of continuous improvement on performance of FMCG manufacturers in Nairobi City County Kenya, to establish the effect of people focus on performance of FMCG manufacturers in Nairobi City County Kenya, to assess the effect of strategic management on performance of FMCG manufacturers in Nairobi City County Kenya and to find out the effect of leadership support on performance of FMCG manufacturers in Nairobi City County Kenya.

5.2 Summary of Findings

The study revealed that there was strong positive correlation amid continuous improvement and performance of FMCG manufacturers. The study also found that the manufacturers continuously improved to meet market demand, also in the organization new innovations are adopted to create products to meet the changing customer needs, the organization encourages creativity to meet new market needs, the organization enhances its process to reduce production costs, in the organization new products are developed to meet emerging needs in the market, in the organization processes are improved to ensure efficiency in the organization and in the organization improving processes helps to improve the quality of products. The study also found a strong positive correlation amid continuous improvement and performance of FMCG manufacturers in Kenya. The findings established that continuous improvement had significant effect on performance of FMCG manufacturers. The results agree with those of Khan, Ali, and Hongqi (2018) that incorporating continual development into product design, production, employee participation as well as quality management system, companies may gain competitive edge over their competitors.

The study established that there was strong positive correlation amid people focus and performance of FMCG manufacturers. The study also indicated that organization focusing on customers enhances customer loyalty, training equips employees with skills which facilitates the production of quality products, in the organisations customers complaints are solved on time, in the organization the needs of customers are put in consideration and met, the organization focuses on customers helps to know whether customers are satisfied with the products provided, in customer opinions are considered in decision making and the organization improves its employees by training and coaching them. The study also found a strong positive correlation amid people focus and performance of FMCG manufacturers in Kenya. The findings established that people focus had significant effect on performance of FMCG manufacturers. The findings are in agreement with those of Salau (2018) that companies' enhanced performance may be predicted by employee value proposition (EVP) based on career progression and reward flexibility. Zdrilic and Duli (2016) found a favorable link between the use of quality improvement concepts and effective firm performance

The study established that there was strong positive correlation amid strategic management and performance of FMCG manufacturers in Nairobi County, Kenya. The study also found that the organization employees are involved in strategy development, decision making and implementation, in the organization employees connect their strategic efforts to the firm goals, in the organization strategic plan is achieved by ensuring human resource management reflects in the strategy, in the organization team strategic efforts are integrated with organization objectives, in the organization strategic plan is ensured by linking individual performance goals to strategy, in the organization strategic management is ensured by communicating of the strategy at all levels of the organization and in the company departments work together to achieve the set goals. The study also found a strong

positive correlation amid strategic management and performance of FMCG manufacturers in Kenya. The findings established that strategic management had significant effect on performance of FMCG manufacturers. The findings concur with those of Al Khalifa (2016) who found that strategic management has a favorable influence on public-sector organizational effectiveness. Also suggesting that acceptance of IT acceptance and previous success in IS has a significant impact on strategic management in public organizations.

The study revealed that there was strong positive correlation amid leadership support and performance of FMCG manufacturers in Nairobi County, Kenya. The study also found that in the organization leaders approve budget on time to ensure smooth operations in the organization, the organization leaders make sure that staff work together as a team, in the firm leaders ensure that employees understand the firm mission and vision, in the organization leaders ensure that approved budget are followed to ensure smooth operations, the organization leaders ensure that employees understand and adhere to firm values and in the organization leaders ensure that all individuals in the firm work towards the same goal. The study also found a strong positive correlation amid leadership support and performance of FMCG manufacturers in Kenya. The findings established that leadership had significant effect on performance of FMCG manufacturers. The findings concur with those of Eustace and Martins (2014) who found a relationship between organizations and leadership environment, and also the relationship between organizational climate and its different aspects. Ukaidi (2016) found that leaders with liberal inclination were shown to explain more variance in academic achievement than those with autocratic or laissez-faire tendencies.

5.3 Conclusion

The study found that continuous improvement was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that continuous improvement had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that an increase in continuous improvement will cause upsurge in performance FMCG manufacturers in Nairobi County.

The study established that people focus was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that people focus had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that people focus positively affects performance FMCG manufacturers in Nairobi County.

The study revealed that strategic management was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that strategic management had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that an increase in strategic management will result to upsurge in performance FMCG manufacturers in Nairobi County.

The study found that leadership support was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that leadership support had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that leadership support positively affects performance FMCG manufacturers in Nairobi County.

5.4 Recommendations

The study found a significant link amid continuous improvement and performance. The study therefore, suggests that the manufacturers ought to adopt a methodical approach to problem solving to ensure constant improvement inside a company. The study also suggests

that there should be constant evaluation and process improvement. Members of the organization should be continually guided to seek for development and learning through an organizational infrastructure and atmosphere.

The study established that people focus had a significant effect on performance. The study suggests that the FMCG manufacturers must pay attention to whole supply chain, including finding competent suppliers, creating goods that meet consumer expectations, delivering products on time, pricing items competitively, and providing efficient after-sales support. Apart from concentrating on consumers, organizations are required to continually improve all of their operations.

The study indicated that strategic management significantly effected performance. The study suggested that the manufacturers need to adapt its operations to the external business environment and for the internal operations to be readjusted in a way that support the market. In addition, a firm's functional integration should be extended to all functional departments since business strategies keep on changing continuously and this requires that policies and processes change in tandem.

The study revealed leadership support significantly effected performance. The study suggest that leaders in the firm ought to act as examples or advocates for business initiatives, encouraging managers and workers to promote the company's efforts through a supportive work environment, and allocating the appropriate resources to the firm's efforts. The leaders should provide strategic direction and budget approvals, manner of communication like consideration for individual employees, provision of clarity in goals and role and supporting firm values. This would be helpful to increase firm performance.

The study adds to existing knowledge on effect of business excellence practices on performance. Scholars can use the study to enhance their understanding on business

excellence practices. Researchers can use the study as a source of reference in future related studies.

5.5 Suggestions for Further Studies

The study objective was to establish the effect of business excellence practices on performance of FMCG manufacturers in Nairobi City County Kenya. The study recommends that another study should be conducted to cover 19.5% of the variables that were not used in this study. It is also recommended that a study should be conducted to find out the effect of business excellence practices on organizational strategy.

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APPENDICES

Appendix I: Introductory Letter

Kenyatta University

Belinda Otieno

Dear, Respondent

RE: Data Collection

I am a postgraduate student at Kenyatta University. I am conducting a study on the **INFLUENCE OF BUSINESS EXCELLENCE PRACTICES ON PERFORMANCE OF FAST-MOVING CONSUMER GOODS MANUFACTURERS IN NAIROBI COUNTY, KENYA.**

I kindly request you to answer the questionnaire attached. Kindly, note that all the provided data will be used for study purposes and will be treated confidentially. Thank you for taking your time to complete the questionnaire and for your cooperation.

Yours faithfully,

Belinda Otieno

Appendix II: Questionnaire

Kindly tick appropriately

Section A: Demographic Information

1. Kindly indicate your gender
Male
Female

2. How long have you been working in the organization?
1-4 years
5-8 years
9-12 years
Above 13 years

3. What is your highest level of education?
Certificate
Diploma
Degree
Masters

4. What is your position in your organization?
Top level manager
Middle level manager
Entry level manager

Using the scale 1-strongly disagree, 2-disagree, 3-Somewhat agree, 4-agree, 5- strongly agree in Section B to F to indicate your level of agreement with the statements.

Section B: Continuous Improvement

5. Indicate your level of agreement on the following statements about the effect of continuous improvement on performance of FMCG manufacturers in Nairobi City County Kenya.

Statements on Continuous Improvement	1	2	3	4	5
The firm encourages creativity to attain new market needs					
In the firm new innovations are adopted to create products to meet the changing customer needs					
In the organization existing products are continuously improved to meet market demands					
In the organization new products are developed to meet emerging needs in the market					
The organization enhances its process to reduce production costs					
In the organization processes are improved to ensure efficiency in the organization					
In the organization improving processes helps to improve the quality of products					

6. Indicate how continuous improvement affect performance of FMCG manufacturers in Nairobi City County Kenya?

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Section C: People Focus

7. Indicate your level of agreement on the following statements about the effect of people focus on performance of f FMCG in Nairobi County Kenya.

Statements on people focus	1	2	3	4	5
The organization improves its employees by training and coaching them					

In the organization training equips employees with skills which facilitates the production of quality products					
In the organization customer opinions are considered in decision making					
In the organisation customers complaints are solved on time					
In the organization the needs of customers are put in consideration and met					
In the organization focusing on customers enhances customer loyalty					
In the organization focusing on customers helps to know whether customers are satisfied with the products provided					

8. Indicate further how people focus affect performance of FMCG manufacturers in Nairobi County Kenya?

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Section D: Strategic management

9. Indicate your level of agreement on the following statements about the effect strategic management on performance of FMCG in Nairobi County Kenya.

Statements on Strategic management	1	2	3	4	5
In the organization departments work together to achieve the set goals					
In the organization employees connect their strategic efforts to the firm goals					
In the organization team strategic efforts are integrated with organization objectives					
In the organization employees are involved in strategy development, decision making and implementation					
In the organization strategic management is ensured by communicating of the strategy at all levels of the organization					
In the organization strategic plan is ensured by linking individual performance goals to strategy					

In the organization strategic plan is achieved by ensuring human resource management reflects in the strategy					
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10. Indicate further how strategic management affect performance of FMCG manufacturers in Nairobi County Kenya?

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Section E: Leadership Support

11. Indicate your level of agreement on the following statements about the effect of leadership support on performance of FMCG manufacturers in Nairobi County Kenya.

Statements on leadership support	1	2	3	4	5
In the organization leaders ensure that employees understand the firm mission and vision					
In the organization leaders ensure that all individuals in the firm work towards the same goal					
The company leaders make sure that employees work together as a team					
The firm leaders ensure that staff understand and adhere to firm values					
In the organization leaders approve budget on time to ensure smooth operations in the organization					
In the organization leaders ensure that approved budget are followed to ensure smooth operations					

12. Indicate further how leadership support affect performance of FMCG manufacturers in Nairobi County Kenya?

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Section F: Performance

13. Indicate your level of agreement on the following statements about performance of FMCG manufacturers in Nairobi County Kenya.

Statements on performance	1	2	3	4	5
Adoption of business excellence model has enhanced efficiency in our organization					
Adoption of business excellence model has enhanced productivity in our organization					
Adoption of business excellence model has enhanced profitability in our organization					
Adopting business excellence model has enhanced the organization market share					
The organization has been able to serve its customers better through adoption of business excellence model					

THANK YOU

Appendix III: List of FMCG in Nairobi County

1. Alpha Fine Foods Ltd
2. Bidco Oil Refineries Limited
3. British America Tobacco
4. Brookside
5. Chandaria Industries Ltd
6. Cocacola
7. Colgate Palmolive East Africa
8. EABL
9. Heineken
10. Krystalline Salt
11. KWAL
12. New Kenya Coperative Creameries Ltd
13. Patco Industries Ltd
14. Premier Food Industries
15. Proctor and Gamble
16. TATA Chemicals
17. Tropical Heat
18. Unilever
19. Unilever Kenya Ltd
20. Weetabix East Africa Ltd

