

ABSTRACT

Most commercial entities in a quest to improve their service delivery and profitability have adopted several management improvement programs which have been developed over the years. Several standards which include but not limited to ISO have been adopted by organizations in order to improve product/service quality which in turn is expected to lead to overall improvement of organizational performance. The objective of this study was to examine the impact ISO certification on financial performance of commercial state corporations in Kenya.

The study used a cross sectional survey design incorporating causal-comparative research. Causal-comparative research or 'expost facto' research means that at least two different groups are compared on the dependent variable because the independent variable has already occurred and cannot be manipulated. The Population of the study included all commercial state corporations in Kenya. Most of the audited annual reports were obtained from the office of the Auditor General as this is the office mandated to audit all financial statements of State Corporations. In order to analyze the impact of ISO 9001 certification on financial performance of commercial state corporations, collected data were analyzed using descriptive statistics that is use of mean, standard deviation and percentages. T -test a special case of ANOVA was used as this technique is used to test whether there are significant differences between the means of two samples at a predetermined probability level.

The study concluded that ISO 9001 certification led to improved return on asset of commercial state corporations. The results from study concluded that sales growth in the commercial state corporation registered an increase with the adoption of ISO 9001 certification. The study concluded that ISO 9001 certification had a positive impact on the NPM of the commercial state corporation which also registered improvement. In conclusion the financial performance of ISO 9001 certified commercial state corporations were superior to those of non certified counterparts. Therefore ISO 9001 certification led to positive influence of financial performance of the commercial state corporations in Kenya. The study recommend that commercial state corporations need to effectively implement ISO 9001 as it had been found to influence financial performance and can lead to long-term success and achievement of organizational competitiveness