

**QUALITY MANAGEMENT PRACTICES AND FIRM
PERFORMANCE OF OIL MARKETING COMPANIES IN KENYA**

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DECLARATION

I declare that this research project is my original work and has not been submitted before any other academic institution for any award.

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

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DEDICATION

This thesis is dedicated to my late dad, Engineer Ochiel to whose hard work and determination inspired me. I also dedicate this to my mum whose unwavering support has brought me this far. A special dedication to my wife Lorraine and daughter Hailey for their encouragement, patience and perseverance through this course.

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LIST OF ABBREVIATIONS AND ACRONYMS

BSC	Balanced Score Card
EFQM	European Foundation Quality Management
ERC	Energy Regulatory Commission
FP	Firm Performance
ISO	International Organization of Standards
JIT	Just In Time
KPC	Kenya Pipeline Company
LPG	Liquefied Petroleum Gas
MoEP	Ministry of Energy & Petroleum
NOCK	National Oil Corporation of Kenya
OMC	Oil Marketing Company
OMT	Operations Management Theory
PIEA	Petroleum Institute of East Africa
QM	Quality management
TQM	Total Quality Management

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ABSTRACT

This study sought to establish the effect of quality management practices on performance of oil marketing companies in Kenya. This study adopted a census survey research design. The population of the study was the oil marketing companies in Kenya. The study made use of both primary data; which was collected using a designed questionnaire. The study data was analyzed using both descriptive and inferential statistics. Multiple linear regression analysis method was used to analyze the relationship between the study variables. The study results showed that the respondents did agree that quality management focused on satisfying customer requirements; the workers felt fully responsible for the work they did and believed that their work was important to the success of the company. The results also showed that quality formed part of the company's improvement culture; management recognized employees' efforts and the identification and selection of key suppliers were based on value addition and their approach to the supply chain. The study found that there was a significant positive relationship between customer focus, leadership, continuous improvement, engagement, mutual beneficial supplier relationships as quality management practices and firm performance of OMCs in Kenya. The study concluded that customer focus, leadership, continuous improvement, employee involvement and mutual beneficial supplier relationships were critical quality management practices that influenced firm performance of OMCs in Kenya. The study recommends that to enhance the quality of its products and services, the organization should ensure that it strikes a balance between formulating goals that favor the employees, the firm and the customers as these will enhance performance and productivity in the company.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The rapid increase in the level of competition among organizations has caused every organization to aim at achieving and maintaining a sustainable competitive edge (Valmohammadi, 2011). According to Kiechel (2012) in order to achieve quality management implementation, it is necessary to be aware of management and organizational issues in order to meet customer expectations. Firm performance is the ability an organization has to acquire, utilize its scarce resources and valuables in the pursuit of its goals (Gupta, House, Hanges, Javidan & Dorfman, 2014). Performance is built on firm-specific resources that add value and are not homogeneously spread across the competing entities. The quality management practices that are used by a firm determine how well a firm is able to acquire and utilize its scarce resources and valuables in an effort to attain the desired goals. Well strategized quality management practices automatically translate to exemplary firm performance.

Quality Management is the holistic management approach that integrates all organizational activities in an effort to satisfy and meet customer needs as well as expectations in order to achieve overall organizational objectives (Kiechel,2012). This study will be anchored on the theories of quality management namely: Deming Theory, Crosby Theory and Feigenbaum Theory. Quality management is vital in ensuring the success of any business. Strategic planning in the utilization of financial resources during production, innovative ideas tactfully incorporated to achieve the desired objectives and guaranteeing the quality performance of the final products bearing in mind all the regulatory guidelines involved are all geared towards customer satisfaction. Quality management ensure continuous improvement in sustaining customer satisfaction which is the sole aim in order to maximize profits

In Kenya, many organizations in the service industry have embraced Quality Management practices such as quality management programs (Magutu, Mbeche, Nyaga, Nyamwange, Ongeri & Ombati 2013). This study focused on oil marketing companies

majorly because the oil industry has over the years gained prominence and its well-being directly impacts on other industries which rely on the oil industry

1.1.1 Quality Management Practices

Quality management practices can be defined as the tasks and activities that are necessary in ensuring that the desired standard of quality is achieved and maintained. It is a constant endeavor to fulfill and exceed customer needs and expectations at the lowest cost by continuously improving on work (Bergman and Klefsjo, 2011). It features different terms like Quality Management as well as Total Quality Leadership and is part of strategic management (Sangenta and Banwe, 2014). Quality Management includes critical factors, tools, and techniques for quality improvement (Tari, 2015). When the focus of quality management is on the strategic aspects, there is an emphasis on its importance and impacts thus making it a means of achieving strategic level targets (Leonard & Mc Adam, 2012).

There are critical variables in quality management practices which are leadership, employee engagement, customer focus, continuous improvement and mutually beneficial supplier relationships. The methods applicable to quality improvement cover product, service, process and people based improvement. ISO 9004: 2008 gives the guidelines for performance improvement while ISO 9001: 2015 deals with Quality Management Systems for Organizations to prove the ability to consistently provide products and services that meet the requirements of customers and also meeting the needs for stakeholders. Quality management was first promoted in Japan, with the Deming prize adopted and adapted in Europe as the management strategy (International Standard Organization, 2016).

Quality Management improves organizational performance and encompasses a variety of technical and behavioral topics. The international standards generic management systems are applicable to most organizational (Walker & Johnson 2013). Organizational cultural change has been identified as the most common barrier to successful quality management implementation (Ronnback and Witel, 2013). Many researchers have

concluded that adoption and implementation of strategic Quality Management positively influence organization performance (Leonard & Mcadam, 2012).

1.1.2 Firm Performance

Firm performance can be defined as the efficiency of an organization bearing in mind the stakeholder's objectives and the environment in which the organization operates in. It is mandatory for the managerial team to adopt tools that can accurately measure the firm's performance so as to give a true picture of how the firm is doing in all aspects. There are several performance measures that firms frequently adopt. Today, the area of performance has significantly evolved to cover key metrics like Economic Value Added models, the Balance Score Card (BSC) and quality management systems. At the same time, various quality programs have been embraced by firms including quality management and Six Sigma. The basis of implementation of these programs is to improve on quality and thus performance measurement.

This study considered customer perspective and the external perspective as performance measures. The study also considered financial and market performance as this gave a picture of the financial ability of the organizations to attract, and retain employees and clients as well as its sustenance. Finally the study considered operational and innovation performance which was in line with the processes that were in place because this highlighted the significance of these processes and the continuous improvement of the same from time to time to improve the output in the organization.

1.1.3 Quality Management and Firm Performance

Firm performance is based on the output of the operations of a firm or achievements of its goals. Vouzas and Psychogios (2012) divide the firm performance into three dimensions; operational, financial and organizational effectiveness. Quality improvement practices often fail due to problems at the implementation stage. Impacts of quality improvement practices are positive and significant. Firm performance has two dimensions comprising of judgmental and objective performance. Sadikoglu and Oclay (2014) argued that implementing quality management systems results into direct and significant influence on

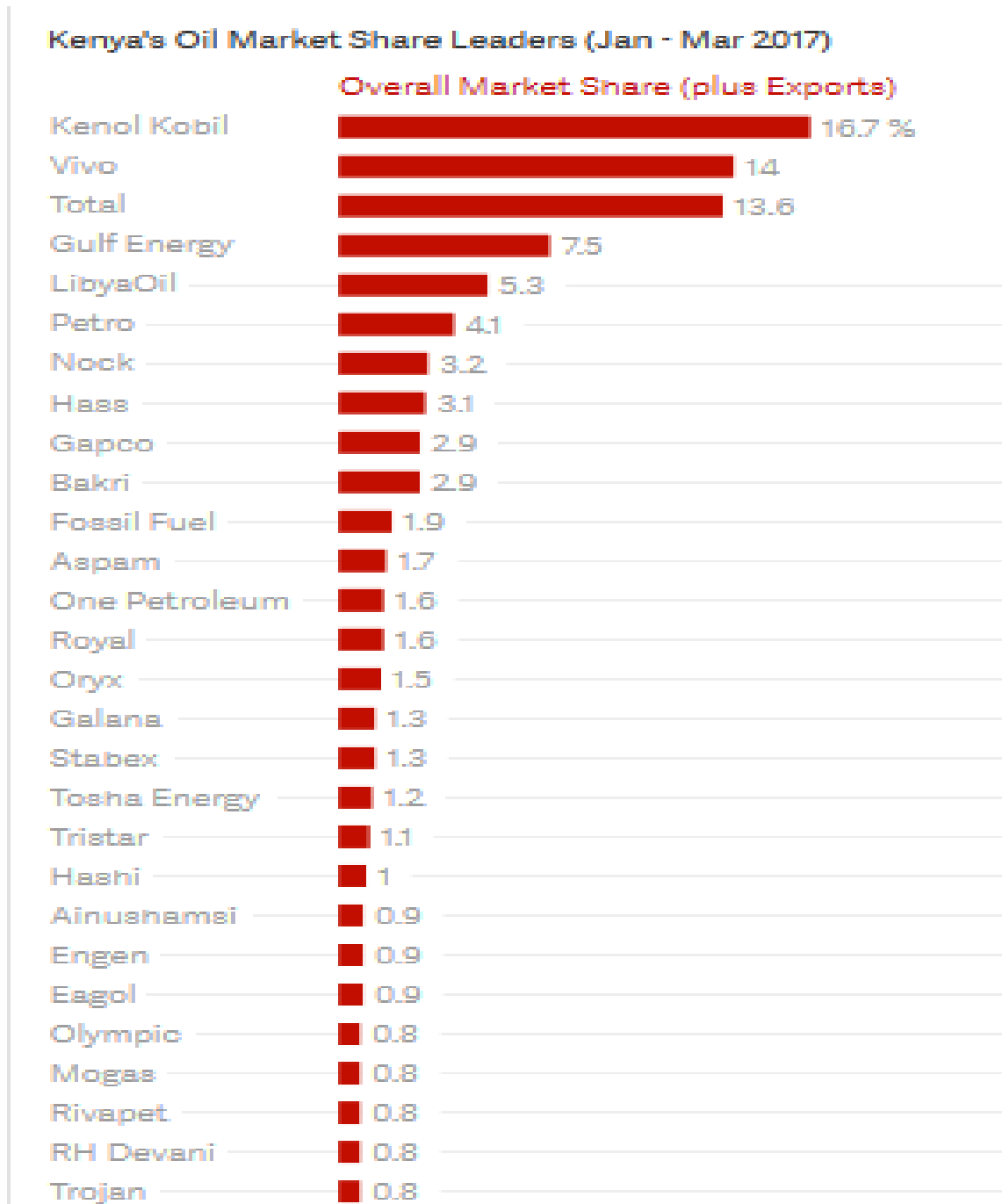
both organizational and operational level of performance. Salaheldin (2013) noted that variety of approaches of managing quality have significant influence on performance of the firm.

Mohammad (2014) identified some of the performance measures such as Total Quality Management (TQM), quality performance (QP), innovation performance (IP) and organizational performance (OP). Each of these has its specific performance indicators. This study will consider quality performance, innovation performance, and organizational performance.

1.1.4 Oil Marketing Companies in Kenya

Kenya is a net importer of petroleum products. The liberalization of the petroleum industry in Kenya in 1994 led to an increase in the number of petroleum dealers in the country (Institute of Economic-Affairs, 2000). There are over thirty oil marketing companies in Kenya and their market shares are based on the volumes of fuel traded within a given period (Energy Regulatory Commission, 2017). There are six major players in the petroleum industry in Kenya; Total Kenya Limited, Vivo Energy Kenya Limited (Shell Licensee), Libya Oil Kenya Limited, Kenol Kobil, Gulf Energy and National Oil Corporation of Kenya (NOCK), which is a state corporation fully owned by the Kenyan government.

Figure 1.1: Kenya's Oil Market Share Leaders (Jan-Mar 2017)



1.2 Research Problem

In the current challenging global environments, effective management of quality is so crucial in helping the firm remain competitive (Reed et al 2000). Over the past years before the liberalization of the oil industry in Kenya, the petroleum industry operated

without the adoption of quality management as a cardinal operations guide. This saw the Oil Marketing Companies (OMC) at that particular time having poor customer service and limited product ranges. The liberalization of the industry brought a rise in competition for customers and so the OMCs were forced to adopt quality management into their operations in order to maintain a profit base. Although there has been significant investment in resources for managing quality in most countries, emphasis has however not been given on the link between strategic quality management (SQM) and value creation at the firm level. This is particularly evident among the less developed nations (Devaraj 2012). On the basis of the significant benefits accruing from the implementation of SQM, most local firms are under pressure to implement SQM. However, there are underlying challenges that these firms face they strive to effectively and efficiently incorporate quality in the in operations.

It is important to note that quality management and firm performance are directly related. Application of well-planned out quality management practices by the company guarantee favorable firm performance (Praeg & Spath, 2011). Favorable firm performance means employee satisfaction, customer satisfaction, positive growth performance, high market value performance of the firm, high profitability performance, good social performance and good corporate governance performance.

Locally in Kenya, a number of firms, mostly the service oriented ones have incorporated quality management in their operations include QM systems and programs and ISO standards (Davis and Cobb, 2014). OMCs have been greatly crippled by government attempts to control fuel prices which affects their performance and low customer satisfaction due to high fuel prices. High cost of production and tax policies also affect the performance of the firm; profitability performance is drastically affected as well as poor customer satisfaction. Stiff competition in the oil market has left only the tough still surviving; poor growth performance of firm since some firms have been locked out of the market, low profitability performance (Azelton & Teufel, 2009).

Mosadeghrad (2014) argued that SQM strive to ensure all products and services are of high quality and hence customer satisfaction. This is achieved through collaboration and

cooperation with all stakeholders besides application of techniques and tools for managing quality. Gichara (2013) found out that, SQM has been adopted in Kenya, at the public sector organizations more so in the service provision sector, including education, information, healthcare, and tourism. In the education sector, SQM is commonly used among the higher learning institutions. The use of SQM in these institutions has come under serious threat due to the managerial styles, organizational culture, technological orientation and the mode and system of communication.

Despite the benefits that OMCs can accrue from adopting quality management in their practices, no study has been done in the Kenyan context to assess how quality management practices have been implemented with specific reference to the oil industry. This study, therefore, aims at filling the knowledge gap by establishing a link between QM practices and firm performance in the oil marketing companies in Kenya. To fill the research gaps, the study seeks to answer the following research question; to what extent have the oil marketing companies adopted quality management practices and what is the effect of QM practices on firm performance of the oil marketing companies in Kenya?

1.3 Research Objective

To establish the effect of quality management practices on performance of oil marketing companies in Kenya.

1.4 Value of the Study

This study hopes to evaluate the different quality management practices used by the major Oil Marketing companies in Kenya and how they affect firm performance. The findings of the study can be of beneficial use to the small oil marketing companies in implementing strategic quality management to enhance their competitiveness in the industry. The findings will also benefit any other firms that seek business excellence through quality management. The firms will be able to understand the concept of Quality Management implementation and service delivery. By gaining this understanding, the firms will be able to take measures that will assist in the implementation of Quality Management. This study can also be used by the government and its entities in

implementing quality management and the best practices that will enhance their performance in the various sectors. Non-governmental organizations can also benefit in the same manner.

To academicians and researchers, this research will contribute to the extension of professional knowledge on existing best practices in quality management that can be implemented in a quest to enhance firm performance. The study findings will provide a platform upon which studies on this topic can be expounded. The study can also provide an insight into quality management students and practitioners in quality management in appreciating the different quality management practices that can be implemented to achieve business excellence.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter illustrates a literature review purposely to identify the theoretical, empirical, and conceptual frameworks. It critiques the existing literature relevant to the study, makes a significant summary and identifies the research gaps. The conceptualized variables form a framework that will assist the researcher in the analysis. Information from various sources including journals, publication, and internet in the relation to the topic is fully explored.

2.2 Theoretical Framework

There are several management theories that can be advanced in a bid to explain the effects of QM practices on firm performance namely, Deming's theory, Crosby's Theory and Feigenbaum theory, which are discussed in depth to bring forth relationship of theoretical and the research topic.

2.2.1 Deming's Theory

Deming's ideas and principles have greatly contributed to defining and understanding quality management. Deming emphatically stated that quality management problem lied solely on the firm's managerial team and improvement can be done through changing the process. He also noted that a small percentage of the quality management problem could be solved by the employees.

There are fourteen key principles that Deming came up with regarding quality management. Maintaining constancy of purpose to improve products and service as well as adopting new ways of enhancing quality are some of the principles that Deming upheld in improving quality. Deming also refuted mass inspection as a means of achieving quality and the habit of awarding business on the basis on price alone; he argues that business be awarded on quality only. Deming also vividly stated in his principles that quality management is made achievable when continuous improvement of

the process of production and appropriate method of training are religiously practiced (Mukherjee, 2006).

Deming was of the field of thought that for quality management to be realized thorough methods of supervising must be put in place and the staff should be highly motivated for them to be productive in positive way. Any barriers that may break the spirit of team work between staff areas and departments should be eliminated together with putting up realistic methods of production which can propel firm to new levels of production. Deming put special emphasis on quality concept and how it can be improved rather than work standards. Quality management can only be sustained by eliminating obstacles that may deny the workers the right to good workmanship like inadequate materials.

It is critical to note that Deming acknowledged the fact for all the necessary principles that he upheld, priority should be given in ensuring that a framework in the top managerial post is such that it is aggressive enough to be able push the other points in attainment of quality (Mukherjee, 2006).

Deming stated some challenges that affect companies and greatly hinder attainment of pre-defined goals that have been set. Lack of consistency in planning the products and services affect the performance of the company. Concentrating on short term-profits is also a poor strategy for the company in the long run and adopting personal review systems that will not give a clear picture at hand due to biasness. Excessive costs incurred by the company such as contingency fees by lawyer and medical cost also great slacken growth performance by the company hence also quality is jeopardized. High mobility of managerial staff is also another major challenge in the day to day running of the company; this is because different managers have different ways of getting things done hence frequent changing will affect the company (Mukherjee, 2006).

2.2.2 Crosby's Theory

Crosby is popularly known for his principle of Zero Defects which he perceived that prevention based system is the only way to efficient quality management. These prevention measures include reducing costs, putting emphasis on controls, being aware

and paying attention to employees and most importantly getting things done the right way the first time. Crosby acknowledges the fact that the cost of not doing things in the right manner can actually be estimated as well as expenses incurred as a result of poor quality can be avoided through good quality practices (Peratec-Limited, 1994). Crosby made up four major point of focus concerning quality management. He defined quality as conforming to particular requirements. He also acknowledged that prevention is a good ingredient for quality management and that in quality management there is no room for errors. The price of non-conformance gives quality measurements.

Crosby came up with fourteen key points necessary for quality management. Crosby pointed out that commitment is very essential in guaranteeing quality management and most importantly having a team that will spearhead quality improvement. Standards of measuring quality is mandatory in ensuring that there is quality improvement and also assessing quality cost is a good tool for management. Promoting quality awareness and imparting knowledge of employees is also another point that Crosby cited that greatly improves quality together with coming up with a procedural system that should be undertaken to solve problem (Peratec-Limited, 1994).

Putting a strong commitment towards zero defects program alongside setting zero defects day where employees are encouraged to things in the right way and at the right time. Looking into the types of training that will be sufficient enough to increase quality and giving everybody in the company the privilege of coming up with goals that will improve quality are crucial. Recognition of efforts well put forward in improving quality greatly helps in quality management as well as installing chains of communication that will help in passing across problems arising that are detrimental to quality improvement. Above all it showed be emphasized time and again that improving quality is a continuous process (Peratec-Limited, 1994).

2.2.3 Feigenbaum Theory

Feigenbaum also greatly contributed to quality control. Feigenbaum theory advocated for inspecting as a means of putting quality control in check. He focused primarily on prevention as a measure of ensuring that quality is improved. Not forgetting that setting

pre-defined standards was also an element he cited for quality control (Charantimath, 2017). Feigenbaum came up with a systematic approach about quality; stating that quality is an ethical element which is a continuous process and is cost effective method to ensuring that there is productivity. This system of approach also clearly stated that quality and innovation have a mutually independent relationship in addition quality management is an initiative that should be undertaken both at individual level as well as team level. Most importantly quality is dictated by the customer and its implementation is a system connecting suppliers with customers (Charantimath, 2017).

Feigenbaum discovered that focusing only on production process will not efficiently improve quality but also issues such as planning, direction and organization also need to be looked into. Feigenbaum emphasizes on four main point regarding quality management; setting up desired standards of quality, appraising to these set standards, taking action where the standards are not met and planning on how the standards will be improved (Charantimath, 2017).

2.3 Quality Management Practices

2.3.1 Continuous improvement

According to Bessant and Caffyn (1997) as cited in (Coughlan & Coughlan, 2011) continuous improvement has been defined 'as an organization-wide process of focused and sustained incremental innovation'. In countering increasing demand and quality enhancement, ways are sought to ensure increments in quality. For consistency of an organization, utmost care has to be exercised in making sure that there are always deliberate and ongoing efforts that will guarantee upswing of quality. Continuous improvement involves the following stages; planning, doing, checking, and acting (Peratech-Executive-Briefing, 2012).

2.3.2 Customer focus

Customer focus is the belief that an individual has regarding the value that direct client contact has when it comes to the attainment of the preferred performance outcome (Hingley & Custance, 2016). Customer focus is a core objective of overseeing quality

standards in an effort to have a competitive advantage over others and cater for the insatiable customer desires. The perpetual success of an organization is made possible through having a good mastery of current and future projections of customer expectations. The organization has a challenge of striking a balance between formulating goals that favor the employees, company and the customers. Performance and productivity are greatly enhanced (Charantimath, 2011).

2.3.3 Mutual beneficial supplier relationships

Mutual beneficial supplier relationships is a relationship with the suppliers that are mutually beneficial is fundamental in deliverables in terms of service attains exemplary quality standards (Hoyle, 2012). Optimization of organization performance is made possible where there is a good rapport between the organization and stakeholders (Hoyle, 2012). Mandiyambira (2011) investigated the manner in which supplier relationships can be managed to improve the operations of procurement in public firms. According to the findings, the best way to manage supplier relationships is by maintaining long-term relationships with few suppliers. Relationship with suppliers should go on even after completion of a contract. Further, quality could be achieved by actively involving the suppliers and joining efforts in problem-solving.

2.3.4 Leadership

This is the act of guiding a group of people or organization toward the achievement of a particular goal (Kanji, 2013). It involves making decisions, establishing and enunciating vision, establishing achievable goals, and providing relevant information, knowledge, and methods to be used to realize those goals. Leadership plays a key role in quality management as it establishes the direction of the organization. The leaders have to ensure they establish and maintain a working environment that will motivate the employees (Kanji, 2013).

2.3.5 Employee engagement

This is the direct participation of personnel with the sole intention of helping the organization achieve its set goals as well as fulfil its mission (Kanji, 2013). Every

organization needs to create a conducive environment where its employees will be able to work freely with the aim of achieving the organizational goals. But where the management does not appreciate the efforts and the role that its employees are playing in the success of quality management, chances are that the organization will underperform (Kanji, 2013).

2.4 Firm Performance Measures

Performance measures are a paramount discipline in the management of many firms also known as organizational effectiveness. It is usually taken as a dependent variable which seeks to explain a firm's effectiveness in utilizing quality management practices to improve the quality of the final product (Sofiyabadi, Kolahi & Valmohammadi, 2015). There are particular performance measures that help evaluate a firm's performance namely: effectiveness of a firm from its customers' perspective; financial and market performance; operational and innovation performance and the external perspective.

2.4.1 Customer Perspective

The customer perspective in the balanced score card is concerned with how the customers view the company. Any profit making organization solely operate having one common mission in mind; offering maximum value to its customers. Top managers are usually have special interest on customer perspective which the balance score card dictates that efforts are made to look into issues that customers desire (Han, Omta, & Trienekens, 2009).

Customers are usually concerned with quality, time, performance, cost and service. On the time element there is lead time which assesses the time a company takes to meet its customers; needs. When it comes to quality customers are more concerned about whether the product has any defect and if it all measures up to the expectation of the customers. Customers are able to know whether the products or services produced actually create value to customers by looking at the performance and service measures. Customer perspective assesses customer satisfaction (Han, Omta, & Trienekens, 2009).

2.4.2 Financial and Market Performance

Financial and market performance is an indicator showing whether the strategies, implementation and actual execution are bringing forward any improvement. Financial and market perspective help managers to brainstorm whether it is worth taking up short term financial commitment or rather stick to long term commitments. Many company's financial goal are made with the sole aim of succeeding, surviving and prospering. Cash flow is able to tell about the survival rate, success tells about the percentage of the sales growth and prospering goal tells whether the market share is increasing. It is worth noting that some critics are of the opinion that financial measures do not have any impact on employee motivation, quality, customer satisfaction and time but rather financial operations are as a result of operational efforts. These critics insist that companies should not rely on financial measures to manage their problems (Baker, Filbeck, & Harris, 2018).

2.4.3 Operational and Innovation perspective

The operational perspective of the balanced score card looks at the performance of the major processes carried out, if they are efficient and effective enough to deliver the desired level of customer value. Operation perspective focuses more on the essential sources that create customer value and identifying which process needs to be improved and how. Innovation perspective shows whether the company has the capacity to enhance and create value. Innovation perspective gives very important information about the capability of the company to add more value to customers, sustain operating efficiencies and introduce new products to the market. Top managers are able to deduce the company's value by looking at the operational and innovation perspective of the balanced score card (Garza-Reyes, Kumar, Martinez-Covarrubias, & Lim, 2017).

2.4.4 External Perspective

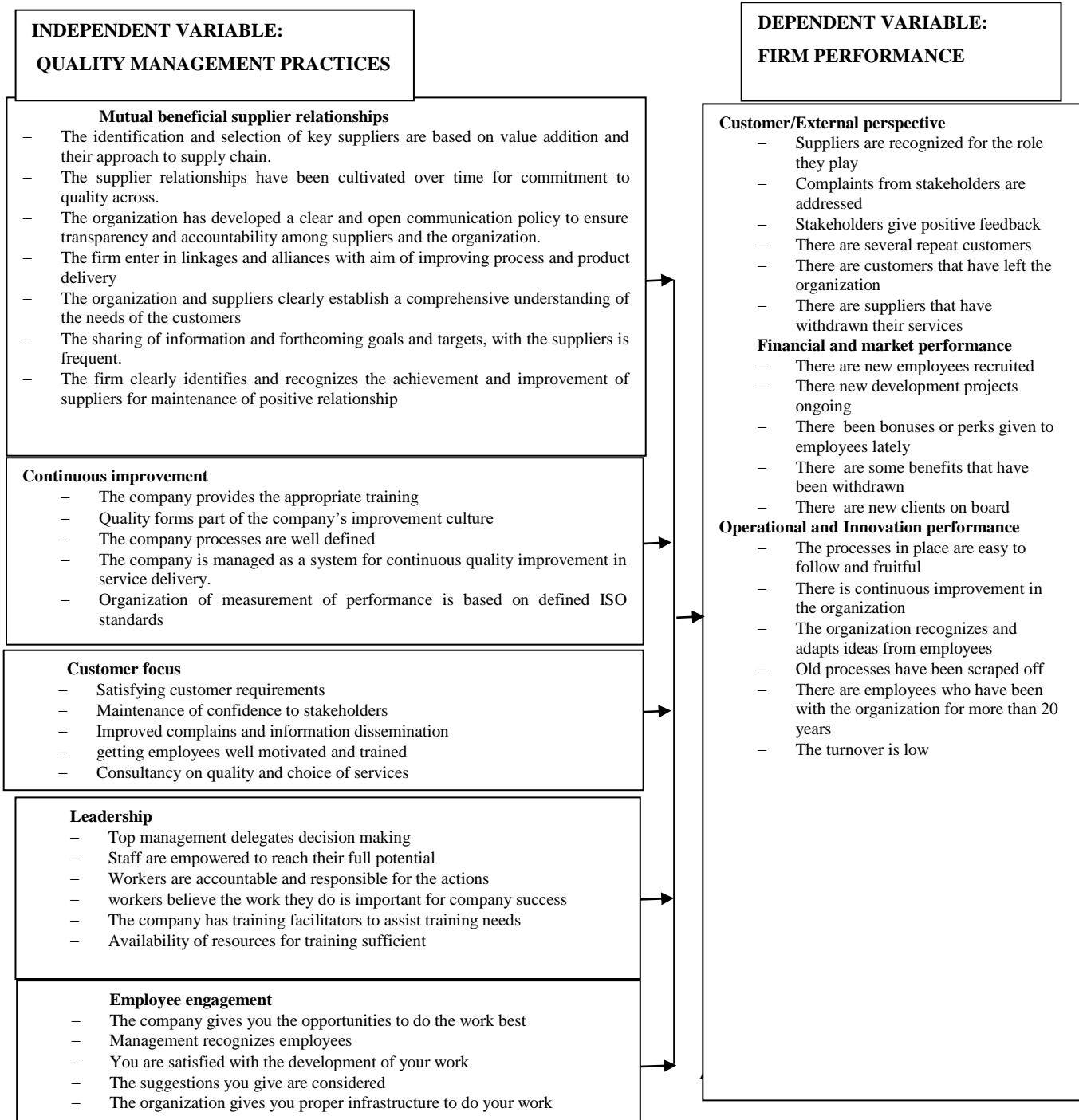
External perspective gives very crucial information on how well the company is able to carry out its operation despite outside influences on the business. External factors such as legal, economic, political, technological advancements and competition by other firms

cannot be trivialized. Major concern by manager would be whether the company is able to withstand external pressure and still be able to deliver in line with their pre-defined goals. With the exponential changing of technological ideas, it is important for the managers to assess whether adopting of new ideas in their operations is economically reasonable. In a nutshell, external perspective tries to look closely whether the company is able to fulfill its obligations to the public, legal, socially, politically, economically and technologically (Ireland, 2008).

2.5 Conceptual Framework

A diagrammatic representation showing the independent variable (quality management practices) and the dependent variable (firm performance)

Figure 2.2: Conceptual Framework



2.6 Empirical Review and knowledge gaps

Table 2.1: Empirical Review and Knowledge Gaps

Author	Study	Findings	Gap
House (2009)	The link between TQM and performance of firms in the context of Spain	Significant benefits accrue to a firm that focus on quality improvement which includes cost reduction and revenue improvement	The study was conducted in a developed county.
Masahiro and Yoshinda (2014)	The effect of quality management practices in Japanese owned manufacturing firms in China	The survey showed that quality management practices influenced the overall company performance significantly implying that the practices were effective methods to improve business performance regardless of where the company might be operating as long as quality management practices were implemented appropriately.	Mutual beneficial supplier relationships was not assessed
Talib and Rahman (2013)	The influence of quality management on performance of firms in the manufacturing sector in USA.	They discovered that Quality Management had received a wider acceptance where several international standards such as ISO 9000 were applied in the United States and that the first adopters of the quality management subsequently registered better financial performance in their firms.	Continuous improvement within the firms was ignored.
Ngure, Wamukuru	TQM in the context of Kenyan secondary institutions of learning.	The study discovered that most of the public schools in the country did not	The aspect of leadership by the management was not evaluated

and Odebero (2012)		implement the laid down TQM policies as required. They in turn registered dismal performance compared to those that implemented even to a little extent.	leaving a research gap
Owawa, (2012)	Factors influencing QM practices in the context of the Kenyan sugar industry. The objective was to find out the influence of management socio-demographic indicators on Total Quality Management	He discovered that customer focus, employee training and management involvement in employee affairs all positively significantly impacted organizational performance of the Company.	Aspect of training was not assessed as there was need to use test like t-test to have the demographic influence
Awino, Muchara, Ogutu, and Oeba (2012)	TQM and competitive positioning of firms in the context of horticultural section in Kenya. They sampled firms that grew fruits and vegetables. The objective was to find out the influence of competition on TQM	The study established that setting clear goals, defining targets and customer focus all had a positive impact on the competitive advantage of the horticultural firms.	The study only used descriptive analysis and ignored inferential which shows influence between variables
Kyalo (2013)	TQM implementation on Service Delivery at Kenya Power Company. The objective was to determine to which TQM has been implemented at Kenya Power Company	Leadership as a variable directly impacted on the efforts of the firm to implement TQM	Employee engagement aspect was not evaluated as the study was customer centered
Muli (2012)	Quality improvement practices and performance with reference to Kenyan state corporations	TQM and ISO series are significant programs of quality improvement	The study did not evaluate the Social responsibility to stakeholders as well as operational and Innovation performance that are indicators of performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter captures the methodology that was used to answer the research question. The type of study design adopted, sampling techniques, instruments, data processing and analysis is explained to indicate the nature of the research in order to come up with relevant, valid findings hence realization of study objectives.

3.2 Research Design

The study adopted a census survey. This design was considered accurate since data was collected from all the elements in the population. All the existing OMCs were taken into consideration. Further more time and finances were not limiting factors in the study. The findings of this study were conclusive as all the information from the entire population had been collected. Detailed descriptive cross-tabulations were not subjected to sampling errors when discussing the effects of quality management on the firm performance of the oil marketing companies in Kenya. The quality management practices were the independent variables while firm performance was the dependent variable.

3.3 Population

Thirty OMCs in Kenya were studied in this research. In each of the companies, the study respondents were six staff drawn from the operations; customer service and marketing; health, safety and quality (SHEQ); finance and procurement departments of these firms, because they are drivers of quality issues and hence they have the required information. Among the six respondents from each firm, there were the departmental head, the deputy and four other staff members in each of these departments that performed significant roles.

3.4 Data Collection

The study made use of both primary and secondary data. Primary data was collected using a designed questionnaire that focused on two key aspects these being firm

performance and customer focus. There were statements regarding the various areas of quality management that were measured on a Likert scale. The questionnaire was administered to the respondents using drop and pick later method to allow the respondents ample time to fill in their responses without bias.

3.5 Data Analysis and Presentation

Upon the completion and collection of questionnaires, the information was checked for completeness. This aided in deciding if the majority of the questionnaires were properly filled or if there was a particular group of individuals that failed to answer the questions, to make an informed decision before proceeding with the analysis. Proper coding, tabulation, and analysis using SPSS were done. To present findings, tables and figures were employed.

Part of the inferential statistics included the use of correlated and regression analysis. The adopted regression model took the following form;

$$Y_i = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Y_i = Dependent variable which is the firm performance

X_1 = Customer focus

X_2 = Leadership

X_3 = Continuous improvement

X_4 = Employee involvement

X_5 = Mutual beneficial supplier relationships

β_1, \dots, β_n = betas for each independent variable.

ϵ = error term

ANOVA was used to establish the significance of the regression model with a statistical importance at 95% confidence level.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.0 Introduction

In this chapter, the study sets out to present the findings of the study. This includes examination of the response rates followed by general information/demographic information about the respondents. After the demographic variables had been examined, some in-depth results of the different aspects of the study were elaborated.

4.1 Response rate

Findings show that 113 out of the targeted 180 respondents from the thirty OMCs in Kenya responded to the questionnaires representing an overall response rate of 63%. The response rate was consistent with Mugenda et al. (2003) who indicated that adequate analysis should be supported by response rates of over 50%.

Table 4.1 Response Rate

Response	Number	Percentage
Responded	113	63
Not Responded	67	37
Total	180	100

Source: Researcher (2018)

4.2 General Information of the Respondents

To clearly understand and appreciate respondents, the study assessed their demographic details as presented in subsequent sections.

4.2.1 Respondents Highest Level of Education

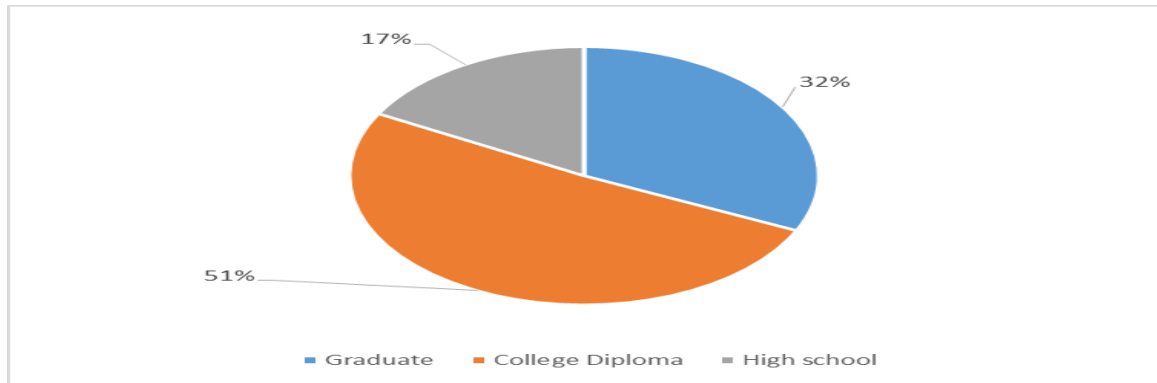


Figure 4.1 Composition of Respondents by their Level of Education

Source: Researcher (2018)

Figure 4.1 illustrates that 51% of the respondents who were the majority had a college diploma, 32% had were graduates whereas 17% had high school certificates. This findings shows that the respondents were literate and understood the issues involving quality management practices and firm performance of oil marketing companies.

4.2.2 Respondents Number of Working Years

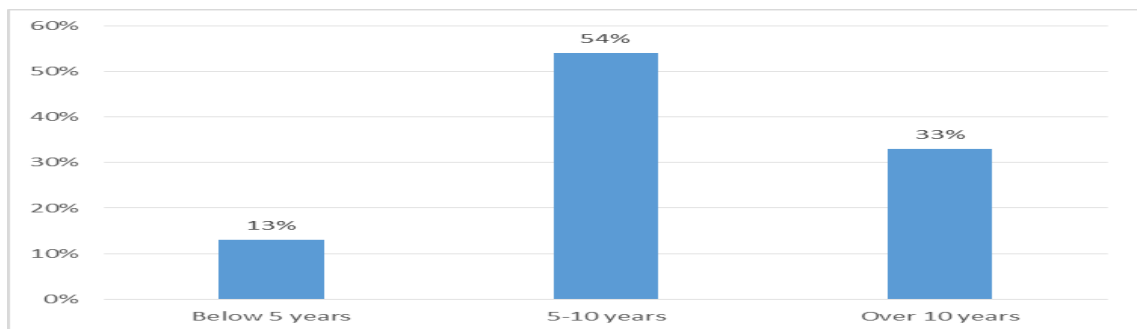


Figure 4.2 Distribution of Respondents by Their Number of Working Years

Source: Researcher (2018)

Figure 4.2 shows that 54% of the respondents who were the majority had worked in their firms for a period between 5 and 10 years, 33% had worked in their firms for a period of over 10 years while 13% had worked in their firms for a period below 5 years. The findings show that majority of the respondents had vast experience in the oil marketing

companies and thus they understood the dynamics of quality management practices and performance of the oil industry in Kenya.

4.2.3 Organizations Current Region

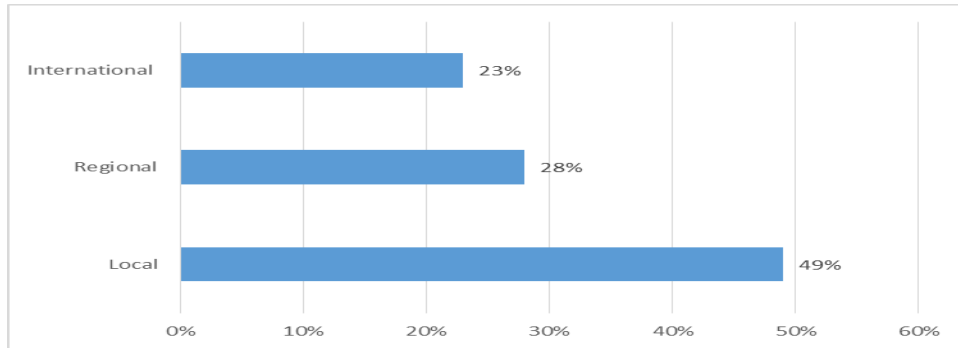


Figure 4.3 Organizations Current Region

Source: Researcher (2018)

From Figure 4.3, most of the respondents, (49%) indicated that their organization’s current market was local, 28% indicated that their organization’s current market was regional while 23% indicated that their organization’s current market was international. These findings thus show that most of the oil marketing companies in Kenya markets their products locally.

4.2.4 ISO Certification

Table 4.2 shows that majority of the respondents indicated that their organizations were ISO certified.

Table 4.2 ISO Certification

Response	Number	Percentage
Yes	93	82
No	20	18
Total	113	100

Source: Researcher (2018)

4.2.5 Number of Employees in Respondents Organization

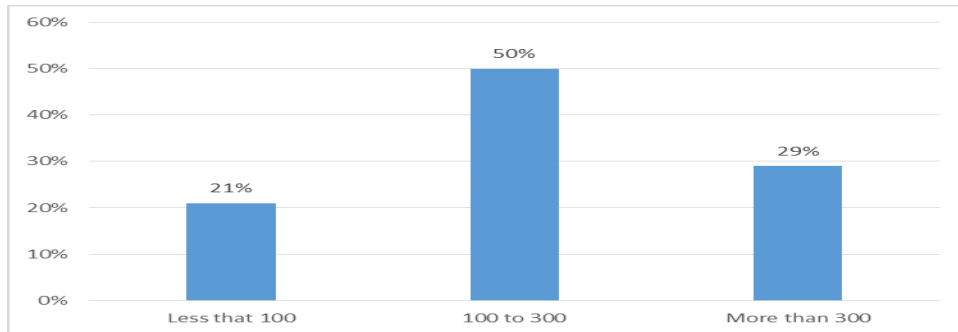


Figure 4.4 Number of Employees in Respondents Organization

Source: Researcher (2018)

Figure 4.4 shows that 50% of the respondents who were the majority indicated that their organization had 100 to 300 employees, 29% indicated that their organization had more than 300 employees while 21% indicated that their organization had less than 100 employees.

4.3 Customer Focus

This section presents findings on OMCs Customer Focus

4.3.1 Customer Focus

Table 4.3 shows that respondents agreed with statements on customer focus (M=3.88) in that: quality management focused on getting employees well motivated and trained (M=4.01); quality management focused on satisfying customer requirements (M=3.93); customers were consulted about level and quality of services they received and whenever possible were given a choice of services they were offered (M= 3.91); quality management focused on improved complaints and information dissemination (M=3.85) and quality management focused on maintenance of confidence to stakeholders (M= 3.72).

Table 4.3 Customer Focus

	Mean	Std. Dev
Quality Management focuses on maintenance of confidence to stakeholders	3.72	1.267
Quality Management focuses on improved complaints and information dissemination	3.85	.093
People are consulted about level and quality of services they receive and whenever possible are given a choice of services they offer	3.91	.382
Quality Management focuses on satisfying customer requirements	3.93	.983
Quality Management focuses on getting employees well motivated and trained	4.01	.874
Total	19.42	3.599
Average	3.88	0.719

Source: Researcher (2018)

4.3.2 Leadership

Findings in Table 4.4 show that respondents agreed with statements on leadership to a great extent (M= 3.76) in that: top management delegated decision making to various levels in the organization (M= 3.93); staff in the firm were empowered to reach their full potential in the organization (M= 3.89); availability of resources for training were sufficient (M=3.72); the company had training facilitators to assist training needs (M= 3.68) and the workers felt fully responsible for the work they did and believed that their work was important to the success of the company (M= 3.61).

Table 4.4 Leadership

	Mean	Std. Dev
The workers feel fully responsible for the work they do and believe that their work is important to the success of the company	3.61	.763
The company has training facilitators to assist training needs	3.68	.716
Availability of resources for training is sufficient	3.72	.900
Staff in this firm are empowered to reach their full potential in the organization	3.89	.693
Top management delegates decision making to various levels in the organization	3.93	.787
Total	18.83	3.859
Average	3.76	0.771

Source: Researcher (2018)

4.3.3 Continuous Improvement

Tabulations in Table 4.5 illustrate that respondents agreed with statements on continuous improvement to a great extent (M=3.84) in that: the company was managed as a system for continuous quality improvement in service delivery (M=3.93); quality forms part of the company's improvement culture (M= 3.90); organization of measurement of performance was based on defined ISO standards to a great extent (M= 3.83); the company processes were well defined so that staff understood how they worked (M= 3.81) and the company provided the appropriate training to ensure skills and attitudes for enhancement of continuous improvement (M= 3.75).

Table 4.5 Continuous Improvement

	Mean	Std. Dev
The company provides the appropriate training to ensure skills and attitudes for enhancement of continuous improvement	3.75	.903
The company processes are well defined so that staff understand how they work	3.81	1.184
Organization of measurement of performance is based on defined ISO standards	3.83	1.117
Quality forms part of the company's improvement culture	3.90	.968
The company is managed as a system for continuous quality improvement in service delivery	3.93	1.055
Total	19.22	5.227
Average	3.84	1.045

Source: Researcher (2018)

4.3.4 Employee involvement

According to the findings in Table 4.6, respondents agreed with statements on employee involvement to a great extent (M= 3.59). Respondents agreed that their satisfaction level with the development of their work was to a great extent (M=3.72; management recognized employees to a great extent (M= 3.69); the organization gave respondents proper infrastructure to do their work to a great extent (M=3.62; the suggestions respondents gave were considered to a moderate extent (M=3.49) and the company gave respondents the opportunities to do their work in the best way they knew to a moderate extent (M=3.45).

Table 4.6 Employee involvement

	Mean	Std. Dev
The company gives you the opportunities to do the work in the best way you know	3.45	.756
The suggestions you give are considered	3.49	.763
The organization gives you proper infrastructure to do your work	3.62	.758
Management recognizes employees	3.69	.680
What is the satisfaction level with the development of your work	3.72	.706
Total	17.97	3.663
Average	3.59	0.732

Source: Researcher (2018)

4.3.5 Mutually Beneficial Supplier Relationship

Table 4.7 shows that respondents agreed with statements on mutually beneficial supplier relationship to a great extent (M= 3.94) in that; supplier improvements and achievements were identified and recognized to maintain positive relationships and motivate suppliers to continue to strive for improved quality (M= 4.05), the identification and selection of key suppliers were based on value addition and their approach to the supply chain (M=4.02, the sharing of information and forthcoming goals and targets, with the suppliers was frequent (M= 4.01).

The organization initiated cooperative development and enhancement of products and processes (M=3.96), the supplier relationships had been cultivated over time for commitment to quality across (M= 3.91), the organization has developed a clear and open communication policy to ensure transparency and accountability among suppliers and the organization (M=3.89) and the organization and suppliers mutually created a clear understanding of the customer needs (M=3.78).

Table 4.7 Mutually Beneficial Supplier Relationship

	Mean	Std. Dev
The organization and suppliers mutually create a clear understanding of the customer needs.	3.78	.708
The organization has developed a clear and open communication policy to ensure transparency and accountability among suppliers and the organization.	3.89	.682
The supplier relationships have been cultivated over time for commitment to quality across.	3.91	.438
The organization initiates cooperative development and enhancement of products and processes.	3.96	.653
The sharing of information and forthcoming goals and targets, with the suppliers is frequent.	4.01	.768
The identification and selection of key suppliers are based on value addition and their approach to the supply chain.	4.02	.226
Supplier improvements and achievements are identified and recognized to maintain positive relationships and motivate suppliers to continue to strive for improved quality.	4.05	.372
Total	27.62	3.847
Average	3.94	0.549

Source: Researcher (2018)

4.4 Firm performance

This section presents findings on the firms' performance.

4.4.1 Customer/External Perspective

Table 4.8 shows that respondents agreed with statements on customer/external perspective to a great extent (M= 3.70). Complaints from stakeholders were addressed (M=4.09), suppliers were recognized for the role they played (M= 4.03), stakeholders' gave positive feedback (M= 3.94), there were several repeat customers (M= 3.81), there were suppliers that had withdrawn their services to a moderate extent (M= 3.32) and there were customers that had left the organization to a moderate extent (M=3.01).

Table 4.8 Customer/External Perspective

	Mean	Std. Dev
There are customers that have left the organization	3.01	.698
There are suppliers that have withdrawn their services	3.32	.698
There are several repeat customers	3.81	.873
Stakeholders give positive feedback	3.94	.712
Suppliers are recognized for the role they play	4.03	.705
Complaints from stakeholders are addressed	4.09	.712
Total	22.2	4.398
Average	3.70	0.733

Source: Researcher (2018)

4.4.2 Financial and market performance

From Table 4.9, respondents agreed with statements on financial and market performance to a great extent (M= 3.81) in that; there were new clients on board (M= 4.01), there were new development projects ongoing (M= 3.94), bonuses or perks were given to employees lately (M= 3.81), there were new employees recruited (M= 3.72) and there were some benefits that have been withdrawn (M=3.59).

Table 4.9 Financial and market performance

	Mean	Std. Dev
There are some benefits that have been withdrawn	3.59	.782
There are new employees recruited	3.72	.904
Bonuses or perks are given to employees lately	3.81	.873
There are new development projects ongoing	3.94	.345
There are new clients on board	4.01	.291
Total	19.07	3.195
Average	3.81	0.639

Source: Researcher (2018)

4.4.3 Operational and Innovation performance

Findings in Table 4.9 shows that respondents agreed with statements on operational and innovation performance to a great extent as shown by an average score of 3.81 in that; there were employees who had been with the organization for more than 20 years (M= 3.99), the organization had embraced continuous improvement (M= 3.93), old processes had been scraped off (M= 3.90), the turnover was low (M=3.62), the organization recognized ideas from employees (M=3.61) and the processes in place were easy to follow (M=3.59).

Table 4.10 Operational and Innovation performance

	Mean	Std. Dev
The processes in place are easy to follow	3.59	.345
The organization recognizes ideas from employees	3.61	.863
The turnover is low	3.62	.494
Old processes have been scraped off	3.90	.721
The organization has embraced continuous improvement	3.93	.902
There are employees who have been with the organization for more than 20 years	3.99	.390
Total	22.64	3.715
Average	3.77	0.619

Source: Researcher (2018)

4.5 Inferential Analysis

The researcher regressed QM practices and firm performance to determine a link between them. The findings are shown in subsequent Tables.

4.5.1 Model Summary

According to Table 4.11, R square is the coefficient of determination which informs the proportionate change in the dependent variable that the independent variables explain. The value of $R^2 = 0.727$, which shows that 72.7% change in performance of the studied firm is explained by their QM practices (customer focus, leadership, continuous improvement, employee involvement and mutual beneficial supplier relationships). Thus,

apart from QM practices, there are other factors with an influence on performance of the studied firms by 27.3% which future studies should focus on.

Table 4.11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852 ^a	.727	.670	1.644

Predictors: (Constant), customer focus, leadership, continuous improvement, employee involvement and mutual beneficial supplier relationships

4.5.2 Analysis of Variance (ANOVA)

The essence of carrying out an Analysis of Variance (ANOVA) was to gauge how significant the model used in the study was. This is usually achieved through the comparison of $F_{\text{calculated}}$ and F_{critical} (Weisberg, 2005). From Table 4.12, the significance value is .0000 which is less than 0.05 implying that the study's regression model was statistically significant in predicting how the predictor variables (customer focus, leadership, continuous improvement, employee involvement and mutual beneficial supplier relationships) influenced the response variable - firm performance of oil marketing companies in Kenya. The F_{critical} at 5% level of significance was 2.62. Since $F_{\text{calculated}}$ (value = 12.755) was greater than the F_{critical} value of 2.62, affirming that the overall model was fit.

Table 4.12 ANOVA (Analysis of Variance)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	201.095	5	40.219	12.755	.0000 ^a
	Residual	75.674	24	3.1531		
	Total	276.769	29			

a. Predictors: (Constant), customer focus, leadership, continuous improvement, employee involvement and mutual beneficial supplier relationships

b. Dependent Variable: Firm performance

4.5.3 Regression Model Results

The study results in Table 4.13 showed that there was a significant positive relationship between customer focus as a quality management practice and firm performance of OMCs in Kenya ($\beta = 0.718$, $P = 0.0010$, which is < 0.05). The findings indicated that a unit increase in customer focus would lead to an increase in firm performance of the oil marketing companies in Kenya by 0.718 units. The results also indicate that there was a significant positive relationship between leadership as a quality management practice and firm performance of OMCs in Kenya ($\beta = 0.684$, $P = 0.0037$, which is < 0.05). The findings indicated that a unit positive change in leadership would lead to an increase in firm performance of the oil marketing companies in Kenya by 0.684 units. It is also shown that there was a significant positive relationship between continuous improvement as a quality management practice and firm performance of OMCs in Kenya ($\beta = 0.741$, $P = 0.0002$, which is < 0.05). The findings indicated that a unit increase in continuous improvement would lead to an increase in firm performance of the oil marketing companies in Kenya by 0.741 units.

The tabulated results also show a significant positive relationship between employee involvement as a quality management practice and firm performance of OMCs in Kenya ($\beta = 0.663$, $P = 0.0123$, which is < 0.05). The findings indicated that a unit increase in employee involvement would lead to an increase in firm performance of the oil marketing companies in Kenya by 0.663 units. There is also a significant positive relationship between mutual beneficial supplier relationships as a quality management practice and firm performance of OMCs in Kenya ($\beta = 0.549$, $P = 0.0184$, which is < 0.05). The findings indicated that a unit increase in mutual beneficial supplier relationships would lead to an increase in firm performance of the oil marketing companies in Kenya by 0.549 units.

Table 4.13 Regression Analysis Results

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	4.431	.512		8.654	.0000
Customer focus	0.718	.192	.704	3.740	.0010
Leadership	0.684	.213	.671	3.211	.0037
Continuous improvement	0.741	.168	.722	4.411	.0002
Employee involvement	0.663	.245		2.706	.0123
Mutual beneficial supplier relationships	0.549	.217	.565	2.530	.0184

4.6 Discussion of Findings

The study found that respondents agreed with statements on customer focus; on leadership; on continuous improvement, on employee involvement and on mutually beneficial supplier relationships to a great extent. These findings are in agreement with the International Standardization Organization, that there are critical variables in quality management practices which are leadership, employee engagement, customer focus, continuous improvement and mutually beneficial supplier relationships. The methods applicable to quality improvement cover product, service, process and people based improvement.

In addition, Ronnback and Witel (2013) and Leonard and Mcadam (2012) corresponded that quality Management improves organizational performance and encompasses a variety of technical and behavioral topics. The international standards generic management systems are applicable to most organizational (Walker & Johnson 2013). Organizational cultural change has been identified as the most common barrier to successful quality management implementation. Many researchers have concluded that adoption and implementation of strategic Quality Management positively influence organization performance.

The study also found that respondents agreed with statements on customer and external perspectives, financial and market performance and operational and innovation performance. This is in line with Baker et al. (2018) who stated that financial and market performance is an indicator showing whether the strategies, implementation and actual execution are bringing forward any improvement. Financial and market perspective help managers to brainstorm whether it is worth taking up short term financial commitment or rather stick to long term commitments.

In relation to the findings which are similar to Garza-Reyes et al. (2017), they argued that the operational perspective of the balanced score card looks at the performance of the major processes carried out, if they are efficient and effective enough to deliver the desired level of customer value. Operation perspective focuses more on the essential sources that create customer value and identifying which process needs to be improved and how. Innovation perspective shows whether the company has the capacity to enhance and create value. Innovation gives very important information about the capability of the company to add more value to customers, sustain operating efficiencies and introduce new products to the market. Top managers are able to deduce the company's value by looking at the operational and innovation perspective of the balanced score card.

The study also established that there was a direct and significant link between customer focus, leadership, continuous improvement, employee involvement as well as mutual beneficial supplier relationships, as quality management practices and firm performance of oil marketing companies in Kenya. The study shows a linkage with Deming's Theory. According to Deming's ideas and principles have greatly contributed to defining and understanding quality management. Deming emphatically stated that quality management problem lied solely on the firm's managerial team and improvement can be done through changing the process. The same findings are in line with Crosby's Theory that's portrays popularly known for his principle of Zero Defects which he perceived that prevention based system is the only way to efficient quality management. Further the findings are in line with Feigenbaum Theory that greatly contributed to quality control. Feigenbaum theory advocated for inspecting as a means of putting quality control in check. He focused primarily on prevention as a measure of ensuring that quality is improved.

CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter is structured into sections informed by the study objectives. The first section (5.2) gives a summary of the findings. The section (5.3) concludes the presented findings. The subsequent sections present the recommendations and areas that further research can be conducted.

5.2 Summary Findings

The study found that respondents agreed with statements on customer focus to a great extent in that quality management focused on getting employees well motivated and trained. Findings show that respondents agreed with statements on leadership to a great extent in that: top management delegated decision making to various levels in the organization and that staff in the firm were empowered to reach their full potential in the organization.

Respondents also agreed with statements on continuous improvement to a great extent in that: the company was managed as a system for continuous quality improvement in service delivery and quality forms part of the company's improvement culture. According to the findings respondents agreed with statements on employee involvement to a great extent. Respondents agreed that their satisfaction level with the development of their work was to a great extent and management recognized employees to a great extent.

Respondents also agreed with statements on mutually beneficial supplier relationship to a great extent in that; supplier improvements and achievements were identified and recognized to maintain positive relationships and motivate suppliers to continue to strive for improved quality, the identification and selection of key suppliers were based on value addition and their approach to the supply chain and the sharing of information and forthcoming goals and targets, with the suppliers was frequent.

The study also established that there was a direct and significant link between customer focus, leadership, continuous improvement, employee involvement as well as mutual beneficial supplier relationships, as quality management practices and firm performance of oil marketing companies in Kenya

5.3 Conclusions

The study concludes that quality management practices influenced the overall company performance significantly implying that the practices were effective methods of ensuring performance of the firm improves irrespective of the current operations of the business. The study also concluded that there existed significant positive relationships between customer focus, leadership, continuous improvement, employee involvement as well as mutual beneficial supplier relationships, as QM practices and the organizational performance of the oil marketing companies in Kenya.

5.4 Recommendations

- i. The companies need to improve their quality cycles (plan, do, check, act) so as ensure consistency that guarantees quality improvement.
- ii. The organizations should ensure that they strikes a balance between formulating goals that favor the employees, company and the customers as these will enhance performance and productivity in the company.
- iii. The companies should ensure that they maintain long-term relationships with their suppliers, even after completion of a contract as quality can be achieved by actively involving the suppliers and joining efforts in problem-solving.
- iv. The leaders have to ensure they establish and maintain a working environment that will motivate employees as through this, the direction of the organization is strongly established.

- v. Every organization needs to create a conducive environment where its employees will be able to work freely with the aim of achieving the organizational goals.

5.5 Areas of Further Study

Further studies should be conducted to look into other quality management practices that affect performance of oil marketing companies. There is further need for use of other data collection instruments like focus group discussion where the respondent's will not be limited on their responses in order to capture the various groups' arguments in relations to the topic under discussion.

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APPENDICES

Appendix I: Questionnaire

SECTION A: GENERAL INFORMATION

- 1) What is your highest level of education?
 Graduate [] College diploma [] High school [] other []
- 2) For how many years have you been working in your firm?
 Below 5 years [] 5-10 years [] Over 10 years []
- 3) Please indicate the current market region of your organization
 Local [] Regional [] International []
- 4) Is your organization ISO certified?
 YES [] NO []
- 5) Indicate the current number of employees in your organization
 Less than 100 [] 100 to 300 [] More than 300 []

SECTION B: Customer Focus

Please evaluate the degree of your agreement with the following statements. Use a scale of 1-5 where 1= Strongly Disagree 2= Disagree 3= Moderate 4= Agree and 5=Strongly Agree

Customer Focus	1	2	3	4	5
Quality Management focuses on maintenance of confidence to stakeholders					
Quality Management focuses on improved complaints and information dissemination					
Quality Management focuses on getting employees well motivated and trained					
People are consulted about level and quality of services they receive and whenever possible are given a choice of services					

Leadership	1	2	3	4	5
Top management delegates decision making to various levels in the organization					
Staff in this firm are empowered to reach their full potential in the organization					
The workers feel fully responsible for the work they do and believe that their work is important to the success of the company					
The company has training facilitators to assist training needs					
Availability of resources for training is sufficient					

Continuous Improvement	1	2	3	4	5
The company provides the appropriate training to ensure skills and attitudes for enhancement of continuous improvement					
Quality forms part of the company's improvement culture					
The company processes are well defined so that staff understand how they work					
The company is managed as a system for continuous quality improvement in service delivery					
Organization of measurement of performance is based on defined ISO standards					

Employee involvement	1	2	3	4	5
The company gives you the opportunities to do the work in the best way you know					
Management recognizes employees					
What is the satisfaction level with the development of your work					
The suggestions you give are considered					
The organization gives you proper infrastructure to do your work					

Mutually Beneficial Supplier Relationship	1	2	3	4	5
The identification and selection of key suppliers are based on value addition and their approach to the supply chain.					
The supplier relationships have been cultivated over time for commitment to quality across.					
The organization has developed a clear and open communication policy to ensure transparency and accountability among suppliers and the organization.					
The organization initiates cooperative development and enhancement of products and processes.					
The organization and suppliers mutually create a clear understanding of the customer needs.					
The sharing of information and forthcoming goals and targets, with the suppliers is frequent.					
Supplier improvements and achievements are identified and recognized to maintain positive relationships and motivate suppliers to continue to strive for improved quality.					

SECTION C: Firm performance

Please evaluate the degree of your agreement with the following statements. Use a scale of 1-5 where 1= Strongly Disagree 2=Somehow Disagree 3=Agree 4=Somehow Agree and 5=Strongly Agree

Social responsibility to stakeholders	1	2	3	4	5
Suppliers are recognized for the role they play					
Complaints from stakeholders are addressed					
Stakeholders give positive feedback					
There are several repeat customers					
There are customers that have left the organization					
There are suppliers that have withdrawn their services					

Financial and market performance	1	2	3	4	5
There are new employees recruited					
There are new development projects ongoing					
Bonuses or perks are given to employees lately					
There are some benefits that have been withdrawn					
There are new clients on board					

Operational and Innovation performance	1	2	3	4	5
The processes in place are easy to follow					
The organization has embraced continuous improvement					
The organization recognizes ideas from employees					
Old processes have been scraped off					
There are employees who have been with the organization for more than 20 years					
The turnover is low					