ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTEMENT OF MANAGEMENT

Assessment of Quality Management Practices and Organizational Performance: The case of Modern Building Industries P.L.C (MBI)

A Research Project Submitted to the Department of Management in Partial Fulfillment of the Requirement for the Degree of Executive Master of Business Administration

BY: Solomon Gedif

Advisor: Mohammed Seid (PhD)

June 2019
Addis Ababa

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS & ECONOMICS

DEPARTMENT OF MANAGEMENT

Assessment of Quality Management Practices and Organizational Performance: The case of Modern Building Industries P.L.C (MBI)

In Partial Fulfillment of the Requirement for the Degree of Executive Master of Business Administration

Approved by Board of Examiners

Advisor	Signature	Date
Internal Examiner	Signature	Date
External Examiner	Signature	Date

DECLARATION

I, the undersigned, declare that this research project paper is my original work and prepared under the guidance of my advisor, Dr. Mohamed Seid. All the materials used for the study have been fully acknowledged.

Declared by:

Name: _____

Sign: _____

Date: _____

ACKNOWLEDGMENTS

I would first like to thank my project advisor Dr. Mohammed Seid for his valuable comments, feedbacks, and guidance. I would also like to thank employees of MBI especially the respondents for their cooperation in the process of data collection. Moreover, I would like to thank my families, friends and all individuals who support me to accomplish this project work.

TABLE OF CONTENTS

DECLARATION.....I
ACKNOWLEDGMENTS II
TABLE OF CONTENTS.....III
LIST OF TABLES.....VI
LIST OF FIGURES VI
ACRONYMS.....VII
ABSTRACT.....VIII
CHAPTER ONE: INTRODUCTION.....1
1.1 Background of the study.....1
1.2 Background of the Company. 3
1.3 Statement of the problem.....4
1.4 Objectives of the study 6
1.4.1 General Objective 6
1.4.2 The specific Objectives 6
1.5 Research hypotheses.....6
1.6 Significance of the study 6
1.7 Scope of the Study.....7
1.8 Limitations of the study.....7
1.9 Organization of the paper 8
CHAPTER TWO: REVIEW OF RELATED LITERATURE 9
2.1 Introduction 9
2.2 Theoretical Literature Review.....9
2.2.1 Deming's Theory.....9
2.2.2 Theory of Constraints.....11
2.2.3 Resource-Based Theory.....12

2.3 Empirical Literature Review 14
2.3.1 Organizational Performance 14
2.3.2 Continuous Improvement and Firm Performance 16
2.3.3 Customer Focus and Firm Performance 18
2.3.4 Top Management Commitment and Firm Performance 19
2.4 Conceptual Framework of the Research 21
CHAPTER THREE: RESEARCH METHODOLOGY 22
3.1 Introduction 22
3.2 Research Approach 22
3.3 Research Design 22
3.4 Measurement of Variables 23
3.5 Sampling Design 23
3.5.1 Target Population 23
3.5.2 Sampling Technique 23
3.5.3 Sample Size 23
3.6 Source of Data 24
3.7 Data Collection Techniques 24
3.8 Validity and Reliability of Instruments 25
3.8.1 Validity 25
3.8.2 Reliability 25
3.9 Data Analysis 26
3.10 Ethical Issue 27
CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS 28
4.1 Introduction 28
4. 2 Response Rate and Demographic Description of Respondents 28
4.3 Description Statistics 30
4.3.1 Customer Focus 30
4.3.2 Top Management Commitment 31
4.3.3 Continuous Improvement 33

4.3.4 Organizational performance 34
4.4 Hypotheses Testing 35
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS 39
5.1 Introduction 39
5.2 Summary 39
5.3 Conclusions 40
5.4 Recommendations 41
5.5 Suggestions for Future Research 42
REFERENCE 43
Annex 1: Questionnaire 49

LIST OF TABLES

Table 3.1: Reliability Analysis 26
Table 4.1: Education Level of Respondents 28
Table 4.2: Work experience of respondents 29
Table 4.3: Specialization of respondents 29
Table 4.4: Customer Focus 30
Table 4.5: Top Management Commitment 32
Table 4.6: Continuous Improvement 33
Table 4.7: Organizational performance 34
Table 4.8: Correlations between Customer Focus and organizational performance 36
Table 4.9: Correlations between Top Management Commitment and organizational performance 37
Table 4.10: Correlations between Continuous Improvement and organizational performance 38

LIST OF FIGURES

Figure 2.1: Conceptual Framework Diagram 21

ACRONYMS

CEO	Chief Executive Officer
CF	Customer Focus
CI	Continuous Improvement
MBI	Modern Building Industries
ISO	International Standard Organization
OP	Organizational Performance
QM	Quality Management
QMP	Quality management practices
RBT	Resource Based Theories
SME	Small and Medium Enterprise
SPSS	Statistical Package for Social Science
TMC	Top management commitment
TOC	Theory of Constraints
TQM	Total Quality Management

ABSTRACT

The main purpose of conducting this study was to investigate quality management practices and organizational performance in MBI, a member of MIDROC Technology Group. Three key dimensions of quality management practices such as customer focus, top management commitment and continuous improvements were used as independent variables accompanied by different measurement instruments under each variable, while non-financial performance variable was used to measure the organizational performance. The study used primary data which was collected using self-administered questionnaires from a sample of 106 employees, 75 were correctly filled and returned, an overall response rate of (71 %). Data was analysed using descriptive statistics. The results were presented using tables. The findings indicate that continuous improvement had positive and significant effect on performance of MBI. Customer focus was found to be significant in explaining the variation of performance and top management commitment was found to have a significant effect on performance of MBI. The study recommended that the company should ensure that the objectives of the organization are linked to customer needs and expectation to improve performance. To improve company performance this study recommends that top managements should provide employees with the required resources and they should allow participative and engagement of employees in making decisions on quality issues and provide freedom to act with responsibility and accountability. Additionally, the study recommended that through continuous improvement so as to improve performance, the company should focus on training, system measurement, benchmarking, and internal quality audit. Finally, the study recommends that similar research can be conducted focusing on additional variables that affect performance of MBI and also financial performance was not addressed in this research and it could be addressed by future research.

***Key Words**: Quality Management Practices and Organizational Performance.*

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

According to Dean and Bowen (1994), quality management has been defined as a "philosophy or an approach to management" made up of a "set of mutually reinforcing principles, each of which is supported by a set of practices and techniques". Quality management is the way in which an organization determines and implements systems to ensure that quality, in the sense that specifications are met, (Freeman-Bell and Grover, 1994).

In the late Nineteen Thirties specifically after the World War II, the quality management idea was recognized in Japan. And then, several firms in the manufacturing sector were focused on improving quality and utilizing tools that directly aim to control quality at these firms (Demirbag et al., 2006; Talib et al., 2010). Besides, both USA and UK accepted the idea of quality management especially in manufacturing sector in those countries. Afterward, quality management has been recognized widely in several international standards such as in the ISO 9000 and the idea of quality management was largely accepted these standards (Sachdeva et al., 2007).

The quality concept has developed over the last few decades to become a broad management tool. The advancement of quality management in the world of business is normally related to the implementation of quality systems based on ISO 9000 international standards. The ISO 9000 series of quality management standards represents an international agreement on excellent management practices whose aim is to ensure that organizations produce and deliver offerings that meet and exceed customer expectations (Nyaga & Gakobo, 2017). ISO has the most comprehensive scope in the improvement of firms' performance through the promotion of quality (Evangelos & Psomas, 2013).

Increasing global markets and competitions lead companies to work for continuous improvement. According to Ahmed and Hassan, 2003 using quality management practices correctly, industrial companies can assure their success to succeed competitiveness. The quality

practices of an organization are defined as the actions and procedures undertaken by a company or organization to ensure the delivery of a high-quality service or product. According to Sousa and Voss (2002), practices are the observable aspect of quality management and it is through them that managers work to realize organizational improvements.

Many scholars noted that managers can implement quality management practices in any organization and sectors of the economy such as manufacturing, service, education, and government (ZU, 2009). According to Jaafreh and Al-abedallat (2013), the most common quality management practices employed by organizations include; top management commitment, employee involvement, process management and customer focus. The implementation of these practices generates improved products and services, more satisfied customers and employees, reduced costs, improved financial performance, enhanced competitiveness, and increased productivities (Kaynak, 2003).

According to Fassoula (2006), all manufacturing firms seek to adopt and implement a set of quality practices that have been successful elsewhere and that will help them to identify changes in their environment and to respond proactively through continuous improvement so as to enhance performance. Quality management is concerned with the satisfaction of all stakeholders through customer focus and adopts continuous improvements on organizations processes. This is because; the modern day customer is becoming increasingly aware of the need for quality of products and services. For this reason, it is crucial that the firms carry their operations with a focus of satisfying the customer (Goetsch and Davis 2006). Strong commitment from the top management is vital in quality management and leading to higher quality performance (Anderson et al., 1995).

Organizational performance reveals how well an organization achieves its objectives in terms of quality of offerings, operations, innovation, employees' satisfaction, customers' satisfaction, sales, profitability and aggregate organization's vision and mission. Different studies have used varied organizational performance measures. Performance measures that actually demonstrate the value of an organization's management systems can be difficult to develop, use, and interpret, and different researchers have different views about performance. Although quality itself does have consistent positive relationship with better performance, there is little

commonality in how performance is measured and defined. Factors such as employee satisfaction, firm performance, product quality, efficiency, and business results are linked to the firms' performance measures (Madu et al., 1999; Feng et al., 2007).

For the purpose of this study, a performance measure is defined in terms of productivity, efficiency, and employee satisfaction. These quality measures have been used by previous studies as indicators of a company's performance and it was established that they have impact on performance (Prajogo & Brown, 2004, Arumugam et al., 2008, and Zakuan et al., 2010). According to Foster & Jonker (2007) quality management is a framework that encourages innovations that ensures the efficiency of processes is improved. Craig and Douglas (2012), idealized that when quality management is successfully adopted and implemented in organizations, there exists chances for improved profitability and productivity.

Through analysis of the Ethiopian quality award (EQA) self-assessment report evaluation (2009), generally, quality management practices in Ethiopia was found to be low in all the tenets including leadership, policy and strategy, resources management, process management, customer satisfaction, business performance and impact on society. This study mainly focused on assessing Quality Management Practices and organizational Performance in Ethiopia manufacturing company particularly in MBI. The research has been taking one of chemicals and building materials manufacturing Company (Modern Building Industries, MBI) as a case study.

1.2 Background of the Company

Modern Building Industries PLC (MBI) is a manufacturing company which organized under the Office of the Chief Executive Officer of MIDROC Technology Group, and is run by a General Manager, directly reporting to the CEO. The company has four Operation Units: Filler Factory Operation, Paint Factory Operation, Plastic Tiles Factory Operation and Concrete Blocks & Tiles Factory; all of which are managed by qualified managers endowed with rich experience, and geared up for company future growth.

In order to facilitate the operational effectiveness of the company, the Management has placed different Policies and Procedures into practice which is Human Resources Services Policy and

Procedure Manual, Financial Services Policy and Procedure Manual, Attest Plan, Materials Management Services Policy and Procedure Manual, Organizational Structure Manual, Collective Agreement, Protection Services Policy and Procedure Manual and Education Policy. All Policy and Procedure Manuals are subject to revision and hence more than 200 directives have been released to date to improve the original policy issues of MIDROC Technology Group.

MBI is established to accomplish four major business purposes. The first purpose is to establish and operate industrial mineral-based plants related to cement and cement products, ceramics, paints, sanitary ware, adhesives, glues, plastic rubber, terrazzo tiles, and cultured marble, for domestic, commercial and industrial applications. The second one is to establish chemical, metal and foreign market based woodworks processing plants. The third purpose is to establish and operate electrical materials manufacturing plants. Finally, to engage in establishing and operating quarries and mineral processing plants.

MBI has produced different building products which is paints, varnishes, tiles, glue, inorganic mineral fillers, hydra form blocks and cultured marble. (MIDROC Technology Group, 2016).

1.3 Statement of the Problem

A number of studies have been carried out that try to relate the impact of quality management practices over organizational performance. The majority of these studies conclude that there is a positive relationship between the implementation of quality management practices, and organizational performance improvement (Lee et al., 2001; Singels et al., 2001; Boulter and Bendell, 2002; Dick et al., 2002; Ozgur et al., 2002). As several empirical studies show, implementing quality management practices effectively influences firm performance positively (Huarng & Chen, 2002; Kaynak 2003; Parast, Adams & Jones, 2011; Shahin & Dabestani, 2011).

Firms that implement quality management focus on providing more value for their customers and improving the efficiency of processes. Continuous improvement of processes and product quality leads to increased revenues (through product reliability) and reduced costs (through process efficiency). In turn, customer satisfaction leads to increased revenues because it enables the firm to gain a market advantage (Kaynak, 2003; York & Miree, 2004). According to Dr. R.

Satya Raju and Haile Yeshanew (2013), Manufacturing companies in Ethiopia that certified ISO 9000 standards is necessarily obtain better total quality management practices than those that had not yet certified.

Although the majority of the studies carried out state that there is a positive relationship between quality management practices and performance, as was just mentioned, there is also a group of authors that did not find enough evidence to support such a relationship (Terziovski et al., 1997; Quazi et al., 2002; Conca et al., 2004). Quanzi and Padibjo (1998) in their study concluded that statistically, there was no significant relationship between quality management practices and firm performance. In additions to this, Lamport et al. (2014) stated that, despite the great evidence about the benefits of ISO 9000, it is still debatable as to whether or not the standards improve performance and profitability.

There has been wide research on quality management practices and organization's performance, however, particularly in Ethiopian manufacturing industry, there is still little known about the effect of quality management practices on companies' performance. Most studies which have been carried out in developed and developing countries, have tried to link quality management practices and performance of firms, but findings contradict this view (Vasileios & Odysseas, 2015; Anyango et al.2012; Chow-Chua, Goh & Wan, 2003). Those manufacturing companies including MBI that have adopted quality management practices need to know which practices are important in improving overall performance.

Research into the relationship between quality management practices and the performance of organizations is scarce, and the results seem sometimes contradictory. Further empirical research in this area seems to be necessary. Particularly the researcher hardly found any previous studies which are specifically conducted to examine the relationship between quality management practices and the performance of organizations in Ethiopian's manufacturing industry. Therefore, the researcher believed that there is a gap of knowledge about the relationship between quality management practices and firm performance in Ethiopia manufacturing companies. Accordingly, this study investigated the quality management practices and organizational performance in Modern Building Industries PLC (MBI).

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of the study was to assessed quality management practices and organizational performance in Modern Building Industries P.L.C (MBI).

1.4.2 The Specific Objectives

The specific objectives of the study included:

- To determine the relationship between customer focus and organizational performance in Modern Building Industries (MBI).
- To determine the extent to which top management commitment relationship with performance in Modern Building Industries (MBI).
- To assess the relationship between continuous improvement and organizational performance in Modern Building Industries (MBI).

1.5 Research Hypotheses

- **Ha1**: There is a significant, positive relationship between Customer Focus and organizational performance in MBI.
- **Ha2**: There is a significant, positive relationship between Top Management Commitment and organizational performance in MBI.
- **Ha3**: There is a significant, positive relationship between Continuous Improvement and organizational performance in MBI.

1.6 Significance of the Study

The study established some valued information that determined the current situation of case company in their overall understanding of quality management practices and organizational performance. From the managerial perspective, the findings of the study can benefit in developing written strategies, policies and standard procedures based on the requirements of international standards that can help the firm to increase its competitive advantage. This study is of important to MBI as well as similar manufacturing companies in Ethiopia because elements of

quality management was discussed and evaluate their potential benefits. Thus, the study is of value to managers in the firm since they will get insights on how to implement the practice of quality management for strengthening competitive position.

The findings of this study could assist the government and industry regulator when they are crafting quality management policies so that quality managers and management representatives operate from an informed position with regard to quality matters and when drawing quality improvement plans. The study yielded useful practical applications for consultants and other advisors in the area of quality management practices and their applicability in the manufacturing firms in Ethiopia. In addition, this study contributed literature on quality management practices and organizational performance that can be of use to scholars and other interested parties.

1.7 Scope of the Study

This study specifically focusing on three key quality management practices which are; Continuous improvements, Customer focus, and Top management commitment. Because according to many scholars among many QMP these are the main quality management practices. The study therefore, explored the relationships between these three quality management practices and organizational Performance of the case company, MBI. The research focused on only non-financial performance.

1.8 Limitations of the Study

The study sought to establish the relationship between quality management practices and performance of Modern Building Industries. The study focused only on quality management practices of MBI. A study based on the single manufacturing company limits the generalizability of the results across all manufacturing firms. The study deployed questionnaire to collect primary data; however, the problem with this is that a questionnaire use is based on the assumption that participants' responses to the questions would be honest and accurate. However, this is not always the case that participants would answer in an honest manner. This is due to the fact that participants often give responses that they believe to be desirable. Therefore, the researcher tried to convince them not to give the response that believes to be desirable.

1.9 Organization of the Paper

This paper enclosed five chapters. The first chapter covered the introduction of the study, and it explains the background of the study, the statement of the problem, study objectives, research hypothesis, significance of the study, scope of the study, and limitation of the study. The second chapter discussed the related literature review about the subject matter. In chapter three the research methodologies was presented. Chapter Four covered the research findings and discussion, presenting the background information on descriptive statistics and inferential statistics. Finally, Chapter Five provided the summary, conclusion, recommendations and suggestions for further studies.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter aimed at giving insight to the researcher regarding the study. It included literature works from the books, articles, journals and previous studies which are relevant to quality management practices and firm performance. The literature review is divided into two major parts; theoretical review and empirical review. This chapter also provided a conceptual framework to show the link between the dependent and independent variables.

2.2 Theoretical Literature Review

This section introduced the theories related to the study. A theoretical part focused on the adoption theories and concepts that were presented by distinguished authors in relation to quality management practices implementation and organizational performance. The study was guided by the three theories; Deming's theory, Theory of constraint and Resource-Based Theories (RBT).

2.2.1 Deming's Theory

In the field of quality several quality expert's, such as W. Edwards Deming, Philip B. Crosby, and Joseph M. Juran, has made significant contributions. To this study the Deming's theory on quality is important because it gives insights on how organizations should work in order to continuously improve quality that ultimately may improve the performance of organizations. Deming (1986) proposed that an organization's commitment to quality signalled its intent to stay in business. According to Deming's theory quality of goods and services can be improved through enhancing the internal environment ensuring continuous improvements and checking the results on statistical balances.

According to Deming (1986) no quality management system could succeed without top management commitment; it is the management that invests in the processes, creates corporate culture and also selects suppliers and develops long-term relationships. Deming noted that organizations should seek to correct the variations from their quality norms before the system

deteriorates. The theoretical approach of Deming (1986) in respect to the quality management system detailed by Hubert (2000), and it pictures the creation of an organizational system that adopts cooperation and learning to facilitate the implementation of process management practices. This, in turn, leads to the continual improvement of the processes, products, and services and helps to introduce employee satisfaction. These are critical to promoting customer focus, and, ultimately, helping in the survival of any organization.

In around 1950, Shewart cycle was renamed in Japan as Deming Plan Do Check Act (PDCA) cycle. This is a continuous cycle of process improvement. The Plan Do Check Act (PDCA) cycle of continuous improvement is a universal quality improvement concept whose aim is to constantly improve performance, thereby reducing the difference between customer requirements and the performance of the manufacturing firms (Goetsch & Davis, 2006). The cycle explained means that strategies needs to be planned and specific quality objectives outlined. Then, actions and activities need to be implemented with the support of the management across the entire firm. As a best principle, checking the results of quality against the expectations is crucial as it ensures corrective actions are taken proactively.

The responsibilities of top management should take the lead in changing processes and systems (Oakland, 2004). Leadership plays a crucial role in ensuring the success of quality management because it is the top management's responsibility to create and communicate the vision to move the firm toward performance improvement. Top management is responsible for most quality problems; according to Kamanda (2010) it should give employees clear directions on what is considered acceptable work, and provide the methods to achieve it. These methods include an appropriate working environment and climate for work that is free of fault finding, blame or fear and instead provide clarity of issues, communicate effectively and provide appropriate environment for work to enhance performance (Lamport et al., 2010). Deming's quality improvement theory is relevant to this study in that quality management practices is a quality management system which can be used to enhance quality of products and services through continuous improvement and which organizations can use to realize performance.

2.2.2 Theory of Constraints

Different writers have given various definitions of theory of constraints (TOC). According to Dettmer (1995), theory of constraints is a set of concepts, principles, and tools designed to help manage systems better. Theory of constraints is also defined as an example of a management philosophy built upon a limited number of assumptions and designed to provide a process of continuous ongoing improvement (Sivasubramanian et al., 2003). Generally, TOC is a combination of philosophy, concepts, principles, and tools conceived to maximize the performance of any system by identifying, managing and breaking the most restrictive limiting factor that constraints system performance.

Rahman (1998) summarized the concept of TOC that every system must have at least one constraint and the existence of constraints represents opportunities for improvement. The one main aspect of TOC, which differs from traditional improvement approaches, is the way it evaluates improvement efforts. Many quality improvement efforts are focused on achieving the highest cost reductions. The TOC approach focuses on increasing throughput rather than reducing costs.

The theory of constraints provides a perfect approach on the aspect of continuous improvements (Goldratt, 1990). The theory advocates that in order to improve the performance of organizations, the management should plan on how to utilize the entities' capabilities and capacities in order to better performance of entities outputs both in quality and quantity. The theory of constraints puts it that there should be paradigms shifts that aim at enhancing the performance of organizations and they are instituted by the management from time to time in a continuous way. Organizations that want to better quality of the products and services must therefore wisely use their resources through adopting efficient ways of productions (Draman, 1995).

According to Humair & Willems (2006), the existence of constraints may lead to low quality of produce if not checked. The theory of constraints explains how strategies should be implemented in order to improve the performance of organizations through superior quality of products and services. The theory of constraints is therefore very informative with respect to this study in that

it explains on the ways that can be taken by entities to ensure continuous improvements. An effective management will realize the means of ensuring quality of products is improved over time (Shah & Ierapetritou, 2011).

2.2.3 Resource-Based Theory

The resource based view (RBT) theory has widely been used in the studies of organizational performance (Innocent, 2015). The RBT talks about the organizational unique resources and capabilities which differentiates the one organization with the other organizations in the similar industry. The RBT also tries to answer the question that how can organizations achieve the competitive advantage over other industry organizations and enhance their organizational performance?

The Resource-Based Theory suggests that performance is driven by the resource profile of the firm, whereas the source of superior performance is embedded in the possession and deployment of distinctive resources that are difficult to imitate (Wernerfelt, 1984). It is thus important for firms to identify their core competencies, capitalize on them in order to improve their results. It is the rare resources that provide a company with chances of improving performance particularly when they cannot be copied by competitors in the market. Hsu and Pereira (2008) stated that RBT helps the organization in identifying its unique internal resources which not only enhance the organizational performance, but also creates the competitive advantage for an organization.

The RBT suggested that organizational achievements are truly based on the internal properties of an organization. Both organizational assets (tangible and intangible) and capabilities (internal knowledge and competencies) are defined as the organizational internal properties (Chuang & Lin, 2017). Similarly, the RBT considered that an organization contains the different types of organizational resources such as, assets resources, capabilities resources, process resources, management competencies, technological resources and knowledge resources (Barney, 1991). These resources and capabilities enhanced the organizational performance and works as a basis of competitive advantage. This theory puts it that it is more economical and feasible to control a firm's internal environments as opposed to the external environments. To this end, organizations should strive to improve their processes to ensure improved quality of products. Consequently,

therefore, companies should focus on improving the internal processes in order to enhance their performance.

According to Barney (2001), a firm develops competitive advantage by not only acquiring but also developing, combining, and effectively deploying its physical, human, and organizational resources in ways that add unique value and are difficult for competitors to imitate. The theory categorizes resources in terms of valuable resources and rare resources depending on their availability. Accordingly therefore, a valuable resource creates value to customers and leads to the organization having competitive advantage, where rare resources can be acquired by a few companies. In the circumstance that the organizations need to attain a sustained competitive advantage, then it has to differentiate its products and ensure the system runs efficiently. Barney (2007) suggests that to transform a short run competitive advantage into a sustained competitive advantage requires that these resources be heterogeneous in nature and not perfectly mobile. This in effect results to valuable resources that are neither perfectly imitable nor sustainable without great effort (Hockman & Grenville, 2004).

In the RBT, a distinction has emerged between resources and capabilities (Makadok, 2001). A resource is an observable (but not necessarily tangible) asset that can be valued and traded as a brand or a patent. A capability, on the other hand, is not observable and is hence intangible and hard to value (Karthi *et al,* 2012). Two key features distinguish a capability from a resource: a capability is firm-specific since it is imbedded in the organization and its processes; and the primary purpose of a capability is to enhance the productivity of the other resources that the firm possesses (Makadok, 2001). Organizational preparedness determines what kind of quality management systems to pursue, since the resources that an organization has will influence what the firm does or does not do. The strategies so undertaken will then influence the performance of the firm and help the firm gain a competitive advantage in the market place, resulting to enhanced performance. Therefore, this theory supports variables of the study: continuous improvement, customer focus, and the commitment of the top management.

2.3 Empirical Literature Review

2.3.1 Organizational Performance

Continuous performance is the focus of any organization because only through performance organizations are able to grow and progress. The performance of firms is influenced by a number of factors which may be within the firm or outside the firm. According to (Hitt, Hoskisson & Ireland, 2007), manufacturing firms have an overall strategic goal of maintain a performance that leads to a competitive edge in the market. These factors that determine the performance of firms may be termed as constraints (Hakala, 2011). Psomas and Kafetzopoulos (2012) argue that performance contributes to providing the competitive advantage to the firms in high competition in the market. The company takes advantage over its competitors and performs better in business.

The study carried out by Psomas and Kafetzopoulos (2012) was used ISO certified and non-certified manufacturing firms in Greece. As a result the study findings indicated that ISO certified manufacturing firms significantly outperformed the non-certified ones with regard to product quality, firm performance, operational, market and financial performance. The study used financial and non-financial measures of performance and it was done in a developed country Greece. However, Ikay and Aslan (2011) in their study on SMEs in Turkey measured the difference between ISO-certified and non-certified firms on performance. The results showed no statistically significant difference between certified and non- certified firms in terms of performance. The current study focused on non-financial measures of performance and it was carried out in a developing country, Ethiopia.

According to Burack et al. (2014), quality of products and services is a critical factor that should be management well in order to enhance the performance of firms. In the modern times, the customer is keen on product attributes that satisfy their needs and expectations. For this reason, it is therefore sensible that the firm developed a production process that is customer focused. The firm owes its existence to the needs of customers. Thus, the firm should make customer satisfaction a priority.

Prajogo and Sohal (2003) in their study noted the relationship between TQM practices and product quality performance in Australia, encompassing both manufacturing and non-manufacturing sectors. The findings suggested that TQM was positive and significantly related

to product quality. The study used reliability, quality performance, durability and conformance to specifications to measure performance. Other performance measures were recommended.

According to Sani & Allah (2012), technology change is a common challenge affecting manufacturing firms in most economies. This makes continuous improvement a vital management concept that safeguards the organization from such changes. According to Arend & Levesque (2010), when a firm responds to customer needs efficiently, it has a chance of establishing a competitive edge over other firms in the market and this improves its performance. Thus, it is crucial for firm to critically consider its competitiveness in order to enhance performance. Barney & Hesterly (2010) idealize that a firm should seek to possess those resources that competitors cannot have as this puts them in a competitive position. There are other factors that affect performance, for instance, managerial experience, financial resources, quality management, brand names, internal processes and the political environment.

One of the main elements to achieve an effective organizational management processes is the performance measurement. The performance of one organization can be directly related to its ability to achieve their strategic and financial objectives (Li et al., 2006). The performance of organizations was largely neglected in past research, whereas some other (Katou, 2008) who were discussing the organizational performance with reference to the financial performance only. Stock et al. (2000) were also discussing the organizational performance through measuring both financial and market harmonic performance which includes the return on investment measures (ROI), sales profit and growth and market share progress. However, the current study focused on non-financial performance measurement in MBI.

According to Brah et al., 2000, One fact must be also mentioned here is that the organizational performance could be measured either depending on operational performance which is referring to the whole performance of one organization that includes financial performance, customer satisfaction and effectiveness of product quality. The operational performance of one organization is directly handled with the enhanced delivery performance, flexibility, minimizing costs and errors and enhancing process productivity (Nunnally, 1978).

There is growing evidence that quality management implementation has improved organizations' performance and significantly impacted on most organizations (Dewhurst,

Martinez-Lorente, & Sanchez-Rodriguez, 2003). Powell (2009) found out that attempts to test the link between quality management practices and organizational performance are beginning to emerge and improvements in quality are likely to increase productivity, performance and profits. Dow (2007) noted that performance refers to the way an organization's service quality can be measured, including its impact on business performance and there is a strong relationship between quality management practice and performance.

According to Crosby (2009) TQM philosophy and methods can lead to improvement in business and operational performance, such as: improved process yields, motivated employees, satisfied customers, improved quality, productivity and profitability. The scope of performance outcomes, based on quality initiatives, therefore, appears to be very broad. For this study only non-financial performance such as; productivity, efficiency, and employee satisfaction were taken as performance measurement variables.

2.3.2 Continuous Improvement and Firm Performance

Continuous improvement is a philosophy that Deming described simply as consisting of "Improvement initiatives that increase successes and reduce failures". Constant Continuous Improvement will assess with the use of indicators containing system measurement, continuous quality audits, employee training and benchmarking. According to Oakland (2007), the process of continuous improvement ensures that the processes are more efficient and there is reduction of wastages, the quality of products and services is greatly improved, the staffs are involved in decision making process and that ultimately, the performance of firms is enhanced.

Kaziliunas (2010) study noted that success factors for quality management systems include continuous improvement of processes, top management, people and systems, reward systems, team, motivational factors and education and training. The study findings realized that there is a relationship between the values and requirements stated above, thus supporting the quality management practices standard and organizations' strategic dimensions. The study concluded that education and training of employees is another way of providing employees with the knowledge and skills to meet their overall work and personal objective. If carried out

consistently and reinforced in the workplace by real-time updating, education and training, it can form a solid base for continuous improvement.

Continuous improvement (CI) is concerned with improving the competitive advantages of firms. It is important that companies ensures they are competitively positioned in the market in terms of cost leadership, quality of produce, reduction of wastes and efficiency of the production runs. Deloitte (2012) noted that for companies to constantly enhance their performance there is a need to restructure and control their costs. It is important to note that customers' demands are ever shifting and for this reason, it is wise that firms seek to continuously improve on their systems of productions in order to meet the customers' expectations. However, it is very critical that a company adopts new ways of doing things that are economical and not just because of change (Varian, 2007).

According to Krishan (2011), a continuous improvement is more than ordinary changes of processes. Rather, it seeks to realize zero defects in products, mitigating errors and ensuring that staffs are trained to perform their functions. The improvements are made and they focus on the customer. Thus, for successful implementation of continuous improvement to be achieved, it is important that staffs are trained with relevant skills, and are motivated to efficiently fulfil their duties are required. Stephens (2014) equally notes that continuous improvement is a call for each and every one in an organization. The top management should offer support to all employees in the organization.

Psomas, Pantouvakis and Kafetzopoulos (2012) carried out a study on the effect of Quality Management Practices on operational performance of service industries in Greece. The variables used were continuous improvement and firm's performance. Linear Regression was used to analyse the study hypothesis. The findings revealed that the quality management practices and operational performance of the service firms are positively and significantly influenced by ISO's effectiveness. This study was done on a service sector, whereas the current study was based on a manufacturing company and it was used additional quality management practices: customer focus and top management commitment.

2.3.3 Customer Focus and Firm Performance

Several studies have reported a strong link between the delivery of high quality goods and services and profitability through customer satisfaction (Sila & Ebrahimpour, 2005). Customer focus is one of the most important factors in enhancement of performance of the organizations. Fuentes et al., (2006) stated that customer focus that in an organization's executing the major values of total quality management, both actions and functions are planned and carry out with the propose of gathering the requirements of customers, which also decide their values. Anderson defined Customer satisfaction as the degree to which a firm's customers continually perceives that their needs are being met by the firm's products and services (Anderson et al., 1994).

An organization must identify Customer relationship to Measure customer needs and expectations; involve customers in quality improvement; determine customer satisfaction (Prajogo & Sohal, 2003; Sila & Ebrahimpour, 2005). Many scholars mentioned to the importance of customer satisfaction; based Deming work as "The consumer is the most important part of the production line, Quality should be aimed at the needs of the consumer, present and future" (Deming, 1986, p. 32). The customer should be closely involved in the product design and development process, with input at every stage of the process; so that there is less likelihood of quality problems once full production begins (Flynn et al., 1994).

The availability of customer complaint information to managers and the degree of the use of customer feedback to improve product quality reveal the level of customer focus in an organization. As customer expectations are dynamic, an organization needs to survey customer expectations regularly and modify its operations accordingly (Ahire et al., 1996). Barney & Hesterly, 2010 notes that since resources of an organization are scarce it is important they are channelled to the most profitable ventures, that which will attract more customers.

Customer focus maybe explained as the tendency of firms channelling their resources and efforts to satisfy the customer. This is because, the firms owes their existence to satisfy the needs of customers. According to Knowles (2011), customer focus is concerned with the understanding of the needs and expectations of the customers, setting customer satisfaction goals and striving to meet them in the most efficient ways. Firms should focus on creating sustainable values to the customers. It is true to suffice that happy customers are easy to retain and often recommends

other customers to the firm's products and services. For this reason, customer focus should be a strategic objective of manufacturing firms. The customer focus is a quality management practices that ensures that the firms operations are focused on the customers.

2.3.4 Top Management Commitment and Firm Performance

According to Hackman and Wagenman (1995), quality is ultimately viewed as the responsibility of top management. This is because creating the systems that produce goods and services in any organization is the core responsibility of the top management, so any successful implementation of quality management strategies depends on the commitment of the top management to the quality management strategies. Moreover, according to Pheny and Teo (2003), top management should communicate the quality management strategies to the entire organization so as to create awareness, interest, and desire to follow through with the necessary action. They should also provide the vision of where the organization wants to go with its quality efforts and replace the existing culture in the organization with one that supports quality management strategies (Samat, Ramayah. & Yusoff, 2008; Mohante & Lakhe, 2002).

There is a need for firms to involve all employees in planning productivity objectives because it motivates them to achieve them (Besterfield, Mi china & Sacre, 2010). Quality management involves processes changes and this calls for involvement of all stakeholders. It is for this reason, that the top management should be committed to quality and should keep a budget for quality improvements. It is crucial to note that the firm's top management is responsible for making sure that the quality of goods and services are within the threshold expected by customers. In pursuit of quality goals the top management should encourage and reward the achievement of quality goals to staffs (Mann, 2009). According to Beard and Thomas (2007), it is important that top management of a firm develops a standard of quality of products and services. The quality of products and services improves the brand image of the firm and hence should be promoted by the top management.

According to Bass (1990), the study on participative decision-making is most likely to be acknowledged by those influenced by it, adding that everybody in the organization, top to bottom, should be a team and part take in quality issues. Individuals are the originators of

concepts and invention and their skills, knowledge, expertise and cooperation should be combined and ideas related to higher fulfilment implemented for higher quality decisions. Deming (1986) argued that a major proportion of quality problems can be solved by management, hence the need to have good leadership that is committed to the quality program. For a quality management strategy to bring around performance, the review of the process through system audits must become an integral part of implementing any quality management system.

Javed (2015) conducted a study whose objective was to empirically investigate the impact of top management commitment on the success of quality management. The Correlation analysis explained a positive moderate relationship between top management commitment and success of quality management. That is, top management commitment is positively related to the success of quality management in an organization. Wahid and Corner's (2009) study on service firms in Malaysia established that ISO implementation is a critical factor on performance. Analysis of qualitative data using thematic analysis was able to identify several critical factors of ISO 9001 implementation. The study ranked the support and involvement of the top managements a most critical factor. The conclusion made from the results stated that the success and sustainability of ISO 9001 is influenced by top management.

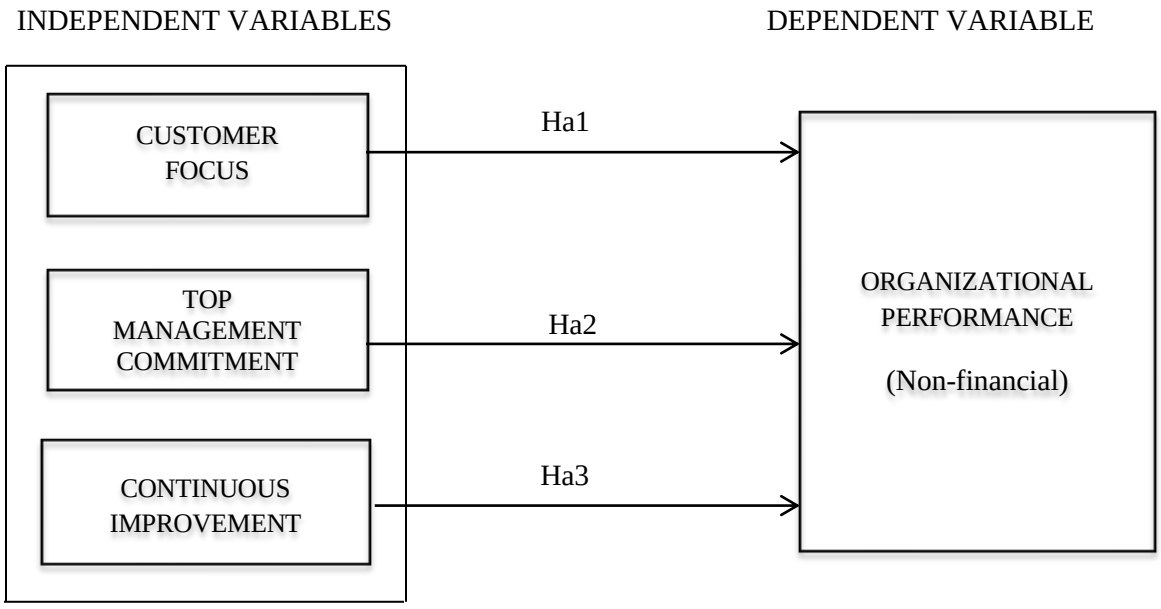
Chin and Choi (2003) study focused on the impact of ISO and the firm's performance established that the most important factor was the way the certification is perceived by top management, as this is classified as the most influential factor for implementing the standard. If certification is perceived positively, top management will provide full support to it. After all, the top management acts as a driver in the implementation of quality management systems through the provision of the necessary resources, which are major factors in continuous improvement through the creation of values, goals and systems to satisfy customer expectations and improve the organization's performance. The study concluded that although top management commitment plays a vital role on quality performance, other studies should be done to establish whether ISO certification is internally or externally motivated. However, the study did not address other factors like continuous improvement and customer focus which are the current study taken into account.

According to Garvin (2004) most problems associated with quality are attributed to management. This indicated that successful quality management is highly dependent on the level of top management commitment. It requires that top management commitment to quality must convey the philosophy that quality will receive a higher priority over cost and that on long run will achieve operational performance as well as reduced operational cost. A number of studies have been done on the concepts of quality improvement practices and organization performance. For example, Miller and Hartwick (2002) found that training and top management commitment play very important roles in TQM implementations in public listed manufacturing companies.

2.4 Conceptual Framework of the Research

Considering the various dimensions of quality management practices and measurement of organizational performance proposed by several researchers, the researcher adopted a research framework that encompassed the following three dimensions of quality management practices: Customer Focus, Top Management Commitment and Continuous Improvements. For organizational performance measurement non-financial performance measurements such as: Employee Satisfaction, Effectiveness and Productivity were used.

Figure 2.1: Conceptual Framework diagram



Source: based on literatures

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explained the research methodology that was used in carrying out the study. Research methodology present brief explanation on how the study conducted basically it includes; the study design, research approach, sample size, sampling techniques, data collection methods, and data analysis.

3.2 Research Approach

According to Ghauri and Kjell (2005), there are two research methods that provide in the research method such as Quantitative and Qualitative, where one of them is not better than the others, all of this depends on how the researcher want to do a research of study. The study specifically tried to discover the quality management practices impact on the organizational performance in MBI. Thus, the quantitative approach of descriptive survey is appropriate for this study because it is the easiest and economical method of obtaining information through different mechanism. This approach is upon values of reason, truths and validity, and there is a focus purely on facts measured empirically on variables using quantitative methods survey, and statistical analysis of the data (Thorpe & Jackson, 2008).

3.3 Research Design

Designing a study helps the researcher to plan and implement the study in a way that was help the researcher to obtain intended results, thus increasing the chances of obtaining information that could be associated with the real situation (Creswell, 2003). According to Cooper & Schindler (2008), a descriptive research design seeks to explain how variables interact and explains whether there is a relationship between variables. The study adopted quantitative approach which involved the collection of data so that information can be quantified and subjected to statistical treatment in order to support or refute “alternate knowledge claims” (Creswell, 2003). A descriptive survey was used due to nature of study which requires an accurate representation of the characteristics without any intervention.

3.4 Measurement of Variables

The researcher used ordinal level of measurement. At this level numbers are assigned to cases specify only the order of cases permitting greater than and less than distinctions (Engel and Schutt, 2014). Therefore, the study used five-point Likert scale to measure variables since it support such relationship. The Likert scale used in this study was considered as categories, not numerical points such as 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree which allows respondents to indicate level of agreement with the statement provided in the questionnaires.

3.5. Sampling Design

3.5.1 Target Population

Population is defined as the entire set of individuals or other entities to which study findings are to be generalized (Schutt, 2011). The study population was focused on Modern Building Industries PLC's permanent employees. The target population of this study was permanent employees, particularly those their educational level is college diploma and above. Therefore, out of 440 total employees 147 employees are permanent and their educational level is college diploma and above. Therefore, the study target population was 147.

3.5.2 Sampling Technique

The study used purposive and simple random sampling method to select the study sample. This is because purposive sampling method is used when elements are selected due to a specific purpose, usually because of their unique position (Schutt, 2011). For this study only permanent employee with their educational level is college diploma and above was selected. On the other hand, simple random sampling was used because the nature of study is homogeneous (only concerned with one company) hence each individual both lower level and upper level employees has an equal chance of being included in the sample.

3.5.3 Sample Size

The size of sample should neither be excessively large, nor too small. It should be optimum. An optimum sample is one which fulfils the requirements of efficiency, representativeness, reliability and flexibility (Kothari, 2004). Therefore the researcher employed Cochran's sample

determination formula developed in 1977 to determine the study's sample size. For infinite population Cochran developed the following formula to calculate sample size:

$$no = \frac{Z^2 pq}{e^2}$$

Where: no is the sample size, z is the selected critical value of desired confidence level, e.g. 1.96 for 95 % confidence level at margin of error of 5%. P is the estimated proportion of an attribute that is present in the population, q is 1-p and e is the acceptable margin of error for proportion being estimated.

$$\text{So, no} = \frac{(1.96)^2(0.5)(0.5)}{(0.05)^2} = 384.16 = 384$$

According to Cochran, when the population is small then the sample size can be reduced slightly. This is because a given sample size provides proportionately more information for a small population than for a large population. Therefore these studies use the following formula:

$$\text{n} = \frac{no}{1+(no-1)/N}$$

Where n is the sample size and N is the population size.

Therefore the study sample size n= 384/ (1+ ((384-1)/147)) = 106 employees.

3.6 Source of Data

The study used primary data that was collected through questionnaire. According to Sekaran (2010), Primary data is the data which is gathered for the purpose of the research specifically. This research project used primary data as the principal source of information. As the unit of analysis was the individual, the researcher was interested to collect original data from a population and measuring the perceptions of individuals. A survey was deemed the most suitable design to achieve the objectives of the research.

3.7 Data Collection Techniques

Structured self-administered questionnaires were used by the researchers so as to get first-hand information (Kanji, 2003). The study used questionnaires to collect primary data for quantitative analysis. For this research, the questions in the questionnaire are closed-ended or structured in

order to ease the process of analysing the data from respondents. Thus, the results gathered from respondents were increase the speed and accuracy of recording, as well as more comparable. The questions were adopted from previous research papers.

3.8 Validity and Reliability of Instruments

3.8.1 Validity

Validity refers to whether an instrument measures what it was designed to measure. According to Hair et al. (2007), validity defined as "the degree to which a measure accurately represents what is supposed to". It also refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration. The study adopted two approaches of validity to ensure validity of measurements. They included as follows;

Criterion validity- is established when the results are obtained from one measure are similar to results obtained with more direct or already validated measure of the same phenomenon (criterion) (Engel and Schutt, 2014). The study used measures which were validated from previous studies to measure the same phenomenon hence increased confidence the measures have measured what they were intended in the first place.

Construct validity - is demonstrated by showing that a measure is related to a variety of other measures of other concepts as specified in the theory (Engel and Schutt, 2014). The study variables were derived from accepted theories that were tested in previous studies and shown positive results. Therefore, the instrument used for this study is valid.

3.8.2 Reliability

The reliability of this study was ensured by using the Cronbach's alpha coefficient of internal consistency because it provides a unique quantitative estimate of the internal consistency of the scale (Zikmund, 2009). According to (Cooper & Schindler, 2007), for the instrument to be reliable, the coefficient has to be above 0.7.

Table 3.1: Reliability Analysis

Variable	Cronbach's Alpha coefficient score	No. of Items	Comments
Customer Focus	0.711	13	Reliable
Top Management commitment	0.706	11	Reliable
Continuous improvement	0.704	12	Reliable
Organizational Performance	0.701	9	Reliable

(Source; survey data, 2019)

The reliability analysis was conducted by calculating the Cronbach's alpha for each scale. Zikmund (2009) stated that Cronbach's alpha should be the first measure to be employed to assess the quality of a measurement instrument. The results in Table 3.1 indicate that the Cronbach's alpha measures for the four constructs were above the minimum criterion of 0.7 (Zikmund, 2009).); therefore, they were reliable for the study.

3.9 Data Analysis

Once data was collected, it was necessary to employed statistical techniques to analyse the information, as this study is quantitative in nature. Data analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data-groups (Kothari, 2004). In this study, in order to analyse the data the two sets of statistics: descriptive and inferential statistics was used through SPSS software. Descriptive statistics was used to describe, present and summarize quantitative information in the form of measures of central tendency (mean) was used to describe the central position and measures of spread (standard deviation) was used to describe the spread of score.

3.10 Ethical Issue

According to Leedy and Ormrod (2010), most ethical issues fall into one of the following four categories; informed consent, confidentiality, security and honesty. Therefore, the researcher considered all these issues in the questionnaire guidelines in the following manner:

- Informed consent: all participants were briefly informed about the reason of conducting such study therefore enabled them to join with full consent.
- Right to privacy (confidentiality): the researcher kept the nature and quality of participants' performance strictly confidential. No information was recorded to link respondents with their responses.
- Security: the researcher did not expose the participants to unusual stress, embarrassment, or loss of self-esteem.
- Honesty: the researcher reported the findings in complete honesty.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.1. Introduction

In this chapter the researcher presented the main findings from which the analysis was made. The researcher analysed the results with respect to research objectives and research hypothesis from chapter one. The chapter presents the study findings, starting with descriptive statistics. Data analysis for descriptive statistics was made possible with the help of Statistical Package for Social Science (SPSS-20) software.

4. 2 Response Rate and Demographic Description of Respondents

A total of 106 questionnaires were distributed to employees, 75 were correctly filled and returned, an overall response rate of (71 %). According to Rogelberg and Stanton (2007) and Saunders *et al.* (2007), a response rate of 50% is adequate; a rate of 60% is good and a response rate of 70% and above is very good. Therefore, the response rate in this study was considered to be very good for the study.

Demographic information described individual profile. The profile section included aspects of specialization, level of education, and years of experience.

Table 4.1: Education Level of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	college	25	33.3	33.3	33.3
	first degree	47	62.7	62.7	96.0
	second degree and above	3	4.0	4.0	100.0
	Total	75	100.0	100.0	

(Source: Survey data, 2019)

As indicated in table 4.1, it showed clearly majority of respondents possessed bachelor degree (62.7%) and advance degree such as second degree and above (4.0%). Respondents with level of college diploma were of 33.3%. Therefore, all respondents were well educated and had the ability to understand the questions they were presented with.

Table 4.2: Work experience of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	under 2 years	6	8.0	8.0	8.0
	3-5 years	27	36.0	36.0	44.0
	6-10 years	31	41.3	41.3	85.3
	over 10 years	11	14.7	14.7	100.0
	Total	75	100.0	100.0	

(Source: Survey data, 2019)

As shown in Table 4.2 a large number of respondents work experience lies between 6 to 10 years (41.3%), followed 3 to 5 years (36.0%) and over 10 years (14.7%). Only few respondents work experience is less than 2 years (8.0%). Therefore, since majority of respondents lie above 3 years of work experience, this shows that the respondents are well knowledgeable about overall activities of their company and its organizational performance.

Table 4.3: Specialization of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	finance	11	14.7	14.7	14.7
	hrs	8	10.7	10.7	25.3
	marketing	6	8.0	8.0	33.3
	production	22	29.3	29.3	62.7
	strategy and operations	15	20.0	20.0	82.7
	others	13	17.3	17.3	100.0
	Total	75	100.0	100.0	

(Source: Survey data, 2019)

As indicated in table 4.3, the majority of respondents (29.3%) were specialized in production and 20.0% of respondents were specialized in strategy and operations. The remaining 14.7% were finance, 10.7 % were human resources, 8.0% were marketing and 17.0% were others.

4.3 Descriptive Statistics

4.3.1 Customer Focus

The variable Customer Focus was measured using indicators comprising handling of customer complaints, customer feedback systems, customer retention methods and market-based research. The descriptive statistics for each of these indicators are presented and discussed in Table 4.4.

Table 4.4: Customer Focus

Descriptions	N	Mean	Std. Deviation
Mechanism exists for customer complaints handling	75	4.31	0.33
Firm has customer complaints procedure where customers are attended to.	75	4.23	0.31
Our company has a well-trained customer care department/employee	75	4.08	0.38
The company has consistent tracking of complaints and procedures for all cases of complaints	75	4.15	0.36
Customer complaints handling		4.19	0.35
Company is committed to customer retention by ensuring quality products	75	4.27	0.31
Customer needs are reviewed regularly to meet changing customer preferences and expectations	75	4.28	0.31
The firm has a mechanism through customer expectations are communicated to all departments	75	4.05	0.24
Customer retention		4.20	0.29
The company does customer feedback survey on frequent basis	75	4.16	0.38
The company stresses the importance on obtaining feedback on its quality control systems from customers	75	4.12	0.31
The customer complaints are dedicatedly addressed by the firm	75	4.13	0.29
Customer feedback		4.14	0.33
The company undertakes market based research annually on quality issues	75	3.99	0.49
The company collects, analysis and disseminates information for market decision making by management	75	4.23	0.21
Market based research		4.11	0.35
Benchmarking with other company helps the company to measure performance progress.	75	4.17	0.35
Benchmarking		4.17	0.35
Aggregate scores		4.16	0.33

(Source: Survey data, 2019)

The results in Table 4.4 reveal that the mean score for the items used to measure customer focus was 4.16 and the standard deviation was 0.33. In this section respondents were asked four questions to rate its practice of customer complaint handling; three questions were asked to indicate the extent to which customer retention was experienced in the company; three questions were asked to present the extent of customer feedback and two questions to indicate the extent of market based research were experienced in the company. The results show the mean score for customer complaint handling, customer retention, customer feedback, and market based research were 4.19, 4.20, 4.14, and 4.11 respectively.

The overall mean score of 4.16 indicated that the employees agreed on customer focus have a positive effect on performance in MBI. This is expected to enable the company to create products and services of superior value, thereby creating greater customer value and satisfaction, which leads to superior firm performance. The results imply that the firm surveyed was customer focused, and this was indicated by the consensus of respondents whose mean was above 4.00 and low disparity of standard deviation from customers (SD 0.33). As a whole, Modern Building Industries P.L.C priories on customer focus. This can be supported by an average mean of 4.16 and standard deviation of 0.33.

4.3.2 Top Management Commitment

Top management commitment was investigated using indicators comprising quality vision, resource allocation, and quality leadership and quality policies. The descriptive statistics for top management commitment are presented below.

Table 4.5: Top Management Commitment

Descriptions	N	Mean	Std. Deviation
Quality management is embraced in the vision of the company	75	4.29	0.24
Top management reviews organizations quality management system at planned intervals to ensure continuity, adequacy and effectiveness	75	4.30	0.27
Employees are motivated towards the organizations goals and objectives	75	4.15	0.43
Quality Vision		4.26	0.31
The top management allocates enough resources to achievement of quality	75	4.27	0.26
Resource allocation			
Quality policies and procedures are documented and communicated to all employees	75	4.31	0.35
Quality policies are reviewed regularly to meet the needs of the organization	75	4.28	0.30
Quality policies are communicated and understood throughout the company	75	4.12	0.32
Quality policies		4.24	0.32
Management takes leading positions on guiding quality teams	75	4.19	0.31
Top management establish trust and commitment to quality improvement by eliminating fear	75	4.09	0.52
The management allows participative and engagement of employees in making decisions on quality issues		3.85	0.64
Authorities and responsibilities are defined and communicated throughout the firms by management	75	4.17	0.37
Quality leadership		4.08	0.46
Aggregate scores		4.21	0.34

(Source: Survey data, 2019)

The results in Table 4.5 yield an overall mean score of 4.21 and standard deviation of 0.34. Quality policies and procedures are documented and communicated to all employees who had the highest level of agreement (mean score=4.31, SD=0.35). This shows that most respondents agreed that quality policies and procedures are important to the firm for effective management of quality management practices to enhance the firm performance. The lowest score was noted where the respondents moderately agreed that management allows participative and engagement of employees in making decisions on quality issues (mean score=3.85, SD=0.64).

From Table 4.5 above, majority of the respondents agreed that top management provides a leadership in quality management, critical resources required in implementing quality initiatives

are always made available, employees' ideas on quality management are welcomed, top management participates in all quality management programs, top management takes part at all levels of quality management programs, organization has quality mission and policies. Generally the table showed there is top management commitment to quality in MBI.

4.3.3 Continuous Improvement

Continuous Improvement was measured using indicators comprising employee training, systems integration, continuous quality audits and benchmarking. The descriptive statistics for each of these indicators are presented and discussed in Table 4.6.

Table 4.6: Continuous Improvement

Descriptions	N	Mean	Std. Deviation
The company has training policies for employees	75	4.37	0.44
Training is offered to employees on regular basis in order to enhance their skills and expertise	75	4.07	0.49
Employees are continuously trained to enhance internal quality performance	75	4.13	0.46
Training		4.19	0.46
The company has continuous improvement of quality systems leading to increased revenues	75	4.31	0.41
There is continuous monitoring and improvement of quality systems and procedures to enhance performance	75	4.00	0.31
The quality systems contribute to zero defect of quality	75	4.25	0.34
Systems integration		4.18	0.35
The firms benchmarks its quality against other quality management practices best practices	75	4.27	0.38
The company has set time limit to meet efficiency of products delivery	75	4.13	0.31
There are set benchmarks for internal quality realization and conformity	75	4.19	0.29
Benchmarking		4.20	0.33
Quality audits are carried out continuously as per ISO certification requirements	75	4.19	0.49
There is continuous improvement reviews through internal quality audits	75	4.17	0.31
There is a policy for making continuous improvement of products quality for every individual in the company	75	4.03	0.35
Quality audits		4.13	0.38
Aggregate scores		4.18	0.38

(Source: Survey data, 2019)

As shown in Table 4.6, the overall mean score of 4.18 indicates that firms agreed that continuous improvement contributes to performance in MBI. With a mean score of 4.37, respondents agreed that the company has training policies for employees to enhance company performance. Subsequently, majority of the respondents agreed that the policy for making continuous improvement of product quality for every individual in the firm (mean 4.03) and internal quality audits were carried out annually as per ISO certification requirements (mean 4.19).

The quality systems contribute to zero defects on quality objectives and the fact that the firm benchmarks its quality against other quality management practices best practices. Generally, the responses are clustered around the mean responses and the overall standard deviation is low, revealing agreement amongst respondents that continuous improvement is important for performance of MBI.

4.3.4 Organizational performance

Organizational performance was measured using indicators comprising employee satisfaction, effectiveness, and productivity. The descriptive statistics for each of these indicators are presented and discussed in Table 4.7.

Table 4.7: Organizational performance

Descriptions	N	Mean	Std. Deviation
The management involve employees on decision making on all quality matters	75	4.29	0.63
The company offers employees opportunity for career growth through training and development	75	4.43	0.52
There is improved information flow between top management and employees within the company	75	4.05	0.61
Employee Satisfaction		4.26	0.39
Employee are well trained on quality matters to enhance efficiency	75	4.39	0.61
High quality administrative systems are in place to support the efficiency of the firm	75	4.32	0.52
There is maximum use of physical facilities	75	4.37	0.48
Effectiveness		4.36	0.41
There is improved lead time up to delivery	75	4.25	0.52
The company has fewer product defects and less wastage		4.03	0.64
There is high production cost reduction	75	4.21	0.27
Productivity		4.16	0.44
Aggregate scores		4.26	0.41

(Source: Survey data, 2019)

The results in Table 4.7 yield an overall mean score of 4.26 and standard deviation of 0.41. In this section respondents were asked to rate its level of organizational performance using three variables. These variables were used to assess the performances of the firm with respect to Employee Satisfaction, Effectiveness, and Productivity. The results indicate that majority of the respondents agreed that the company offers employees opportunity for career growth through training and development to improve a firm performance. This was indicated by the mean score of 4.43 and standard deviation 0.52. The respondents also agreed there is maximum use of physical facilities to improve company performance with a mean score of 4.37. With a mean score of 4.25, respondents agreed that their firm products are delivered to customers on time, which leads to superior firm performance.

4.4 Hypotheses Testing

This section, tried to reach conclusions that extended beyond the immediate data provided by descriptive statistics. To go through this, hypothesis testing as one of the method of inferential statistics was used. Hypotheses developed were based on study objectives. Hypothesis one (Ha1) was formulated for objective one, that is, to determine the relationship between customer focus and organizational performance in Modern Building Industries (MBI). Hypothesis two (Ha2) was formulated for objective two, that is, to determine the extent to which top management commitment relationship with performance in Modern Building Industries (MBI). Hypothesis three (Ha3) was formulated for objective three, that is, to assess the relationship between continuous improvement and organizational performance in Modern Building Industries (MBI).

Nonparametric test (Spearman's correlation) was used to test the three formulated hypotheses. Non parametric analysis was used because the empirical data were in form of frequencies and measured at the ordinal level hence did not follow any normal distribution. Three key features from a relationship between independent and dependent variables were considered that is, their strength, direction and level of significance. Spearman's rank-order correlation coefficient (rs) ranges from -1 to +1, whereby when rs is +1 it indicates a perfect association between variables, as rs = zero it indicates no association between variables and if rs is -1 indicates a perfect negative association of variables.

Hypothesis 1

Ha1: There is a significant, positive relationship between Customer Focus and organizational performance in MBI.

Table 4.8: Correlations between Customer Focus and organizational performance

			OP	CF
Spearman's rho	OP	Correlation Coefficient	1.000	.620**
		Sig. (2-tailed)	.	.000
		N	75	75
	CF	Correlation Coefficient	.620**	1.000
		Sig. (2-tailed)	.000	.
		N	75	75

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

(Source: Survey data, 2019)

As indicated in Table 4.8 calculated significance value 0.01 was less than the critical value of 5% significance. As well as per the correlation data there was strong relationship between independent variable (customer focus) and the dependent variable (organizational performance) because the calculated correlation coefficient 0.620 shows that there was a strong and positive relationship between the two variables. As a result, the first hypothesis "there is a significant, positive relationship between Customer Focus and organizational performance in MBI" Was not rejected. This implying that there is a positive significant relationship between customer focus and organizational performance in MBI.

Hypothesis 2

Ha2: There is a significant, positive relationship between Top Management Commitment and organizational performance in MBI.

Table 4.9: Correlations between Top Management Commitment and organizational performance

			OP	TMC
Spearman's rho	OP	Correlation Coefficient	1.000	.684**
		Sig. (2-tailed)	.	.000
		N	75	75
	TMC	Correlation Coefficient	.684**	1.000
		Sig. (2-tailed)	.000	.
		N	75	75

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

(Source: Survey data, 2019)

From Table 4.9 it can be seen that the calculated significance value 0.01 was less than the critical value of 5% significance and the calculated correlation coefficient 0.684 shows that there was a strong positive relationship between the two variables Top Management Commitment and organizational performance. As a result, the second hypothesis "there is a significant, positive relationship between Top Management Commitment and organizational performance in MBI" was not rejected. This implies that there was a positive relationship between Top Management Commitment and organizational performance in MBI.

Hypothesis 3

Ha3: There is a significant, positive relationship between Continuous Improvement and organizational performance in MBI.

Table 4.10: Correlations between Continuous Improvement and organizational performance

			OP	CI
Spearman's rho	OP	Correlation Coefficient	1.000	.676**
		Sig. (2-tailed)	.	.000
		N	75	75
	CI	Correlation Coefficient	.676**	1.000
		Sig. (2-tailed)	.000	.
		N	75	75

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

(Source: Survey data, 2019)

As indicated in Table 4.10 calculated significance value 0.01 was less than the critical value of 5% significance. As well as per the correlation data there was strong relationship between independent variable (Continuous Improvement) and the dependent variable (organizational performance) because the calculated correlation coefficient 0.676 shows that there was a strong and positive relationship between the two variables. As a result, the third hypothesis "there is a significant, positive relationship between continuous improvement and organizational performance in MBI" Was not rejected. This implying that there is a positive significant relationship between continuous improvement and organizational performance in MBI.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter made some discussion on research findings as presented in chapter four so as to extract meaningful information behind such outcomes. The chapter also discusses conclusions and recommendations were made based on the research findings. Furthermore suggestions for future research were made.

5.2 Summary

Previous studies have done on QMP and performance globally. In Ethiopia the studies regarding on the subject matter did not focus on the relationship of quality management practices and organizational performance. The current study required to establish the relationship between quality management practices and performance of Modern Building Industries. Therefore, a conceptual framework was developed and tested, guided by the following objectives: to determine the relationship between customer focus and organizational performance, to determine the extent to which top management commitment relationship with performance, and to assess the relationship between continuous improvement and organizational performance in Modern Building Industries (MBI).

The study employed descriptive research design. Primary data was collected using a structured questionnaire. The data were analysed using descriptive and inferential statistics. Descriptive statistics was used to describe and summarize data. Inferential statistics, particularly Spearman's rank correlation was used to quantify the strength and direction of the relationship between variables.

The first objective of the study sought to determine the relationship between customer focus and organizational performance in MBI. In order to find out the relationship between customer focus and performance, the researcher tested the hypothesis on the relationship between the two variables. The findings indicate positive significant relationship between customer focus and

performance in MBI, based on the fact that the study failed to reject the first hypothesis (Ha1). This implies that customer focus triggers company performance.

The second objective of the study required to determine the extent to which top management commitment relationship with performance in Modern Building Industries. The findings of the study established that the results were positive and significant and that top management commitment contributed to the variation on performance. Based on these findings, the second hypothesis (Ha2) was failed to reject.

The third objectives sought to assess the relationship between continuous improvement and organizational performance of Modern Building Industries. In order to find out the relationship between continuous improvement and performance, the researcher tested the hypothesis on the relationship between the two variables (continuous improvement and organizational performance). The findings indicate positive significant relationship between continuous improvement and performance in MBI, based on the fact that the third hypothesis (Ha3) was not rejected. This implies continuous improvement would lead to high performance.

5.3 Conclusions

The general objective of this study was to assess quality management practices implementation in MBI and their relationship with organizational performance. Based on findings of this study, it is reasonable to conclude that quality management practices contributed to performance at Modern Building Industries. There was a positive and significant relationship between customer focus, top management commitment, and continuous improvement and company performance.

Customer focus has been acknowledged as vital to organizations success and superior performance because the study findings shows Customer focus was found to positively influence quality management practice on performance at Modern Building Industries. The study findings recognized that top management commitment was statistically significant on company performance. The finding shows that Effective resources allocations by top management can provide improving performance in the organization. Top management commitment contributes to organizational performance by defining the vision, and developed policies that promote quality culture and establish a set of shared values. Even though, top management commitment

influences positively on performance but there is need for the management allows participative and engagement of employees in making decisions on quality issues to foster performance.

Based on findings in this study Continuous improvement was found to be statistically significant in prompting the organization performance. Company managers should look for ways of monitoring and sustaining performance through training, benchmarking and by ensuring continuous quality audits and system integration of the organization.

5.4 Recommendations

Based on the study findings, it was confirmed that there is strong need for the implementation of quality management in MBI to enhance organizational performance. Since Customer focus was found to positively influence quality management practice on performance of MBI the company should ensure that its objectives are linked to customer needs and expectation because company existence depend on the customers and therefore should be keen on understanding current and future customer needs, should seek to meet customer requirements and strive to exceed customer expectations to improve performance. The study results propose that focusing on customers is an important approach for Modern Building Industries to consider when improving performance.

The research findings show that Top management commitment was found to be significant and positively influence performance at Modern Building Industries. This finding implies that to improve performance of the company, top managements should provide employees with the required resources and they should allow participative and engagement of employees in making decisions on quality issues and provide freedom to act with responsibility and accountability. Top management should establish a clear vision for the organization and thus be able to craft policies to improve performance.

The company needs to emphasize and invest on continuous improvement so as to gain the benefits of having a quality management practices in place to enhance performance because continuous improvement as a factor of quality management practices was found to be positive and significant in contributing towards performance. Through continuous improvement so as to improve performance, the company should focus on internal quality audit. To establish the results the organization desire to achieve, determine whether these results take into account the

customer needs and other interested parties and then examine the way processes are managed to achieve the results and improve on performance the company should focus on quality auditing.

5.5 Suggestions for Future Research

Although the results of this study only drawn from a single manufacturing company (MBI), it is acknowledged that differences among sectors may impact upon the results, but these are beyond the scope of this research, and those issues could be addressed by further research. The theoretical model of this study can be further extended as well. There are other quality practice that can be includes in the research framework for organization performance that can be used as constructs to find their effects on performance. For example, supplier quality management can be includes to see how it affects company performance. Moreover, integrating those findings into the model and empirically testing it would make a further research contribution in this vital research stream. Financial performance was not addressed in this research and it could be addressed by future research.

REFERENCE

Ahmed, S. and Hassan, M. (2003), Survey and case investigations on application of quality management tools and techniques in SMIs, International Journal of Quality & Reliability Management, 20(7), 795-826.

Ahire, S., Waller, M. and Golhar, D. Y. (1995). Quality management in TQM firms: An empirical study. International Journal of Quality and Reliability Management, 13, pp 8-27.

Anderson, S. W., Daly, J. D. & Johnson, M. F. (1994). Why firms seek ISO 9000 certification: regulatory compliance or competitive advantage or competitive? Production and operations or competitive management or competitive, Vol. 8 No. 1, pp. 28-43

Arend, R.J. & Levesque, M. (2010. Is the resource-based view a practical organizational theory? Organization Science, 21(4), 913-30

Arumugam, V., Ooi, K. B. & Fong, T. C.,(2008).TQM practices and quality management performance- an investigation of their relationship using data from ISO:2000 from Malaysia. The TQM magazine, Vol. 20 No. 6, pp. 636-650.

Baidoun, S. (2003) "An empirical study of critical factors of TQM in Palestinian organizations. Journal of Logistics Information management, 16(2) 156-171.

Barney, J. B., (2007). 'Is the resource-based 'view' a useful perspective for strategic management research? Yes', Academy of Management Review, Vol 26, pp 102-105.

Barney, J. B, & Hesterly, W.S (2010). Strategic management and competitive advantage concept. Upper saddle River, N.J: Pearson Prentice Hall.

Bendell, (2002) "How can ISO 9000:2000 help companies achieve excellence? What the companies think", Measuring Business Excellence, Vol. 6 Issue: 2, pp.37-41.

Boulter, L. and Bendell, T. (2002), "How can ISO 9000:2000 help companies achieve excellence?" Measuring Business Excellence, Vol. 6 No. 2, pp. 37-41.

Brown, A., Van D. W. T. & Loughton, K. (2004) 'Smaller enterprises' experiences with ISO 9000' International Journal of Quality R and reliability Management. Vol.15 No.3, pp. 273-85.

Bryman, A. & Bell, E. (2003) Business research methods, Oxford, UK: Oxford University Press. Pearson Education Limited.

Chi, C. G & Gursoy, D. (2008). Employee satisfaction, firm's performance, and financial performance: An empirical examination. International Journal of Hospitality Management, Vol. 28, No.2, pp. 245–253.

Chow-Chua, C., Goh, M. & Wan, B. W. (2003). Does ISO 9000 certification improve business performance? International Journal of Quality and Reliability management, Vol. 28 No. 8, pp. 936-953.

Conca, F., Llopis, F. and Tarı, J. (2004), "Development of a measure to assess quality management in certified firms', European Journal of Operational Research, Vol. 156, pp. 683-97.

Cooper, D. R., & Schindler. P. S. (2008).Business Research methods (8th edition).USA: McGraw-Hill.

Creswell, J. W. (2003). Research Design: Qualitative, Quantitative, and Mixed methods Approaches. SAGE Publications.

Craig CS, Douglass SP (1992). Strategic Factors Associated with Market and Financial Performance, Quarterly Review of Economics and Business, 22(2): 101-112.

Crosby, P. B. (1979). Quality is Free, Cambridge, New York; McGraw-Hill

Demirbag M., et al. (2006). An Analysis of the Relationship between TQM Implementation and Organizational Performance. Journal of Manufacturing Technology and Management. 17 (6) 829-847. Performance. Journal of Manufacturing Technology and Management. 17 (6) 829-847.

Deming, W. E. (1986). Out of Crisis. Cambridge, M. A: MIT Centre for Advanced Engineering Study.

Dean, J.W. and Bowen, D.E. (1994). Management theory and total quality management: Improving research and practice through theory development. Academy of Management.

Dettmer, H.W. (1995a), "Quality and the theory of constraints", Quality Progress, Vol. 28 No. 4, pp. 77-81.

Dick, G., K. Gallimore and J.C. Brown, 2002. Does ISO 9000 accreditation make a profound difference to the way service quality is perceived and measured? Managing Serv. Qual., 12: 30-42.

Engel, R. J and Schutt, R. K. (2014). Fundamentals of social work research.2nd Ed. Sage Publications, Inc.

Evangelos L. Psomas, Angelos Pantouvakis, Dimitrios P. Kafetzopoulos, (2013) "The impact of ISO 9001 effectiveness on the performance of service companies", Managing Service Quality: An International Journal, Vol. 23 Issue: 2, pp.149-164

Evans, J. R (1996). Leading practices for achieving quality and high performance, Benchmarking for quality management and Technology. Vol. 3, No.4. Pp.43-50

Fassoula, D. (2006). "Transforming the supply chain" Journal of Manufacturing Technology Management, Vol.17 No.6, pp. 848-60.

Feng, M. Terziovski, M. & Samson, D. (2007). Relationship of ISO: 2000 quality system certification with operational and business performance: A survey in Australia and New Zealand-based manufacturing and service firms. Journal of Manufacturing Technology Management, Vol.19, No.1, pp. 22-37

Flynn, B.B.; R.G. Schroeder, S. Sakakibara (1994): "A framework for quality management research and an associated measurement instrument", Journal of Operations Management, Vol. 11, p. 339-366.

Foster, D., & Jonker, J. (2007). Towards a third generation of quality management, International Journal of Quality & Reliability Management, 24, 7,683-703

Freerman-Bell G, Grover R. The use of quality management in local authorities. Local Government Studies 199-1; 20:554 69.

Goldratt, E. M. (1990). What is This Thing Called the Theory of Constraints? (New York: North River Press, Croton-on-Hudson).

Goetsch D. & Davis S. (2006). Total Quality Approach to Quality Management Quality Management. 'Introduction to Total Quality Management for Production, Processing, and Services.' 5th Ed. New Jersey: Pearson Prentice Hall.

Haile Yeshanew Baye, Dr. Satya Raju R (2016). The extent of TQM practices in Ethiopian manufacturing firms, International Journal of Applied Research; 2(5): 238-244

Hair, J. F., Money, A. H., Samouel, P., & Page, M. (2007), Research Methods for Business. England, West Sussex, John Wiley and Sons.

Hakala, H. (2011). Strategic Orientation in Management Literature; Three approaches to Understanding the interaction between Market, Technological, Entrepreneurial and Learning Orientation., International Journal of Management (13), 199-211 .

Hitt, M. A., Ireland, R. D. & Hoskisson, R. E. (2007) Strategic Management: Concepts of competitiveness and Globalization 11th Edition. Strategic Management Journal, 22, 479-491.

Hockman, K. K. & Grenville, R. J. S. (2004), "Road map to ISO 9000 registration", Quality Progress, Vol. 27 No. 5, pp. 39-42.

Hubert (2005). Managing Total Quality, Enhancing Personal and Firms value. Tata Me Grawhill, New Delhi, pp. 127-158.

Huarng, Yao- Tzung Chen, (2002) "Relationships of TQM philosophy, methods and performance: a survey in Taiwan", Industrial Management & Data Systems, Vol. 102 Issue: 4, pp.226-234.

Ikay ,M. S. & Aslan, E. (2011) .The effects of the ISO quality management system on the performance of SMEs', International Journal of Quality and Reliability Management. Vol. 29 No. 7, pp. 753-778.

Jaafreh, Ali & Abedalfattah, A. (2013). The effect of Quality Management Practices on Organizational Performance in Jordan an Empirical Study. International Journal of Financial Research. Vol. 4, No. 1, January 2013.

Kaynak, H. (2003). The Relationship between Total Quality Management Practices and Their Effects on Firm Performance. Journal of Operations Management, 21, 405-435.

Kanji, G. K. (2008) Measurement of business excellence, Total Quality Management, Vol. 9, No.7, pp. 633 - 643.

Karthi, S., Devadasan, S. R., Murugesh, R., Screenvasa, C. G. & Sivaram N. M. (2012), Global views on integrating six sigma and ISO certification, Total Quality Management,Vol.107 No.1, pp.103-24.

Kaziliunas, A. (2010). Success factors for quality management systems: certification benefits, International journal of Quality and Reliability Management, Vol.14 No. 6, pp. 10-17.

Kothari, C.R. (2004). Quantitative Techniques. New Delhi, Vikas Publishing House Pvt. Ltd., p.64, 1978.

Lamport, M., Seetanah, B., Cohhyedass, P., & Sannassee, R. V. (2014). The association between ISO 9000 certification and financial performance. International Research Symposium in Service Management, Mauritius.

Leedy P.D. and Ormrod J. E. (2010). Practical research: planning and design (9th edition). Upper Saddle River, NJ: Pearson.

Lee, T.Y. & Sandri (2001). The development of ISO 9000 certification and the future of quality management: a survey of certified firms in Hong Kong. International Journal of Quality and Reliability Management, Vol. 15 No.2, pp. 162-77

Madu, C. N., Kuei, C. & Jacob, R. A. (1999).” An empirical assessment in the logistics function: an empirical study’, International journal of quality and reliability Management, Vol. 16 No. 2, pp. 166-80.

Mahour Mellat Parast, Stephanie G. Adams, Erick C. Jones, (2011) "Improving operational and business performance in the petroleum industry through quality management", International Journal of Quality & Reliability Management, Vol. 28 Issue: 4, pp.426-450.

Makadok, R., (2001). ‘Toward a synthesis of the resource-based and dynamic-capability views of rent creation’, Strategic Management Review, 22.

Muthén, L. K., & Muthén, B. O. (2007). Mplus User’s Guide, 5th edition. Los Angeles, CA: Muthén & Muthén.

Nunnally, J.C. (1978), Psychometric Theory, 2nd ed., McGraw-Hill, New York, NY.

Oakland, J.S. (2004). Total Quality Management. Oxford Butterworth; Heinemann On business performance. International Journal of Quality and Reliability Management, Vol. 2, pp. 135-144.

Ozgur, C., Meek, G. and Toker, A. (2002), “The impact of ISO certification on the levels of awareness and usage of quality tools and concepts: a survey of Turkish manufacturing companies”, Quality Management Journal, Vol. 9 No. 2, pp. 57-69.

Psomas, E., Fotopoulos, C. & Kafetzopoulos, D. (2010), “Critical factors for effective implementation of ISO in SME service firms”, Managing Quality management practices, Vol. 20 No. 5 pp. 440-57.

Prajogo, D. I., & Sohal, A. S (2003). The relationship between TQM practices, quality performance, and innovation performance. An empirical examination. International Journal of Quality and Reliability Management, Vol. 20, No. 8, pp. 901-918.

Quazi, H., Hong, C. & Men, C. (2002). "Impact of ISO 9000 certification on quality management practices: a comparative study" Total quality management, Vol. 13 No.1, pp. 53-67.

Quazi, H. A. & Jacob, C. O. (2004). Impact of ISO 9000 certification on training and development activities; International journal of Quality and reliability management, Vol. 21 No.5, pp. 497-517.

Rahman, S. (1998).The theory of constraints a review of the philosophy and its applications, International Journal of Operations and Production Management, 18(4), pp. 336–355.

Rogelberg, S., & Stanton, J. (2007).Understanding and dealing with organizational survey non - response. Organizational Research Methods, Vol.10, pp. 195–209.

Saunders, M., Lewis, P. and Thornhill, A. (2009).Research methods for business students, 5th ed. Harlow, Pearson Education.

Sachdeva A., et al. Impact of ISO 9000 Certification on Performance of SMEs: A Study of Indian Industry, International Journal of Management Practice. 2007. 2 (3) 226-239.

Schutt, R. K. (2011). Investigating the social world: the process and practice of research.7th Ed. SAGE Publications, Inc.

Singels, J., Ruel, G. & Henny Van, D. W. H. (2002). ISO 9000 Series: Certification and Performance. International Journal of Quality and Reliability Management. Vol. 18 No.1, pp.62-75.

Sivasubramanian, R. et al. (2003) Optimum production schedule and profit maximisation using the concept: theory of constraints, International Journal of Manufacturing Technology and Management, 5(4), p. 325.

Shahin, A., & Dabestani, R. (2011). A feasibility study of the implementation of total quality management based on soft factor. Journal of Industrial Engineering and Management, 4(2), 258-280.

Talib F., et al. (2010). The Relationship between Total Quality Management and Quality Performance in the Service Industry: A Theoretical Model. International Journal of Business, Management and Social Sciences. 1 (1) 113-128.

Terziovski, M. & Power, D. (2007). Increasing ISO 9000 certification benefits: a continuous improvement approach. International Journal of Quality and Reliability Management, Vol. 2 (2): 141-163.

Vasileios, I. & Odysseas, M. (2015). The effects of ISO certification on the performance of Greek firms. The TQM journal. Vol. 27 No.1, pp.150-162

Wernerfelt, B. (1984). A Resource- Based View of the Firm. Strategic Management Journal, Vol. 5, No. 2. (Apr. - Jun., 1984), pp. 171-180

York, K.M. and Miree, C.E. (2004). Causation or covariation: an empirical re-examination of the link between TQM and financial performance, Journal of Operations Management, Vol. 22, pp. 291311.

Zakuan, N. M., Yusof, S. M., Laosirihongthong, T. & Shaharoun, A. M. 2010. Proposed relationship of TQM and organizational performance using structured equation modeling. Total Quality Management, Vol.21, No.2, pp. 185-203.

Zu, X. (2009). Infrastructure and core quality management practices: How do they affect quality? International Journal of Quality & Reliability Management, 26(2), 129–149.

Annex 1: Questionnaire

Research Questionnaire

Addis Ababa University

College of Business and Economics

Dear respondents, I am an EMBA student at Addis Ababa University and I have formulated the questions in the following questionnaire with regard to the topic of study. This questionnaire has been designed for gathering data on the impact of quality management practices on the organizational performance of Modern Building Industries PLC. The data collected shall purely be for academic purpose only and thus not affects you in any case. So, your genuine, frank and timely response is vital for successfulness of the study.

Your response will be kept absolutely confidential. To this end, name, phone number or e-mail address are not required on this questionnaire. Therefore, kindly request you to respond to each items of the question very carefully.

Part I. Demographic Profile

Please tick (√) in the appropriate space.

1. Gender

   Male ☐ Female ☐

2. Please indicate your age

   Below 20 years ☐ between 21-30 years ☐ between 31 -40 years ☐

   Between 41-50 years ☐ above 50 years ☐

3. What is your highest level of education?

   College ☐ First degree ☐ Second degree & above ☐

4. What is your area of specialization?

   Finance ☐ Human Resource ☐ Marketing ☐ Production ☐

   Strategy and Operations ☐ Other (Please indicate) _____

5. The years you have worked for this company

   Under 2 years ☐ 3 to 5 years ☐ 6 to 10 years ☐ over 10 years ☐

Part II. Quality management and Organizational performance questionnaire

The following statements on Quality management Practices and organizational performance adopted by most manufacturing firms. Please indicate your rate of agreement as per your company case by ticking appropriately on a scale of 1-5, where l=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree.

A. CUSTOMER FOCUS		1	2	3	4	5
1. Customer complaints handling						
1.1	Mechanism exists for customer complaints handling					
1.2	The company has customer complaints procedure where customers are attended to					
1.3	Our company has a well-trained customer care department/employee					
1.4	The company has consistent tracking of complaints and procedures for all cases of complaints					
2. Customer retention						
2.1	Company is committed to customer retention by ensuring quality products					
2.2	Customer needs are reviewed regularly to meet changing customer preferences and expectations					
2.3	The firm has a mechanism through customer expectations are communicated to all departments					
3. Customer feedback						
3.1	The company does customer feedback survey on frequent basis					
3.2	The company stresses the importance on obtaining feedback on its quality control systems from customers					
3.3	The customer complaints are dedicatedly addressed by the firm					
4. Market based research						
4.1	The company undertakes market based research annually on quality issues					
4.2	The company collects, analysis and disseminates information for market decision making by management					
5. Benchmarking						
5.1	Benchmarking with other company helps the company to measure performance progress.					

B. TOP MANAGEMENT COMMITMENT		1	2	3	4	5
1. Quality Vision						
1.1	Quality management is embraced in the vision of the company					
1.2	Top management reviews organizations quality management system at planned intervals to ensure continuity, adequacy and effectiveness					
1.3	Employees are motivated towards the organizations goals and objectives					
2. Resource allocation						
2.1	The top management allocates enough resources to achievement of quality					
3. Quality policies						
3.1	Quality policies and procedures are documented and communicated to all employees					
3.2	Quality policies are reviewed regularly to meet the needs of the organization					
3.3	Quality policies are communicated and understood throughout the company					
4. Quality leadership						
4.1	Management takes leading positions on guiding quality teams					
4.2	Top management establish trust and commitment to quality improvement by eliminating fear					
4.3	The management allows participative and engagement of employees in making decisions on quality issues					
4.4	Authorities and responsibilities are defined and communicated throughout the firms by management					

C. CONTINUOUS IMPROVEMENT		1	2	3	4	5
1. Training						
1.1	The company has training policies for employees					
1.2	Training is offered to employees on regular basis in order to enhance their skills and expertise					
1.3	Employees are continuously trained to enhance internal quality performance					
2. Systems integration						
2.1	The company has continuous improvement of quality systems leading to increased revenues					
2.2	There is continuous monitoring and improvement of quality systems and procedures to enhance performance					
2.3	The quality systems contribute to zero defect of quality objectives					

3. Benchmarking		1	2	3	4	5
3.1	The firms benchmarks its quality against other quality management practices best practices					
3.2	The company has set time limit to meet efficiency of products delivery					
3.3	There are set benchmarks for internal quality realization and conformity					
4. Quality audits						
4.1	Quality audits are carried out continuously as per ISO certification requirements					
4.2	There is continuous improvement reviews through internal quality audits					
4.3	There is a policy for making continuous improvement of products quality for every individual in the company					

D. ORGANIZATIONAL PERFORMANCE		1	2	3	4	5
1. Employee Satisfaction						
1.1	The management involve employees on decision making on all quality matters					
1.2	The company offers employees opportunity for career growth through training and development					
1.3	There is improved information flow between top management and employees within the company					
2. Effectiveness						
2.1	Employee are well trained on quality matters to enhance efficiency					
2.2	High quality administrative systems are in place to support the efficiency of the firm					
2.3	There is maximum use of physical facilities					
3. Productivity						
3.1	There is improved lead time up to delivery					
3.2	The company has fewer product defects and less wastage					
3.3	There is high production cost reduction					