

**THE EFFECT OF ISO 9001 CERTIFICATION ON NON-FINANCIAL
PERFORMANCE IN THE LOCAL AUTHORITIES PROVIDENT
FUND AS PERCEIVED BY THE EXTERNAL CUSTOMERS**

BY

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DECLARATION

This research project report is my original work and has never been presented to any university or for any award.

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This research project report has been submitted for examination with my approval as the university supervisor.

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DEDICATION

This research project is dedicated to my son Clement J. Ochomo; may it inspire you to excel to the highest peak of academia.

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LIST OF ABBREVIATIONS AND ACRONYMS

ISO	International Organization for Standards
KEBS	Kenya Bureau of Standards
NSSF	National Social Security Fund
LAPFUND	Local Authorities Provident Fund
LAPTRUST	Local Authority Pension Trust
QMS	Quality Management System
KMTC	Kenya Medical Training College
BSC	Balance Score Card
ANOVA	Analysis of Variance
SPSS	Statistical Package for Social Sciences

ABSTRACT

Public institutions in Kenya are increasingly adopting ISO 9001 certification. This certification has been credited for the improving service delivery standards in the public sector. Research has shown that this certification contributes to significant improvement of the general performance of organizations. Most researches have focused on the effect of ISO 9001 Certification on financial performance; however very few researches in the in developing countries have focused on the certification's effect on non-financial performance as perceived by the external customers. This study sought to: (i) establish the level of adoption of ISO 9001 certification; (ii) show the effect of ISO 9001 certification on non-financial performance in LAPFUND according to the external customers. This study was informed by: resource based theory, contingency theory and balanced score card theory. These theories advance knowledge on the general performance of organizations. The research was a census study involving the 71 sponsor organizations which are LAPFUND external customers. Data collection was conducted using structured questionnaires; which were sent to all the sponsor organizations. Data analysis was conducted using SPSS version 20. The findings show that all the ISO 9001 principles: customer focus, leadership, engagement, process approach, improvement, evidence based decision making and the relations management principles had been fully adopted. The study concluded that ISO 9001 certification positively affected non-financial performance of LAPFUND; since the achievement of all the non-financial performance indicators was attributed to the implementation of ISO 9001 certification. The study recommended that further research should be conducted in other sectors of the economy such as: agricultural, construction, tourism, education, telecommunications and education sectors, to verify whether the findings of such studies would be consistent with the findings of this study. Finally the study recommended further study on the perceptions of the general public on the effects of the implementation of ISO 9001 certification.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

ISO 9001 is a global certification that guides quality management systems. Organizations that adopt ISO 9001 certification have experienced changes in their financial and non-financial performance attributable to this certification (Psomas, Pantouvakis, & Kafetzopoulos, 2013). These organizations normally experience positive contributions on their performance (Muturi, Ochieng & Njihia, 2015). Non-financial performance is the achievement of all the desirable objectives of an organization that cannot be measured using financial accounting methods. These objectives include: organizational culture, competitiveness, organizational strategic orientation, quality and commitment of workforce, compliance to the legislative and regulatory framework, public relations, industrial best practices, innovation, customer loyalty and compliance to ecological requirements (Hussain & Hoque, 2002).

This study was informed by three theories: resource based theory, contingency theory and balanced score card theory. These theories are appropriate since they all focus on organizational performance. The resource based theory highlights why organizational resources are vital to the attainment of performance (Barney, 1991). The contingency theory explains why an organization should consider several options in its strategy formulation (Ologbo, Oluwatosin, & Okyere-Kwakye, 2012). The balance score card advocates for classification of organizational performance on four broad perspectives; financial perspective, internal perspective, innovation and learning perspective and the financial perspective (Norton & Kaplan, 1992).

The adoption of ISO 9001 certification in the public sector in Kenya has been quite impressive. There are 104 public institutions out of the total of 176 firms that have attained ISO 9001:2008 certification in Kenya (KEBS, 2016). This translates to 59% public institutions compared to 41% private firms; implying that public sector has adopted ISO 9001 certification at a faster rate compared to the private sector. However, it is worth noting that only 104 out of the hundreds of public institutions are ISO 9001 certified; implying that a large majority of the public institutions are yet to be certified. The Local Authorities Provident Fund was among the pioneer public institutions to attain

ISO 9001:2008 certification in 2009. It went ahead to put in place an implementation committee to operationalize the standard as well as an audit committee to ensure compliance with the principles of the standard (LAPFUND, 2016).

1.1.1 ISO 9001 Certification

The first organized quality systems were introduced in 1950s by the US military. Mil Std 9858, a guide on quality management requirement was released by the US military in 1959. It was the basis of all the subsequent quality systems. This standard outlined the requirements for evaluating activities, improvement of processes, analyzing data, contracting, scheduling tasks and activities, and the documentation of processes. Numerous standards were later on developed and issued in 1960s, 1970s and 1980s; which finally led to the conception of the International Organization for Standardization (ISO) in 1987 (Kiplagat, 2013). ISO is a global standard-setting organization, which comprises representatives from various countries' standards organizations. ISO 9001 series of standards was established by ISO in 1987. These series of standards are reviewed every five years. In Kenya it was popularized by the government as ISO 9001:2008 as a guide on quality management systems in the public sector. The Ministry of Industrialization through the Kenya Bureau of Standard (KEBS) in 2009 instructed public institutions to adopt ISO 9001:2008 certification to enhance their quality management in the public sector (KEBS, 2016). The world standards body revised ISO 9001:2008 to ISO 9001:2015 in September 2015. Organizations have a transition period of up to September 2018 to transit to ISO 9001:2015 (ISO, 2016). Its main objectives are to enhance product and services conforming to customer and regulatory requirements, achievement of consistency, the enhancement of customer satisfaction and the continual improvement of the system (ISO, 2016). It seeks to establish the level of conformity of an organization's processes and activities with the set guidelines. It seeks to achieve customers' expectations as well as quality control processes.

ISO 9001 certification provides an outline for quality management system that determines a firm's performance improvement. It covers all the activities of an organization such as: identification of key organizational processes, outlining roles and responsibilities, policies, objectives and requirements for documentation (Mulela, 2013).

It is a framework that is applicable to any form of organization; ranging from small family enterprises to the global organizations (Morris, 2006). The benefits of ISO 9001 certification include: focus on achieving planned results, flexibility for documented information, enhanced risk management, improved process control leading to better performance, increased customer satisfaction, customer retention and loyalty, improved image and reputation and greater credibility (Okwiri, 2015). Other benefits of ISO 9001 certification include increased communication, documentation of processes, highlighting inefficiencies and brings them to the attention of management; thus resulting in cost reduction and an increase in quality (Morris, 2006). This certification is meant to evaluate various systems and procedures of an organization and not the specific goods or services that an organization offers (Mung'ara, 2010).

1.1.2 Non-Financial Performance

Organizational performance can be defined as the output of the organization's processes and operations geared towards the achievement of the organization's goals and objectives over a specified period of time. Performance measurement involves evaluating results, relaying results of the evaluation process and recommending corrective actions for sub-standard results in order to achieve efficiency (Nyasani, 2015). Performance can be classified into financial and non-financial or business performance. Financial performance is the conventional measure of organizational performance. It makes use of the accounting principles and standards such as return on investments, dividend per share and debt ratios to evaluate organizational performance. Non-financial performance on the other hand deals with all the factors other than those that are financial in nature. These factors include: market share, growth, diversification, customer loyalty, corporate image and product development (Nyasani, 2015). Non-financial performance measurement is critical for the achievement of all stakeholders' objectives as well as the organization's growth and strategic planning. It involves evaluating how effectively organizations are run against the set targets and the value they produce for the organization's stakeholders. Non-financial performance management is geared towards the achievement of operational effectiveness; which is the optimum utilization of organizational resources. The need to evaluate non-financial performance has led to the introduction of

management tools and techniques, such as; balance scorecard, re-engineering, total quality management, benchmarking, and change management (Mbua and Sarisar, 2013).

An organization which fails to position itself strategically in the management, measurement, and communication of non-financial performance; operating performance and the financial performance is headed for failure. Non-financial performance contributes significantly by driving business investment decisions, providing information for better forecasting and building positive perceptions about an organization's non-financial performance indicators which directly impact organization's financial performance as well (Low & Siesfeld, 1998). The use of non-financial measures of performance is a fundamental part of the performance management systems in any organization; whether it is a small scale business entity operating within a local market or multinational corporations operating in the global economies. There is need to evaluate the productivity and efficiency of employees, establishment of an organizational culture, market competitiveness, achievement of organizational strategic orientation, compliance with the operating rules and regulations in the market, good relations with the public, achievement of industrial best practices, innovation and production of superior quality products, customer loyalty and compliance with environmental requirements among many others (Abdallah & Alnamri, (2015)

1.1.3 The Local Authorities Provident Fund

LAPFUND is a state owned entity established through an Act of the Cap 272, Laws of Kenya. It is a defined contribution retirement benefit scheme catering for employees from all county employees, elected county officers, water companies' employees as well as their respective union officials and employees. It is mandated to receive, manage and administer retirement benefits for employees of county governments and water companies in line with the provisions of the RBA Act, 1997 and regulations 2000. LAPFUND was established in 1960; making it one of the oldest retirement benefits schemes in Kenya (Mbindyo, 2013). It is a state parastatal under the National Treasury ministry, with a fund value of Kshs 23.64 billion; having grown tremendous from Kshs 3.7 billion in 2008. Its assets held in various investment options including: treasury bills, government bonds, commercial papers, equities, corporate bonds, short term deposits and

real estate. LAPFUND's head office is on the 8th Floor of ICEA Building, Kenyatta Avenue, Nairobi. It has regional offices in Mombasa, Kisumu, Nyeri, Nakuru and Isiolo; plus desk offices in Kakamega, Garissa and Eldoret; aimed at improving service delivery for its over 25000 members countywide (LAPFUND, 2016).

LAPFUND offers a wide range of retirement benefits ranging normal retirement benefits, group life assurance, pension backed mortgage, withdrawal benefits, invalidity benefits and survivors' benefits in cases of death of a contributors. In providing services to its members, LAPFUND has a number of processes such as marketing and member education, recruitment of members, admission and membership card issuance, issuance of member and sponsor statements; account closure and payment of member benefits. LAPFUND having achieved ISO 9001:2008 certification in 2009, come up with a number of changes in the organization in line with the certification. The first step was putting in place a quality service charter that outlines service standards against which customers can gauge service delivery. The management of LAPFUND then put in place an ISO management committee tasked with championing the full implementation of ISO 9001: 2008 certifications within the organization. There is also an ISO audit committee, composed of 5 ISO auditors who ensure compliance with ISO 9001 requirements. The ISO audit committee carries out internal audit on ISO compliance within the organization, before inviting KEBS ISO 9001 auditors to confirm the organization's compliance levels (LAPFUND, 2016).

1.1.4 LAPFUND's External Customers

LAPFUND stakeholders include employees of counties and associated water companies as individual contributors, county governments and water companies as sponsors, the National Treasury as the parent ministry, the National Audit office as auditors and the Retirement Benefits Authority as the regulator. The general public is also a very important stakeholder being that the fund is managing public funds. However the main external customers are the 71 sponsor organizations consisting of 47 county governments and 24 water and allied companies. The study focused on the perceptions of the sponsor organizations regarding effect of ISO 9001 certification on the non-financial performance in the Local Authorities Provident Fund (LAPFUND, 2016).

1.2 Research Problem

ISO 9001 certification is a global standard that guides quality management systems in both public and private organizations. It guides organizations on what are the acceptable timelines for all the production processes and the minimum acceptable quality levels of products and services. Non-financial performance entails evaluation of the achievement of all stakeholders, goals other than the financial goals. It involves the achievement of organizational strategic orientation, innovation and operational efficiency, market competitiveness, quality and commitment of human resources, industrial best practices, good corporate image, customer loyalty and compliance to ecological requirements. Usually the adoption of ISO 9001 certification is expected to lead to the achievement of an organization's non-financial measures.

LAPFUND was among the first retirement benefits schemes to attain ISO-90001 certification in Kenya, in the year 2009. In June 2010, customer loyalty surveys indicated a customer satisfaction of just 64% and it had just 40% of the market share with its competitor LAPTRUST controlling about 60% of the market (LAPFUND, 2016). This was occasioned by LAPFUND's limited membership in the major counties; including Nairobi, Mombasa, Kisumu and Nakuru. LAPFUND was barely known to the general public; in fact the government through the director pensions at one time floated the idea of closing the scheme. The scheme only survived due to resistance of its members. The scheme having been ISO 9001 certified for the last 7 years; the study sought to find out how the continuous improvement of the quality management systems has impacted the non-financial performance.

A number of related studies have been carried on the adoption of ISO 9001 certification and its relationship with non-financial performance. Psomas, Pantouvakis and Kafetzopoulos (2013) studied the impact of ISO 9001 certification in Greek service companies. Findings show a direct improvement of service quality and operational performance attributed to ISO 9001 certification. Feng, Terziovski and Samson (2008) carried out a survey on the impact of ISO 9001:2008 certifications of Australian and New-Zealand manufacturing and service companies. They established that ISO 9001:2008 certifications resulted into significant improvement on the organizations'

operational performance. Vitner, Nadir, Feldman and Yurman (2011) in their study of ISO 9001 certification in the Neonatal Intensive Care Unit in Israel; established that process output and service satisfaction improved after the adoption of ISO 9001 certification. In a study of ISO 9001 certification on process quality; Mulela (2013) confirmed that all aspects of an organization's activities, such as the identification of an organization's key processes, outlining roles and responsibilities, policies, objectives and documentation requirements must be ISO 90001 certified. Mung'ara (2010) in his study of ISO 9001 certification in the Insurance industry; also acknowledged that the certification is meant to certify the processes and the systems of the organization and not the products or service. The research having reviewed related studies both local and global; therefore established that most of the above studies focused on the impact of the adoption of ISO 9001:2008 certification on the general performance and financial performance of organizations; but very few focused on the effect of ISO 9001 certification on non-financial performance of the organizations. The study proposed to fill the knowledge gap by answering the question: what is the effect of ISO 9001 certification on non-financial performance in LAPFUND?

1.3 Research Objectives

- i. To determine the level of adoption of ISO 9001 certification in LAPFUND.
- ii. To establish how the ISO 9001 certification has affected non-financial performance in LAPFUND.

1.4 The Value of the Study

The findings of the study demonstrate how ISO 9001 certification has affected the non-financial performance measures. Researchers who may wish to do further studies on non-financial performance in the public services sector will find the conclusions and findings as a useful source of reference for their studies. It also contributes to the existing pool of knowledge on the adoption of ISO 9001 certification as well as non-financial performance measures.

The findings of this study should be of great benefit to the government in assessing the changes in non-financial performance as a result of the adoption of ISO 9001

certification. This study provides a useful guide for government planning and policy formulation on non-financial performance measures. As well as relevant information for formulating policies and regulations regarding the operating environment in the retirement benefits industry and the entire public service sector in Kenya.

The study is quite useful to the management of LAPFUND; since it provides an overview of how the adoption of ISO 9001 certification has affected non-financial performance. These findings will enable the organization achieve superior performance. Other public entities such as state departments, ministries and parastatals should also find these findings quite useful in analyzing the changes in non-financial performance attributable to the implementation of ISO 9001 certification.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter consists of theoretical foundation of the study, the adoption of ISO 9001 certification, empirical review of existing literature on dimensions of quality management systems as outlined by the ISO 9001 certification and its impact on non-financial performance in the LAPFUND and a summary of literature review and study gaps.

2.2 Theoretical Foundation of the Study

The study was based on: resource based theory, contingency theory and balanced score card theory. These theories focus on organizational performance. The resource based theory highlight why organizational resources are key to the attainment of performance. The contingency theory explains why an organization should consider several options in its strategy formulation so as to achieve efficiency in performance; while balance score card theory advocates for classification of organizational performance on four broad perspectives; financial, innovation and learning, internal, and the financial perspectives.

2.2.1 Resource Based View

This theory alludes that the level of success achieved by an organization depends on the resources and capabilities at its disposal; which gives the organization competitive advantage over its competitors (Mulela, 2013). A resource can only give competitive advantage; if it is of value, uncommon, cannot be imitated, and cannot be substituted by rival products (Barney, 1991). The implementation of ISO 9001:2008 is based on internal organizational factors aimed at maximizing quality of processes and efficiency of production (Somsuk, 2010). This implies that an organization has to continue optimizing the use of its resources in order to achieve continuous enhancement of its operating procedures thus improving the overall quality of the entire production process.

The resource-based view identifies organization's resources and capabilities as the core determinants of competitive advantage and organizational performance. This theory is based on two assumptions. First, it assumes that the organizations competing within an industry are endowed with different resources at their disposal. Each firm may have different level of control of the vast resources within an industry. The second assumption

is that resources available to the organizations are different and have levels of distinctiveness; making them difficult for competitors to accumulate or imitate overtime. This makes the organization to achieve competitive advantage over challengers in the industry (Barney, 1991). Resources at an organization's disposal may enhance the organization's capacity to price their products at a premium rate hence contribute to strong performance by assisting the organization to fully utilize its competitive advantage. The resources can also be used by an organization to restrict entry of new rivals into an industry but charging very low prices that would drive the new entrants into loss-making. ISO 9001: 2008 is a being a quality management standard, it guides an organization how to use its resources to achieve better processes therefore resulting improved organizational performance (Mulela,2013).

2.2.2 Contingency Theory

This theory explains that there can never be one most effective way of managing an organization. The contingency theory advocates for multi-dimensional approach in strategy formulation for each and every situation that an organization finds itself in; this is the only recipe for superior performance (Ologbo, Oluwatosin, & Okyere-Kwakye, 2012). The foundation of this theory is that best practices will be determined by the contingencies of the situation an organization finds itself in. The contingency theory tries to bring out the important elements seen as the determinants of the performance of an organization. It operationalizes and measures these elements and tries to determine their impact on organizational performance (Nyasani, 2015).

The contingency theory is founded on a number of assumptions: first that an organization has several ways of accomplishing any given task at given point in time, secondly there are also contingency resources necessary to implement these strategies. Thirdly the theory holds that there is no one sufficient way to coordinate workforce or tasks, which is effective in all situations. The theory encourages organizations to identify specific and situational differences before choosing a particular strategy to implement. Organizations must develop sound strategies to implement the policies based on a specific situation or an opportunity that the organization has come by (Nyasani, 2015).

2.2.3 The Balanced Scorecard Theory

Kaplan and Norton (1992) in their consultancy work developed this theory in a bid to advocate for a multi-dimensional view of organizational performance. This theory champions the desire to supply organization with necessary information needed in all operational fields in order to achieve the targeted performance. BSC provides information of financial nature as well as those of non-financial nature. It captures performance in four specific perspectives: customer, financial, innovation and learning perspective and the internal perspective (Norton & Kaplan, 1992).

Internal perspective focuses on the capabilities and techniques an organization needs to prioritize as well as the advancement of internal processes and the decision-making procedures the organization needs to adhere to. The customer perspective ascertains how the customers view an organization basing on the elements they hold as important to them. The customers use characteristics like flexibility, service, quality, after sales service, and response among others. Innovation and learning perspective focuses on how an organization can progress in terms of advancing value, attaining competitiveness in the industry by acquiring of new capabilities and development of superior products and services. The financial perspective represents the expectations of the organization's shareholders. This is characterized by measures like return on investments, dividend per share and earning per share. It makes uses of the accounting systems, ratios and models (Norton & Kaplan, 1992). These dimensions are derived from the organization's vision, mission, objectives and strategies. The BSC therefore represents a strategic management illustration of a multi-disciplinary performance measurement (Nyasani, 2015).

2.3 The Principles of ISO 9001 Certification

ISO 9001:2008 has 8 principles namely: customer focus, leadership, involvement of people, process approach, system approach, continual improvement, factual approach to decision making and mutual beneficial supplier relationship principles. In 2015, the world standards body introduced ISO 9001:2015 which is set to replace the ISO 9001:2008 (KEBS, 2016). The principles were reduced to 7 with the removal of the system approach principle, as shown in the table 2.1 below:

Table 2.1: ISO 9001:2008 and ISO 9001:2015 Principles

ISO 9001:2008	ISO 9001:2015
1. Customer focus	1. Customer focus
2. Leadership	2. Leadership
3. Involvement of people	3. Engagement of people
4. Process Approach	4. Process Approach
5. System Approach	(Removed)
6. Continual Improvement	5. Improvement
7. Factual Approach to decision making	6. Evidence based to decision making
8. Mutually beneficial supplier relationship	7. Relation management

Source: KEBS (2016)

2.3.1 Customer Focus Principle

The vital aim of quality management is to match customer requirements and to strive to surpass customer expectations. Sustainable success is attained when a firm entices and maintains the assurance of customers and other interested groups on whom it depends. Every element of customer engagement provides a chance to generate more value for the customers. Appreciating present and future demands of customers and other interested parties lead to continued success of a firm. This principle focuses on the satisfaction of demands and expectations of the customers. An organization must ensure that it meets customer requirements while striving to exceed their expectations. It advocates for continuous analysis of customer requirements, outlining the entire process that leads to the achievement of an acceptable product or service to the customer, and efficiency in operations and processes. This ultimately leads to continuous improvement, more profitability and enhance satisfaction of all organizational stakeholders (Kungu, 2010).

2.3.2 Leadership Principle

Managers at every organizational rank initiate unity of purpose and direction and establish environment in which people are involved in accomplishing the organization's quality objectives. The establishment of direction, engagement and unity of purpose, empowers an organization to position its policies, strategies, procedures and assets to achieve its goals. Top management takes accountability of QMS effectiveness; ensure integration of QMS requirements in business processes, engages, directs and supports employees to achieve quality objectives. The management creates an atmosphere where staff members are fully involved in achieving organization's objectives (Oluoch, 2010).

2.3.3 Engagement of People

This principle promotes proactive participation of all people in promoting the quality ethics in an organization. Human capital at every organizational level is the foundation of organizational success and its comprehensive involvement ensures its capabilities are harnessed for the benefit of the organization. Competent, skillful and informed people are essential to enhance the organization's capability to create and deliver value. It is therefore vital for the management to ascertain that all members of staff are competent, skillful and involved in decisions regarding delivery of value. To run an organization in an effective and efficient manner; it is essential to that everyone at each level is involved and made to feel an important player. Recognition and capacity building facilitate the involvement of people in attaining the organizational goals (Kiplagat, 2013).

2.3.4 Process Approach

The achievement of consistent and predictable results is possible when there is effectiveness and efficiency in operations and the organizational activities are easily understood and coordinated as interrelated procedures that operate as a coherent system. The QMS is composed of inter-linked procedures. There is need to understand that favorable output is achieved by the entire system. This consists of: processes, assets, controls and relationships; that allow the organization to achieve optimum results. Process approach is therefore the logical sequencing of activities to efficiently achieve the expected output. The expected output is effectively achieved when the engaged resources and activities are managed as single process (Oluoch, 2010).

2.3.5 Improvement

Organizations that are successful have continuous attention on improvement. Improvement is very vital for a firm to sustain present performance, to position itself for any changes; within the internal or external environment as well being in a position to exploit every viable opportunity. Improvements can be effected in a number of ways such as: systematically using corrective actions; incrementally through continual improvement; step by step change to achieve a breakthrough; creatively through innovations; and by reorganizations that lead to transformations. Organizations can make long-term objectives their priority by constantly enhancing their processes. Management should endeavor to enhance the viability of QMS using quality policies and goals, auditing performance, analysis of data, management reviews, projecting future results by evaluating present performance and taking corrective actions (Okwiri, 2015).

2.3.6 Evidence based Decision-making

When an organization make decisions informed by analyzed and evaluated information, favorable performance is guaranteed. Decision-making has always been a complex process, since it involves some level of uncertainty. It can be very subjective, being that it involves numerous sources of inputs and interpretation can also be quite biased. It is therefore very essential to appreciate cause and effect relationships and the possibility of unintended consequences arising. Decisions made from facts and tested information inspires confidence among decision makers. This principle therefore affirms that decision making should be based on information from sufficiently analyzed data (Gatimu, 2008).

2.3.7 Relation Management

Organization's relationship with its stakeholders influences organizational performance. Continuous enhancement of performance can only be achieved if an organization sustains a positive relationship with all its stakeholders. The organizational goals should be aligned to the stakeholder values, principles and interests. Managing suppliers and customers networks is very important; since they create value for the both the organization and the other stakeholders. This relationship enables an organization to receive materials required from suppliers on time and therefore ensure that production is efficiently and timely done (Okwiri, 2015).

2.4 Empirical Review of Literature

In the recent past, severally studies have been carried out worldwide by scholars on ISO 9001 certification and non-financial performance. Daniel, Baofeng, & Zhaojun (2012) in their study of supply chain management practices in Australia, established the relationship of ISO 9001:2008 certification with three major procurement management practices; internal processes, supplier and customer relationships. Findings showed that the implementation of the standard was positively related to all the three aspects of procurement management: customer and supplier relationships as well as the internal processes. Another study carried out in Australia by Singh, Feng, & Smith (2006) on the benefits of adoption of ISO 9001:2008 in the Public Service Sector in Australia; findings showed improved processes and operations attributed to the implementation of the ISO 9001 certification. Beaudin (2009) in his study of the effectiveness of ISO 9001:2008 in the Public Sector in the Government of Nova Scotia Province, Canada; found out the most significant improvements were in the implementation of processes, continual improvement and involvement of people, findings shown improvements in all the eight tested categories of the quality management system; with statistically significant confidence levels of 95% with five of the eight areas scoring statistical significance of 99% confidence level.

In their study of the Impact of ISO 9001 certification in Portuguese vocational schools, Gamboa and Melao (2012); listed process standardization, clarity of duties, improved efficiencies and responsibilities, establishment of process measurement and evaluation, improved documentation and control as benefits of ISO 9001 certification. Lee, To & Yu (2009), in their study of the impact of ISO 9001:2008, on the small-scale service oriented economy in the public sector in China; found out that adoption of the standard led improvement in the quality of public service delivery to both internal and external customers; internal customers being the public servants and the external customers being the consumers of public services plus the general public. Psomas, Pantouvakis and Kafetzopoulos (2013); in their study of the impact of ISO 9001 certification in the service companies in Greece; established that there was direct improvement of service quality and operational performance attributed to the certification. In their survey of Australian

and New-Zealand manufacturing and service companies, Feng, Terziovski and Samson (2008) found out that ISO 9001:2008 certifications resulted into a positive and significant improvement on an organization's operational performance. Another study done in Israel by Vitner, Nadir, Feldman and Yurman (2011) in the medical services sector found out that process yield and service satisfaction improved after the adoption of ISO 9001 certification in the Neonatal Intensive Care Unit.

In Kenya, several studies have also been done on the adoption of ISO 9001 certification. Owino (2010) in his study of the relationship between ISO 9001 certification and performance in government agencies; concluded that the certification could help optimize operational performance when applied appropriately. Mung'ara (2010) in his study of ISO 9001 certification in the Insurance industry in Kenya; established that: operational efficiency, customer satisfaction, waste reduction and improved organizational performance as some benefits of the certification. Anyango and Wanjau (2011) in their study of ISO 9001:2008 certified manufacturing firms in Nairobi; found that there was increased performance after the certification. The increased performance was characterized by higher perceived quality, competitive advantage, improved corporate image and increased market share. They also established that the ISO 9001:2008 certification impacted positively on, customer satisfaction, human resource management, control measures and financial resource management. Olouch (2010) noted that there was improved quality as a benefit of adopting ISO 9001 certification by Kenya Medical Training College (KMTC). Nyasani (2015) in his study of ISO 9001:2008 certification influences the performance of public universities in Kenya using surplus or deficit as a percentage of income, operating cost recovery and administrative efficiency as measures of performance; concluded that ISO 9001:2008 influences the performance of public universities in Kenya and it not a mere marketing tool that improves public image of the institutions; as had earlier been suggested by Gudo, Olel & Oanda (2011) and Okwiri (2013). Finally, Kariuki and Kasomi (2011) in their study on performance contracting in the public sector in Kenya found out that kenyans percieve service delivery in the public sector as very poor hence low customer satisfaction in government insitutions.

2.6 Summary of Literature Review and Knowledge Gap

After an in depth review of literature from studies done locally and internationally; it is evident that most of these studies focused on the impact of adoption of ISO 9001 certification on the general performance of organizations. The findings of these studies showed that the adoption of ISO 9001 certification actually affected non-financial performance measures. Daniel, *et al* (2012) in their study conducted in Australia, established a positive impact by the certification on relationship with suppliers and customers; supply chain management as well as internal organizational processes. Beaudin (2009) observed similar findings on non-financial performance in his study of the effectiveness of ISO 9001:2008 certification in Canadian public sector. Psomas *et al* (2013) and Feng *et al* (2008) also observed positive impact on customer relations, operational and service efficiency attributed to the implementation of ISO 9001 certification. Most of these studies were conducted in Europe, Australia and America; however there are very few studies done in Kenya and other developing countries that strive to bring out the effect of ISO 9001 certification on the non-financial performance. This is the gap this study sought to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the design of the study, particularly the research methods and techniques used and the justification for the choice of methodology that was employed. It also lists the instruments used and validation for their use, as well as the data analysis techniques used in this study.

3.2 Research Design

The study was a descriptive survey. The survey was the most appropriate method since the study was primary research, thus the study was able to capture all the necessary data required by sufficiently gathering all the opinions, feelings and experiences of the respondents regarding the problem of study (Kothari, 2008). The subjects of this study were well defined and unambiguous variables; the strength of census of variables is in its coverage of the entire population of subjects (Burns & Bush, 2000). The study conducted a pilot study during the first week of August 2016 in Mombasa County. This was meant to gauge the suitability of the research design as well as to help in the eradication of errors in the instruments of data collection before the actual study was conducted. The study entailed 1-month fieldwork in September 2016; before the analysis of data and report writing on the findings of study in October 2016.

3.3 Population of Study

LAPFUND's external customers constituted the population of study. These customers are the 71 sponsor organizations; consisting of 47 county governments and 24 water and affiliated companies. The study being a census survey; the entire population was involved in the study. These are the organizations that remit monthly contributions for their staff members' pension deductions to LAPFUND. They were therefore very interested in the non-financial performance of LAPFUND being their retirement benefits scheme.

3.4 Data Collection

The study used primary data. The data was collected using structured questionnaires. Structured questionnaires were the most suitable instruments for the data collection, since the research was able to obtain the specific quantitative and qualitative information that was required to meet the objectives of the study (Sudman & Bradburn, 1982). The respondents in this study were LAPFUND sponsor organizations. The questionnaire had 3 sections: A, B, and C. Section A captured respondents' background information; section B focused on the adoption of ISO 9001 certification principles while section C focused on non-financial performance.

3.6 Data Analysis

The study employed quantitative methods of data analysis. Quantitative methods develop mathematical models to analyze of the data (Neuman, 2002). The data was edited and cleansed to ensure that responses were correctly captured. Data was summarized and classified in terms of the two objectives of the research, so as to enhance objectivity. The data was thereafter tested for normality. Correlation and regression analyses were conducted to investigate the relationship between the independent and dependent variables. These models were the most appropriate for data analysis since they brought out the nature, strength and direction of the relationship between independent and dependent variables (Kothari, 2008). This study employed the regression model:

$$Y = A_0 + B_1X_1 + B_2X_2 + B_3X_3 + \dots + B_7X_7.$$

Y represents non-financial performance, while X_1 to X_7 represent ISO 9001 certification principles. Therefore non-financial performance is the dependent variable; which is determined by the adoption of the ISO 9001 certification principles; which are the independent variables.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter details the data analysis, findings and discussion of the research study. Data was obtained from 55 out of 71 respondents from the respective sponsor organizations that were issued with questionnaires. This represents a response rate of 77.47%.

4.2 Demographic Information

Descriptive analysis was used to capture the respondents' gender, designation, sponsor organizations and membership of LAPFUND. This was to ascertain that the respondents were well conversant with LAPFUND and understood its operations and performance before and after the adoption of ISO 9001 certification.

4.2.1 Gender of Respondents

The study sought to understand the distribution of the respondents in terms of gender. The findings are presenting in the table 4.1 below.

Table 4.1: Respondents' Scores for Gender

Demographics	Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	26	47.27	47.27	47.27
	Female	29	52.73	52.73	100.00
	Total	55	100.00	100.00	

Source: Primary data (2016)

Table 4.1 above shows that out of the 55 respondents; 47.27% were male while 52.73% were female, representing a well-balanced population of study; since both gender were adequately represented.

4.2.2 Position of Respondents

The study sought to establish the designation of the respondents in their respective organizations. The findings are summarized in table 4.2 below.

Table 4.2 Respondents' Scores for Position

Demographics	Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Position	Clerk	2	3.63	3.63	3.63
	Officer	46	83.64	83.64	87.27
	Director	7	12.73	12.73	100.00
	Total	55	100.00	100.00	

Source: Primary data (2016)

Table 4.2 above indicates that the respondents consisted of 3.63% serving as clerks; 83.64% serving as officers while 12.73% were directors in their organizations. This implies that a big majority of the respondents were at the operational level; hence were well conversant with ISO 9001 certification and were therefore able to identify its effect on non-financial performance in LAPFUND.

4.2.3 Sponsor Organization of Respondents

The respondents were asked to indicate the organizations where they were serving as employees. The findings are tabulated in table 4.3 below.

Table 4.3: Respondents' Scores for Sponsor Organization

Demographics	Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Sponsor organization	County Government	40	72.73	72.73	72.73
	Water & Affiliated	15	27.27	27.27	100.00
	Total	55	100.00	100.00	

Source: Primary data (2016)

LAPFUND's sponsor organizations consist of county governments, water and affiliated companies. From table 4.3 above; it is evident that 72.73% of the respondents were drawn from county government while 27.27% were from water and affiliated companies. Since county governments are 47 out of the 71 sponsor organizations making the population of study; the respondents sufficiently represented each class of sponsor organizations.

4.2.3 Membership Duration

The study requested the respondents to indicate the duration for which their pension contributions have been saved by LAPFUND. The findings are summarized in table 4.4 below.

Table 4.4: Respondents' Scores for LAPFUND Membership Duration

Demographics	Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Membership duration	0-5 years	5	9.1	9.1	9.1
	5-10 years	13	23.6	23.6	32.7
	10-15 years	27	49.1	49.1	81.8
	>15 years	10	18.2	18.2	100.0
		55	100.00	100.0	

Source: Primary data (2016)

Table 4.4 above shows that 5 (9.1%) respondents had been members of LAPFUND for 0-5 years; the next 13 (23.6%) respondents had 5-10 years of membership whereas the next 27 (49.1%) respondents had 10-15 years, while the last 10 (18.2%) respondents had been LAPFUND members for more than 15 years. This implies that majority of the respondents (67.3%) understood the organization quite well, since they were already members before the adoption ISO certification in 2009 and also after the adoption of the certification. They therefore witnessed changes in LAPFUND's non-financial performance attributable to the adoption of ISO 9001 certification.

4.3 Adoption of ISO 9001 Certification Approval Statistics

The study sought to establish the level of adoption of ISO 9001 certification principles in LAPFUND. The respondents were asked to register their level of approval of the adoption of the all the seven principles of ISO 9001 certification: customer focus, leadership, improvement, evidence based decision making, engagement, process and relation management principles. The findings are shown in table 4.5 below.

Table 4.5: Respondents Approval Ratings for Adoption of ISO 9001 Certification

	N	Mean	Percentage	Standard Deviation
AggrCFP	55	5.7733	82.48	0.51920
AggrLP	55	5.9467	84.95	0.41710
AggrEP	55	5.3267	76.10	1.15173
AggrPAP	55	5.1267	73.24	0.83541
AggrIP	55	5.1667	73.81	0.50955
AggrEDM	55	5.6533	80.76	0.60219
AggrRM	55	5.7800	82.70	0.95621

Source: Primary data (2016)

Where: AggrCFP is customer focus principle, AggrLP is leadership principle, AggrEP is engagement principle, AggrPAP being the process approach principle, AggrIP is the improvement principle, while AggrEDM is the evidence based decision making principle and AggrRM is the relation management principle. From Table 4.5 above, the means represent average score for each principle out of 7; which were then computed into percentages while standard deviations represent distribution of the individual scores from the means. The findings show high approval ratings for adoption of all the principles by the respondents greater than 50% threshold for the adoption of ISO 9001 certification principles. This is a confirmation that in did ISO 9001 certification was highly adopted by LAPFUND.

4.4 Non-Financial Performance Rating Statistics

The respondents were asked to rate their perceived level of achievement of non-financial performance indicators following the adoption of ISO 9001 certification by LAPFUND. The indicators of non-financial indicators included; customer loyalty, strategic orientation (vision, mission & objectives), market competitiveness, operational efficiency, adherence to legal and regulatory framework, stakeholder relations and staff motivation: The findings are listed in table 4.6 below.

Table 4.6: Respondents Ratings for Non-Financial Performance

	N	Mean	Percentage	Standard Deviation
AggrCL	55	4.035	80.70	0.50800
AggrSO	55	4.467	89.34	0.44865
AggrMC	55	4.300	86.00	0.51573
AggrOE	55	4.262	85.24	0.38470
AggrALR	55	3.479	69.58	0.50522
AggrSR	55	3.686	73.72	0.44129
AggrSM	55	3.757	75.14	0.64251
AggrNP	55	3.9971	79.94	0.49191

Source: Primary data (2016)

Where: AggrCL is customer loyalty, AggrSO is strategic orientation (vision, mission & objectives), AggrMC is market competitiveness, AggrOE being operational efficiency, AggrALR is the adherence to legal and regulatory framework, while AggrSR is stakeholder relations and AggrSM is staff motivation; while AggrNP is the average for all the non-financial performance indicators. From table 4.6 above, means represent the average rating for the indicators out of 5; which were then computed into percentages for easier comparison. The standard deviations show the distribution of the individual ratings of the non-financial indicators from the mean ratings. From the above findings, the respondents confirmed that non-financial performance achievement level stood at 79.94% as a result the adoption of ISO 9001 certification by LAPFUND.

4.5 Check for Normality of Data

The data was subjected to normality test using Shapiro-Wilk and Kolmogrov-Smirnov tests to determine whether to use parametric or non-parametric analysis.

4.5.1 Normality Test for ISO 90001 Certification and Non-Financial Performance

After coding of the data in SPSS version 20; it was necessary to check for normality of the data. This was done by using Shapiro-Wilk test for normality. Table 4.7 below, shows the Shapiro-Wilk and Kolmogrov-Smirnov tests which were conducted using the ISO certification principles and non-financial performance of LAPFUND; since the variables are greater 7 but less than 2000, study settled on the Shapiro Wilk test.

Table 4.7 Shapiro-Wilk Test on ISO Certification and Non-Financial Performance

AggrCP		Kolmogorov-Smirnov ^b			Shapiro-Wilk		
		Statistic	Df	Sig.	Statistic	Df	Sig.
AggrNP	5.33	0.293	15	0.001	0.786	15	0.002
	6.00	0.244	21	0.002	0.831	21	0.002
	6.33	0.414	9	0.000	0.617	9	0.000

Source: Primary data (2016)

Where: AggrCP represents the ISO 9001 certification principles while AggrNP represents the non-financial performance indicators. The data was found to be normally distributed because the p-values for all the dependent variables were less than 0.05 at 5% level of significance. Since the data was confirmed to be normally distributed, parametric tests were performed for this study.

4.6 Correlation Analysis

To identify whether there is a correlation between the dependent and independent variables a correlation analysis was conducted. The aim of this analysis was to determine whether there was a relationship between variables and the direction of the relationship; and whether the relationship was positive, negative or zero.

4.6.1 Correlation of ISO 9001 Certification on Non-Financial Performance

The data was analyzed by correlating the independent and dependent variables. The independent variables correlated were the ISO 9001 principles, while the dependent variable was the average for non-financial performance indicators. Table 4.8 below shows the pre-merger and acquisition correlation matrix. Where: AggrCFP is customer focus principle, AggrLP is the leadership principle, AggrEP is engagement principle, AggrPAP is the process approach principle, AggrIP is the improvement principle, AggEDM is the evidence based decision making and AggrNP is the average of non-financial performance.

Table 4.8 Correlation Matrix for Non-Financial Performance in LAPFUND

		AggrCFP	AggrLP	AggrEP	AggrIP	AggrEDM	AggrPAP	AggrNP
AggrCFP	Pearson Corr.	1.00	0.519**	0.650**	0.403**	0.476**	0.491**	0.290*
	Sig. (2-tailed)		0.000	0.000	0.004	0.000	0.000	0.041
AggrLP	Pearson Corr.	0.519**	1.00	0.061	0.437**	0.548**	0.130	0.553**
	Sig. (2-tailed)	0.000		0.676	0.001	0.000	0.367	0.000
AggrEP	Pearson Corr.	0.650**	0.061	1.00	0.064	0.186	0.614**	0.484**
	Sig. (2-tailed)	0.000	0.676		0.660	0.195	0.000	0.000
AggrIP	Pearson Corr.	0.403**	0.437**	0.064	1.00	0.340*	0.370**	-0.048
	Sig. (2-tailed)	0.004	0.001	0.660		0.016	0.008	0.738
AggrEDM	Pearson Corr.	0.476**	0.548**	0.186	0.340*	1.00	-0.015	0.518**
	Sig. (2-tailed)	.000	.000	.195	0.016		0.920	0.000
AggrPAP	Pearson Corr.	0.491**	0.130	0.614**	0.370**	-0.015	1.00	0.268
	Sig. (2-tailed)	0.000	0.367	0.000	0.008	0.920		0.060
AggrNP	Pearson Corr.	0.290*	0.553**	0.484**	-0.048	0.518**	0.268	1.00
	Sig. (2-tailed)	0.041	0.000	0.000	0.738	0.000	0.060	

Source: Primary data (2016)

From table 4.8 above, all the values of the variables in the matrix exhibit Pearson Correlation values below the 0.8 threshold. This shows that there is no multi-collinearity between the variables and the data deemed fit for further parametric analysis. The variables in the study have a positive relationship as exhibited by the correlation matrix.

4.7 Regression Analysis

Regression analysis was conducted for the data set on the effect of ISO 9001 certification on non-financial performance of LAPFUND. First suitability of the analysis was determined as shown in table 4.9 below, then coefficients of the analysis in table 4.10.

4.7.1 Suitability for Regression Analysis

The study determined whether the analysis was suitable for analysis data collected in this research. The findings are tabulated in the table 4.9 below.

Table 4.9 Suitability for Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.972 ^a	0.946	0.937	0.12387

a. Predictors: (Constant), AggrRM, AggrIP, AggrEDM, AggrLP, AggrEP, AggrPAP, AggrCFP

Source: Primary data (2016)

The value of R-square implies that 94.6% of the total variance of non-financial performance is explained by the regression model. This means that, only 5.4% of the total variance of financial performance values cannot be explained by the model, the model is therefore suitable.

4.7.2 Coefficients of Regression Analysis

Since regression was found to be suitable; the regression analysis was therefore conducted and findings shown in table 4.10.

Table 4.10: Coefficients of Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.314	0.276		1.136	0.263
AggrCFP	1.119	0.083	1.181	13.549	0.000
AggrLP	1.072	0.062	0.909	17.163	0.000
AggrEP	0.371	0.028	0.869	13.297	0.000
AggrPAP	-0.090	0.047	-0.154	-1.930	0.060
AggrIP	0.119	0.057	0.123	2.074	0.044
AggrEDM	0.195	0.047	0.239	4.191	0.000
AggrRM	0.306	0.045	0.594	6.721	0.000

Source: Primary data (2016)

The table 4.10 above shows that the ratio of regression to residuals is positive implying there was a significant relationship between the dependent and independent variables used in the study. Therefore the resultant equation is shown below.

$$Y=0.314 + 1.119x_1+ 1.072x_2 + 0.371x_3 -0.09x_4+0.119x_5+0.195x_6+0.306x_7+\ell$$

Where: Y is the dependent variable which is non-financial performance, X₁ to X₇, are the ISO 9001 certification principles and ℓ is the provision for standard error. We can therefore ascertain that the adoption of ISO 9001 certification has a positively relationship with non-financial performance in LAPFUND.

4.7.3 ANOVA for Regression Analysis

Further investigation was done to establish the variance in the regression analysis model.

Table 4.11 ANOVA for Regression Analysis

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.212	7	1.753	104.394	0.000 ^b
	Residual	0.644	42	0.015		
	Total	11.857	49			

Source: Primary data (2016)

The findings show that the variance between ISO 9001 certification and the non-financial performance of LAPFUND has a significance of 0.000, which is less than the threshold of 0.05; the study therefore concluded with certainty that the change in non-financial performance is attributable to adoption of ISO 9001 certification.

4.8 Reliability of the Data

A test was conducted to determine reliability of the data, the findings are tabulated below.

Table 4.12: Reliability Test.

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.812	0.830	8

Source: Primary data (2016)

From the table above, the reliability of the data was found to be 81.2 % as shown by Cronbach's Alpha value. This is far above the 50% threshold for determining the reliability of the data. The data is therefore very reliable.

4.9 Discussion

The findings from the regression analysis model established a positive relationship between the ISO 9001 certification and non-financial performance of LAPFUND. Non-financial performance indicators such as customer loyalty, strategic orientation of the organization, market competitiveness, operational efficiency, legal and regulatory compliance, stakeholder relations and staff motivation; all shown good performance attributed to the adoption of ISO 9001 certification. These findings are consistent with the findings of studies done by: Daniel, *et al* (2012) in their study in Australia, which established a positive impact by the ISO 9001 certification on relationship with suppliers and customers; supply chain management as well as internal organizational processes. Beaudin (2009) in his study of the effectiveness of ISO 9001:2008 certification in the Canadian public service also observed a positive effect on non-financial performance. Psomas *et al* (2013) and Feng *et al* (2008) also observed that the implementation of ISO 9001 certification had a positive impact on customer relations, operational and service efficiency.

CHAPTER FIVE: SUMMARY, CONCLUSION AND SUGGESTIONS FOR FURTHER STUDY

5.1 Introduction

This chapter captures the summary of the findings, conclusion and also suggestions for further study. It is entirely derived from the findings and results of this study as presented in chapter four.

5.2 Summary

The idea to investigate the effects of ISO 9001 certification on non-financial performance of LAPFUND in Kenya was informed by three theories: resource based theory, contingency theory and balanced score card theory. These theories were appropriate since their focus is on organizational performance. The research design was a census study that relied heavily on primary data by using questionnaires that were used to obtain the data from 55 sponsor organizations saving their retirement benefits with the LAPFUND. The regression model confirmed to a certainty level of 94.6% of that the total variance of non-financial performance was caused by ISO 9001 certification. The relationship between ISO 9001 certification and non-financial performance of LAPFUND was tested using regression analysis. The model showed a positive relationship between the dependent and independent variables. The findings further shown that ISO certification was highly adopted; the individual principles adoption levels stood at: customer focus principle having 82.48%, leadership principle at 84.95%, engagement principle having 76.10 %, process approach principle having 73.24%, improvement principle having 73.81%, evidence based decision making having 80.76% and relations management at 82.7%. The study also ascertained that the adoption of ISO 9001 certification positively affected the non-financial performance of LAPFUND at 79.94%. The respondents identified the non-financial performance indicators positively affected by the ISO 9001 certification to include: customer loyalty, strategic orientation, market competitiveness, operational efficiency, statutory and legal framework, stakeholder relations and staff motivation.

5.3 Conclusion

Majority of the respondents in the study had been members of LAPFUND for more than 10 years; these are people who understand the organization quite well; they saw how it conducted its operations before ISO 9001 certification in 2009; and the changes that came as a result of the certification. This study attested with certainty that ISO 9001 certification has had a positive effect on non-financial performance of the LAPFUND in Kenya. All the two objectives were sufficiently achieved. It is therefore in order to conclude that the adoption of ISO 9001 certification has positively affected the non-financial performance of the LAPFUND.

5.4 Limitations of the Study

It must be noted that ISO 9001 certification might not be the only cause of changes in the non-financial performance of LAPFUND; there may be other performance related factors that have affected the organizational performance as well. In addition, the study may only be generalized to represent similar public institutions operating within the retirement benefits or public services sector but not private institutions or other sectors of the economy such as agriculture, banking, and telecommunications. Moreover, the findings of the study for LAPFUND were carried out in Kenya and are not conclusive to the entire African region or the developing countries. Therefore the situation might be different in Tanzania, Bolivia, Taiwan, Peru or Botswana.

5.5 Suggestions for Further Study

The study focused on LAPFUND, a public entity dealing with retirement benefits; further research need to be done on the effect of ISO certification in public and private institutions in other sectors of the economy such as agriculture, construction, tourism, investments and telecommunications. The population of study consisted of LAPFUND customers only; further research should also be done involving the general public since they are also affected either directly or indirectly by the operations of LAPFUND. Finally this study focused on the effect of ISO 9001 certification on the non-financial performance of LAPFUND; further research need to be carried out on the effect the certification on the financial and general organizational performance of LAPFUND.

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a. Management of LAPFUND is qualified.							
b. Management of LAPFUND is steering the organization in the right direction.							
c. LAPFUND's management is committed to the achievement of its vision, mission and objectives.							
7. Engagement Principle							
a. LAPFUND involve its members in the running of its affairs.							
b. Members are frequently involved in the running of LAPFUND affairs.							
c. Members own LAPFUND.							
8. Process Approach Principle							
a. Members understand LAPFUND's operations and processes.							
b. LAPFUND's operations and processes are organized in a scheduled manner.							
c. The schedule of LAPFUND operations and processes is effective.							
9. Improvement Principle							
a. LAPFUND constantly strives to improve in its operations and processes.							
b. The improvements are quite visible.							
c. Customers are happy with the improvements.							
10. Evidence based Decision making							
a. Decision making in LAPFUND is informed by							

researched, tested and objective information.							
b. Management gives supporting documentation for all the decisions the organization makes.							
c. Decision making in LAPFUND is effective.							
11. Relations Management							
a. There is a relationship between LAPFUND and its customers.							
b. The relationship is of a cordial nature.							
c. The relationship is beneficial to both LAPFUND and its customers.							

Section C: Effect of ISO 9001 Certification on Non-Financial Performance

12. What is your perceived level of achievement of the following indicators of performance by LAPFUND following the adoption of ISO 9001 certification? (Where 1=Very low, 2=Low, 3=Fair, 4=Good, 5=Excellent)

Performance Indicator	1	2	3	4	5
Customer loyalty					
Vision, mission and objectives					
Market competitiveness					
Efficiency in operations					
Adherence to statutes and policies					
Relationship with the society					
Quality and motivation of employees					

Thank you for committing your time to fill in this questionnaire!

**APPENDIX II: POPULATION OF STUDY (COUNTIES, WATER &
AFFILIATED COMPANIES SERVED BY LAPFUND)**

INDEX	COUNTY GOVERNMENTS
1.	Baringo County Government
2.	Bomet County Government
3.	Bungoma County Government
4.	Busia County Government
5.	Elgeyo Marakwet County Government
6.	Embu County Government
7.	Garissa County Government
8.	Homa Bay County Government
9.	Isiolo County Government
10.	Kajiado County Government
11.	Kakamega County Government
12.	Kericho County Government
13.	Kiambu County Government
14.	Kilifi County Government
15.	Kirinyaga County Government
16.	Kisii County Government
17.	Kisumu County Government
18.	Kitui County Government
19.	Kwale County Government
20.	Laikipia County Government
21.	Lamu County Government
22.	Machakos County Government
23.	Makueni County Government
24.	Mandera County Government
25.	Marsabit County Government
26.	Meru County Government
27.	Migori County Government

28.	Mombasa County Government
29.	Murang'a County Government
30.	Nairobi County Government
31.	Nakuru County Government
32.	Nandi County Government
33.	Narok County Government
34.	Nyamira County Government
35.	Nyandarua County Government
36.	Nyeri County Government
37.	Nzoia County Government
38.	Samburu County Government
39.	Siaya County Government
40.	Taita Taveta County Government
41.	Tana River County Government
42.	Tharaka Nithi County Government
43.	Turkana County Government
44.	Uasin Gishu County Government
45.	Vihiga County Government
46.	Wajir County Government
47.	West Pokot County Government
INDEX	WATER COMPANIES
1.	Embu Water & Sanitation Company Limited
2.	Garissa Water & Sewerage Company Limited
3.	Gusii Water & Sewerage Company Limited
4.	Kericho Water & Sanitation Company Limited
5.	Kiambu Water & Sewerage Company Limited
6.	Kirinyaga Water & Sewerage Company Limited
7.	Kisumu Water & Sewerage Company Limited
8.	Kitale Water & Sewerage Services

9.	Mathira Water & Sanitation Company
10.	Mavoko Epza-Water & Sewerage Company
11.	Mombasa Water & Sewerage Company Limited
12.	Murang'a Water & Sanitation Company Limited
13.	Nairobi City Water & Sewerage Company
14.	Nakuru Water & Sanitation Services Limited
15.	Nanyuki Water And Sewerage Company
16.	Nyahururu Water & Sanitation Company
17.	Nzoia Water & Sewerage Services
18.	Tanathi Water Service Board
19.	Thika Water And Sewerage Company Limited
INDEX	ASSOCIATED ORGANIZATIONS
1.	Bukhungu Sacco Limited
2.	Embu Local Government Employees Sacco Limited
3.	Association of Local Governments Authorities of Kenya
4.	Kenya County Government Workers Union
5.	Mara Conservancy

APPENDIX III: INTRODUCTION LETTER



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DATE: 8TH SEPTEMBER, 2016

TO WHOM IT MAY CONCERN

The bearer of this letter, **Daniel Okoth Ochomo** of Registration Number **D61/71414/2014** is a Master of Business Administration (MBA) student of the University of Nairobi, Mombasa Campus.

He is required to submit as part of his coursework assessment a research project report. We would like the student to do his project on ***The Effect of ISO 9001 Certification on Non-Financial Performance in the Local Authorities Provident Fund.*** We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.

Zephaniah Ogero Nyagwoka
Administrative Assistant, School of Business-Mombasa Campus

