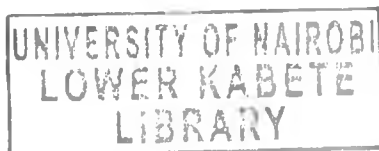


**THE STRATEGIC VALUE OF ISO CERTIFICATION AMONG STATE OWNED
ENTERPRISES IN KENYA**

BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI**



NOVEMBER 2011

DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted for a degree in this or any other University.

Sign.....

Date.....^{vd} 3 November 2011.....

PENNINAH WANGARE NDIRANGU

D61/8945/2005

This project has been presented for examination with my approval as the appointed University supervisor.

Sign.....

Date..... 3/11/2011.....

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DEDICATION

This research project is especially dedicated to my husband, our children, my ageing parents and entire family members for their love, patience and full support throughout my studies.

ACKNOWLEDGEMENT

My sincere ever gratefulness goes to God, who gave me the mental, physical and emotional capacity to complete the MBA Programme. Secondly, I also would like to express my gratitude to Dr. Machuki for his efforts in guiding me through the research project and ensuring the project is completed in time, the University of Nairobi (Jomo Kenyatta and Mwai Kibaki) Library staff that was very cooperative and assisted in searching for reading materials on the project.

I'm greatly indebted to my Husband and children, Employer, Parents, Brothers and Sisters and their families, friends and all who responded to the questionnaire in the State Corporations for encouraging and supporting me to the end. I thank you all and may God reward you to the full measure shaken together, pressed down and overflowing.

ABSTRACT

The study set out to establish the drivers for ISO certification and the value gained after certification in the State Owned Enterprises in Kenya. The researcher, found out that the main drive was to increase efficiency and productivity in all areas of operations in terms of having a systematic approach to meeting quality. 66.67% of the SOEs in with a mean score of 4.58 and standard deviation of 0.65 were driven to be ISO certified to very great extent by this factor. The need for increased efficiency resulted in facilitating trainings which earned the organizations value to a very great extent with a mean score 4.42% and standard deviation of 0.83. Customers' confidence on products and services improved and therefore the customers were satisfied. From the literature it's evident that ISO certification has credibility and supports the literature on previous studies. Therefore, ISO certification is recommended as an important strategic initiative for value to all organizations globally.

ACRONYMS AND ABBREVIATIONS

KEBS	-	Kenya Bureau of Standards
CEO	-	Chief Executive Officers
ERS	-	Economic Recovery Strategy
ISM	-	Import Standardization Mark
ISM	-	Import Standardization Mark
ISO	-	International Standards Organization
KEBS	-	Kenya Bureau of Standards
PRPC	-	Parastatal Reform Program Committee
QM	-	Quality Management
RRI	-	Rapid Result Initiative
SCAC	-	State Council Advisory Committee
SOE	-	State Owned Enterprises
SPSS	-	Statistical Package for the Social Science
TQM	-	Total Quality Management

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The strategic management agenda of firms increasingly emphasize Quality Management Systems. Quality Management (QM) presents a strategic option and an integrated management philosophy for organizations, which allows them to reach their objectives effectively and efficiently, and to achieve sustainable competitive advantage (Goldberg and Cole, 2002). Since the promotion of quality concepts by Philip Crosby (1980's); Edward Deming (1980's); Ishikawa (1980's) and Joseph Juran (1980's); firms around the globe have gradually embraced quality management practices known as Total Quality Management (TQM). TQM provides a frame work for implementing effective quality and productivity initiatives that can increase the profitability and competitiveness of organizations (Deming, 1992).

One of the milestones in quality management practices was the establishment of international standards for quality. In 1987, the International Organization for Standardization (ISO) issued standards to establish and foster voluntary adoption of global industrial and manufacturing standards. ISO standards are 'a series of international standards dealing with quality systems that can be used for external quality assurance purposes' (ISO, 1987). The ISO provide guidelines for the development, implementation, and management of a Quality Management System (QMS).

At the center of any QMS is the concern for quality. Crosby (1979) defines quality as conformance to customer requirements, whereas Juran and Gryna (1980) defines quality as fitness for purpose and this is more strategic in nature in that it refers to the mission of

the organization in response to the local, national and international context. For example, a product or service is of high quality if it is relevant, desirable or satisfying for those who are intended to benefit from it. Quality is about adding value to individuals, locally and internationally.

ISO 8402 defines Quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. That definition shows that quality is *per se* a relative notion, depending on what actor is considered in the product chain, and what needs, and demand, he will have: for instance, a processor will pay attention to the ability of the raw material to be processed (texture, processing yield, among others), while the final consumer will give a priority, *inter alia*, to the organoleptic characteristics, as taste and aspect. It must be underlined that quality in the common vocabulary often refers to the idea of good quality, sometimes high-level quality. But obviously, the concept of quality today covers a much wider range of aspects. In an organization customer defines quality in terms of customer requirements. The ever rising customer desire for quality in all aspects of life provides an encouraging background for implementing a quality management system. The central role of quality is not new, having become part of the vocabulary of business since the phenomenal export success of Japanese and other Asian manufacturers in the 1970's and 1980s (Wilson, 2001).

1.1.1 Strategic Value of ISO Certification

ISO Certification is a quality system that would meet the requirements of a recognized standard. Despite the apparent expense and bother, many organizations globally have quality systems that adhere to the requirement of the ISO and have received third party

accreditation. Certification has increased exponentially in Singapore. Since 1989 at least 3900 organizations have attained certification. As part of its economic development strategy, the Singapore government continues to encourage local industries to achieve certification by providing ISO implementation subsidies (Quazi et al., 2002). In Asia, Singapore is second only to South Korea in quality initiatives. According to Chan (2000), Singapore has almost reached the highest echelon of quality management practices by implementing world-class benchmarking systems in the quest for attaining Global Quality Management status. While these initiatives are encouraging, the research evidence to date has yet to show that such practices have led to significant improvements in financial performance not only in Singapore but elsewhere.

The ISO ensures that a certified company maintains a quality management system that will enable it to meet its published quality standards relating to the processes and activities for delivering goods and services by providing guidelines for the development, implementation, and management of a quality management system. Organizations must document practices that affect the quality of their products and deliver the procedures consistently to gain and maintain ISO certification. In short, ISO certification could be viewed as a system for managing internal business processes from the beginning to the end of a value chain. Certification can only be confirmed after an independent audit. Regular independent audits are performed to maintain certification. An unsatisfactory audit will lead to de-registration with subsequent registration contingent upon meeting the requirements of certification. Therefore, obtaining and maintaining ISO certification is a continuous and costly process.

Since the introduction of the ISO standards in 1987, they have become a world- wide quality management norm for organizations, regardless of their sizes and products (Tsim et al., 2002). Many studies reveal that effective implementation of ISO standards can benefit organizations through the improvement of management control (Carisson and Carisson, 1996; Lee 1998), efficiency (Ebrahimpour et al., 1997), productivity (Huang et al. , 1999; Terziovski et al. , 2003) and customer service Buttle, 1997; Yeung et al., 2003).

ISO standards were initially adopted by firms in Europe and in countries with close relationship with UK such as Australia and New Zealand. Nowadays the ISO standards are becoming the most popular standards implemented by manufacturing as well as service organizations. Though voluntary, in the real sense standards are now turning to be mandatory as firms are finding it increasingly difficult to trade without them. To compete, firms must continuously improve their performance by reducing cost, innovating products, improving quality, productivity and speed to market. Firms must perform above average in order to have a competitive advantage over their competitors (Ndolo, 2002).

Firms can opt for any of the three generic strategies outlined by Porter. These are differentiation, Cost leadership and Focus to achieve above average performance (Porter, 1985). Each strategy involves a fundamental different route to competitive advantage, and available literature suggests that open trade rewards those who practice quality management. According to Besterfield (2003), by design the ISO standards can be tailored to fit any organization needs whether large or small manufacturing or service organization. The standards are recognized as tried and tested way of improving company

performance and productivity and is a benchmark for working towards and achieving business excellence, produce the best product with the best designs at the best price. Further those wishing to produce at these standards must follow sound quality management practices. Sustainable differentiation can be achieved from adopting and performing a range of activities uniquely impacting those that purchase the product or service (Abassi, 1998).

1.1.2 State Corporations in Kenya

The state corporations are public enterprise/parastatals established under relevant Act of parliament and operating under the State Corporations Act Chapter 446 of the Laws of Kenya. They have autonomy to run and concentrate on specific mandates in order to improve service delivery to the public. They operate within the general supervision of respective ministries under which they are created. According to the inventory by the department of State Corporation Advisory Committee (SCAC) on 20th July 2011 there are about 178 commercially oriented state corporations with direct or indirect government ownership. Of these, the Government has designed 33 State Corporations as strategic enterprises since they provide essential services and intends to retain its ownership and active Board participation in them for the time being.

The Government of Kenya has made a number of attempts in the past to improve State Corporations sector performance. As a result, various reform programmes (Performance Contracting among others) have been implemented. In 1979, following the publication of a government report on parastatals, the Parastatal Advisory Committee was formed. At the same time the Government enlarged the role of the Inspectorate of State Corporations

to serve as a trouble shooting, management audit and consulting service for parastatals (Laws of Kenya cap 446).

According to the Parastatal Reform Program Committee (PRPC), the primary objectives of the State Corporations appear to be; to reduce the financial burden on government, to enhance efficiency and performance; to bring about financial discipline, managerial and financial autonomy, appropriate incentives and accountability, all aimed at having the state corporations operating on commercial principles. In addition, to combat the importation of counterfeits, the Ministry of Industrialization and the Kenya Bureau of Standards (KEBS) decreed in 2009 that all locally manufactured goods must have a standardization mark issued by KEBS, while several categories of imported wares (specifically food products, electronics, and medicines) must have an Import Standardization Mark (ISM).

Several State Corporations have undertaken ISO certification to enhance their quality reputation or to fulfill expectations from the customers. The underlying motive for certification has an orientation in the sense that firms implement ISO standards out of external pressure, mainly clients' demands. Institutional theory suggests that social and environmental factors play an important role in creating an isomorphic effect which influences the adoption of certain technology, practices, or management structures among organizations in seeking their legitimacy (Meyer and Rowan 1977). ISO implementation has been credited with improved quality and productivity of organizations and several firms undertake the implementation of ISO driven by the objectives of improving internal operations (Yahya and Goh 2001, Llopis and Tari 2003).

1.2 Research Problem

Various strategic advantages arise from the use of ISO quality management system standards such as creation of more efficient value chain system increased market access increased customer satisfaction and retention because of quality products and services (Lai, 1996). In addition, being certified implies quality international standards to local and international consumers, promotes international trade, increase profits, reduced waste and increased productivity of production processes (Hoyle, 2003). By adopting the Quality Management practices the State Owned Enterprises' must therefore direct its energies towards implementation of well defined core functions and policy priorities as outlined in vision 2030, various other policies documents as articulated in respective performance contracts. This therefore calls for adoption of implementing strategies that will enhance the completion and efficiency of public projects and services. It also requires collectively a systematic address and operational impediments to delivery of services to Kenyans (PSR & DS, 2006).

Kenya's initiative to improve public management of resources covers such important areas as finance, human resources, internal controls e-governance and decentralization. To ensure the efficient allocation and use of public resources, the Government adopted the concept of result-based budgeting, in developing institutions for management to measure performance and to evaluate budget related outcomes. These initiatives started in 1990s with the design and implementation of specific instruments indicators and program evaluations. This approach was also meant to ensure delivery of the Economic Recovery Strategy (ERS). As a result many state corporations have obtained the ISO quality management certification. The whole process of being ISO certified is very superficial

with a few people in the organization playing active roles while the rest of the members are not aware of the implication of the standards in their organization. Thus there is doubt as to the benefits /value of the quality initiatives by being ISO certified. There is a need therefore to determine the motives and value of ISO certification.

In the overall, a number of studies have been done on ISO as a strategic tool in general. Kioko (2002) addressed the use of ISO standards in registered firms in Kenya and found that they mainly improve internal processes, efficiency and customer satisfaction. Mwhaki (2006), in the case of Johnson Diversy, observed that ISO certification has an effect on operation performance. She asserts that ISO standards are relevant in achieving efficiency in all operation processes as well as fulfilling customers' requirement to their satisfaction. Kungu (2010) in his study looked into the factors affecting implementation of ISO at Total Kenya Limited. Despite the critical nature of ISO standards very little is known about the Strategic Value of ISO Certification in State Owned Enterprises in Kenya. A knowledge gap therefore exists regarding the strategic value in the state owned enterprises. This study therefore extends previous research on the ISO Standards and seeks to close the gap mentioned above by answering the question: what is the strategic value of ISO certification among state owned enterprises in Kenya.

1.3 Research Objectives

The study seeks to achieve the following objectives:

- i. To establish the Drivers for ISO certification among State Corporations in Kenya.
- ii. To determine the strategic value of ISO certification among State Corporations in Kenya.

1.4 Value of the Study

The research highlights factors that enabled the effectiveness (Value) of the ISO Certification strategy. The findings are beneficial to various stakeholders. For instance various Kenya firms which are not yet certified will gain an understanding as to the benefits/opportunities of adopting ISO Standards. On the other hand firms already certified will learn of the various opportunities to exploit due to their certified status. To the public in general and other players in the country, they will gain new insights of the state owned enterprises performance. They will also understand the strategic issues such as sound management systems like those pertaining to quality.

The Kenya government may also use the research findings to improve the socio-economic status of the country which will be in line with Vision 2030 main objectives of turning Kenya into a globally competitive nation with high quality of life by making policies which will require Organizations to be ISO certified. Nevertheless I believe that the study makes a valuable contribution to the literature on benefits/values of ISO certification, to academicians and researchers, the findings will form a basis for further research to build on this area of study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature that examines the Quality management systems, the motives for ISO certification and its place in public organization. The review presented here is not exhaustive but representative for illustrative purposes. Evidence in the literature is mixed. Contextual differences and Management's motivation for seeking certification explains the inconsistent results observed.

2.2 Quality Management System

QM is generally described as collective, interlinked system of quality management practices that is associated with organizational performance (Cue et al., 2001). Systemized quality management was introduced in the early twentieth century. Since it has developed into several stages, It's earliest phases. The focus was on inspection. Since then it has evolved in different levels through control and assurance to the modern concept of Total Quality Management (TQM), involving all aspects of the organization. (Dale, 1999).

Several studies have treated success factors for quality management implementation. Based on the view of TQM literature, Shin et al (1998) argue that, for successful implementation of TQM, it is necessary to "know thyself", create a supporting culture and align the implementation with strategy, competitive environment and goals. McQuarter et al, (1996), indentify four categories of success factors for effective application of quality management tools and techniques; their role in the improvement process, organization and infrastructure, data collection and the use and application of the

tool or technique. They also provide guidelines suggesting how to overcome difficulties that are created by the influences of experience, management, resources education and training.

Other studies relate the use and effects of quality management to the organizational context. An empirical study based by Benson et al (1991) indicates that the organizational quality context influences managers' perceptions of quality management. Internal factors such as the degree of top management support and the organization's past quality performance as well as external factors such as the degree of competition in the industry and the extent of government regulation of quality are found to have an influence. Further, Jayaran et al (1997) have found that the application of quality tools varies depending on the quality objectives and the quality improvement strategy. They also discovered that the differences in usage between two studied industries were small and they located some tools that significantly related to quality improvement. In a comparative study eastern and western practices of quality management Dahlgaard et al (1998) found that the use of quality tools and methods in such as experimental design, and cause-and-effect diagrams is more frequent in eastern countries.

2.3 ISO Certification

The ISO certification has fundamentally been a private sector affair, but it is becoming a public sector affair too, especially in Kenya. It is believed that ISO is a mark of quality and a step towards international standards. However, Singels, Ruel & van de Water (2001) in a survey of 950 organizations of North Holland noted a common misconception among the organizations that ISO would mandate higher levels of product quality. They were of the view that ISO certification gives no guarantee that the quality of products or

services of an organization is better than the quality of other organizations. ISO standards relate to quality management systems and are designed to help organizations ensure they meet the needs of customers and other stakeholders (Poksinska *et al*, 2002). The standards are published by the International Organization for Standardization (ISO), and available through National standards bodies. The standards including the eight management principles (Beattie and Sohal, 1999; Tsim *et al*, 2002) on which the family of standards is based. ISO deals with the requirements that organizations wishing to meet the standard have to fulfill.

The ISO concept emphasizes the customer's need for quality which is assured by the organizational Quality Assurance through the Quality System reflected in the written Documents which ensure that the input and the process to produce output will be controlled and the output is verified. The important principles of ISO can be summarized as follows: firstly, ISO is a standard for a quality system; secondly it is based on documentation: document what you do, do what you document and prove it; thirdly it emphasizes prevention; and fourthly it is a universal standard which focuses on what needs to be done and not how it is to be carried out (Mampu, 1996).

The purpose of the process approach in ISO is to enhance an organization's effectiveness and efficiency in achieving its defined objectives. Timeliness, accuracy, politeness, reliability, in-formativeness, availability, honesty, security, responsiveness, efficiency and effectiveness are some of the quality characteristics the public service must possess (Alcock and Tim, 1996). A process approach is a powerful way of organizing and managing activities to create value for the customer and other interested parties. Each

process has customers and other interested parties (who may be either internal or external to the organization), with needs and expectations about the process, who define the required outputs of the process. To become registered to ISO standards, the organization must hire an independent third party (known as the registrar) to conduct an on-site audit of its operations and verify that it's in compliance with the requirement of standards

2.4 Driving Factors for ISO Certification

The factors that drive organizations to be ISO certified vary from one company to another and from one country to another: Johannsen (1996) summarized these factors as pressure from existing customers, promotional value and the desire of improving management process and enhancing customer service. Buttle (1997) ranked the benefits after conducting a survey on UK business and concluded that the most important benefit sought for certification is profit improvement.

Proponents of the ISO standard (e.g., Harrington and Knight 1999; Tibor and Feldman 1996; Woodside 2000) have listed numerous reasons for why firms should seek certification, such as; improved regulatory compliance, increased market share and a potential for premium pricing within certain market segments, response to customer pressures and access to markets, cost reductions from improved efficiencies', and an enhanced reputation. In addition, motivations for certification may also be derived from internal factors involving strategic considerations associated with a resources-based view of its assets (Hart 1995; Russo and Fouts 1997): an enlightened top management (by virtue of values or learning process)

According to Dick (2000) the principal motivation for pursuing ISO certification among firms in the UK was the ability of the certificate to open customers' doors that were previously closed, or would close, if ISO certification were not achieved. Gunnlaugsdottir (2002) while conducting a study in Iceland concluded that ISO certification is a necessary entry ticket for an organization for selling its products abroad in new markets. According to Magoha (2008), the process of ISO certification represents an international consensus on good management practices with the aim of ensuring quality service delivery to clients. It is believed that ISO is a mark of quality and a step towards international standards. For this reason, Cole (1998:68) suggests that firms may make ISO certification 'their primary instrument for signaling quality to their customers'. Consequently, if certification with a management standard allows an organization to communicate about its unobserved quality attributes a certified organization may be able to gain an advantage vis-à-vis its non-certified competitors.

The most important reasons for obtaining ISO certification have been reported as of external type, that is, they try to get it either because of pressure from customers and suppliers or as a marketing tool (Rayner and Porter, 1991; Askey and Dale, 1994; Vloeberghs, 1996; Ebrahimpour *et al.*, 1997; Brown *et al.*, 1998, Anderson *et al.*, 1999; Hughes *et al.*, 2000; Withers and Ebrahimpour, 2000). However, several papers show that the results from certification depend on the type of company motivation for deciding to get it (Brecka, 1994; Meegan and Taylor, 1997; Huarng *et al.*, 1999; Hughes *et al.*, 2000; Sun, 2000; Gotzamani and Tsiotras, 2002, Terziovski *et al.*, 2003). These authors state that companies that obtain ISO certification motivated by external reasons but who do not believe that it can really help them to improve quality and efficiency get worse

results than those that believe that ISO can be a good way to reduce quality costs. In this sense, Sun (2000) suggests that in order to get benefits from ISO certification, this norm must be seen as a way towards TQM.

Certification to a particular ISO standard demonstrates firms' quality planning, control, assurance, and improvement systems conforming to an internationally agreed format. The ISO standard guidelines emphasize on user satisfaction as a performance indicator. Therefore, the government of Kenya has made a number of attempts in the past to improve Public Sector Performance, through the various reforms such as; Rapid Result Initiative (RRI), Performance contracting among others. This is in line with governments internationally, which have engaged in numerous reforms and initiatives designed to improve cost effectiveness and efficiency, to ensure Quality Services. This will enable the government to become result-oriented and citizen focused, and to emphasize strategic and business planning (Pollitt and Bouckaert, 2000). This paradigm shift in public sector management integrates concepts, tools and management techniques adopted from private sector and calls for a new relationship between governments and citizens (Metcalf and Richards, 1987; Metcalfe, 1993; Dunleavy & Hood, 1994; Pollitt and Bouckaert, 2000).

ISO certification has also been used by business management and marketing services as a performance measure. It constitutes the first step towards quality management, a step which often is taken more for survival in the market than for the actual awareness of improvement. In relation to this, when organizations speak of recognition, it is ISO certification that provides the qualification of an acceptable level of quality product or service. The certification has been an obvious sought after acknowledgement and

accreditation amongst many manufacturing and trading businesses because of its universal acceptance; service oriented agencies are now in the race for accreditation.

2.5 Strategic Value of ISO Certification

Quality is indisputably one of the weapons for competitiveness. It has become the cornerstone for companies' reputation. Many organizations have implemented Quality Management Systems for competitive advantage. ISO standards are one of such system.

The strategy to implement a quality management system enhances the operation management in an organization and ensures it focus on the customer. Several companies in Kenya have implemented quality management systems for various benefits. According to Mwhaki (2006). ISO certification has increased customers' satisfaction and customers confidence on products/ services. A study carried by Kungu (2010) found out that companies remain competitive in the market, once they implement several management systems among them ISO standards that ensure that customer satisfaction is achieved through constant evaluation of Quality processes.

According to (Brown and Van der Wiele, 1995), the researchers found the following benefits from certification: increase in company quality awareness; increase in product quality awareness; improvement in management; improvement of customer relations; improvements in the products and services offered; improved relationships within the organization; greater customer satisfaction; and increased respect from competitors.

Another study, carried out in the UK (Lloyd's Register Quality Assurance Ltd, 1994), summarized the benefits of certification as follows: an important marketing tool which helps market relations; increases the chances of winning new contracts; decreases the

number of customer audits; and helps penetration of international markets considerably. Since this organization is directly involved in the application of the standard, one can clearly allege considerable bias in this study. However, another study from another major consulting company (Vanguard Consulting Ltd, 1994) confirms that only 15 percent of companies obtain the benefits that the British Standards Institution sets.

Unfortunately, the benefits of ISO certification are very difficult to measure, for example, rises in productivity or increased market share (Jones *et al.*, 1997). Despite these difficulties in quantifying and measuring benefits, "internal" and "external" aspects of companies can be distinguished (Tsiotras and Gotzamani, 1996). This distinction is used in this study, as well as in other similar studies (Lloyd's Register Quality Assurance Ltd, 1994; Vloegeberghs and Bellens, 1996), for practical purposes, i.e. to help interpret the results obtained. According to Brown *et al.* (1998), as well as Vloegeberghs and Bellens (1996), the most important benefits are internal in character: improved awareness of the importance of quality; improved awareness of the problems of the company; and improvement in product quality. However, Quazi and Padibjo (1998) affirm that the most important benefits are external, with the three most important being; increased customer satisfaction; improvement in product quality and market competitiveness; and satisfaction of customers' requirements. However, the aim of this research is not to examine the relative importance of internal and external benefits, but rather to evaluate what benefits are brought by certification and analyze whether all companies benefit in the same way. To this end, internal and then external benefits are analyzed.

2.6 Criticisms on ISO Certification

A common criticism of ISO is the amount of money, time and paperwork required for registration (Barnes, 2000), while other opponents claim that it is only for documentation. Proponents believe that if a company has documented its quality systems, then most of the paperwork has already been completed (Seddon, 2000). The cost can actually put a company at a competitive disadvantage when competing against a non ISO certified company. ISO registration is not in any way an indication that products produced using its certified systems are any good. A company can intend to produce a poor quality product and providing it does so consistently and with the proper documentation can put an ISO stamp on it. According to Seddon (2000), ISO promotes specification, control, and procedures rather than understanding and improvement. Wade argues that ISO is effective as a guideline, but that promoting it as a standard helps to mislead companies into thinking that certification means better quality, undermining the need for an organization to set its own quality standards. Paraphrased, Wade's argument is that reliance on the specifications of ISO standards does not guarantee a successful quality system (Wades, 2002).

The standard is seen as especially prone to failure when a company is interested in certification before quality. Certifications are in fact often based on customer contractual requirements rather than a desire to actually improve quality. If you just want the certificate on the wall, chances are, you will create a paper system that doesn't have much to do with the way you actually run your business, said ISO's Roger Frost. Certification by an independent auditor is often seen as the problem area, and according to Barnes, ISO certification has become a vehicle to increase consulting services. In fact, ISO itself

advises that ISO standards can be implemented without certification, simply for the quality benefits that can be achieved (ISO).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research design and methodology followed in conducting the study. It describes the process the researcher applied in obtaining the sample from the population, as well as the data collection methods, data and analysis.

3.2 Research Design

The study was a descriptive survey. Mugenda and Mugenda (2003) noted that a descriptive survey seeks to obtain information that describes existing phenomena by asking questions relating to individual perceptions and attitudes. This research design was used in this study to establish the strategic value State Owned Enterprises achieved by being ISO certified.

A questionnaire was used to collect data from Chief Executive Officers (CEOs), Quality Managers (QMs) and Directors.

3.3 Population of Study

The population of the study was all the State Owned Enterprises in Kenya as at 20th July 2011 (SCAC inventory). The study targeted only ISO certified state owned enterprises in Nairobi; since most of the Ministries which supervise them are concentrated within the same geographical location. Choosing these organizations gave a sample that was representative and therefore, great confidence in the findings.

3.4 Sampling

A non-probability purposive sample was selected from all State Owned Enterprises. It comprised the 41 SOEs which were ISO certified by KEBS. These organizations were strategic since they provided essential services to the citizens. This consideration was to provide in-depth information on value of being ISO certified. The data obtained from this sample was considered sufficient to make a general conclusion on values or benefits received by state owned enterprises. The respondents therefore were expected to possess an understanding of the subject matter.

3.5 Data Collection

The study mainly focused on primary data from the sampled population. A semi-structured questionnaire containing both closed and open-ended questions was used to collect data. It was so designed to ensure clarity of questions and enhanced accuracy and relevance of responses. A Likert scale ranging from 1 to 5 was used with standardized responses categories of “not at all”, “less extent”, “moderately” “great extent” and “very great extent. According to Hill (1995) this scale is commonly used in many types of attitude- measuring research.

The questionnaires were self administered to individual respondents who were Chief Executive Officers (CEO) /Managing Director or their appointed management representatives and Quality Assurance Managers. It had three sections named section A-C. Section A sought the organizations profile. Section B sought the responses to objective 1 on drivers for ISO certification and section C sought for responses to objective 2 on value gained by being ISO certified.

3.6 Data Analysis

Completed questionnaires were edited for completeness, accuracy and consistency. Data analysis was done using Statistical Package for Social Sciences (SPSS) to make statistical inferences. The data was analyzed using quantitative techniques. Quantitative data was analyzed through the use of descriptive statistics such as frequencies, percentages, central tendency (mean), and measures of variability (standard deviation). The findings are represented in form of tables. Aruka (2006) used similar approach to quantitative analysis in his study on factors influencing the practice of Corporate social responsibility of financial institutes in Kenya.

Standard deviation informed the analyst about the distribution of scores around the mean of the distribution. Frequency distribution showed records of the number of times a score or record appeared and mean value gave the expected score from a group of scores in the study while percentages provided relative proportions.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction.

The study intends to achieve two objectives: to establish the drivers for ISO certification among State Owned Enterprises in Kenya (SOEs) and to establish the value gained after certification. To achieve these objectives, the researcher targeted the Chief Executive Officers, Quality Managers or the Management Representatives to provide the data. Out of the 41 targeted, all of which were served with a questionnaire, 36 responded by filling the questionnaires. This formed 87.81% response rate which the researcher deemed adequate and sufficient for it assures more accurate results according to Warner (1988).

The population of the survey was, all the SOEs in Kenya as listed by the department of State corporations Advisory Committee (SCAC) as at 20th July 2011. The survey sample size of 41 enterprises was selected by virtue of their being ISO certified by the Kenya Bureau of Standards (KEBS) as at 10th September, 2010. There are other certifying bodies; but KEBS is the government choice of preference. All the sampled organizations had offices within Nairobi and data was collected through questionnaires which were delivered by hand and collected later. A covering letter explaining the purpose of the study was attached to the questionnaire.

The findings were divided into three sections. Section A was to provide the profile of the respondents organization, section B was to provide the researcher with the respondents perception on factors that drove their organization to be ISO certified, and lastly section C was to provide the respondents perception on value gained by being ISO certified.

These findings were analyzed using frequencies, percentages, mean and standard deviation.

4.2 Respondents' Profile

This section included questions which helped the researcher to collect data for building the profile of respondents' organization. The respondents were requested to state their organizations name (optional), the year of certification, the scope of applying Quality Management System, number of permanent staff and to state if the organization had Quality Policy Statement. All the respondents indicated that they were ISO certified by KEBS and had Quality Policy Statement in place.

4.3.1 Year of Certification

This part of the section was relevant to the researcher in determining the value achieved by State Owned Enterprises on being ISO certified by 2011 the year which this study was carried out as perceived by the respondent.

Table 1: Year of Certification

Year	Frequency (<i>f</i>)	Percentage (%)
2008	11	30.56
2009	14	38.89
2010	11	30.56
Total	36	100.00

Source: Research Data (2011)

Table 1 above shows the frequencies and percentages of the year of certification. The study established that the majority of the respondents' organizations had been certified for more than two years by year 2011. Based on this findings, 11 or 30.56% were certified in year 2008, 38.89% in year 2009 and 30.56% in year 2010. This gives an average of 12 organizations registering for certification with KEBS every year. The low rate of registration could be linked to the fact that the procedures are lengthy, costly and cumbersome and that many organizations have not embraced Quality Management Systems. Secondly, the scope of application remains static and the certificate is valid only for three years hence, many organizations choose to remain status quo. Thirdly, there are other accrediting organizations

4.3.2 Organization Size

This section required the respondents to indicate the number of permanent staff in their organization. The researcher would be able to determine the size of the organizations being researched on.

Table 2: Number of permanent staff

Number of employees	Frequency (f)	Percentage (%)
Below 50	9	25.00
50-100	14	38.89
101-300	8	22.22
301-500	4	11.11
Over 500	1	2.78
Total	36	100.00

Source: Research Data (2011)

Table 2, represents the results of permanent staff. The number varies from organization to organization depending on activities/functions of each. 25.00% of the State Owned Enterprises have less than fifty permanent employees, 38.89% of the respondents indicated that they have between 50 and 100 employees, 22.22% have between 101 and 300 employees, 11.11% of the organizations have between 301 and 500 employees while 2.78% have over 500 permanent employees. The findings indicate that majority of the State Owned Enterprises are medium size. This can be attributed to the fact that most State Corporations concentrates on their core mandates contributing to the economic development in Kenya in terms of quality and therefore outsource the support staff.

4.4 Driving Factors for ISO Certification

The researcher considered 12 statements that were regarded as factors that drove the SOEs to seek for ISO certification. Respondents were asked to rate the listed factors on the questionnaire by ticking using a five-point scale ranging from 5 = very great extent to 1 = not at all. The results are shown below.

Table 3: Driving factors for ISO certification

Driving factor	Response	Frequency (f)	Percentage (%)	Mean	Standard Deviation
To increase efficiency and productivity in all areas of operations	Not at all			4.58	0.65
	Less extent				
	Moderate	3	8.33		
	Great extent	9	25.00		
	Very great extent	24	66.67		
	Total	36	100.00		
To increase customer's satisfaction.	Not at all			4.58	0.55
	Less extent				
	Moderate	1	2.78		
	Great extent	13	36.11		
	Very great extent	22	61.11		
	Total	36	100.00		

To meet customer expectations	Not at all			4.53	0.84
	Less extent	1	2.78		
	Moderate	5	13.89		
	Great extent	8	22.22		
	Very great extent	22	61.11		
	Total	36	100.00		
To improve customer's confidence on services.	Not at all			4.50	0.61
	Less extent				
	Moderate	2	5.56		
	Great extent	13	36.11		
	Very great extent	21	58.33		
	Total	36	100.00		
To improve the quality of services/products	Not at all			4.42	0.65
	Less extent				
	Moderate	3	8.33		
	Great extent	15	41.67		
	Very great extent	18	50.00		
	Total	36	100.00		
To improve organization's image both locally and internationally.	Not at all			4.19	0.86
	Less extent	1	2.78		
	Moderate	7	19.44		
	Great extent	12	33.34		
	Very great extent	16	44.44		
	Total	36	100.00		
To gain a competitive advantage	Not at all	1	2.78	4.14	0.83
	Less extent				
	Moderate	4	11.11		
	Great extent	19	52.78		
	Very great extent	12	33.33		
	Total	36	100.00		
To improve communication within and out of the organization	Not at all			4.08	0.91
	Less extent	2	5.55		
	Moderate	7	19.44		
	Great extent	13	36.11		
	Very great extent	14	38.89		
	Total	36	100.00		
To improves documentation and traceability.	Not at all			3.89	0.95
	Less extent	1	2.78		
	Moderate	15	41.67		
	Great extent	7	19.44		
	Very great extent	13	36.11		
	Total	36	100.00		
To reduce costs of operations	Not at all	1	2.78	3.89	
	Less extent	2	5.55		
	Moderate	7	19.44		

	Great extent	16	44.44		0.98
	Very great extent	10	27.79		
	Total	36	100.00		
To improve staff morale	Not at all	1	2.78	3.86	1.13
	Less extent	3	8.33		
	Moderate	10	27.78		
	Great extent	8	22.22		
	Very great extent	14	38.89		
	Total	36	100.00		
To facilitate training	Not at all	2	5.55	3.64	1.27
	Less extent	6	16.66		
	Moderate	7	19.44		
	Great extent	9	25.00		
	Very great extent	12	33.33		
	Total	36	100.00		

Source: Research Data (2011)

Table 3 above present's data on the respondents' perception on the factors that drove their organization to be ISO certified. In determining whether the factor is significant across the board or not, the study adopted the use of mean scores. A mean score of less than 3.00 indicated that a particular factor was not considered by majority SOEs that participated in the study hence not regarded as a driving factor. A mean score of 3.10 – 4.00 means that the factor was a driver to being ISO certified to a great extent and a mean score of 4.01 and above indicate a drive to a very great extent.

From the table, it was very clear that the most significant factor which drove the SOEs to seek for ISO to a very great extent were eight out of twelve. This include the need to increase efficiency and productivity in all areas of operations with a mean score of 4.58, the need to increase customers' satisfaction (4.58), the need to meet customers' expectations (4.53), to improve customers confidence on services/products (4.50), to improve the quality of services/products (4.42), to improve organization's image locally

and internationally (4.19), to gain a competitive advantage (4.14) and to improve communication within and out of the organization (4.08).

The researcher also noted that four of the factor contributed to a great extent to the certification of the SOEs. These drivers were; to improve documentation and traceability had a mean score of 3.89, to reduce cost of operations (3.89), to improve staff morale (3.86) and to facilitate training with a mean score of 3.6.

The Standard deviation informed the researcher about the distribution of scores around the mean. It should be noted that in as much as eight were significant in driving the enterprises to be ISO certified, there were different degrees of variation among respondents with respect to the extent to which the drivers were significant. This is indicated by standard deviation of each factor. Among the twelve factors, ten had their standard deviation range between 0.55-0.98 and two had their standard deviation range between 1.13-1.27. These findings agree with the view by other researchers where they asserted that there are variations in what the societies generally agree to be right or wrong in the conduct of business activities and certainly there are cross country variations in the degree to which certain behavior are considered unethical (Were, 2010).

The respondents were asked to specify any other factors that could have been considered as critical drivers to their being certified and had not been highlighted in the questionnaire. 4 (11.1%) of the respondents indicated other factors such as, reduced complaints from customers, to put the organization in the league of best performing organizations, improved market share and Re-engineering of the organizations performance.

4.5 Strategic Value of ISO Certification

In this section the researchers' main objective was to establish the respondents' perceptions of Value gained by their organization being ISO certified. 12 statements were regarded as factors of value gained and the respondents' were asked to rate the listed factors on the questionnaire by ticking using a five-point scale ranging from 5 = very great extent to 1 = non extent. The results are shown in table below.

Table 4: Value Gained by Certification

Value gained	Response	Frequency (f)	Percentage (%)	Mean	Standard Deviation
Facilitated training	Not at all			4.42	0.83
	Less extent	1	2.78		
	Moderate	7	19.44		
	Great extent	14	38.89		
	Very great extent	14	38.89		
	Total	36	100.00		
Improved customer's confidence on products/services	Not at all			4.19	0.67
	Less extent				
	Moderate	5	13.89		
	Great extent	19	52.78		
	Very great extent	12	33.33		
	Total	36	100.00		
Improved customer satisfaction	Not at all			4.17	0.65
	Less extent				
	Moderate	5	13.89		
	Great extent	20	55.55		
	Very great extent	11	30.56		
	Total	36	100.00		
Increase efficiency and productivity in all areas of operations	Not at all				0.65
	Less extent	1	2.78		
	Moderate	7	19.44		
	Great extent	15	41.67		

	Very great extent	13	36.11	4.17	
	Total	36	100.00		
Improved organization's image locally and Internationally	Not at all			4.06	0.92
	Less extent	2	5.55		
	Moderate	8	22.22		
	Great extent	12	33.34		
	Very great extent	14	38.89		
	Total	36	100.00		
Gained a competitive advantage	Not at all			4.06	0.92
	Less extent	2	5.55		
	Moderate	7	19.44		
	Great extent	15	41.67		
	Very great extent	12	33.34		
	Total	36	100.00		
Product Identification and Traceability	Not at all			3.97	0.91
	Less extent	2	5.55		
	Moderate	9	25.00		
	Great extent	13	36.11		
	Very great extent	12	33.34		
	Total	36	100.00		
Increased internal and external communication	Not at all	1	2.78	3.94	0.97
	Less extent	1	2.78		
	Moderate	8	22.22		
	Great extent	15	41.68		
	Very great extent	11	30.56		
	Total	36	100.00		
Improved problem awareness	Not at all			3.89	0.92
	Less extent	3	8.33		
	Moderate	8	22.22		
	Great extent	15	41.67		
	Very great extent	10	27.78		
	Total	36	100.00		
Increased staff morale	Not at all	2	5.55		
	Less extent	1	2.78		

	Moderate	10	27.78	3.81	1.05
	Great extent	14	38.89		
	Very great extent	9	25.00		
	Total	36	100.00		
Increase market share	Not at all	3	8.33	3.58	1.27
	Less extent	3	8.33		
	Moderate	12	33.34		
	Great extent	6	16.67		
	Very great extent	12	33.33		
	Total	36	100.00		
Reduced costs of operations	Not at all			3.72	0.91
	Less extent	3	8.33		
	Moderate	12	33.34		
	Great extent	13	36.11		
	Very great extent	8	22.22		
	Total	36	100.00		

Source: Research Data (2011)

Table 4 above presents the respondents' perception of the value gained by their organizations' after ISO certification. In determining whether the factor is significant across the board or not, the study adopted the use of mean scores. A mean score of less than 3.00 indicated that a particular factor was not considered by majority SOEs that participated in the study hence not regarded as a driving factor. A mean score of 3.10 – 4.00 means that the factor was a driver to being ISO certified to a great extent and a mean score of 4.01 and above indicate a drive to a very great extent.

Surprisingly, half of the respondents indicated that they have gained value to a very great extent through training after certification with a mean score of 4.42. Secondly, value was achieved by improved customer's confidence on services /products of the organization (4.19). Thirdly customers' satisfaction was a source of value addition with a mean score

of 4.17. Other factors that added value to the organization to a great extent are; Increase efficiency and productivity in all areas of operations (4.11), Improved organization's image locally and Internationally (4.06), Gained a competitive advantage (4.03).

The results of the study also indicated that the other half of the respondents gained value to a great extent through Product Identification and Traceability with a mean score of 3.97, increased internal and external communication (3.94), improved problem awareness (3.89), increased staff morale (3.81), increase market share (3.58), and Reduced costs of operations with a mean score of 3.72.

The findings indicate that the extent of value gained varied across the different state owned enterprises as seen from the variations in the standard deviation scores. The score varied between 0.65 - 1.27. This is an indication that each organization had gained unique value after being ISO certified.

The respondents were also asked to specify other values/benefits achieved by their organizations on being ISO certified. 8 (22.2%) of the respondents indicated; low staff turnover, reduced bottlenecks, accountability both locally and internationally among others.

4.6 Discussion

The study sought to establish the factors that drove State Owned Corporations in Kenya to be ISO certified and to determine the strategic value gained by certification. ISO standards have the potential to be utilized by a tremendous number of firms because they are applicable to all industries globally. For this reason, certification has the potential to add value to firms globally. The researcher's findings suggest that the increased global

adoption of ISO standards may be due to organizations' need to appear legitimate in the eyes of external stakeholders who affect their long-term survival and competitiveness. Customers' also tend to put pressure to the government to have their needs/demands meet and this is pushed to organizations of which they have to comply.

Further, this research offer evidence regarding as to why firms see value in the ISO certification and why it's becoming so recognized worldwide.

The findings of the study on the strategic value of ISO certification among SOEs in Kenya were consistent and supportive with previous studies, Buttle (1997) and Yeung et al. (2002) revealed that ISO certification benefits customers' thus adding value to organizations. Chu and Wang (2001), in their study of ISO certified public organizations in Taiwan, found out that ISO certified organizations had done so because of need to promote organizational image, improving customer satisfaction, improving overall services and product quality, promoting of better organizational design and enhancement of administration efficiency. Oluoch (2010) in his study on benefits and challenges of implementation of ISO 9001:2008 at Kenya medical training college found out that certification enables the organizations to compete favorably both locally and regionally; this support the notion that certification to ISO is clearly a source of competitive advantage (Kimani, 2008).

According to Kungu (2010) Value is gained when an organization is customer focused by ensuring that customer requirement are determined and met with an aim of enhancing customer satisfaction by providing products/services that are relevant for their existing and potential customers.

Mwihaki (2006) in the study of effect of ISO 9000 certification on operations performance: case of Johnson Diversey, reported that ISO certification was relevant in achieving efficiency in workflow and process design, fulfilling customer requirements, competitive advantages and as an improvement strategy. Similarly, a case study conducted by Gatimu (2008) on the strategic challenges faced by firms in the adoption of ISO 9000 quality systems management standards in of manufacturing firms in Nairobi industrial area, established that the major benefits of ISO certification and adoption in the manufacturing industries are improved communication , clients perceived higher quality of the product among other factors.

Based on the above discussions it's possible to verify the theory as put by Porter (1985) that firms must perform above average in order to have a competitive advantage over their competitors leading to superior value created through lower cost (cost leadership) or superior benefits to customers (differentiation). Therefore, it may be possible that in this study the results of the researcher are likely to be more applicable to all organizations in general but subject to further research.



CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings and makes conclusions based on the objectives of the study which were to determine the extent to which the various factors contributed to the State Owned Enterprises in Kenya being ISO certified and the extent value has been added to the organizations on Certification. It also includes the study recommendations for improvement and for further research.

5.2 Summary

This study sought to contribute into the pool of empirical literature by establishing the factors that drive the state owned enterprises in Kenya to be ISO certified and the value gained after certification. To achieve the study objectives, data was collected using a questionnaire that was given to the targeted population sample. The sample consisted of 41 respondents and only 36 responded giving a response rate of 87.67%. Eight of the factors scored a mean of above 4.00 indicating that, the listed factors drove the SOEs to be ISO certified to a very great extent. The respondents agreed to a very great extent that they have increased value through the trainings offered to their employees (mean score of 4.42); as a result the customers have received quality services as well as quality products. The study presents findings similar to other studies and thus consistent to previous studies done by Ndolo (2002), Mwhiki (2006) and Githiri (2008).

The study revealed that the State Owned Enterprises in Kenya have embraced ISO Certification as a strategy to quality management systems which adds value to their organizations. There are various other factors that have contributed to their being ISO

certified to a very great extent as shown in table 3 above. The factor of increasing efficiency and productivity in all areas of operations had to a very great extent motivated many (24 out of 36) of the organizations to be ISO certified.

On the other hand, the study ascertained that there was value gain to a great extent through Product Identification and Traceability with a mean score of 3.97, increased internal and external communication (3.94), improved problem awareness (3.89), increased staff morale (3.81), increase market share (3.58), and Reduced costs of operations with a mean score of 3.72.

5.3 Conclusion

According to the findings most SOEs were certified in years 2008 and 2009 and their employees were ranging between below 50 to 300 (84%) The drivers for the decision by the State Owned Enterprises in Kenya to be ISO certified were analyzed in this study and the most dominant drive was the need to increase efficiency and productivity in all areas of operations with a mean score of 4.58. This implies that once efficiency is increased and productivity in all areas, customers expectations are met and as result the SOEs gain customers confidence (mean score of 4.19) on their services/products and the customers in return get satisfied (4.17). Other driving factors included, organizations drive to improve their image locally and internationally (mean score of 4.19). The implication of this factor is to gain a competitive advantage (4.03) and to have an increased market share (3.58), locally and internationally (4.06). Hence, it appears from the data analyzed in this study that certification could be an important strategic initiative for value to the organizations.

Finally, the evidence here also suggests that ISO certification has credibility and supports the literature on the self-rated values, and that organizations may make ISO certification their primary instrument for signaling quality to their customer, both locally and internationally, since the ISO standards relate to quality management systems and are designed to help organizations ensure they meet the needs of customers and other stakeholders.

5.4 Recommendations for Policy and Practice

It is recommended that Strategies therefore need to be formulated to boost the net value of ISO certification by facilitating trainings, increase efficiency and productivity in all areas of operations, meeting customers' expectations. For example, one approach may involve rewarding financially the best improved organizations on training, best improved organizations on efficiency and productivity in all areas of operations. That may also be particularly relevant to the private organizations which are profit oriented. Specific toolkit may also be developed to provide guidelines for orienting Quality Management Systems requirements towards particular products/services needs.

It is also recommended that the State Owned Enterprises should strengthen their quality management systems to monitor progress towards achieving set goals in delivery of service to the Kenyan citizens. This implies that customers will be satisfied with quality wholesomely. The quality systems will also provide feedback on whether systems in place are working as expected or not and provide the basis for taking corrective measure. Example, customer complains is a very effective feedback to the management.

5.5 Limitations of the Study`

The major hurdle was, data collected in this study were self-reported by individuals from the responding organizations and may have reflected the personal perception and opinion of these individuals. The respondents' may not have been motivated to give accurate answers; for instance the choice "moderately agree" may have meant different things to different respondents, and to anyone interpreting the data.

The organizations studied were confined to State Owned Enterprises where there is a strong intervention by the government. Such intervention may have influenced the quality management practices in the sample organizations. The researcher relied on standardization forces to develop questions general enough to be minimally appropriate for all respondents, possibly missing what is most appropriate to many respondents.

The researcher could not rule out the possibility that other variations in the organizations characteristic and endogenous factors could have influenced the answers by the respondents' since their scope of registration was scaled to match organizational realities. The scope differed from one organization to another. Therefore, the findings of this study should be interpreted carefully.

5.6 Suggestions for Further Research

This study identified a number of strategic values on ISO certification which are important to the sustainability of organizations in Kenya and globally. A similar study with longitudinal design would allow a more detailed analysis. Further research should focus on those important values not covered in this paper.

There is no research as to the right order of importance of the strategic value further, the study should be done to cover certified and non-certified organizations (Ministries, consultants, regulatory bodies and industries) and to make comparisons on the strategic value of quality Management Systems that lead to ISO certification.

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APPENDIX I

QUESTIONNAIRE ON: STRATEGIC VALUE OF ISO CERTIFICATION

This questionnaire has been designed to collect information from state owned enterprises and is meant for academic purposes only. Do not write your name or any other form of identification on the questionnaire. All information in this questionnaire will be treated in confidence.

SECTION A: ORGANIZATION'S PROFILE (Please tick where appropriate).

1. Organization name (optional)?

.....

2. Year of certification?

3. Scope of Quality Management System application?

4. Does your organization have Quality Policy Statement? Yes [] No []

5. Number of permanent staff?

< 50 [] 50-100 [] 101-300 [] 301-500 [] >500 []

SECTION B: DRIVING FACTORS FOR CERTIFICATION

Indicate your response by showing the extent to which you agree with the following statements

To what extent have the following factors contributed towards your organization being ISO Certified (Please tick where appropriate)

Key: Not at all =1, Less Extent =2 moderately = 3, Great Extent = 4 and Very Great Extent = 5

Driving factor	Not at all	Less Extent	Moderately	Great Extent	Very Great Extent
1.To gain a competitive advantage					
2.To improve the quality of services /products					
3.To increase efficiency and productivity in all areas of operations					
4.To meet customer expectations					
5. To improves documentation and traceability.					
6. To improve customer's confidence					

on services/products.					
7. To increase customer's satisfaction.					
8. To improve organization's image both locally and internationally.					
9. To facilitate training					
10. To improve staff morale.					
11. To improve communication within and out of the institution					
12. To reduce costs of operations					

13. Other factors, please specify -----

SECTION C: VALUE GAINED BY BEING ISO CERTIFIED

To what extent have your organization gained value after being ISO certified? (Please tick where appropriate)

Key: Not at all =1, Less Extent =2 moderately = 3, Great Extent = 4 and Very Great Extent = 5

Value gained	Not at all	Less Extent	Moderately	Great Extent	Very Great Extent
1.Improved customer satisfaction					
2. Increase efficiency and productivity in all areas of operations					
3.Gained a competitive advantage					
4.Improved customer's confidence on products/services					
5.Increased staff morale					
6.Reduce costs of operations					
7.Product Identification and Traceability					
8.Facilitated training					
9.Improved quality of services/products					
10.Improved organization's image locally and Internationally					
11.Increased communication within and out of the institution					
12.Meeting customers expectation					

13. Other gains, please specify -----

Thank you for your cooperation.

APPENDIX II

LIST OF KEBS CERTIFIED STATE OWNED ENTERPRISES (AS AT 10TH SEPTEMBER 2010)

1. Egerton University
2. Energy Regulatory Commission
3. Mumias Sugar Company Ltd,
4. Telkom Kenya Limited
5. Coffee Research Foundation to improve productivity and quality
6. Retirement Benefits Authority
7. Kenya Seed Company
8. Kenya Medical Training College,
9. Athi Water Services Board
10. Capital Markets Authority
11. National Water Conservations and Pipeline Corporation and equipping of boreholes and flood control works in Kenya
12. Muhoroni Sugar Company Ltd,
13. National Hospital Insurance Fund
14. Nairobi City Water & Sewerage Company Ltd
15. University of Nairobi
16. Kenya Sugar Board
17. Kenya Institute of Administration
18. Kenya National Examination Council
19. Kenya Medical Training College,

20. Ministry of Regional Dev. Authorities
21. Nzoia Sugar Co.
22. Moi Teaching and Referral Hospital
23. Water Services Regulatory Board
24. Kenya Wildlife Service
25. Nyayo Tea Zones
26. Kenya Sugar Research Foundation
27. Kenya Plant Health Inspection Services
28. Privatization Commission and Operations, including State Corporations
29. National AIDS Control Council
30. Kenya Ports Authority
31. Kenya Institute of Education
32. Kenya Roads Board
33. Local Authorities Provident Fund
34. Kenya Water Institute
35. Higher Education Loans Board
36. Kenya Tourist Board
37. South Nyanza Sugar Company
38. Jomo Kenyatta University of Agriculture and Technology
39. University of Nairobi
40. Moi University
41. Council of Legal Education /Kenya School of Law paralegals, provision of consultancy services and hosting of conferences and social functions