

**TOTAL QUALITY MANAGEMENT PRACTICES AND OPERATIONAL  
PERFORMANCE OF PRIVATE HOSPITALS IN NAIROBI COUNTY**

**BY**

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**REG. NO.D61/78661/2012**

**RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION IN OPERATIONS MANAGEMENT OPTION OF  
THE UNIVERSITY OF NAIROBI**

**JULY 2015**

## **DECLARATION**

This research project is my original work and to the best of my knowledge has not been presented for any degree award in any other university.

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This research project has been submitted for examination with my approval as University Supervisor.

MRS. ZIPPORAH KIRUTHU

Signature..... Date.....

## **DEDICATION**

To my family and friends who have always believed in me.

## **ACKNOWLEDGEMENT**

I wish to thank God Almighty for bringing me this far and my family for their unwavering support as well as my supervisor Mrs. Zipporah Kiruthu, I would also like to thank my classmates for their moral support in developing this project.

## **ABSTRACT**

The purpose of this study was to examine the effects of total quality management practices on the operational performance of private health sector in Kenya. The health service sector in the entire world is getting competitive every day due to the changes in technology and quality issues. In order to be successful in quality service delivery total quality management (TQM) practices ought to be the integral part of any health organization's strategic management. A purposive sampling technique was applied to select private hospitals within Nairobi City County where a sample size of 139 respondents was targeted. The study relied on the data collected through a structured questionnaire to meet the objectives of the study using five point Likert scale. The questionnaire questions focused on the total quality management practices implementation and operational performance of the Private health sector with reference to the selected private hospitals with in Nairobi City County. The questions were both open ended and closed ended. The process of data analysis involved data clean up and explanation and responses in the questionnaires which was tabulated coded and analyzed using Statistical Package for Social Science (SPSS) version 20.0. The results were presented in form of frequency table, mean and standard deviation. The study found out that total quality management practices improves operational efficiency and performance thus reduced operation cost, which results in increased hospital profitability, enhanced sales, increased hospital competitiveness and increased market share. The study established that the five selected specific TQM Practices influences leadership practices affect the operational performance of hospitals. That the implementation of total quality management has facilitated hospital leadership to provide the necessary resources, providing conducive working environment, to employee involvement in quality management process, influenced the decision of selecting qualified suppliers and certifying suppliers for quality material, creates strategies, plans and systems for achieving superior quality in the institution and that has inspired staff and management in effective and efficient use of the resources and efforts of the institution towards quality excellence. The study concluded that the implementation of quality management practices has increased hospital profitability, enhanced sales, increased hospital competitiveness and resulted in acquisition of bigger market share, enhanced service delivery in the hospitals, ensured effective waste reduction in operations, improved operation efficiency thus reducing operation costs and increased customer retention as a result of customer satisfaction. The study recommends that there is need for the hospital management to implement organizational culture change for the successful implementation of total quality management so as to enhance the organization's strategy of continuous improvement, open communication and cooperation throughout the organization.

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## **ACRONYMS AND ABBREVIATIONS**

**TQM** Total Quality Management

**SPSS** Statistical Packages for Social Science

## DEFINITION OF OPERATION TERMS

**Continuous Improvement:** refers to better and better quality, less and less variation, which results from process management practices that bring improvements and innovating in products, services, and processes.

**Quality:** is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.

**Total Quality Management (TQM):** a management philosophy under which an organization operates, which seeks to improve quality and increase customer satisfaction.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Operational performances of organisations play an increasingly important role in the economy of many countries. In today's global competitive environment, delivering quality service is considered an essential strategy for success and survival and in turn leads to good operational performance, Parasuraman, A, Zeithaml, Valerie A and Berry, L (1985). Organisations strive to achieve excellent operational performance so as to serve the needs of the society in which they exist, through continuous improvement of their products and services. According to Terrein, (2012) as world markets are becoming increasingly integrated, the service industry is coming under strong pressures to ensure that their quality performance is up to date. Market are shifting rapidly and constantly converging in taste, trends, and prices.

Increased globalization and liberalization with tough business conditions have brought challenges and opportunities for the health sector and made them to promote quality in their products and services. With the increasing competition, business survival pressure and the dynamic, changing customer-oriented environment, operational performance has been identified as one of the important issues and generated a substantial amount of interest among managers and researchers. Quality performance has been considered as one of efficient approaches for business organization to improve their competitive advantage (World health Organization, 2011)

Fotopoulos and Psomas (2010 ), the emergence of quality plays a vital role and have become a top priority for many companies worldwide in order to achieve their objectives and gain a competitive edge. In the United States of America for instance, operational performance of

the healthcare industry, has become an imperative in providing patient satisfaction because delivering quality service directly affects the customer satisfaction, loyalty and financial profitability of service businesses. In healthcare, quality operational performance can be broken down into two dimensions: technical and functional performance. While technical performance in the health care sector is defined primarily on the basis of the technical accuracy of the medical diagnoses and procedures or the conformance to professional specifications, functional quality refers to the manner in which the health care service is delivered to the patients Dean & Lang, (2008).

In a service industry notably healthcare, experience of the patient plays a crucial role in rating and assessment of operational performance of these hospitals. An ideal quality operational performance in the healthcare may comprise of newer technology, newer and effective medication, and higher staff to patient ratios, affordability, efficiency and effectiveness of service delivery Terrein (2012).

Quality is an important consideration for executive thinking. There is an increasing awareness by senior executives, of the fact that quality is an important strategic issue, which should be implemented at all levels of the organization (Crosby, 1979; Oakland, 2000). Quality management system is defined as a “set of co-ordinated activities to direct and control an organization in order to continually improve the effectiveness and efficiency of its performance”. According to Oakland( 2003) and organization should make strategic decision to adopt a quality management system based on the organization’s strategy, objectives, structure, size, products and services offered. This is also true in the health sector. In general, Total Quality Management (TQM) is a management philosophy which is used by organizations who strive to improve their efficiency and competitiveness in the business marketplace. TQM quality factors include top management commitment and involvement,

employee empowerment and culture. These factors are known by some writers as the soft aspects of management, while the hard aspects include factors such as improvement tools, techniques and systems (Wilkinson, 1992; Oakland, 1993, 2000). Various quality factors are identified by various scholars based on their experiences in working as consultants, managers or researchers (Thiagarajan et al., 2001).

The core ideas of total quality management (TQM) were introduced in the mid-1980s by, most notably, W. Edwards Deming, Joseph Juran and Kaoru Ishikawa (Hackman and Wageman, 1995). Whilst it is acknowledged that TQM is not a clear-cut concept (Hackman and Wageman, 1995), TQM is generally understood as an integrated organization strategy for improving product and service quality (Waldman, 1994). Since the mid-eighties TQM has been (over) sold as a near-universal remedy for a range of organizational problems, including improved organizational performance.

### **1.1.1 Total Quality Management Practices**

Quality improvement in health care organisations is considered as a means to better meet the needs and expectations of patients. Yang (2003) posits that adopting TQM in the health care industry is not smooth and easily successful as in the case of manufacturing or services industries. Huq (1996) points out that, today hospitals face challenges of looking at their operations and find more efficient ways to do business. Many hospitals are turning towards TQM for cutting costs and generally improving the quality of services they provide. The concept of TQM started becoming popular in the health care industry during the late 1980's ( Garvin, 1988; Westphal, Gulati and Shortell, 1997) Patient fulfilment is becoming increasingly important for the successful operation of private and public hospitals ( Yang, 2003; Cho *et al.*, 2004). Yang (2003) further argues that the use of TQM has provided a partial cure to service quality problems in healthcare organizations. Healthcare TQM is



linked with the Baldrige model and has been viewed recently by some as too ambitious for healthcare, while in some countries, healthcare services have not introduced TQM, but some hospitals have set up quality control circles which have been running successfully for some time (Ovretveit, 2001). Past studies found that there was a growing consensus that patient fulfilment is an important gauge of health care quality.

Total Quality Management, TQM, is a method by which management and employees become involved in the continuous improvement of the production of goods and services. It is a combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices Hendricks, (2010). In fact Total Quality is a description of the culture, attitude and employee involvement to provide customers with products and services that satisfy their needs. The culture requires quality in all aspects of the company's operations, with processes being done right the first time and defects and waste eradicated from operations. TQM philosophy begins at the top, from the board of directors to the line employees. Oakland (2000), there are several practices that should be taken into consideration in TQM implementation which includes customer focus, leadership and top management commitment, people management and empowerment, quality policy and strategies and supplier partnership.

Allan, (2007) TQM is an ideology which is focused on the satisfaction of customer's need. TQM require organisations to develop a customer focused operational processes and at the same time committing the resources that position customers and meeting their expectation profitably. This implies an approach of changing the corporate culture of an organisation to be customer focused. TQM requires effective change in organizational culture which is enhanced by the deep involvement/commitment of management to the

Organisation's strategy of continuous improvement, open communication and cooperation throughout the organisation; broad employee interest, participation and contribution in the process of quality management. Leaders in a TQM system view the firm as a system; support employee development; establish a multipoint communication among the employees, managers, and customers; and use information efficiently and effectively. In addition, leaders encourage employee participation in decision-making and empower the employees.

Beamon, (2008) TQM requires effective knowledge management so as to ensure that employees obtain timely reliable, consistent, accurate, and necessary data and information as they need to do their job effectively and efficiently in the firm. TQM is concerned with the continuous improvement in all the process of design and operation, from the levels of planning and decision making to the execution of work by the front line staff. The focus on continuous improvement leads to the formation of formidable team whose membership is determined by their work on the detailed knowledge of the process, and their ability to take improvement action.

TQM also implies reducing and streamlining the supplier base to facilitate managing supplier relationships, developing strategic alliances with suppliers, working with suppliers to ensure that customer expectations are met. Effective implementation of TQM practices will improve customer satisfaction with the service offerings, Bergquist and Fredrikson, (2005). Quality enhances customer loyalty through satisfaction; this in turn can generate repeat business and lead to the attraction of new customers through positive word of mouth.

### **1.1.2Operational Performance**

Operational Performance is defined as the process of quantifying the efficiency and effectiveness of action. Effectiveness refers to the extent to which customer requirements are met, while efficiency is a measure of how a firms resources are economically utilized while providing customer satisfaction. Sila (2007) increased operational performance is as a result of improved quality of products and reduction and scraps and reworks.

Health is an important component of long-term socioeconomic development. It is clearly recognized that the improvement of health as a social development activity has a humane value in itself independent of other economic or political considerations (WHO, 2011). At the same time, there is definitely a relationship between improved health and economic productivity since health contributes to the formation and preservation of human capital. Health is required to maintain and improve the productivity of the work force and to make it possible for the pre-work population to take efficient advantage of the investment in educational facilities required for their later performance in life. Blas and Limbambala (2011)

Globally Professional health officers play a vital role in the provision of health care. In most of the European countries, the operational performance of health care workers, including professional nurses, link closely to the productivity and quality of care provision within health care organizations. According to Moody (2008) in Latin America, human resources or the health workforce are the most important assets of health systems.

Choi Kim and Lee (2008) working on Service Quality Dimensions and Patient Satisfaction Relationships, a careful search must be undertaken to identify the priority opportunities which will maximize the contribution of external agencies to the improved planning and increased efficiency in the use of existing financial and human resources as well as expand

rationality overall investments allocated to the field of health which collectively determines the health sector operational performance.

### **1.1.3 Total Quality Management Practices and Operational Performance**

Blecken, (2009) Total quality management is a management philosophy which emphasises the devolution of authority to the front line staff. It ensures the participation of everyone in the decision making process through activities such as quality cycles and team work. The implementation of TQM ensures that every worker in the organisation does his work with quality the first time, thus improving the efficiency of operation and avoiding some cost associated with waste. This in turn will offer more value to customers in terms of price and service quality, thus making them satisfied. Implementation of TQM further ensures that organisations change how they perform activities so as to eliminate inefficiency, improve customer satisfaction and achieve the best practice.

Sila, (2007), TQM helps in improving the quality of products and also reduces and establishes a stable production process. Continuous improvement which is a feature of TQM is said to reduce the product cycle time thus improving performance. Many other TQM practices such as training, information system management, relationship with suppliers etc have a positive impact on operational performance. The efficient management handling of these practices will improve efficiency and no doubt affect the profitability of the firm through efficient quality provision.

Sila (2007), TQM can minimize the total cost of production through sole sourcing. The cost in this case is reduced by limiting the number of suppliers used by the firm and providing them with necessary training and technology. The efficient functioning of an operation will then depend on how well the suppliers meet up with the expectations of the

organisation. This is why the TQM principle emphasizes the totality of quality in all facets which includes the suppliers. The total quality approach creates an integrated method of analyzing operation by focusing the processes of production on customer satisfaction. Thus, it requires that quality be built into all the processes so as to be efficient in the overall operation. Brah (2002).

In another study Terziovski and Samson (2006) tested the impact of company size on the strength of the relationship between TQM and organizational operational performance. They confirmed that TQM has a significant and positive relationship with most of the dimensions of operational performance, but also concluded that larger companies tend to gain greater benefits from TQM than smaller firms. Some authors focused on the relationship between TQM implementation and specific type of operational performance: Agus and Hassan (2000), for example, confirmed the positive relationship between the length of TQM adoption and financial performance, while other theorists proved the positive impact of TQM implementation on the long-run stock price performance.

Karia and Asaari (2006) examined the impact of TQM practices on employees' work-related attitudes. The results of their empirical study indicated that training and education have a significant positive effect on job involvement, job satisfaction, and organizational commitment. Empowerment and teamwork significantly enhance job involvement, job satisfaction, career satisfaction, and organizational commitment. Finally, continuous improvement and problem prevention significantly enhance customer satisfaction and organizational performance. Numerous researchers also recognized that successful implementation of TQM and the scale of the potential benefits that can be obtained through this approach depend on several factors. Hoogervorst *et al.* (2005) argued that TQM approach

requires focus on employee behaviour, attention to organizational culture, management practices, and organizational structures and systems.

#### **1.1.4 Private Health Sector in Kenya**

The health-care sector is one of the fastest growing industries in the service sector (Andaleeb, 1998). The competitive economic forces which are present in the business today are forcing the health care sector to utilize new management methods which are geared towards continued cost effectiveness and competence. The health sector has had to reorganise its service delivery system so as to enable it to survive in the current turbulent business environment, which has ensued from maturation of the industry, decrease in funding and stiff competition ( Cho *et al.*, 2004). Therefore, a majority of the hospitals are in the course of redefining their competitive stronghold and also their competences mainly by adoption of business re-engineering and total quality management techniques.

The health sector has since the 1980's been learning from and emulating the manufacturing industries in designing and measuring the quality of its services. The Institute of Medicine (IOM) defines quality as "the degree to which health care services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge". Indeed the practice of quality improvement in health care has grown tremendously over the past decade. In the US and Europe there have been many studies on quality improvements in hospitals. This has been driven by increased customer awareness and expectations for safety and quality; advance in technology and communication; advances in medical knowledge and the complexity of healthcare and its delivery; the need for health institutions to be more efficient and cost effective. Many studies on TQM in hospitals have been done in developed countries, however very few have been done in developing countries. According to Thiagarajan *et al.* (2001), while total quality

management ( TQM) in the West lacks theoretical basis, knowledge and essentials of TQM in developing economies is quite sparse.

The private health sector can be classified according to a number of criteria. They can be classified according to economic orientation as either for profit or not-for-profit, by ownership, by type of facility, by therapeutic system and by whether or not they are formal or informal. Each criterion is designed to emphasize a specific aspect of the sector. The main components of a classification by economic orientation are for-profit or not-for-profit. Church- and mosque-run health facilities constitute the major part of the not-for-profit sector. Other non-governmental organizations in this sector include single purpose organizations such as the Family Planning Association of Kenya (FPAK) and community based providers. In the for-profit sector are health facilities owned by sole proprietors and partnerships, companies and parastatals to the extent that the objective of the parent firm is assumed to be profit maximization and pharmacists.

In Kenya, Health services are provided through a network of over 4,700 health facilities countrywide, with the public sector system accounting for about 51 percent of these facilities. The public health sector consists of the following levels of health facilities: national referral hospitals, provincial general hospitals, district hospitals, health centres, and dispensaries. Health services are integrated as one goes down the hierarchy of health structure from the national level to the provincial and district levels Government of Kenya, (2011). There are 25 private hospitals within the Nairobi City County (see Appendix 2). This study will therefore focus on a few selected private hospitals with the Nairobi City County.

## **1.2 Statement of the Problem**

The private health sector has consistently been characterised by persistent operational inefficiency and poor customer services and in order to address the problems of

inefficiency in service delivery these organizations are fast adopting TQM in order to make them effective in meeting public demands (Maxwell, 2011).

Ugboro, (2011) investigated the application of TQM and found out that despite the fact that quality management has been addressed within a firm, Total Quality Management and its underlying assumptions could also be applicable to strategy management. However the study shows application of TQM in a telecommunication set up, results of which may not be applicable in health sector. Mwangi, (2013) in his study found that stakeholders including non-governmental organizations continue to focus their attention on education but he does not mention what other areas are for focused on for performance improvement.

Thus this study seeks to fill this gap by establishing the relationship between total quality management practices and operational performance of private health sector in Kenya with reference to the selected private hospitals within the Nairobi City County. The study will attempt to answer the following research questions: to what extent have private hospitals in Nairobi County implemented total quality management practices? What is the relationship between total quality management practices implementation and operational performance.

### **1.3 Research Objectives**

This study seeks to achieve the following objectives:

- i. To determine the extent of implementation of total quality management practices in private hospitals in Nairobi City County.
- ii. To establish the relationship between total quality management practices implementation and operational performance of private hospitals in Nairobi City County.



#### **1.4 Value of the Study**

In practice the study will be significant to individual private hospitals as they will be able to establish and appreciate the effects of adopting and implementing total quality management systems in their organizations. They will also be able to take full advantage of the quality management systems effects to enhance service delivery in their respective hospitals.

The study will also facilitate other health institutions to know and appreciate the benefits of quality management systems in enhancing customer service delivery in their respective hospitals and in enhancing their competitiveness in the market. The study will also benefit the regulatory authorities and the government as they will be able to establish the benefits of the implementation of total quality management system in health institutions and facilitate the implementation of the same through effective and relevant policies and regulations

In theory the study will provide the background information to research organizations and scholars who will want to carry out further research in this area. This study will facilitate individual Researchers to identify gaps in the current research and carry out research in those areas.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter reviews literature, which is related to and consistent with the objectives of the study. Important theoretical and practical problems are brought out; relevant literature on the aspects pertaining to the relationship between total quality management practices implementation and operational performance are discussed.

### **2.1 Theoretical Foundations**

In this study a few management theories in general will be explored to illustrate the total quality management on the operational performance. Performance will be viewed in this study as the organization ability to achieve its intended goals. Theory provides the basis for action. In order for the manager to be effective he/she needs a theoretical management base. Management theory is concerned with guiding practice and enables the practitioner to improve the organization's effectiveness. This implies a relationship between management and operational performance.

#### **2.1.1 Systems Approach Theory**

System Approach Theory is a collection of interrelated parts working together towards a purpose Barnard cited in Schermerhorn (2005). According to the proponents of this theory organizations have been viewed as systems that achieve quality by incorporating the contributions of individuals to accomplish the common purpose through efficient operational performance. The organization management views the human, physical and informational aspects of his/her job as connected in an integrated whole. The management's job is to ensure that all sub-systems of the business institutions are coordinated internally so that the organization can accomplish its goals through operational performance. The Systems Approach recognizes the importance of environment for the organization's sustainability. It

depends on the management to choose the management approach that suits him/her in order to have an effective and efficient organization that performs according to acceptable standards.

It's important to note that no single management approach offers a complete solution and professionals need to use approaches collectively Boddy and Paton (1998). Organization's Management approaches may be productive or unproductive depending upon their application and appropriateness to given circumstances. This theory of quality management has recognized many quality management systems practices such as quality management systems practices which have been documented and empirically analysed in measurement studies and in studies that have investigated the relationship between quality management systems practices and performance. The theory therefore contends that TQM practices are the pivotal pillars in ensuring operational performance of any business entity.

### **2.1.2 Contingency Theories**

According to Daft and Noe (2001) Situational Theory of Hersy and Blanchard and the Path Goal Theory of Evans and House are the major theories that form the Contingency. The former Theory states that people at work vary in readiness level. People low in task readiness, because of low abilities, training or insecurity need a different management approach than those who are high in readiness and have good ability, skills, confidence and willingness to work since these are crucial aspects of achieving TQM in any business entity. The latter Theory contends that it is the management's responsibility to increase the follower's motivation to attain organizational goals. Daft and Noe (2001) concludes that the management has to match his/her management approach with the organizational contingency then offers the best solution which should result into quality.

Contingency theories have long been considered to create the significance of customer satisfaction to the operational performance. Quality focused organizations must identify their customers both internal and external, establish the specific needs of these customers, integrate all activities of the organization including marketing, production, finance and human resource management to incorporate the best way to satisfy the needs of these customers, and eventually, follow up to ensure the customers have been satisfied. TQM represent alternative approaches to improving the effectiveness and efficiency of an organization's operations function which are justified by these theories.

Contingency Theories set themselves the objective of identifying as many solutions to the problems as possible (Fulop & Lilley, 2004). The optimum solution for the organization and environment is then decided upon. The nature of the task, the structure of the organization, the human factors and the technology involved must all be taken into consideration before the decision is made. Contingency theories asserts that different situations and conditions require different management approaches and the proponents believe that there is no one best way to manage but the best way depends on the specific circumstances for the best quality outcome.

## **2.2 Operational Performance**

Operational performance focuses on improving the quality of an organization products and services and stresses that all of the organization's activities should be directed toward this goal (requires the whole organization-wide commitment to its operations and workflows. It requires the cooperation of managers in very function of an organization if it is to succeed Jones and George, (2003). There should be in place a proper management philosophy that seeks to integrate all organizational functions that is marketing, finance, design, engineering, and production, customer service, to focus on meeting customer needs and organizational

objectives Adam, Flores & Macias,(2001). An organization should be viewed as a collection of processes. An organization must strive to continuously improve these processes by incorporating the knowledge and experience of workers.

Operational performance seeks to improve competitiveness, effectiveness, and flexibility of an organization for the benefit of all stakeholders Ahire and Dreyfus, (2000). The organization's way of planning, organizing each activity which is made up of a number of practices like customer focus, top management commitment, employee training, employees involvement, process management, supplier teaming, benchmarking, continuous improvement, quality measurement, quality audit, quality planning and leadership are the resultant of operational performance. To facilitate service quality and operational performance, hospitals must implement effective human resource strategies involving selective hiring, and retention of physicians and nurses Cohen and Levinthal, (2001); monitoring of doctors and staff and ensuring that they must continue to meet certain performance and practice standards to retain credentials.

There is need for selective hiring of qualified staff. Successful recruitment and retention of staff is tied to empowerment of staff that must be treated as full partners in the hospital operation and given opportunities for advancement Brown and Duguid, (2003). The hospitals need to place great emphasis on recruiting and retaining top-level physicians and nurses, accompanied by an effort to encourage these professionals to form working teams, including case managers, pharmacists, social workers, and others, to promote quality operational performance.

Highly skilled physicians, nurses, administrators and ancillary staff are critical to producing high-quality outcomes and effective quality improvement hence hospital growth. To improve

efficiency in service delivery, private sector hospitals must build the capacity to attract and employ an adequate number of high-quality nurses Argote, (2000) suggests that the key to service delivery and operational performance is to adapt to circumstances that are constantly changing and that the long-term winners are the best adapters, but are not necessarily the winners of today's race for market share. Hospitals quality of service often fails because of the sum total of seemingly inconsequential events arising from employees lack of capacity as in itself service delivery requires specific skill levels and experience which must be continuously learned.

### **2.3 Total Quality Management Practices**

TQM involves the application of quality management practices in all aspects of organization including customers and suppliers and their integration with the key business processes. Oakland (2000) There are seven practices that should be taken in TQM implementation these includes leadership and top management commitment, customer management, people management and empowerment, supplier partnership, quality planning and strategic process management rewards and recognition and effective communication.

According to Dale (2008) there are eleven total quality management practices: management commitment, role of the quality department, training and education, employee involvement, continuous improvement, supplier partnership, product/service design, quality policies, quality data and reporting, communication to improve quality and customer satisfaction orientation. Further another study on TQM and business performance in Singapore service sector came up with eleven constructs of TQM implementation, which are the top management support, customer focus, employee

involvement, employee training, employee empowerment, supplier quality management, process improvement, service design, quality improvement rewards, benchmarking, cleanliness and organization. Based upon the above literature, the researcher has selected the following list of seven main practices of TQM implementation for this study: management support and commitment, employee involvement, employee empowerment, information and communication, training and education, customer focus and continuous improvement.

### **2.3.1 Customer Focus**

According to Deming (2006), customers see quality as the capacity to satisfy their needs and wants. This also agrees with the concept by Gilmore (2011) who considers quality to mean the degree to which a specific product satisfies the wants of a specific consumer. Historically, the philosophy of Total Quality Management (TQM) and customer can be traced back to the period just after the 2nd world war. The key personality behind the philosophy was one American called Edward Deming. According to historical records, Americans did not take the concept seriously until the Japanese who adopted in 1950 to resurrect their post-war business and industry used it to dominate world markets by 1980. It's a philosophy that focuses relentlessly on the needs of the customer, both internal and external, realigns the organization from detection to prevention and aims to improve continuously through use of statistical monitoring.

It is generally agreed that quality has become a powerful strategic weapon in meeting customer satisfaction both locally and internationally. Improved quality is pivotal to customer demands and increases productivity of the organization with the increased return. Many authors agree that quality of product and service is the key to competitiveness in the open market. Kondo (2009) notes that improving quality in creative ways reduces costs and raises

productivity on their part stress that since global trade in service sector is growing, it is essential that a viable customer base is developed and maintained by implementing proper quality practices which implicates on the operational performance.

According to Garvin (2007) quality is not only a strategic weapon for competing in the current marketplace, but it also a means of pleasing consumers, not just protecting them from annoyances. Therefore, a company's specific advantage is to identify and then compete on one or more of the dimensions of quality. According to Noori (2004), who stresses in his book that competitiveness cannot be achieved but through quality, the needs for quality are fourfold: cost, competitive advantage, reputation and staying alive. Numerous empirical studies confirm that firms that have adopted a quality-oriented strategy have achieved improved productivity, greater customer satisfaction, increased employee morale, improved management labor relations and higher overall operational performance.

### **2.3.2 Leadership and Top Management Commitment**

Top management commitment is very important for the successful implementation of TQM in organisations. Pheny and Teo (2003) observed that top management must communicate TQM to the entire organisation to create awareness, interest, desire and action. They should provide the quality vision and create a cultural change within the organisation. They should organise for trainings, empower others by allowing them to grow, delegate authority and recognise them for quality achievements. Top management must allocate resources and partner with suppliers for sharing of information in terms of new innovations and technology in the market for quality materials.

Top management commitment and leadership requires effective change in organizational culture and this can only be made possible with the deep involvement of top management to the organization's strategy of continuous improvement, open communication and cooperation throughout the organization. Total quality management implementation



improves the organizational performance by influencing other total quality management dimensions.

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.

Without clear and consistent quality leadership, quality cannot hope to succeed Everett (2012). This requires that quality leadership to be made a strategic objective and this means that the leader provides the suitable environment to provide the most comfort to the group members to improve performance and productivity Rao *et al.*, (2006). Top management commitment has been identified as one of the major determinants of successful TQM implementation.

### **2.3.3 People Management and Empowerment**

Mohanty and Lakhe (2002) argues that the people who know the most about what is right and wrong with processes are those who do it. If trained well and given the responsibility to inspect quality of their work it will eliminate inspection. Chandler and Mc Evoy (2002) pointed out that employees are the prime source of human resources, their education, skills and experience need to be assessed and matched with the job requirements for maximum

performance. Employee involvement was conceived to mean a feeling of psychological ownership among organizational members Koopman (2006). Unlike total quality management ideology, the traditional employee involvement is narrow minded; it is job centered rather than process-centered. The total quality management approach involves achieving broad employee interest, participation and contribution in the process of quality management.

Training helps in preparing employees towards managing the total quality management ideology in the process of production. Training equips people with the necessary skills and techniques of quality improvement. It is argued to be a powerful building block of business in the achievement of its aims and objectives Zhang,(2000). Through training, employees are able to identify improvement opportunities as it is directed at providing necessary skills and knowledge for all employees to be able to contribute to ongoing quality improvement process of production. Training and development programmers should not be seen as a onetime event but a lifelong process Dale *et al*,(2000).

#### **2.3.4 Strategic Quality Policy**

Strategies and objectives are also a crucial source of organizational capability. Saizarbitoria, (2005) also argues that strategy should be pushed slightly higher than the current limit of the capability to ensure the perfection of those capabilities. Effective strategies and objectives are also considered an organizational capability. Leaders must set clear, measurable and achievable objectives so that they will set the right direction for the firm. Once the specific objectives have been set and agreed upon, resources and capabilities can be employed to attain those objectives Sengeeta *et al*, (2004). The purpose of objectives are to provide direction, aid in evaluation ,create synergies, show priorities, focus coordination and provide a basis for effective planning, organizing,

motivating and controlling activities Terzioviski, (2006).Therefore, objectives are fundamental for organizational accomplishment.

Rahman and Asaavi, (2006)Top management needs strategic planning in the institution to raise the performance bar, both in terms of institutional goals and challenges and in individual expectations. Through strategic planning, structures and systems in an institution should be designed to promote lateral processes, including communication and coordination, between those in direct contact with customers and suppliers and those involved in the internal functions of the institution. Strategic planning also needs the kind of foresight that provides a vehicle for managing perceptions of environmental uncertainty and change, thereby enabling the clarification of perception that is fundamental to the prescient and innovative use of macro-environmental phenomena and the early recognition of institutional opportunities.

The importance of strategies and objectives and their relation to organizational resources and firm performance have been recognized in the literature. Karia & Asaari, (2006) indicate that companies which plan strategically generally outperform those which do not, in terms of sales growth, earnings' growth, deposit growth, return on assets, return on equity, return on sales, and return on total invested capital. Such benefits are even higher in more turbulent environments Miller & Hartwick (2002) Moreover, companies which plan for the longer term, as opposed to just undertaking short-term forecasting or annual planning, deliver higher returns to investors both relative to their industry and in absolute terms Yang (2006).

### **2.3.5 Supplier Partnership**

Supplier quality management is an important aspect of TQM since materials and purchased parts are often a major source of quality problems Crosby (2000). Poor quality supplier products results to in extra cost for the purchaser. In order for both parties to succeed and business to grow a partnership is required. Juran, Oakland (2000) states that companies should treat their suppliers as long-term partners as they are integral part of the organizations business operations. Quality management practices facilitate establishment of relationships with suppliers and customers so as to promote and facilitate communication with the aim of mutually improving the effectiveness and efficiency of processes that create value.

There are various opportunities for organizations to increase value through working with their suppliers and customers, such as: optimizing the number of suppliers and customers; establishing two-way communication at appropriate levels in both organizations to facilitate the rapid solution of problems, and to avoid costly delays or disputes. It also involves cooperating with suppliers in validation of the capability of their processes; monitoring the ability of suppliers to deliver conforming products with the aim of eliminating redundant verifications.

It is also essential to encourage suppliers to implement programs for continual improvement of performance and to participate in other joint improvement initiatives; involving suppliers in the organization's design and development activities to share knowledge and effectively and efficiently improve the realization and delivery processes for conforming products. Finally, involving partners in identification of purchasing needs and joint strategy development is essential, including evaluating, recognizing and rewarding efforts and achievements by suppliers and partners.

## **2.4 Empirical Review**

Mukhtar, Qureshi & Sharif, (2012) focused on determining the Effects of total quality management on financial performance in the health sector. This study was limited to establishing how the pillars of TQM, namely supplier relationship, customer relationship, processes and top management involvement relate to financial performance. The four pillars of TQM formed the independent variables of the study while financial performance was the dependent variable. The findings of the study indicated a positive relationship between top management involvement, process and supplier relationship and financial performance.

In their study Hassan, Mukhtar, Qureshi and Sharif (2012) examined the association between quality management practices and performance, i.e. Quality, business, and organizational performance. The quantitative data were obtained through a survey from 171 quality managers of Pakistan are manufacturing industry. This study supports the hypothesis that quality management systems practices positively impact the performance. Quality management systems tools and techniques (Incentive and Recognition System, Process, Monitoring and Control and Continuous Improvement) and Behavioural factors (Fact based-management, top management's commitment to quality, employee involvement and customer focus) contribute to the successful implementation of quality management systems. The study reports that successful adoption and implementation of quality management systems practices results in improving the performance of organization. The main implication of the findings for managers is that with quality management systems practices, manufacturing organizations are more likely to achieve better performance in customer satisfaction, employee relations, quality and business performance than without quality management systems practices.

According to Irfan, Ijaz, Kee and Awan (2012) in the study on Improving Operational Performance of Public Hospital in Pakistan used a questionnaire with fourteen Quality management systems practices to measure the impact of Quality management systems practices on operational performance of public hospital in Pakistan. Structural Equation Modeling (SEM) approach with AMOS 16.0 was employed to develop a Quality management systems and performance model. A total of 171 questionnaires was included in the study and the results show that selected Quality management systems practices has a significant positive impact on quality management systems implementation and also on operational performance in terms of increased flexibility, improved quality of services, reduction in service time and effective diagnostics.

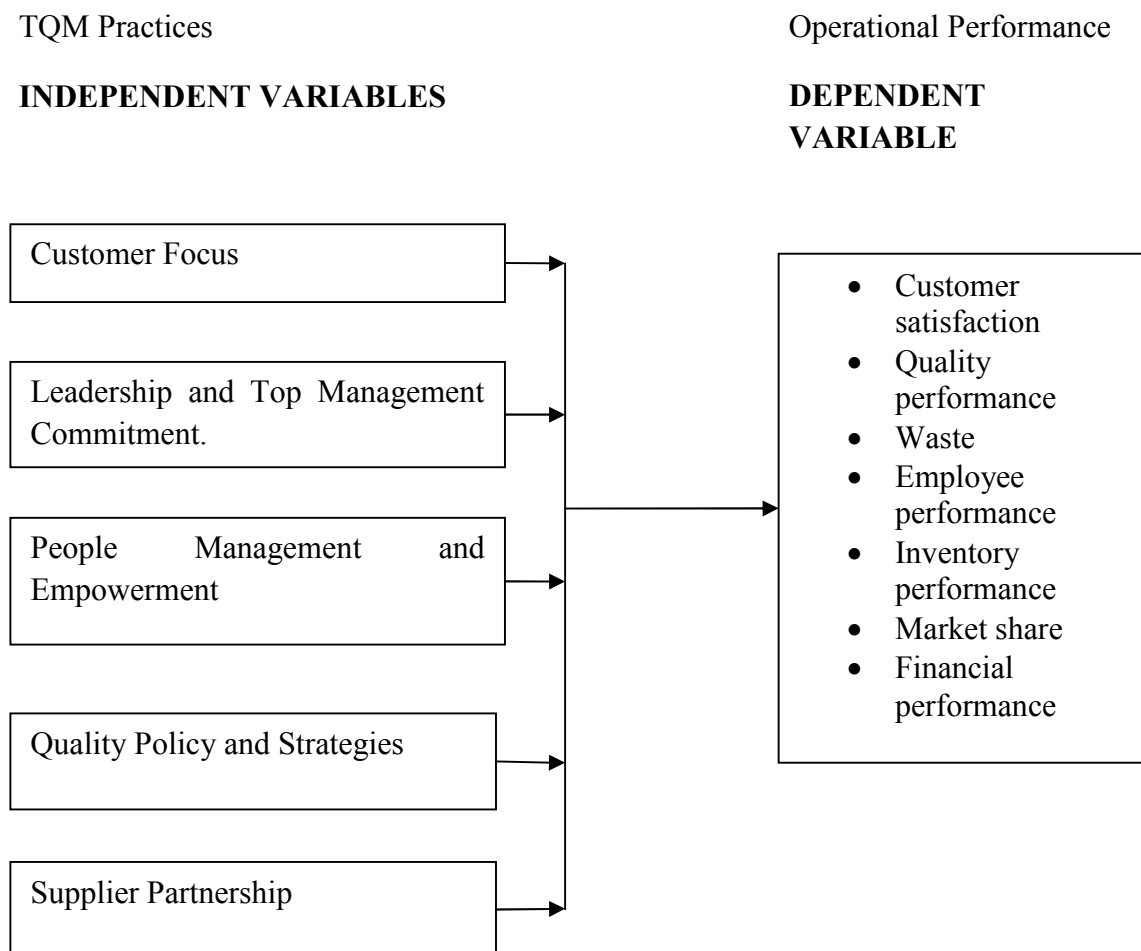
In examining whether quality management work in the public sector Stringham (2004) focused on the quality movement in the United States during the past two decades in the context of public management. The paper reviewed the impact of the Pennsylvania Department of Transportation's twenty-year experience with its quality improvement program on overall organizational performance and productivity. The study concluded with a discussion of the challenges of sustaining a quality program through the frequent changeover of senior political appointee leadership and the inherent tension between process improvement quality approaches and cost savings/cost avoidance approaches that surface during times of government fiscal crises.

Adeoti (2008) examined the gains of application of total quality management in the service industry with particular reference to the commercial banks in Nigeria and also to see how the application of TQM can prevent future threats of distress in commercial banks. Three banks were selected randomly, one to represent each of the three generation

banks. The results of the study showed that the quality and quantity of employees employed determine to a very large extent the survival of any bank, also that the application of TQM is not immunity against distress but a preventive mechanism for distress.

## 2.5 Conceptual Framework

A conceptual framework is a logically developed, described and elaborated network of interrelationships among variables deemed to be integral part of the dynamics of the situation being investigated (Kothari, 2004). The dependent and independent variables for this research can be diagrammatically represented as shown in the figure;



**Figure 1: Conceptual Framework**

**Source: Researcher, (2015)**

The operationalization table below provides a list of indicators against each of the independent and dependent Variables and thus serves to clarify the conceptual framework of the study.

## 2.6 Operationalization Table

**Table 1. 1Operationalization Table**

<b>Independent Variable</b>	<b>Indicators</b>
<b>Customer Focus</b>	Using information from the customers of the processes within and outside the organization. Providing the Capacity to satisfy the customer needs and wants. Continuous improvement through the use of statistical monitoring. Realigning the Organization from detection to prevention.
<b>Leadership and Top Management Commitments</b>	Open correspondence and participation all through the Organization. Enhanced quality hierarchical execution through administration implementation.
<b>People Management and Empowerment</b>	Representative inclusion through sentimental proprietorship among the hierarchical individuals. Accomplishing the expansive worker intrigue, cooperation and Commitment through value administration.
<b>Strategic Quality Policy</b>	Implementations of Compelling methods and goals which should be clear, quantifiable and achievable. Effective guidance in making collaborations, centre coordination, compelling arrangements, sorting out and controlling exercises.
<b>Supplier Partnership</b>	Considering suppliers as long haul accomplices as they are the basic part of the organization for the business operations.
<b>Dependent Variable</b>	<b>Operational Performance</b>
<b>Customer satisfaction</b>	Individual clients should receive their request in a timely manner.
<b>Quality performance</b>	Clients interests and satisfactions remains the fundamental objective of the firm.
<b>Waste</b>	Firm should adopt appropriate measures towards reducing the wasteful use of the company products.
<b>Inventory performance</b>	The firm should have its core supply on inventory, to reduce the severity arising from the lead time.
<b>Market Share</b>	Organization should strive to attract new customers win their loyalty and retain.
<b>Financial Performance</b>	The organization should be cautious in the usage of the capital assets of the Organization



## **2.7 Summary of the Literature Review**

The adoption of the total quality management approach is to ensure that organizations manage quality at all functional areas of operation without giving room for lapses in the inter functional processes of operations. It is an ideology which is holistic and allows for the participation and contribution of everybody to the quality improvement drive of the organization. This is aimed at satisfying customers and all stake holders alike, as the implementation brings about added value to the organization.

To achieve benefits and obtain a competitive advantage, which is of major importance for the sustainability of a company, quality design, control and improvement tools are not enough and the adaption of a TQM culture is primarily required. TQM practices significantly influences the company's performance with respect to their internal procedures, market share and the natural and social environment. Working with TQM and keeping up the quality improvements demand total commitment of the management. All senior leaders must create customer orientation and set clear and visible quality values. They must initiate a quality strategy that is communicated to all employees in order to make TQM there daily communication tool. A central core value in TQM is that all products and processes should always have a customer focus. Customer focus does not only apply to external customers but the needs of the internal customers must be fulfilled in order to satisfy the external customers. Supplier partnership is paramount for the successful implementation of TQM.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter outlines the methods that were used for the study. It adopts the following structure: research design, population and sample, population description, data collection methods, research procedures and data analysis and methods.

### **3.2 Research Design**

The research design was a case study that covers selected private hospitals in Nairobi. The study used primary source of information in which questionnaires were administered to employees to get the required information from respondents. In order to collect the required feedback from the respondents both open and closed ended questionnaires were used.

### **3.3 Population**

The population under study consists of twenty five - (25) private hospital Nairobi.

### **3.4 Sample Size**

The sample consists of 10 private hospital and 139 employees.

### **3.5 Sampling Techniques**

The researcher used stratified proportionate sampling, purposive sampling and simple random sampling in selecting both samples for hospitals and employees who were interviewed. In stratified proportionate sampling, hospitals selected were identified using bed categorization, which were put in three groups of below 20 beds, between 21-50 beds and above 50 beds. Out of each category the researcher sampled the hospitals as follows;

$nh = (X/N)n$  Where,

nh = desired sample size for the study

X=No. Of hospitals in each Category

$n$ = total number of sample size required

$N$ = total hospital employees population

The same sampling technique was used for obtaining the sample size for the employees

Where,  $X$ = total employees population in each Category

$n$ =total no of sample size required

$N$ =Employee population

$N_p$ = Desired sample size for study

**Table 3. 1: Sampling Technique and Sample size**

Bed Capacity	Total Hospital Population	Total employees Population	Hospitals Sample size	Employees sample size
Less than 20	11	395	3	60
Between 21-50	9	325	4	51
Above 50	5	140	1	28
TOTALS	25	860	8	139
	$N=25$	$N=860$	$n= 8$	$n=139$

To determine which hospital to use in the study and which employees to interview, the researcher used the simple random sampling technique. The researcher prepared a list of all the hospitals to be sampled in each category and assign numbers up to the  $n^{\text{th}}$  item and then put all the numbers in a box and randomly picked the required number. In picking the employees to interview the researcher used the purposive sampling method to select the employees who had stayed for over One year. The researcher then applied the simple random sampling method for picking the employees to be interviewed. The researcher got the list of all the departments occupied by these employees then assigned each employee a number. Using a piece of paper the researcher wrought down the numbers corresponding to each employee. The pieces then mixed in a box, randomly selected until the required number was arrived at.

### 3.6 Research Instrument

The researcher used questionnaires as primary source of information. The questionnaires developed were both open and closed ended. The open-ended questionnaire (unstructured) was useful in giving the respondents freedom to respond in their own words. The closed ended (structured) questionnaire was allowed to the respondent to choose among alternatives. Only employees who had stayed in the hospital from one year and above filled the questionnaires.

### 3.7 Data Analysis

Data was checked for accuracy, uniformity, completeness and consistency before analysis. Employees' responses were coded. Descriptive statistics such as mean, percentage, standard deviation and frequency were used to analyze the various responses from the employees.

Pearson's correlation analysis was used to establish the relationship between customer focus, leadership and top management commitment, people management and empowerment, quality policy and strategy, supplier partnership and the Operational performance using the model below;

$$OPH = \beta_0 + \beta_1 CF + \beta_2 LP + \beta_3 PEP + \beta_4 QSP + \beta_5 SPP + \epsilon$$

Where;

Y= OPH =Operational Performance

$\beta_1 CF$ = Customer Focus

$\beta_2 LP$  =Leadership practices

$\beta_3 PEP$  =People empowerment Practices

$\beta_4 QSP$  =Quality Strategy Practices

$\beta_5$ SPP = Supplier Partnership Practices

$\beta_0$ = are the coefficient of the Variables

$\epsilon$ = is the error term.

Presentation of data is in form of tables, charts and graphs only where it provides successful interpretation of the findings. Descriptive data was provided in form of explanatory notes.

### **3.8 Ethical Considerations**

In this study, the following ethical issues were put into considerations:

The researcher got permission from the management of these hospitals. Her identity was revealed to the respondents by use of an introduction and authorization letter from the university. The researcher explained the purpose of the study to the respondents to ensure that they understand how they would take part and how the data would be used so that they could be willing to participate fully by giving all relevant information without fear or suspicion. The respondents participated voluntarily in this study. All information gathered in this study from the target population (patients) was treated confidentially.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS**

### **4.1 Introduction**

This chapter presents the analysis of study findings on the relationship between total quality management practices and operational performance of private hospitals in Nairobi County. This chapter analyses the variables involved in the study and estimates of the model presented in the previous chapter.

### **4.2 Data Presentation**

#### **4.2.1 Response Rate**

The study targeted 139 employees from selected private hospitals within Nairobi County. The objective was to determine extent of implementation of total quality management practices and relationship between total quality management practices implementation and operational performance of private hospitals. Out of the 139 questionnaires that were issued 122 questionnaires representing 88% of the total questionnaires distributed were returned fully completed, while 17 questionnaires were not returned representing 12% of the total questionnaires distributed by the researcher to the respondents. That meant that the response rate was good. According to Mugenda and Mugenda (2003) a response rate of 70% and over is excellent for analysis and reporting on the opinion of the entire population.

#### **4.2.2 Highest Level of Education**

Table 4.1 below indicate 56 (46%) respondents who participated in the study were diploma graduates, 43 (35%) indicated they were undergraduates, 10 (8%) were postgraduates and 13 (11%) indicated others. This shows that majority of the respondents were diploma holders. While post graduate 10 (8%) were the least respondents.

**Table 4. 1 Level of Education**

<b>Level of Education</b>	<b>Frequency</b>	<b>%</b>
Diploma	56	46
Undergraduate	43	35
Post graduate	10	8
Others	13	11
<b>TOTAL</b>	<b>122</b>	<b>100</b>

**Source: Researcher, (2015)**

#### **4.2.3 Work Experience**

Results of the study indicate that 60 ( 49%) of the respondents had worked between 0-5 years 29 (24%), and 21 (17%) of the respondents had worked for a period between 6-10 years, and 11-20 years respectively, while 12 (10 %) of the respondents had a work experience of over 21 years as indicated on table 4.1

**Table 4. 2 Work Experience**

<b>Work Experience</b>	<b>Frequency</b>	<b>%</b>
0-5 years	60	49
6-10 years	29	24
11-20 years	21	17
21 years and above	12	10
<b>TOTAL</b>	<b>122</b>	<b>100</b>

**Source: Researcher (2015)**

#### **4.2.4 Department of Service.**

Table 4.2 below indicates that 22 (18%) of the respondents were attached to the Nursing and administration, 25 (21%) were attached to the Admission, Discharge and transfers, 58 (47%) attached to the wards and 17 (14%) were attached to the Operating theatre. This implies that majority of the respondents were attached to the wards section and minority of the respondent were attached to Operating Theatre 17 (14%).

**Table 4. 3 Department of Service**

<b>Department of Service</b>	<b>Frequency</b>	<b>%</b>
Nursing Administration	22	18
Admission, Discharge & Transfers	25	21
Wards	58	47
Operating Theatre	17	14
<b>TOTAL</b>	<b>122</b>	<b>100</b>

**Source: Researcher (2015)****4.3 Customer Focus**

The study aimed at establishing the various aspects of customer focus. The scale that was used was Likert scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral;4=Disagree; 5=Strongly Disagree.

**Table 4.4 Aspects of Customer Focus**

<b>STATEMENTS</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
The hospital has the capacity to satisfy customer needs and wants	122	3.477	0.451
The hospital specific services satisfies the customer's specific needs	122	3.468	0.448
The hospital aims for a continuous improvement through the use of statistical monitoring	122	3.672	0.611
The hospital treats equally both the internal and external customers	122	3.732	0.701
The hospital has gained a higher market share, and has managed to charge higher prices for its products and services	122	3.552	0.502

**Source: Researcher, (2015)**

According to the study findings, majority of the respondents reported that The hospital treats equally both the internal and external customers as shown by a M=3.732 (SD=0.701), The hospital aims for a continuous improvement through the use of statistical monitoring as shown by a M=3.672 (SD=0.611), The hospital has gained a higher market share, and has managed to charge higher prices for its products and services as shown by a M=3.552 (SD=0.502), the hospital has the capacity to satisfy customer needs and wants as shown by a



M=3.477 (SD=0.451) and the least response was the hospital services meet the customer's specific needs as shown by a M=3.468 (SD=0.448).

#### **4.4 Total Quality Management Implementation**

Table 4.5 indicates that 107 (88%) of the respondents reported that their respective hospitals have implemented total quality management while 15 (12%) of the respondents reported that their respective hospitals have not implemented total quality management.

**Table 4. 5 Measurement on TQM Implementation**

<b>Measurement</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	107	88
No	15	12
<b>TOTAL</b>	<b>122</b>	<b>100</b>

**Resource: Researcher (2015)**

##### **4.4.1 Extent of Implementation of TQM**

The study aimed at establishing the extent of implementation of TQM. The scale that was used was Likert scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral;4=Disagree; 5=Strongly Disagree.

According to the study the hospital has communicated its quality strategy through its vision, mission and values obtained a mean and standard deviation of 3.785 and 0.743 respectively which defines are key in implementation of TQM, followed by The hospital has a proper mechanism of empowering its stakeholders with a mean of 3.573 and Standard Deviation 0.545, followed by The hospital has identified its critical success factors and critical processes with a mean of 3.759 and Standard deviation of 0.735, The hospital has implemented TQM improvement initiatives with a mean of 3.701 and Standard deviation of 0.698, The hospital has in place monitoring mechanism of the implementation process with a mean of 3.672 and Standard Deviation 0.644 and least The hospital has a proper mechanism

of empowering its stakeholders with mean of 3.573 and standard deviation of 0.545 as indicated on Table 4.5.

**Table 4.6 Extent of Implementation of TQM**

<b>Extent of Implementation of TQM</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
The hospital has communicated its quality strategy through its vision, mission and values	122	3.785	0.743
The hospital has identified its critical success factors and critical processes	122	3.759	0.735
The hospital has a proper mechanism of empowering its stakeholders	122	3.573	0.545
The hospital has in place monitoring mechanism of the implementation process	122	3.672	0.644
The hospital has implemented TQM improvement initiatives	122	3.701	0.698

**Source: Researcher, (2015)**

#### **4.4.2 Hospital ISO Certification**

The study sought to establish from the respondents on whether their respective hospitals are ISO Certified, from the data collected 7 (6%) of the respondents reported that they were ISO Compliant, while 115 (94%) of the respondents reported that their hospitals were not ISO Certified with current certification. Further for those with a valid certification as approved by the Kenya bureau of standards reported having been approved in a varied years it was established that implementation of ISO Certification is beneficial in terms of improving the operational performance.

**Table 4. 7 Hospital ISO Certification**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	7	6
No	115	94
<b>TOTAL</b>	<b>122</b>	<b>100</b>

**Source: Researcher, (2015)**

#### 4.5 Operation Performance

The study sought to find out the operation performance indicators of implementation of TQM. The scale that was used was Likert scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree.

**Table 4. 8 Operation Performance**

<b>Operation Performance Indicators</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Implementation of quality management systems has increased the Hospital profitability	122	3.671	0.645
Quality management systems have enhanced sales which have contributed to Hospital performance	122	3.700	0.699
Effective implementation of quality management systems has increased the hospital competitiveness and resulted in acquisition of bigger market share.	122	3.745	0.702
Quality management systems has enhanced service delivery in the Hospital	122	3.567	0.497
Implementation of quality management systems has ensured effective waste reduction in operations	122	3.676	0.598
Quality management systems improve operation efficiency thus reducing operation costs	122	3.654	0.584
Implementation of quality management systems focuses on increased retention as a result of customer satisfaction	122	3.702	0.699

**Source: Researcher, (2015)**

From the results of the study respondents agree that Effective implementation of quality management systems has increased the hospital competitiveness and resulted in acquisition of bigger market share  $M=3.745$   $SD=(0.702)$ , Quality management systems have enhanced sales which have contributed to Hospital performance  $M=3.700$  ( $SD=0.699$ ) and the least response Quality management systems improve operation efficiency thus reducing operation costs  $M=3.654$  ( $SD=0.584$ ). The adoption of TQM by organisation especially in this dynamic business environment will significantly change the way many organizations operate and do

business. This change will require direct and clear communication from top management to all staff and employees, to explain the need to focus on processes

## 4.6 Leadership

### 4.6.1 Effects of Leadership and Top management Commitment on TQM Implementation

The study sought to determine the effects of leadership and top management commitment on implementation of TQM. The scale that was used was Likert scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree

**Table 4. 9 Effects of Leadership on TQM Implementation**

<b>Effects of Leadership</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
The hospital leadership has provided the necessary resources to meet the new requirements resulting from quality management systems implementation	122	3.655	0.641
The hospital Leadership has provided conducive working environment to employee involvement in quality management process	122	3.521	0.492
The hospital Leadership influences the decision of selecting qualified suppliers and certifying suppliers for quality material	122	3.641	3.641
The hospital leadership plays an active role in creating strategies, plans and systems for achieving superior quality in the institution	122	3.536	0.549
The hospital leadership has inspired staff and management in effective and efficient use of the resources and efforts of the institution towards quality excellence	122	3.522	0.499
Quality management systems improve operation efficiency thus reducing operation costs	122	3.535	0.493

**Source: Researcher, (2015)**

The study results show that the respondents agree that The hospital leadership has provided the necessary resources to meet the new requirements resulting from quality management

systems implementation  $M=3.655$  ( $SD=0.641$ ), The hospital Leadership influences the decision of selecting qualified suppliers and certifying suppliers for quality material  $M=3.641$  ( $SD=3.641$ ), The hospital leadership plays an active role in creating strategies, plans and systems for achieving superior quality in the institution  $M=3.536$  ( $SD=0.549$ ), The hospital leadership has inspired staff and management in effective and efficient use of the resources and efforts of the institution towards quality excellence  $M=3.522$  ( $SD=0.499$ ) and the least response The hospital Leadership has provided conducive working environment to employee involvement in quality management process  $M=3.521$  ( $SD=0.492$ ). This is in line with Garvin (2004) that most problems are associated with quality are attributed to management.

#### **4.6.2 Influence of Hospital Leadership**

The study on Table 4.10 below sought to determine the influence of organization leadership on TQM implementation on private hospitals in Nairobi County. Majority of the respondents represented by 118 (97%) of the respondents stated that organization leadership influences operation performance, while 4 (3%) of them stated that organization leadership does not influence operation performance.

**Table 4.10 Influence of Organizational Leadership**

<b>Measurement</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	118	97
No	4	3
TOTAL	122	100

**Source: Researcher, (2015)**

### **4.7 People Management and Empowerment Practices**

#### **4.7.1: Effects of People Management and Empowerment Practices**

The study sought to determine the effects of employee empowerment practices on implementation of TQM. The scale that was used was Likert scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree.

**Table 4. 11 Effects of People Management and empowerment Practices**

<b>Effects of employees empowerment Practices</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
The hospital human resource policy encourages employees involvement and give authority in decision making	122	3.522	0.502
The hospital encourages employees career development through training and education	122	3.667	0.672
The hospital motivates rewards and looks after the employees well-being	122	3.511	0.496
The hospital compensates and recognises employees contribution to quality and innovation	122	3.508	0.489
The hospital conducts performance appraisal and gives feedback to employees	122	3.613	0.501
The hospital encourages employees to set their own goals, judge their performance and take full responsibility for their actions	122	3.530	3.501

**Source: Researcher, (2015)**

According to the results the respondents agree that successful The hospital encourages employees career development through training and education  $M=3.667$  ( $SD=0.672$ ), The hospital conducts performance appraisal and gives feedback to employees  $M=3.613$  ( $SD=0.501$ ), The hospital encourages employees to set their own goals, judge their performance and take full responsibility for their actions  $M=3.530$  ( $SD=3.501$ ), The hospital human resource policy encourages employees involvement and give authority in decision making  $M=3.522$  ( $SD=0.502$ ), The hospital motivates rewards and looks after the employees well-being  $M=3.511$  ( $SD=0.496$ ) and the least response The hospital compensates and recognises employees contribution to quality and innovation  $M=3.511$  ( $SD=0.496$ ) this is in line with Linsay (2008) argued that the role of human resource function is to unleash the power of the workforce to achieve the goal of the organization thus resulting in higher quality, lower cost, less waste, faster implementation of change and enhance individual self esteem, all of which are critical for the successful implementation and management of TQM programs.

#### **4.7.2 Influence of People Management and Empowerment**

The results of the study on table 4.12 below shows the influence of people management and empowerment practices on operation performance of the private hospitals. From the findings majority 120 (98%) of the respondents stated that employees' empowerment influences operation performance while 2 (2%) of them stated that employees' empowerment does not influence operation performance.

**Table 4. 12 Influence of People management and Empowerment**

<b>Measurement</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	120	98
No	2	2
	<b>122</b>	<b>100</b>

**Source: Researcher, (2015)**

#### **4.8 Quality Strategic Practices**

##### **4.8.1 Effects of Strategy Practices on TQM Implementation**

The study sought to determine the effects of employee empowerment practices on implementation of TQM. The scale that was used was Likert scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree.

**Table 4. 13 Effects of Strategy Practices**

<b>Strategy Practices</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
The hospital strategic practices give clear policy direction in the organization	122	3.642	0.601
The hospital strategic practices align internal customer needs to the external customers	122	3.652	0.620
The hospital strategic practices improve the organizations financial performance	122	3.722	0.701
The hospital strategic practices strengthen hospitals core capabilities and competences	122	3.596	0.567
The hospital strategic practices improve the efficiency and effectiveness of the processes	122	3.688	0.606

**Source: Researcher, (2015)**

The respondents agree that the hospital strategic practices improve the organizations financial performance  $M=3.722$  ( $SD=0.701$ ), The hospital strategic practices improve the efficiency and effectiveness of the processes  $M=3.688$  ( $SD=0.606$ ), The hospital strategic practices align internal customer needs to the external customers  $M=3.652$  ( $SD=0.620$ ), The hospital strategic practices give clear policy direction in the organization  $M=3.642$  ( $SD=0.601$ ) and the least respondent indicated that The hospital strategic practices strengthen hospitals core capabilities and competences  $M=3.596$  ( $SD=0.567$ ), this is supported by Terzioviski, (2006). The purpose of objectives are to provide direction, aid in evaluation ,create synergies, show priorities, focus coordination and provide a basis for effective planning, organizing, motivating and controlling activities.

#### **4.8.2 Influence of Quality Strategic Practices**

Findings of the study shown on table 4.14 below shows the effects of strategic practices influenced by TQM on operation performance of private hospitals. Majority 114 (95%) of the



respondents stated that quality strategic practices influences operation performance of private hospitals, while 8 (5%) of them stated that strategic practices do not influence operation performance of hospitals.

**Table 4. 14 Influence of Strategic Practices**

Measurement	Frequency	Percentage
Yes	114	95
No	8	5
<b>TOTAL</b>	<b>122</b>	<b>100</b>

**Source: Researcher, (2015)**

## **4.9 Supplier Partnership**

### **4.9.1 Effective Supplier Partnership**

The study sought to determine the effects of supplier partnership on implementation of TQM.

The scale that was used was Likert scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree.

**Table 4. 15 Effective Supplier Partnership**

<b>Effective Supplier Partnership</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
The hospital has entered into strategic partnership with suppliers so as to ensure continued performance of the hospital processes uninterrupted	122	3.765	0.754
The hospital has effectively harnessed the potential benefits of establishing partnerships with suppliers	122	3.720	0.702
The hospital promotes and facilitates communication with key suppliers the aim of aim of improving their effectiveness and efficiency of provision of the required supplies	122	3.697	0.576
The hospital frequently shares with suppliers information such as their needs and expectations	122	3.601	0.599
The hospital promotes supplier quality cooperation resulting in organization performance	122	3.703	0.697

The study results indicated that respondents agree that The hospital has entered into strategic partnership with suppliers so as to ensure continued performance of the hospital processes uninterrupted  $M=3.765$  ( $SD=0.754$ ), The hospital has effectively harnessed the potential benefits of establishing partnerships with suppliers  $M=3.720$  ( $SD=0.702$ ), The hospital promotes supplier quality cooperation resulting in organization performance  $M=3.703$  ( $SD=0.697$ ), The hospital promotes and facilitates communication with key suppliers the aim of aim of improving their effectiveness and efficiency of provision of the required supplies  $M=3.697$  ( $SD=0.576$ ) and The hospital frequently shares with suppliers information such as their needs and expectations  $M=3.601$  ( $SD=0.599$ ). The study results concurs with the views of The Juran, Oakland (2000), which indicated that companies should treat their suppliers as long-term partners as they are integral part of the organizations business operations. Quality management practices facilitate establishment of relationships with suppliers and customers so as to promote and facilitate communication with the aim of mutually improving the effectiveness and efficiency of processes that create value.

#### **4.9.2 Influence of Supplier Partnership**

The study below was used to determine the influence of supplier partnership on operation performance of private hospitals. Majority of the respondents represented by 107 (88%) of the respondents stated that supplier partnership influences operation performance while 15 (12%) of them stated that supplier partnership does not influence operation performance.

**Table 4. 16 Influence of Supplier Partnership**

<b>Measurement</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	107	88
No	15	12
	<b>122</b>	<b>100</b>

**Source: Researcher, (2015)**

#### 4.10 Relationship between Total Quality Management Practices and Operational performance in Private Hospitals in Kenya.

Results on table 4.17 below shows the correlations between Total Quality Management Practices and Operational performance of private hospitals in Kenya, while holding the correlation coefficient (r) value at between plus and minus one (-1.00 and +1.0). The study used the significance level of  $\alpha = .05$  (95%), Degrees of freedom (df) of 5, and two-tailed test.

Based on the study, correlation coefficient (r) and the coefficient of determination ( $r^2$ ) on table 4.17 indicates that (51.1%), (50.1%), (42.6%), (46.2%) and (40.9%) of operational performance of private hospitals is affected by customer focus, leadership practices, people empowerment practices, quality strategy practices and supplier partnership practices respectively. Since the correlation is positive it can be concluded that the correlation is statistically significant, hence there is a positive relationship between Total Quality Management Practices and Operational performance of private hospitals in Kenya.

**Table 4. 17 Relationship between Dependent and Independent Variable**

	<b>Independent Variables</b>	<b>R</b>	<b>r 2</b>	<b>Df</b>	<b>Sig.</b>
<b>Pearson</b>	Constant	0.000	0.000	0.000	0.000
<b>Correlations</b>					
	Customer focus	.698	0.511	5	0.004
	Leadership Practices	.725 <sup>a</sup>	0.501	5	0.004
	People Empowerment Practices	.654 <sup>a</sup>	0.426	5	0.003
	Quality Strategy Practices	.665 <sup>a</sup>	0.462	5	0.004
	Supplier Partnership Practices	.577 <sup>a</sup>	0.409	5	0.004

**Source: Researcher, (2015)**

##### 4.10.1 Regression between Independent and Dependent Variable

The results shown on table 4.17 and 4.18 below sought to establish the regression between operational performance of private hospitals in Kenya and total quality practices. The degree to which total quality practices are related to operational performance of hospitals is

expressed in the positive correlation coefficient ( $R$ ) = 0.850 and coefficient of determination, ( $R^2$ ) = 0.722 as shown on table 4.18 below. This implies that the four independent variables together predict about 72.2% of the operational performance of hospitals leaving 27.8% unexplained.

**Table 4. 18 Model Summary**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Df	Sig.
1	.850 <sup>a</sup>	0.722	.267	0.255	5	0.004

**Source: Researcher, (2015)**

#### **4.10.2 ANOVA Results**

Analysis of variance was used to test the significance of the regression model as pertains to differences in means of the dependent and independent variables as shown on table 4.19 below. The ANOVA test produced an F-value of 4.311 which is significant at  $p=0.004$ . This depicts that the regression model is significant at 95% confidence level. Thus the regression model is statistically significant in predicting how leadership practices, people empowerment practices, quality strategy practices and supplier partnership practices affect operational performance of private hospitals.

**Table 4. 19 ANOVA**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	3.76	13	0.78	4.311	0.004 <sup>a</sup>
Residual	14.301	109	0.193		
Total	18.156	122			

**Source: Researcher, (2015)**

#### 4.10.3 Multiple Regressions between Independent and Dependent Variable

The findings on table 4.20 below are based on the following regression model:

The study sought to establish the extent to which Customer Focus(CF), Leadership Practices (LP), People Empowerment Practices (PEP), Quality Strategy Practices (QSP) and Supplier Partnership Practices (SPP) predict Operational Performance of hospitals (OPH). Hence the regression model became:

$$OPH = \beta_0 + \beta_1 CF + \beta_2 LP + \beta_3 PEP + \beta_4 QSP + \beta_5 SPP + \epsilon$$

Where;

Y= OPH =Operational Performance

$\beta_1 CF$ = Customer Focus

$\beta_2 LP$  =Leadership practices

$\beta_3 PEP$  =People empowerment Practices

$\beta_4 QSP$  =Quality Strategy Practices

$\beta_5 SPP$  = Supplier Partnership Practices

$\beta_0$ = are the coefficient of the Variables

$\epsilon$ = is the error term.

Therefore Table 4.20 below shows that Customer Focus, leadership practices, people empowerment practices, quality strategy practices and supplier partnership practices have positive coefficients, implying that these independent variables positively predict operational performance of hospitals. Therefore taking all independent variables (Customer focus leadership practices, people empowerment practices, quality strategy practices and supplier partnership practices) constant at zero (0); operational performance of hospitals will be at 2.132.

The results of the study further indicates that p-value of = (0.001) for customer focus, (0.004) for leadership practices, (0.003) for people empowerment practices; (0.004) for quality strategy practices and (0.004) for supplier partnership practices are smaller than the significance level of 0.05. The implications of these results is that there is a significant relationship between leadership practices, people empowerment practices, quality strategy practices and supplier partnership practices and operational performance of hospitals.

**Table 4. 20 Coefficients**

<b>Variables</b>	<b>Coefficients.</b>				
	<b>B</b>	<b>Standard Error</b>	<b>βeta</b>	<b>t</b>	<b>Sig</b>
(Constant)	0.132	0.521	0.000	4.092	0.000
Customer Focus	0.156	0.452	0.100	3.123	0.001
Leadership Practices	0.204	0.601	0.189	2.003	0.004
People empowerment practices	0.019	0.507	0.02	2.009	0.003
Quality Strategy Practices	0.109	0.549	0.12	2.02	0.004
Supplier Partnership Practices	0.033	0.51	0.037	2.025	0.004

**Source: Researcher, (2015)**

The established multiple linear regression equation becomes:

$$Y = 0.132 + 0.156 X_1 + 0.204 X_2 + 0.019 X_3 + 0.109 X_4 + 0.033 X_5$$

#### **Where**

Constant = 0.023, shows that if Leadership Practices, People empowerment practices, Quality Strategy Practices and Supplier Partnership Practices are all rated as zero, Total Quality Management practices And Operational Performance Of Private Hospitals In Nairobi County would be 0.023.

$X_1=0.156$ , shows that one unit change in Customer Focus results in 0.156 units increase in Total Quality Management practices And Operational Performance Of Private Hospitals In Nairobi County

$X_2= 0.204$ , shows that one unit change in Leadership Practices results in 0.204 units increase in Total Quality Management practices And Operational Performance Of Private Hospitals In Nairobi County

$X_2=0.019$ , shows that one unit change in People empowerment practices in 0.019 units increase in Total Quality Management practices And Operational Performance Of Private Hospitals In Nairobi County

$X_3= 0.109$ , shows that one unit change in Quality Strategy Practices results in 0.109 units increase in Total Quality Management practices And Operational Performance Of Private Hospitals In Nairobi County.

$X_4= 0.033$  shows that one unit change in Supplier Partnership Practices in 0.033 units increase in Total Quality Management practices and Operational Performance of Private Hospitals in Nairobi County.

## **4.11 Summary and Presentation of Findings**

### **4.11.1 Customer Focus**

Results of the study showed that majority of the respondents reported that The hospital treats equally both the internal and external customers as shown by a  $M=3.732$  ( $SD=0.701$ ), , The hospital has embarked on continuous improvement process to meet customer's expectations as shown by a  $M=3.672$  ( $SD=0.611$ ) and the least response least response was the hospital services meet the customer's specific needs as shown by a  $M=3.468$  ( $SD=0.448$ ). This agrees

with the concept by Gilmore (2011) who considers quality to mean the degree to which a specific product satisfies the wants of a specific consumer.

#### **4.11.2 Operational Performance of Hospitals**

From the results of the study respondents agree that Effective implementation of quality management systems has increased the hospital competitiveness and resulted in acquisition of bigger market share  $M=3.745$   $SD=(0.702)$  and the least response Quality management systems improve operation efficiency thus reducing operation costs  $M=3.654$  ( $SD=0.584$ ). The adoption of TQM by organisation especially in this dynamic business environment will significantly change the way many organizations operate and do business. This change will require direct and clear communication from top management to all staff and employees, to explain the need to focus on processes.

#### **4.11.3 Leadership Practices**

The study results show that the respondents agree that The hospital has developed and published a clear corporate mission, beliefs and objectives  $M=3.655$  ( $SD=0.641$ ), The hospital leadership encourages effective employee empowerment and participation in decision making  $M=3.641$  ( $SD=3.641$ ), and the least response The hospital leadership has developed clear and effective strategies for achieving the mission and objectives  $M=3.521$  ( $SD=0.492$ ). This is in line with Garvin (2004) that most problems are associated with quality are attributed to management.

#### **4.11.4 People Empowerment Practices**

According to the results the respondents agree that successful The hospital encourages employees career development through training and education  $M=3.667$  ( $SD=0.672$ ), The hospital conducts performance appraisal and gives feedback to employees  $M=3.613$  ( $SD=0.501$ ), and the least response The hospital compensates and recognises employees



contribution to quality and innovation  $M=3.511$  ( $SD=0.496$ ) this is in line with Linsay (2008) argued that the role of human resource function is to unleash the power of the workforce to achieve the goal of the organization thus resulting in higher quality, lower cost, less waste, faster implementation of change and enhance individual self esteem, all of which are critical for the successful implementation and management of TQM programs.

#### **4.11.5 Quality Strategy Practices.**

Findings of the study shows that majority (67.9%) of the respondents stated that quality strategic practices influences operation performance of hospitals. Results of the study showed that Strategic practices has become a vital outcome of establishing quality management systems in the hospitals and in ensuring effective service delivery, quality strategic practices has resulted in customer and employee satisfaction and effective allocation of resource for organization functions; Strategic practices has provided a mechanism for the hospitals to shape their external business environment, limit threats, take advantage of opportunities and enable to respond to quality issues proactively, quality strategic practices have facilitated the building of the hospital core capabilities and strategic synergy in the hospital has strengthen its competitiveness enabling it to deliver effective services to customers.

#### **4.11.6 Supplier Partnership Practices.**

The results of the study shows that respondents agree that Supplier partnership improves the quality of raw materials  $M=3.765$  ( $SD=0.754$ ), Supplier partnership enhances sharing of vital information in the market  $M=3.720$  ( $SD=0.702$ ), and the least response Reduces the lead time for products and services  $M=3.601$  ( $SD=0.599$ ). The study results concurs with the views of The Juran, Oakland (2000), which indicated that companies should treat their suppliers as long-term partners as they are integral part of the organizations business operations. Quality management practices facilitate establishment of relationships with suppliers and customers

so as to promote and facilitate communication with the aim of mutually improving the effectiveness and efficiency of processes that create value.

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## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter covers summary of the findings, discussion of the results and conclusions drawn from the study as well as the recommendations based on the study findings and suggestions for further study.

### **5.2 Summary.**

The shows that TQM improves operational performance and it requires a quality oriented organisational culture that is supported by senior management commitment and involvement, organisational learning, team working and collaboration, open communication, continuous improvement, customer focus (both internal and external), partnership with suppliers and monitoring and evaluation of quality.

The study found out that majority of the respondents reported that the hospital values both its internal and external customers. While minority reported that the hospital services meet the customer's specific needs, as noted by Kondo (2009) that improving quality in creative ways reduces costs and raises productivity on their part stress that since global trade in service sector is growing, it is essential that a viable customer base is developed and maintained by implementing proper quality practices which implicates on the operational performance. This change will require direct and clear communication from top management to all staff and employees, to explain the need to focus on processes.

The study found out that TQM influences operation performance of hospitals, the findings of the study shows that TQM implementation Increases hospital competitiveness and bigger

market. Effective implementation of TQM results in improved service quality, delighted customers, increased sales and profitability, increased market share and efficient and effective processes.

The study established that Leadership Practices influence operational performance of hospitals, that hospitals need to develop and publish clear corporate mission, beliefs and objectives, This is in line with Garvin (2004) that most problems are associated with quality are attributed to management.

The results of the study showed that supplier partnership influence operational performance of hospitals. The implementation of total quality management in hospital has led to Supplier partnership thus improving the quality of raw materials. Supplier partnership enhances sharing of vital information in the market, the study results concurs with the views of Juran and Oakland (2000), which indicated that companies should treat their suppliers as long-term partners as they are integral part of the organizations business operations. Quality management practices facilitate establishment of relationships with suppliers and customers so as to promote and facilitate communication with the aim of mutually improving the effectiveness and efficiency of processes that create value.

### **5.3 Conclusion**

The implementation of total quality management practices has forced organisations to focus on customers by doing regular market survey so as to align their processes with the ever dynamic customer requirement, needs and expectation. They focus on getting regular feedback and act on customer complains immediately thus giving them a competitive edge over their competitors. Such organisations use critical incident technique to identify issues that delight or dissatisfy their customers. A central core value in TQM is that all products and

processes should always have a customer focus. Quality should always be valued by the customer and should always be put in relation to their needs and expectations. To focus on the customer means, that one tries to find out the customer needs and values by conducting market analysis, then trying to fulfil the market expectations while systematically developing the products.

The successful implementation of total quality management practices is as a result of top management commitment to the process by communicating TQM to the entire organisation, so as to create awareness, interest, desire and action. They should provide the quality vision and create a cultural change within the organisation they should organise for training, empower others by allowing them to grow, delegate authority and recognise them for quality achievements. The top management should allocate resources and partner with suppliers for sharing of information in terms of new innovations and technology in the market for quality inputs. Working with TQM and keeping up the quality improvements demands total commitment of the top management. The management must initiate planning for implementation and participate in the work including evaluation of the processes and results.

The study showed that giving employees the responsibility for improvement and authority to plan their own work and make decisions motivates them thus enhancing employee performance. Hospitals spend a large amount of its annual budget on employees training and development on total quality management Initiatives, employees at all levels have the responsibility and authority to make decisions that affect them and their work teams, quality management systems have promoted the freedom of employees to use their initiative in matters of customer delivery. There is widespread involvement and communication to employees on all matters that concern their job and organization performance, reward

systems that support employee performance, participation , initiative and fostering of team-work have been instituted in the hospitals. Focusing on the customers does not only apply to the external customers but also the internal customers, and in order for them to do a good job their needs also have be fulfilled. In order to satisfy external customers, internal customers also need to be satisfied.

Quality strategic practices has become a vital outcome of establishing quality management systems in the hospitals and in ensuring effective service delivery, quality strategic practices has resulted in customer and employee satisfaction and effective allocation of resource for organization functions. Quality strategic practices has provided a mechanism for hospital management to limit threats, take advantage of opportunities and enable to respond to quality issues proactively. In addition quality strategic practices have facilitated the building of hospitals core capabilities and strengthening their competitiveness enabling them to deliver effective services to customers.

The implementation of total quality management has seen hospitals entering into strategic partnership with suppliers so as to ensure continued performance of the hospital processes uninterrupted. The hospitals have effectively harnessed the potential benefits of establishing partnerships with suppliers. The hospitals promote and facilitate communication with key suppliers with the aim of improving their effectiveness and efficiency of provision of the required supplies. The hospitals frequently share with suppliers information such as their needs and expectations and promote supplier quality cooperation resulting in operational performance.

## **5.4 Recommendations**

TQM has gained increasing popularity as a method to introduce transformational change in an organization's managerial philosophy and operational effectiveness. The principles for implementing TQM well, match principles long stated in philosophies of organizational development and change. Whereas most investigations have identified benefits of TQM in manufacturing type settings in Kenya, this study sought to extend this knowledge to health-care organizations in Kenya.

At a time when manufacturing and service organizations are attempting to chart a customer-oriented strategic posture with emphasis on TQM, healthcare organizations are being asked by their customers to do the same. While some healthcare organizations have answered or at least attempted to answer customer's demands, the majority have not done so effectively. Although many reasons and factors are behind this apparent strategic reluctance to commit to quality service, one reason stands out. It has to do with the fact that most healthcare administrators mistakenly believe that a quality strategic orientation will most certainly increase cost which is already out of control to begin with. The failure of most healthcare administrators to see the true nature of the relationship between quality, efficiency and the competitive advantage is partially responsible for the lack of strong TQM philosophy in healthcare.

Another reason for the reluctance is unlike the manufacturing industry, the service industry and more so in health care the service is produced and consumed simultaneously leaving no room for mistakes and trials.

The study recommends that further training to be conducted amongst the employees as there were noted cases where some employees were not aware of some aspects of TQM practices in the surveyed hospitals. Such training would go a long way in eliminating the existing information asymmetry. TQM success is highly dependent on information dissemination and feedback at and across all levels of the hospital, and analytical techniques are required to evaluate systematically quality management alternatives. Existing hospital information systems are ill-equipped to provide the necessary support gaps. Such technology will facilitate the hospital's ability to respond quickly to rapid, often unexpected, changes in patient needs.

There is need for hospital management to establish, grow and treat their suppliers as long term partners as they are integral part of the organizations business. This will promote and facilitate communication and thereby improving the effectiveness and efficiency of processes that create value.

## **5.5 Limitations**

The contributions of this study must be considered in light of the limitations. The firms in this study were drawn from the Service industry and therefore may only be generalizable to that industry.

Some respondents were not totally truthful and honest when answering the questionnaires due to the sensitivity of the subject under study. However the researcher assured the respondents of the confidentiality of the information that they provided and sought authority from management to undertake research in the organization. The researcher also attached the letter of authority from the university to the questionnaire so as give further assurance on the purpose of the study.



## **5.6 Contribution of Knowledge**

The study provides important contributions to the literature and for managers. In particular, the study emphasizes the importance of implementing a comprehensive TQM program comprising the key practices of TQM, rather than implementing a few selected practices. Further, consistent with Powell's (1995) assertion that complementary organization structures/processes may enhance the TQM/performance relationship, the study found that an environment of support derived from the organization and colleagues was associated with a synergistic effect on this relationship. Within a context of ever increasing competition among firms, these results may provide managers with the means of sustaining a competitive advantage within the Hospital Service Industry.

## **5.7 Suggestions for further Studies**

This study only examined specific TQM practices that influence operational performance of private hospitals in Kenya. However there are other TQM practices which likewise contribute to operational performance of private hospitals hence, it is recommended that further research be done to identify and examine additional variables such as ISO and Benchmarking technique that influence performances of hospitals.

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## APPENDICES

### APPENDIX I: RESEARCH QUESTIONNAIRE

Thank you for taking your time to fill this questionnaire. Your response to the questions herein will be treated confidentially.

Please answer all the questions as best as you can. Please Tick as appropriate

#### PART 1: Demographic Factors

1. Name:------(Optional)
2. Respondent Level of education  
Diploma Level ☐ Degree Level ☐ Masters Level ☐ Others ☐
3. Years of Service in the Firm  
0-5years ☐ 6-10years ☐ 11-20years ☐ 21 years & above ☐
4. Kindly indicate the department you are attached to  
Nursing Administration ☐ Admission, Discharge & Transfer ☐ Wards ☐  
ICU ☐ Operating Theatre ☐
5. Has the Hospital Implemented TQM  
Yes ☐ No ☐

#### PART 2: Customer Focus

6. Using a scale of 1-5 where 1=strongly agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree, please indicate the extent to which you agree with the following statements

STATEMENTS	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
the hospital has the capacity to satisfy customer needs and wants					
The hospital services meet the customer's specific needs					
The hospital has embarked on a continuous improvement process to meet customers' needs					
The hospital values both the internal and external customers					
The hospital has attracted new customers and retained its old customers					

7. From your Observation kindly specify the specific responses that the firm has focused on to build Customer focus.....  
.....

### **PART 3: Extent of Implementation of TQM**

8. Using a scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree, Please indicate the extent to which you agree with the following statements.

STATEMENTS	Strongly agree.	Agree	Neutral	Disagree	Strongly Disagree
The hospital has communicated its quality strategy through its vision, mission and values					
The hospital has identified its critical success factors and critical processes					
The hospital has a proper mechanism of empowering stake holders					
The hospital has in place monitoring mechanism of the implementation process					
The hospital has implemented TQM improvement initiatives					

9. Is your hospital ISO Certified?

Yes [ ] No [ ]

10. If your answer is yes kindly indicate when the hospital was ISO Certified and whether it has the current certification.....

11. From your observations what are some of the challenges that the firm faces in the implementation of TQM.....  
.....

### **PART 4: Operation Performance**

12. Using a scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree, Please indicate the extent to which you agree with the following statements.

STATEMENTS	Strongly agree.	Agree	Neutral	Disagree	Strongly Disagree
increased Hospital sales and profitability					
Improved inventory management					
Increased hospital competitiveness and bigger market share.					
Enhanced quality service delivery in the Hospital					
waste reduction in operations					
Improved employee operation efficiency thus reducing operation costs					
Increased customer retention as a result of customer satisfaction					

13. Identify some of the Operational failures that you have witnessed in your department.....

.....



### **PART 5: Leadership:**

14. Using a scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree, Please indicate the extent to which you agree with the following statements.

STATEMENTS	Strongly agree.	Agree	Neutral	Disagree	Strongly Disagree
The hospital has developed and published a clear corporate mission, beliefs, and objectives					
The hospital Leadership has developed clear and effective strategies for achieving the mission and objectives					
The hospital Leadership encourages effective employee empowerment and participation in decision making.					
The hospital leadership has provided a healthy and conducive environment					
The hospital leadership is committed to allocate the necessary resources for successful implementation.					

15. In your view does organization leadership influence operation performance of the hospital in its service delivery?

Yes [ ] No [ ]

### **Part 6: Employee Empowerment**

16. Using a scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree, Please indicate the extent to which you agree with the following statements.

STATEMENTS	Strongly agree.	Agree	Neutral	Disagree	Strongly Disagree
The hospital human resource policy encourages employee involvement and gives authority in decision making					
The hospital encourages employee career development through training and education.					
The hospital motivates, rewards and looks after the employee well-being.					
The hospital compensates and recognises employee contribution to quality innovations					
The hospital conducts performance appraisal and gives feedback to employees					
The Hospital encourages employees to set their own goals, judge their performance and take full responsibility for their actions					

17. In your considered opinion does employees' empowerment influence operation performance of the hospital in its service delivery?

Yes [ ] No [ ]

## **PART 7: Strategic Quality policy**

18. Using a scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=Strongly Disagree, Please indicate the extent to which you agree with the following statements.

STATEMENTS	Strongly agree.	Agree	Neutral	Disagree	Strongly Disagree
The Hospital Strategic policy gives clear policy direction in the organisation.					
The hospital strategic policy aligns internal customer needs to the external customers					
The hospital Strategic practices improves the organisations financial performance					
The hospital Strategic practices strengthen hospital capabilities and competences					
The hospital Strategic practises improve the efficiency and effectiveness of the processes					

19. In your view do strategic practices influence operation performance of the Hospital?

Yes [ ] No [ ]

## **PART 8: Supplier Partnership**

20. Using a scale of 1-5, where 1= strongly agree; 2=Agree; 3=Neutral; 4=Disagree; 5=strongly Disagree; Please indicate the extent to which you agree with the following statements

STATEMENTS	Strongly agree.	Agree	Neutral	Disagree	Strongly Disagree
Supplier partnership improves the quality of raw materials					
Supplier partnership enhances sharing of vital information in the market					
Supplier partnership enhances the feeling of partnership and ownership of the process					
Supplier partnership reduces the lead time for products and services					
Supplier partnership enhances customer satisfaction through cost reduction					

21. In your considered opinion does supplier partnership influence operation performance of the hospital? Kindly explain your answer.....  
.....

## **APPENDIX II: PRIVATE HOSPITALS WITHIN THE NAIROBI CITY COUNTY**

1. The Nairobi hospital
2. The Aga Khan university hospital
3. Mp shah hospital
4. The mater hospital
5. Metropolitan hospital, Nairobi
6. Gertrude garden children hospital
7. Guru Nanak Ramgarhia Sikh hospital
8. Avenue hospital
9. Coptic hospital
10. Jamaa hospital
11. The Karen hospital
12. The Nairobi Women's hospital
13. The Nairobi South hospital
14. Nairobi west hospital
15. Nairobi equator hospital
16. Parklands ambulatory surgical centre
17. St Mary's mission hospital
18. South B hospital
19. Chromo lane medical centre
20. Melchizedek hospital
21. Lions sight first eye hospital
22. Family care medical centre
23. New Langata medical centre
24. Mother and child hospital
25. Mariakani cottage hospital