

**EMPLOYEES PERCEPTION OF THE IMPLEMENTATION OF ISO 9001  
CERTIFICATION AND PROCESS IMPROVEMENT INITIATIVES**

**THE CASE OF KENGEN**

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**BY**

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**A Research Project Submitted For the Partial Fulfillment Of**

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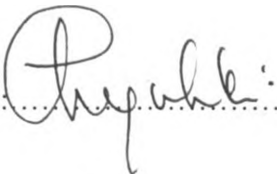
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## DECLARATION

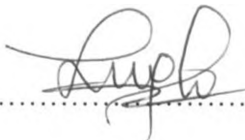
This  
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Signed:  .....

Date: 17.11.2006 .....

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This Research Project has been submitted for examination with my approval as the University  
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Signed:  .....

Date: 20/11/2006 .....

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## **DEDICATION**

This work is dedicated to my wife Charity and my sons Kiiru and Njenga without whom  
this work would have been meaningless

## ACKNOWLEDGEMENT

My appreciation goes to all the people who have supported and encouraged me in developing and completing this work.

I wish to express my special thanks to my supervisor Mrs. Zipporah Kiruthu, lecturer in the Department of management science for her guidance, invaluable support and rich contribution in the development of this research project.

Particular thanks goes to departed parents, my wife Charity and the rest of the family for the support and encouragement they gave me during the period I was studying for this degree. Special thanks also go to the KenGens management with particular thanks to Eng Francis Kawa and his colleagues in seven forks Ken Gen for their invaluable support doing the research project.

I am indebted to Mary Gitau , the secretary who typed this work and consistently encouraged me and to all those people ( not mentioned here), who worked hard , in one way or the other, to make this study successful .

And lastly and by no way the least are my sincere thanks to God Almighty without Whom none of this would have been possible.

## ABSTRACT

The market environment in Kenya and the world over is very competitive and dynamic. To deliver seamless service, companies are embarking on continuous process improvement. One of the ways of achieving this is through embarking on certification programs such as (ISO) 9001 for constituting a quality assurance program.

As employees are key to the success of any Quality Management System. To reap full benefits it is critical to establish their perception to the process improvement initiatives and this research project sought to establish the employees involvement and commitment to the ISO 9001 certification in KenGen.

This was a descriptive study and the population of interest included all the 1500 KenGen staff in the country in the five key geographical areas, viz. Nairobi, Seven Forks, Upper Tana, Kipevu, Turkwell and Olkaria.. The research sampled 100 employees using simple random process. Data was collected using a structured questionnaire which was dispatched to all the selected respondents in the company.

The study found out that most of the KenGen staff is well educated either at the college or the University level. A substantial number of the workers were male and this caused a gender imbalance at the company. The ownership of company shares was quite overwhelming amongst the staff members given that 93% of the employees had KenGen shares spread among all the staff cadres; an indication of the staff's confidence in the performance of the company at the stock market which is essential in the motivation and performance of the staff. In addition, the staff felt that ISO 9001 certification fitted into their circumstances and job roles thus creating even a more positive attitude towards the implementation of the certification.

The staff commitment to the implementation of ISO 9001 was undoubted. This was shown by their commitment to deliver quality and reliable service to help the company achieve its

goal of being an ISO 9001 certified company. This was encouraged by the management's commitment in the implementation process.

Some of the major challenges in the development of the process were poor representation of lower cadre in the decision making. Failure to continue building on ISO 9001 foundation was also a major contributor to the sluggish development of the process. However, ignorance by some of the employees on ISO 9001 issues was the greatest of all the hindrances. This required the company invest more on sensitization of its employees on the ISO process.

The researcher recommended the need for KenGen to maintain its good relationship between management and operation staff through constant communication between these two cadres in the company. Proper training should be put in place to motivate and educate the staff on sensitive issues involving the implementation of processes such as ISO Certification.

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# CHAPTER ONE: INTRODUCTION

## 1.1 BACKGROUND

Quality Management System (QMS) is a strategic decision of that every organization should adopt. The design and implementation of an organization's quality management system is influenced by varying needs, particular objectives, the products provided, the process employed and the size and structure of the organization (KEBS, 2000).

In quality management, the formal definition of quality is the degree to which inherent characteristics fulfils requirements (ISO 9000:2000 Clause 3.1.1). Quality is important in certain fields of business, industry and commerce than in others. The ever-rising customer desire for quality in all aspects of life provides an encouraging background for implementing a quality management system. Governments are urging the public sector organizations to improve the quality of their services to raise standards to a higher level (KEBS, 2005).

The operating environment in Kenya and the world over is dynamic. New technology has created new or improved services, more involvement of customers in self-service operations, creation of centralized customer service departments and recording of information in easily accessible data banks. The powerful forces of globalization are fundamentally changing the nature and the general way of doing things (Eisenhardt, 2002).

In today's global economy, employees are a critical asset in ensuring an organisation has a competitive edge in the market-place, whether at the local or international level. An appreciation of what would affect their current and future performance is therefore of great concern to decision-makers. Unlike other resources in a firm, employees have to be motivated to be effective and efficient in their work.

In order to deliver seamless service, companies are embarking on continuous process improvement. One of the ways of achieving this is through embarking on certification programs such as (ISO) 9001 for constituting a quality assurance program. This means that anyone who sees the mark on the company products or communication will interpret it to mean that such a company delivers a high quality service. Employees would also be expected to reflect the

documented standards in their behavior and attitudes. This certificate benchmarks operations to global standards, giving the bearers a competitive edge in operations. Other benefits accruing from the standards include: increased efficiency, improved quality of goods and services, better communication, motivated staff and cost savings. (Smart Company, 2006). By working with an ISO certified company, employees are expected to have higher motivation levels than they had before the certification.

### **1.1.1 The Service Industry**

In a global context, the service sector has grown tremendously and is the most dominant sector in most western economies accounting for a sizeable portion of the Gross National Product and comprising about three-quarters of all employment in the USA, UK, Canada and Australia. Zeithaml and Bitner (1996) define services as 'all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced and provides added value in forms (such as health, convenience, amusement, timeliness and comfort) that are essentially intangible concerns of its first purchase'. Services have had a major impact on national economies and many service industries have facilitated improved productivity elsewhere in the manufacturing and agricultural sectors (Palmer, 1998). Basically, the service sector is challenged as far as performance and process improvement is concerned. A customer will actually have his/her own subjective ways of measuring quality of a service. This is still as hard as determining the business initiative which may best be used to enhance improvement as far as service delivery is concerned (Masinde, 1986).

Service companies that provide high service quality share the following common practices: a strategic concept, a history of top-management commitment to quality, high standards, systems for monitoring service performance, systems for satisfying customers' complaints, and an emphasis on employee and customer satisfaction (Kotler, 1999).

### **1.1.2 The Power Sector**

The key power sector players in Kenya are KenGen and Kenya Power and Lighting Company (KPLC). KPLC was incorporated in 1922 as the East African Power and Lighting Company (EAP&L) and sixty one years later (i.e. 1983), changed to the KPLC. Kenya Electricity

Generating Company Limited (KenGen) was incorporated on 1<sup>st</sup> February 1954 under the Companies Act (Cap 486) of the Laws of Kenya as a private limited company in the name Kenya Power Company Limited. It was converted to a public limited company on 27<sup>th</sup> July 1955 and subsequently changed its name to Kenya Electricity Generating Company on 29<sup>th</sup> January 1998 following government reforms. The company uses “KenGen” a trade name it is has duly registered as a business name under the Registration of Business Names Act ( KenGen Prospectus, 2006).

Prior to major restructuring of the power sector in 1997, Kenya Power and Lighting Company, KPLC managed all the country’s power generating stations on behalf of the government. A direct consequence of the restructuring process was the separation of power functions i.e, generation, transmission and distribution of power. The Electric Power Act 1997 created the regulatory environment for the restructuring of the sector. This brought about a split that saw two companies emerge KPLC and KenGen. KPLC, owns all transmission and distribution assets, it buys electricity in bulk from the generating companies for transmission, distribution and retail to customers, the key supplier being KenGen which accounts for 80% of power sources.

KenGen supplies KPLC with 80% of its power requirements. Of the five power generation companies supplying electricity to KPLC, Kenya Electricity Generating Company (KenGen) is the chief supplier. From around mid-1997, power production was liberalized and there is a mix of both public and private players in the sector (KenGen Prospectus, 2006).

KenGen dominates the power generation market in Kenya with an 80% contribution to the total power generation. It also leads in total installed capacity (80%) (KenGen Annual Report, 2005). An emerging threat on this account is trading and collaboration across borders in electricity supply. For Kenya, new competition in the not too far distance is expected from the Southern Africa Power Pool (SAAP) (Energy in Africa, 2003). This poses a threat to the domination of the power generation sector by KenGen due to increased competition. Indeed the government is set to licence other Independent Power Producers (IPPs). In view of this, KenGen and the power industry in general is under increasing pressure to review their business processes and systems for

them to provide value for money to their customer and to ensure survival in the long-term. This entails development of new strategies to deal with existing and future competition.

At the same time, funding options for power projects are changing. Whereas traditional sources of financing have been bilateral and multilateral financiers such as the World Bank, European Investment Bank and African Development Bank there has been a policy shift to allow industry attract private sector funds. The World Bank, for instance, wants to be considered as a lender of last resort, after any other interested party has taken their stake (World Bank, 1994). These developments have necessitated formulation of new strategies, or revision of existing ones, to ensure organisations are able to shift to the new operating platforms. This has seen KenGen offer its shares in the Nairobi stock exchange. In their prospectus, KenGen list fifteen risks that are of importance to investors and which are apparently of importance to this study. Another important point is that KenGen is an ISO 9001:2000 certified organization (KenGen Prospectus, 2006). ISO 9001 has become a set of generally accepted principles for documenting quality, (Kotler, 2000). KenGen therefore serves as an excellent choice in investigating the perception of employees as the company adjusts to the new paradigm.

In quality management, the formal definition of quality is the degree to which inherent characteristics fulfils requirements (ISO 9000:2000 Clause 3.1.1). Quality means different things to different people and depends on the product, (Kotler, 2000). The American Society for Quality Control defines quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. For firms to survive in the competitive business world, they must integrate quality planning in their strategies and future planning (Kotler, 2000). If a quality management system is appropriately implemented, utilizing the eight Quality Management Criteria, and in accordance with ISO 9004, all of an organization's interested parties should benefit. Interested parties here are taken to be customers/users, employees, suppliers, owners/investors, partners and society.

## 1.2 STATEMENT OF THE PROBLEM

Kenya's energy sector has experienced the drastic changes taking place in the public sector in the last five years. Increased competition due to economic liberalization (e.g. conditions imposed by the Bretton Woods Institutions) and globalization has resulted in the consumer having more choice and being more demanding. The "economic barriers are disappearing at an increasing rate" (Amolo, 2002). Today few industries produce in and serve only the domestic. The phrase 'we live in a global economy' has become a cliché' but is certainly truer than ever. In order to remain competitive, local service companies have to develop competencies in continuous improvement strategies (Nahmias, 2000). Producers have suffered great losses as a result of the unreliability of supply and high costs of energy. Problems emanating from energy supply have continued to make Kenyan goods uncompetitive in both local and international markets as producers have engaged in the generation of own energy supplies (NARC Manifesto, 2002).

In the recent past, a lot of changes have taken place in the environment, serving as a major wake up call for KenGen. The political forces are up in arms indicating that the Government will not continue to inject money into parastatals that will not sustain themselves (Daily Nation Newspaper, 12-01 03). The donor community who, for a long time has been the biggest supporter of the energy sector has given very onerous conditionalities if they are to continue to fund the sector. The government has also put most public organizations on Performance Contracts, which are meant to ensure public organizations measure and achieve various parameters within a given time.

Quality is always very dependent on employee performance. An essential feature of any successful organization is motivated employees. One of the most important challenges facing managers is therefore the creation of a context within which employees feel motivated and will act in order to achieve the goals of the organization (Mwanjala, 2002). Therefore, the perceptions of an employee towards her/his place of work and the extent to which an employer is able to motivate employees may have a direct effect on the quality of the expected output. ISO 9001 on the other hand contains all of the requirements an organization must address within their Quality Management System (QMS) if they wish to be certified against the standard ([www.iso.org](http://www.iso.org)).



The employee has a major role to play if quality standards are to be met. If the employees do not have a positive perception to ISO certification and other process improvement initiatives, little progress will be made. ISO certified organizations have been found to have higher profitability through various studies, (Simmons and White, 1999; Naveh *et al*, 1999 and Terzioski *et al*, 1995). Moreover, results on the effects of ISO certification on customer service remain ambiguous (Rao *et al*, 1997). Employees would be expected to reflect ISO Certification in their work environment, behavior and attitude. This study was designed to measure the extent to which employees had embraced implementation of ISO 9001 certification and their commitment to the underlying process improvement initiatives. Several studies had been conducted in reference to the customers in different organizations (Mwaura, 2002, Maina, 2001 and Njoroge, 2003). A research on customer's perception of service quality with the focus on the external customer was done by Njoroge (2003). In his study, Njoroge (2003), recommended the need to focus on employees as a way to enhance customer satisfaction. Given that employees (internal customers) have to be satisfied in order to effectively meet the needs of end users (external customers), KenGen needed to focus its attention to this end. This brought about question such as, did the employees own the certification or do they think its foreign?

This was basically what triggered this research. In order to get a broader understanding of process improvement in the global context and in relationship to the organizations under research, it was necessary to incorporate employee perception of ISO 9001 certification and the effect this had on process improvement. The problem was justifiable since it had been noted how organizations were faced with numerous challenges, which called for renewed focus on process improvement. KenGen was also recently listed at the Nairobi Stock Exchange and many employees bought shares in the company, this study was therefore to provide findings on shareholder perceptions. This study therefore sought to answer to research questions such as how was the certification idea sold to employees of KenGen i.e. were there consultation or it was imposed?

### **1.3 RESEARCH OBJECTIVES**

The study sought to address the following objectives:

- a) To establish the employees commitment to ISO certification and quality management.
- b) To assess the level of employee involvement in the process.
- c) To evaluate employees perceptions of the process improvement initiatives and ISO certification.

### **1.4 IMPORTANCE OF THE STUDY**

The results of this study were expected to be useful to the following:

#### ***1.4.1 Policy makers at the macroeconomic levels***

These policy makers include the government and its regulatory bodies who determine and constitute the business environment outlined by Gluck (1980). These policy makers determine and formulate the economic (monetary and fiscal) policies both in the long term and short-term horizons. Electricity Regulatory Board (ERB) which regulates the sector will use the findings to guide power operators and set standards.

#### ***1.4.2 The Management of the services sector***

The management was able to identify which challenges to tackle for effective business process improvement initiatives to be implemented. They were also able to identify where they were and hence be able to resist their standards from that point. Lastly, they would know to what extent they needed to scale down total improvement to the 'lower cadre staff' for continuous improvement.

#### ***1.4.3 The Academicians***

This study will act as a guide for further research. This would boost their academic knowledge.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 INTRODUCTION

In this chapter the definitions and components of service quality management, process improvement and ISO Certification have been discussed. The conceptual framework of service quality, process improvement and ISO Certification are also presented and discussed. This review of the literature seeks to examine the existing literature about service quality management, process improvement and identify information gaps.

### 2.2 QUALITY MANAGEMENT

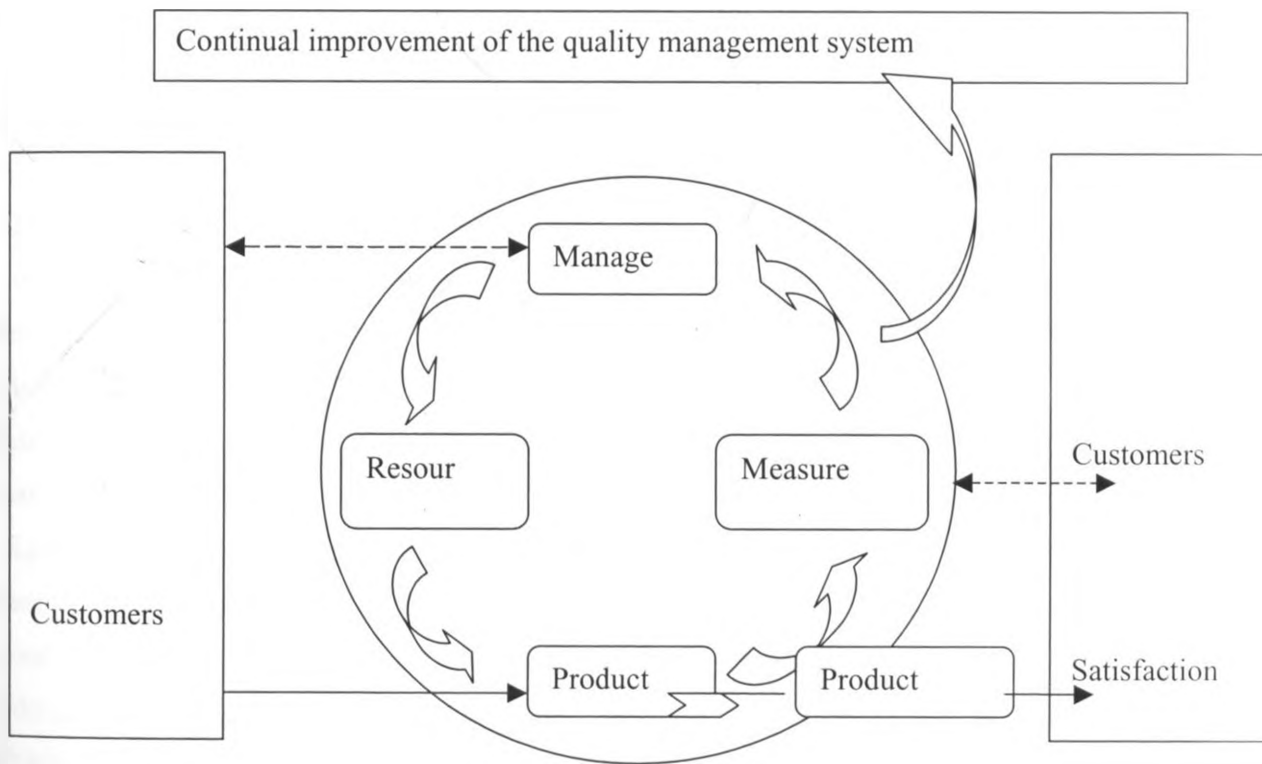
In quality management, the formal definition of quality is the degree to which inherent characteristics fulfils requirements (ISO 9000:2000 Clause 3.1.1). Quality means different things to different people and depends on the product, (Kotler, 2000). The American Society for Quality Control defines quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. For firms to survive in the competitive business world, they must integrate quality planning in their strategies and future planning (Kotler, 2000).

In the context of a competitive environment, continuous improvement plays a key role in ensuring that a firm remains competitive throughout the implementation of process improvement techniques such as Business Process Reengineering (BPR) and Total Quality Management (TQM) *inter alia*, (ISO Survey 2005). Earning an ISO certification involves a quality audit every six months from a registered ISO assessor (Kotler, 2000) like Kenya Bureau of Standards (KEBS, 2000). Total Quality Management is the most used tool in ensuring continued quality in ISO certified organizations.

The evolution or development of quality management can be defined in four stages namely: inspection, control, assurance and total quality management stage. Total quality management is the highest stage which involves application of quality management principles to all aspects of

business (KEBS, 2005). Total quality management is a philosophy for managing an organization in a way, which enables it to meet stakeholders' needs and expectations without compromising ethical values (ISO 8402, 1994).

The model of a process-based quality management system shown below illustrates process linkages as presented. It shows the significant role played by customers in defining requirements as inputs and covers all the requirements of ISO 9001:2000.



**Fig 2.1 Model of a Process-based Quality Management System**

Adopted from Kenya Standard, Quality management systems-Requirements (KEBS 2000)

### **2.2.1 Quality Management Systems and ISO Certification**

The International Organization for Standardization (ISO) was established in 1947 and is an association of approximately 149 National Standards Bodies, which represent their respective countries. ISO employs a system of Technical Committees, Sub-committees and Working Groups to develop International Standards. Besides the National Standards Bodies, ISO permits other international organizations that develop standards to participate in its work, by accepting them as associate members. ISO works in accordance with an agreed set of rules of procedure, the ISO/IEC Directives, which also include requirements on the presentation of standards. Among the numerous standards that ISO has developed is ISO 9000 and ISO 14000.

The ISO 9000 standards are a collection of formal International Standards, Technical Specifications, Technical Reports, Handbooks and web based documents on Quality Management and Quality Assurance. There are approximately 25 documents in the collection altogether, with new or revised documents being developed on an ongoing basis. The ISO 9000 family of standards comprises 3 elements: ISO 9000:2000 - Fundamentals and vocabulary, ISO 9001:2000- Requirements and ISO 9004:2000 - Guidelines for performance improvement. This standard provides general guidance on the philosophy of quality management and also contains the definitions most commonly used in relation to the subject of quality management. It also contains the eight management principles which provide the foundation for the ISO 9000 series of standards. These principles are not elements against which the organization can be directly assessed but their influence can be seen throughout the standard, and as such, should be considered by any organization wishing to comply fully with the intent, as well as the content of ISO 9000. These will be covered in conceptual framework later in the chapter.

ISO 9001 defines the contents of an organization's Quality Management System. BS 5750 and EN 29000 are its British and European equivalents respectively. As its title suggests, this standard contains all of the requirements which an organization must address within their Quality Management System (QMS) if they wish to be certified against the standard. The majority of these requirements would be identified by many organizations as 'common sense' topics which they would want to address in order to run their businesses well e.g. sales, design, purchasing,

training, calibration of measuring equipment, control of records ([www.iso.org](http://www.iso.org)). It must not be forgotten that ISO 9001 is not a product approval *per se* but an indication that an organization's quality management system meets certain criteria as laid down by ISO.

Companies which achieve ISO 9001 approval are known approved, registered or certified companies. It is the international certification body otherwise known as International Standards Organization which is accredited to do work and this is indicated on the approval certificate it issues. Certification results from a satisfactory assessment, against the requirements of the standard in line with a defined scope of business activity.

Some Kenyan firms which are ISO: 9001 certified are: KenGen, Kenya Breweries Ltd., Tusker Brewery, Kenya Maltings Ltd., Africa Marine and General Engineering Services, Gilgil Telecommunications Industries Ltd., SGS Laboratories, GlaxoSmithKline, General Motors Kenya Limited, Coastal Bottlers Ltd, Central Glass Industries, ASP Company, Zakhem Construction Kenya Ltd., Zakhem International Construction Ltd., Southern Engineering, Strathmore University, Intertek Services and Mumias Sugar Co.

What makes ISO certification important to process improvement is that an ISO certified organization is subject to regular on-site audit which involves a systematic examination of the company's quality system against the ISO 9001 standard, to determine whether it has been implemented effectively and that the procedures are being followed. The emphasis is placed on objective evidence. The first areas generally examined are management commitment, the findings of internal audits, management reviews, corrective actions taken and changes made as the result of the adequacy audit.

Perhaps the question that calls out at this point is: what are the main benefits to be derived from implementing an ISO 9000 quality management system? The ISO 9000 standards give organizations an opportunity to increase value to their activities and to improve their performance continually, by focusing on their major processes. The standards place great emphasis on making quality management systems closer to the processes of organizations and on continual

improvement. As a result, they direct users to the achievement of business results, including the satisfaction of customers and other interested parties.

The management of an organization should be able to view the adoption of the quality management system standards as a profitable business investment, not just as a required certification issue. Among the perceived benefits of using the standards are: The connection of quality management systems to organizational processes, the encouragement of a natural progression geared towards improved organizational performance, via use of the Quality Management Principles, the concept of a "consistent pair" of standards; with ISO 9001 establishing initial requirements and ISO 9004 going beyond the requirements to further improve the performance of the organization, the concept of organizational self-assessment as a driver for improvement and consideration of the needs of all interested parties. If a quality management system is appropriately implemented, utilizing the eight QMSs, and in accordance with ISO 9004, all of an organization's interested parties should benefit. Interested parties here are taken to be customers/users, employees, suppliers, owners/investors, partners and society. Each of these parties will effectively benefit in his/her own unique way as reflected in the diagram below:

**Table 2.1: Benefits of process improvement & ISO Certification**

Process Improvement	Customers and users will benefit by receiving the products (ISO 9000:2000) that are:	Conforming to the requirements Dependable and reliable Available when needed Maintainable
	People in the organization will benefit by:	Better working conditions Increased job satisfaction Improved health and safety Improved morale Improved stability of employment
	Owners and investors will benefit by:	Increased return on investment Improved operational results Increased market share Increased profits
	Suppliers and partners will benefit by:	Stability Growth Partnership and mutual understanding
	Society will benefit by:	Fulfillment of legal and regulatory requirements Improved health and safety Reduced environmental impact Increased security

Source [www.iso.com/FAQ011](http://www.iso.com/FAQ011)

ISO 14000 is a series of environmental management standards developed and published by the International Organization for Standardization for organizations. The ISO 14000 standards provide a guideline or framework for organizations that need to systematize and improve their environmental management efforts. The ISO 14001 standard is the most important standard within the ISO 14000 series. ISO 14001 specifies the requirements of an environmental management system (a systemic approach to handling environmental issues within an organization) for small

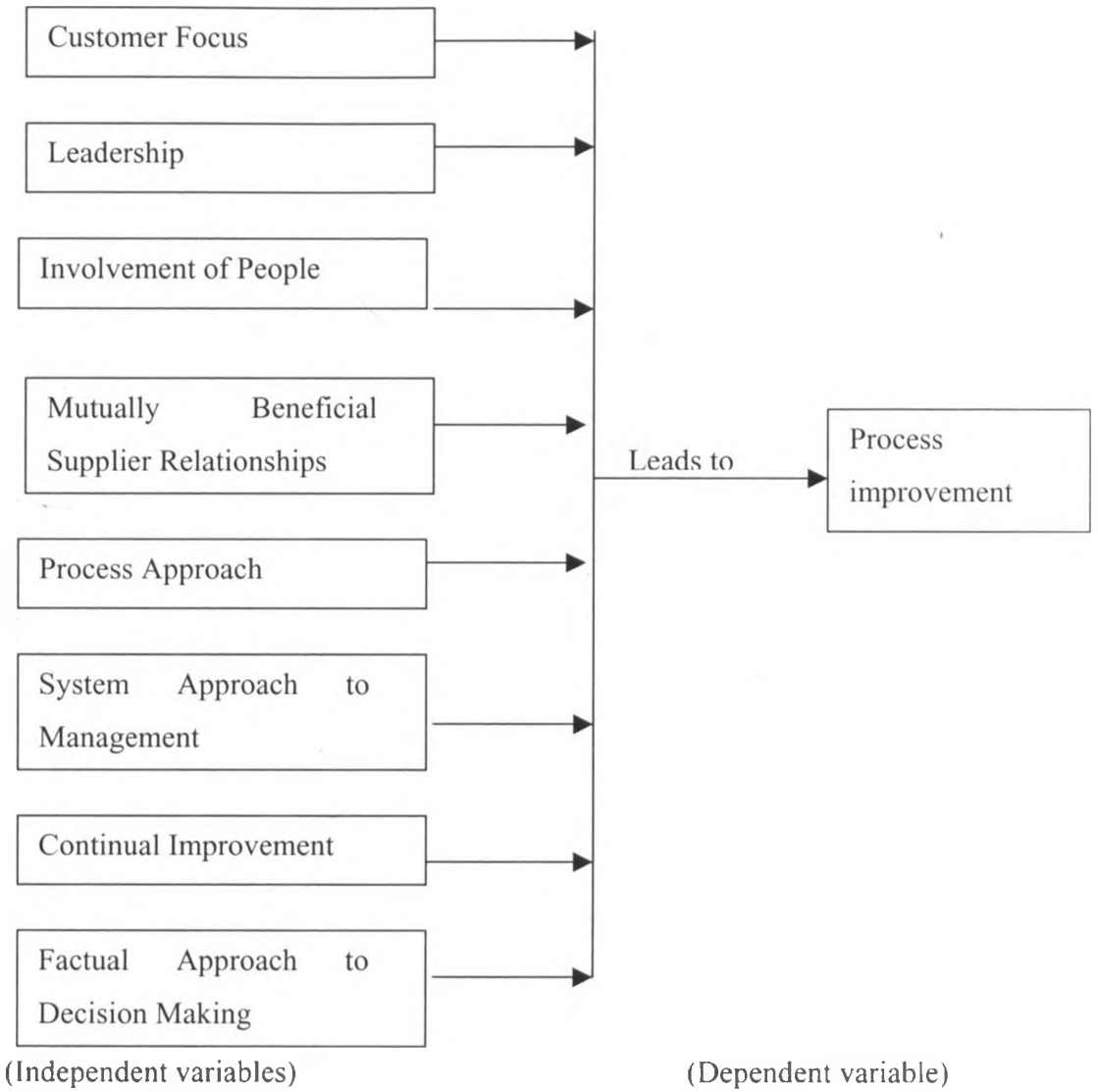


to large organizations. KenGen is not ISO 14001 certified but having acquired the ISO 9001 certification would make it easier to be ISO 14001 certified. Both ISO 9001 and 14001 standards are compatible with national quality award criteria and are both based on the eight Quality Management Criteria, which are aligned with the philosophy and objectives of most quality award programs. These principles are:

- Customer focus
- Leadership
- Involvement of people ( to create ownership of the quality programs)
- Process approach
- System approach to management
- Continual improvement
- Factual approach to decision making
- Mutually beneficial supplier relationships.

These management principles form the fundamentals of the conceptual framework as shown in the diagram below:

**Fig 2.2 Conceptual Framework**



Source: Author (2006)

The conceptual framework above shows the various dimensions of process improvement as based on the eight quality management principles aligned with the philosophy and objectives of most quality award programs and indeed ISO.

ISO identifies the PDCA cycle as an established, logical, method that can be used to improve a

process. This requires planning (P) what to do and how to do it, executing the plan by doing (D) what was planned), checking (C) the results for consistency with plan and acting (A) to improve the process (how to improve next time). The PDCA cycle can be applied within an individual process, or across a group of processes (www.iso.org). Many organizations actually adopt this cycle without realizing it. Among the perceived benefits of using ISO standards are: connection of quality management systems to organizational processes, Consideration of the needs of all interested parties and encouragement of a natural progression towards improved organizational performance.

### **2.2.3 Process Improvement**

The "process approach" is a way of obtaining a desired result, by managing activities and related resources as a process. The "process approach" a key element of the ISO 9000 standards is a way of obtaining a desired result, by managing activities and related resources as a process.

The process improvement concept can be taken to have emerged from service marketing and its main concern was to get everyone who was involved in service encounters – the front line or contact staff – to perform better in the interaction with customer (Gummesson, 2000). The usage of the concept has extended beyond its traditional field and is now acceptable in all kinds of organizations components.

In the context of a competitive environment, continuous improvement plays a key role in ensuring that a firm remains competitive through the implementation of process improvement techniques such as Business Process Reengineering (BPR) and Total Quality Management (TQM) *inter alia*.

More recently, the improvement activity; termed Process Improvement (PI) has received new interest and has been associated with significant performance improvement and business results that has earned the approach the term "blitz Kaizen"(Bicheno 2000). To be sustainable continuous improvement has to be driven and owned by employees who are the implementers (Friedli, 1999; Mackle, 2000, Griffins (1998). According a research written by the International Journal of Quality and Reliability Management, companies that seek ISO certification to

improve their internal operations and their products/services and not to satisfy market demands or pressure, get positive improvement in their business performance and overall quality improvement (Tsiotras & Gotzamani (2002). They argue that companies that seek certification for advertising and forced reasons may fail to get some long-term benefits from ISO; they may also fail to instill the passion for quality improvement and standard adherence in their employees.

According to Bessant *et al* (1994), results from their UK based research concerning PI the ability to generate “improvement momentum” is not a matter of doing one or two things well; but rather managing a complex integrated system”. It is indeed true that without a sufficient infrastructure to support process improvement at the business level it is unlikely to yield real and/or sustainable change. Employee involvement is therefore a critical success factor in quality management.

Dale et al (1997), adopting a case-based approach, identified “factors” that negatively impact on sustaining Total Quality Management (TQM) using six organizations to generate six categories of issues associated with sustainability. These categories include; internal/external environment (context), management style (approach), policies (interest), organizational structure and the process of change management. These issues need to be managed for any quality management efforts to bear fruits.

Tsiotras & Gotzamani (2002), state that implementation of standards may help improve internal organization and organization , internal and external communication through clearly defined duties and responsibilities, employee’s awareness of quality issues, quality variations with related quality costs and customers satisfaction and trust to the company through improved product conformance. The standards also provide a well structured tool to start with quality, making easier the top management commitment to it.

Critiques have argued that the requirements of the standards are clear and well defined, contrary to the vague and non-specific requirements of TQM. It is argued that when a change is introduced within a company, this change should neither be too big nor too small in order to be accepted and gain employee commitment. Thus, the less demanding and less revolutionary requirements of the standards are seen as a good stepping stone for narrowing the gap between the existing quality

management performance and TQM and increase the likelihood of success for the adoption of TQM later. Also for many companies this is the first formal program helping them to shift focus from detection of errors, to processes and prevention of errors. This is also important in that quality systems heavily based on massive quality controls and detection of errors were proved to be one of the main obstacles to the adoption of TQM. The standards' implementation may also contribute to continuous improvement, since documentation and standardization are proposed as the first and last step in any formal improvement efforts (Vonderembse, 1996). Other scholars have argued that when consciously and consistently implemented, ISO standards can be considered as a subsystem of TQM. From all the aforesaid certification can be very rewarding for the company's efforts, boosting employees' morale, increasing responsibility and commitment to quality and enhancing the quality culture within the whole company in every activity of the quality assurance system in order to combine standardization and improvement.

## **2.3 EMPLOYEE PERCEPTION**

The employee perception as a factor in organisations has been the subject of debate for some time now. Its origin can be traced to the early works of Prof. Elton Mayo at the Western Electric's Hawthorne plant in Chicago in 1927–32 (Burnes 2000). The study, for the first time, addressed the issue of the worker in the workplace, rather than the work itself (Cole, 1996). This view was taken up by other social scientists such as Abraham Maslow. He demonstrated that a hierarchy of needs can influence behaviour in organisations. These range from the physiological, such as food and shelter, through esteem needs, to self-actualisation, the highest level of self-fulfilment. At any one time, it is the unmet needs that act as motivators. Further, V. H. Vroom, in the mid-1960s, expounded this issue with the Expectancy Theory of Motivation. He advanced the view that an individual's behaviour is formed on the perception of what they consider to be the reality (Cole, 1996). This theory stresses the importance of perceptions in the motivation process. It argues the case for the view that individuals act on the basis of how they perceive situations. Individual effort and productivity is determined by the perception of the situation (Cole, 1997).

Managers therefore need to be interested not only with the physical presence of the employee in

the workplace, but more importantly, their emotional presence. This latter attribute is developed through motivational and intrinsic satisfaction.

Organizations have a wide body of stakeholders to satisfy. These range from customers, shareholders, creditors, employees, and of course, the government. Each group has its interest and rights from the organization (Bennett, 1997). Each group may also develop perceptions about the service they receive from the firm. This can be different from its expectations.

Management methods have to be those that motivate employees and demand a decentralization of the decision making process through empowerment. A motivating personnel policy needs to be logical and just in nature. If there is an absence of such, it is likely that internal marketing efforts become fruitless. This starts with job descriptions which are customer-oriented as opposed to structural rigid ones, which have a negative outcome on the flexibility of the front-line personnel (Gronroos, 1996).

## **2.4 OTHER PROCESS IMPROVEMENT TECHNIQUES**

### **2.4.1 Business Process Reengineering (BPR)**

Reengineering, under whatever label, is the current vogue. Whereas restructuring is concerned with moving, shrinking or eliminating organizational units, BPR has to do with changing the way work is carried on. The need for BPR comes in because customers care less about internal organization and all that matters to them is composite output in terms of quality, cost and time. (Hammer and Champy, 1993). Hammer in his ground breaking article "Don't automate, obliterate" defined BPR as "the use of modern information technology to radically redesign business process (Hammer and Champy, 1993).

The working definition, therefore for business process reengineering is "a radical or breakthrough change in business process". Reengineering process designs seek dramatic orders of magnitude, as distinguished from incremental improvement in business value. Key value creation processes include order fulfillment (the customer supply chain process), product development, order creation (selling and configuration), and customer service (post product delivery processes)" (Jeffrey and

others, 1992).

BPR therefore begins with a "clean sheet of paper" and then moves on to focus on the desired result from a process, rather than a functional or individual unit needs. BPR is revolutionary with both significant risk and expected pay off. The concern of Hammer and Champy, (1993) has been on whether BPR definition has been a just one or that managers were calling all improvement project BPR to ride the tide of the fad and possibly to bolster management and financial support within their organizations.

Daming advocates for focus on the entire system rather than on subunits, emphasizing that only when all parts of the system function as a whole does the system really work. BPR with it's inter functional orientation provides just that focus (Daming, 1984). Reengineering tends to be tactical rather than strategic because it focuses on operational processes as opposed to the organization's purposes. Its improvement time frame is relatively near term and it tends to disregard human development as a source of continuous competitive advantage.

BPR identifies customers (along with shareholders) as beneficiaries and imaginatively uses information technology to streamline and simplify organization. In BPR you first assume that nothing currently exists. You then flow chart the whole work process in a pattern which delights the customer. BPR comes about to recast what organizational theorists call interdependencies (Hannan and Freeman, 1984). In pooled interdependence organizational units are relatively independent of each other with each providing discrete contribution to the whole. In sequential interdependence, the parts interact in a series, as is the case in an assembly line with each member providing cumulative contribution to the whole. In reciprocal interdependence, the parts interact in a back and forth manner and make joint contribution to the whole. BPR reduces sequential interdependence and increases pooled interdependence (by decentralizing authority) and reciprocal interdependence (by organizing processes in a way that pools resources together simultaneously).

Though critics argue that the time frame for BPR is less than long term, there are indeed successful cases of extended performance improvement stretching over the conventional 3 year

period. One of these is Union Carbide which managed to reduce fixed costs by \$400 million (Martyn, 1990). Another relevant case is evident in Taco Bell. From the early 1980s to the early 1990s, Taco Bell raised its restaurant peak capacity from \$400 per hour to \$1500 per hour and simultaneously succeeded in reducing prices (Kim a miller, 1992). Other projects that can benefit from adoption of BPR processes are new product development, technology integration and process redesign process projects: three types of project that exploit the merits of process improvement.

However, BPR is not without its drawbacks. Hamel estimates that some 50-70% of all reengineering initiatives fail to achieve their objectives.

### **2.4.2 Strategic Outsourcing**

This involves an organization determining which of its competences are core and which are not. By strategically outsourcing and emphasizing a company's core competencies, managers can leverage their firm's skills and resources for increased competitiveness by either concentrating the firm's resources on a set of "core competencies" or through strategic outsourcing traditionally integral activities. These are activities in which the firm has neither critical strategic need nor special capabilities (Johnson and Scholes, 2004).

Managers' leverage their company's resources by maximizing returns on internal re-sourcing by concentrating investments and resources on what the enterprise does best, fully utilizing external suppliers' investments, innovations, and specialized professional capabilities that would be prohibitively expensive or even difficult to duplicate internally and through joint strategies. Joint strategies can decrease risk, shorten cycle times, lower investment and create better responsiveness to customer needs (Gronroos, 1996). Another means through which this end can be achieved is through formulation of well-developed core competencies providing formidable barriers against present and future competitors that seek to expand into the company's area of interest, thus protecting and facilitating the strategic advantages of market share.(Martyn, 1990).



### **2.4.3 Automation**

This is the replacement of labor by machines or Information Technology, which embodies the existing process – clearly it is possible to combine automation with the process changes but many firms have already recognized that their inherited investment in automation is one of the bigger barriers to reengineering. This process, however, requires very high cash investment e.g. the purchase of “intelligent” machines costing millions of shillings per piece ([www.iso.com](http://www.iso.com)).

At the incremental end of the spectrum lies minor improvement waste – elimination and cutting out no-value added activities such as redundant or duplicated tasks. These yield useful benefits, especially in quality and lead time and sometimes cost, but are usually limited to improvement within a department of function (Gummesson, 2000).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 RESEARCH DESIGN**

This research was a case study on employee perception of ISO certification and its development process in KenGen.

The case study was used to offer an insight into what employees' perception of strategy in a public organization could be. This, nevertheless, took account of what the Kenyan power industry structure was and the then drivers of change in the industry.

Case studies are suited to gather and organize information on a particular issue and thereafter analyzed to seek for patterns or themes in the data. Because perceptions and attitude take time to develop, a case study offered the flexibility to dwell on the issue with a reasonable degree of depth.

### **3.2 POPULATION**

KenGen has a staffing level of about 1500 employees. This formed the population of study. The staff for KenGen is spread around the country in five key geographical areas, viz. Nairobi, Seven Forks, Upper Tana, Kipevu, Turkwell and Olkaria. Management staff forms 35% of the employees and 65% are unionisable cadres.

While one may have been tempted to involve only the senior echelons of the organization in studying the profile of strategy, Hamel (1998) had a convincing argument in favor of making strategic management all-encompassing. He was of the view that the capacity for creativity and innovation was distributed widely in an organization. He therefore advanced the case for taking advantage of the diversity within the firm, in terms of experience, age, location, seniority, etc.

Consequently, everyone should therefore be given an opportunity to influence the destiny of the organization, of which they were part. In any event, whatever one does in whichever area must be taken as part and parcel of the overall strategy, operationalised to day-to-day activities. Indeed, if a significant proportion of the organization does not know the direction the organization is taking, it is a serious indictment on the ability of the management to communicate downwards effectively. The workforce for the organization is therefore a significant stakeholder when investigating attitudes, culture and core values of the firm.

### **3.3 SAMPLE AND SAMPLE DESIGN**

The degree of confidence attached to the findings of the research depended on the sample size. Because a census of the 1500 or so employees was impractical, with a constrained budget and time limitations, a representative sample of the population was used. Respondents were picked through a simple random process.

A sample size of 100 employees was used. Thus sample size was taken based on convenience and also because such a sample size is considered large enough to provide a general view of the employees perceptions and provide a basis for valid and reliable conclusions.

The sample was stratified to be made up of 35% management and 65% union cadre to represent the make up of the company.

### **3.4 DATA COLLECTION METHODS**

Research data was collected through a structured questionnaire. This was dispatched to all the selected respondents in the company. Where electronic communication was available, it was used to hasten the process. It was anticipated that some of the respondents would have problems understanding some of the questions and independent assistance was arranged for this. Appropriate instructions were issued to the assistants to minimize bias in their role.

### **3.5 DATA ANALYSIS METHODS**

Data was analyzed using MS-Excel and Statistical Package for Social Sciences (SPSS) software package by the use of descriptive statistical method. The underlying goal was to search for trends, explicit or implicit, between the variables in the population. Measures of association and the strength of the relationships was checked using the Pearson's correlation coefficient. Frequency tables were used for profile of respondents. The rest was analyzed with frequencies, means, and standard deviation.

## **CHAPTER FOUR: DATA ANALYSIS AND FINDINGS**

### **4.1 INTRODUCTION**

The objective of the study was to establish the employees' commitment to ISO 9001 certification and quality management, assess the process used to introduce ISO 9001 certification to employees and their level of involvement in the process and to evaluate employees' perceptions of the process improvement initiatives and ISO certification at KenGen. It is in this chapter that the data obtained from the study was analyzed and interpreted for better understanding and to make it more applicable to the objectives of the study. This is done by the use of frequencies, percentages, mean scores and standard deviation.

Out of the targeted sample population of 100 respondents, 89 answered the questionnaire. This resulted to a response rate of 89%. Fifty two percent of the respondents were classified as part of the management and the remaining 48% as operation staff.

### **4.2 GENERAL INFORMATION**

This section provides the general information about those who participated in the research.

#### ***4.2.1 Job Titles***

The table below shows the job positions of the respondents. Majority of them (52%) were in the management team. This represented those who had direct contact with the operation staff and oversaw the daily operations of the company.

**Table 4.2.1: Respondents' job profile**

Technician/senior technician	13%
Chief engineer/engineer	13%
Craftsman	10%
Senior turbine operator	9%
Artisan/senior artisan	7%
Foreman	6%
Clerk/clerical officer	4%
Shift controller	4%
Election superintendent	3%
Copy typist	3%
Store keeper	2%
Secretary	2%
Waiter	2%
Clinical officer	2%
Administration assistant	2%
Plant operator	2%
Others	15%

The rest of the respondents (48%) were classified as operation staff and they were involved in the more directly with operations at the company. All the respondents were permanent employees with college graduates forming the largest proportion (54%). This was followed by secondary school leavers (24%), University graduates (22%) and finally primary school leavers (2%). Male respondents formed the largest proportion of the respondents (90%).

**Table 4.2.2: Respondents' position profile**

	<b>Frequency (n)</b>	<b>Percentage (%)</b>
Management	46	52%
Operation staff	43	48%

**Table 4.2.3: Respondents' gender profile**

	<b>Frequency (n)</b>	<b>Percentage (%)</b>
Male	80	90%
Female	9	10%

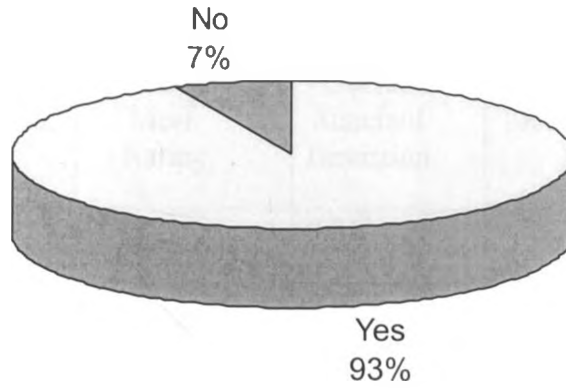
**Table 4.2.4: Respondents' education profile**

	<b>Frequency (n)</b>	<b>Percentage (%)</b>
University	20	22%
Primary	2	2%
Secondary	21	24%
College	46	52%

Though the research was randomly carried out, it is evident that there were more male respondents than their female counterparts. This reflected on the technical and manual nature of the tasks carried out in Seven Forks. This increased the ratio of male to female employees considerably thus the large difference in responses from the genders.

## 4.2.2 Ownership of KenGen Shares

Fig 4.2.1 Ownership of KenGen Shares



Most of the respondents owned KenGen shares. This was attributed to their confidence in KenGen the expected growth of its net profit and share value. All the feminine respondents were share holders of KenGen and only 6 of the 80 male respondents did not have KenGen shares. This was mostly due to lack of capital during the sale of the KenGen shares. This was mostly observed amongst the lower cadre employees.

## 4.2.3 Awareness of ISO 9001 Certification

A one hundred percent (100%) response was recorded on the awareness of ISO Certification of KenGen. This was as a result of good networking and publicity in the organization, thereby facilitating the transfer of information within and between the organs of the organization. This has considerably assisted in the good publicity and image of the management and company as a whole.



#### 4.2.4:ISO 9001 Introduction process and level of involvement

**Table 4.2.5: Introduction process and level of involvement**

	Overall Mean Rating	Overall Standard Deviation	Management Mean Rating	Operati on staff mean Rating
ISO 9001 fits my circumstances and job roles	4.19	0.81	4.37	4
The employees were happy about the ISO certification	4.06	0.9	3.93	4.19
Employees were introduced to ISO 9001 long before implementation	3.83	1.3	3.72	3.95
I was personally involved in the implementation of ISO	3.47	1.22	4.13	2.77
All employees were totally involved in the implementation of ISO introduced to ISO 9001 long before implementation	3.35	0.93	3.39	3.3
Only a selected group of employees were involved in the initial implementation of ISO	3.18	0.84	3.2	3.16

Table 4.2.5 shows the rating of various statements. This was done by giving the statements values ranging from 1 to 5. The higher the value, the higher the statement was rated. The overall and staff position means were then calculated hence the higher the mean, the higher the overall rating of the statement. The introduction of ISO 9001 in KenGen was considered a success. The highest rated statement was '*ISO 9001 fits my circumstances and job roles*' with a mean of 4.19 and a low standard deviation of 0.81. This suggested that most of the staff member accepted the introduction of ISO certification and embraced it as fitting their job profile. The low standard deviation indicated the low relative dispersion of the responses. This suggested a general agreement in the manner of response to the statement. Majority of the employees were also *happy about the ISO Certification*. This was shown by the high rating of 4.06 and a low standard deviation of 0.9,

suggesting an agreement in the statement. Introduction and involvement of Employees before the ISO implementation was also very important and this aided in developing a positive attitude in the staff towards the implementation of the ISO certification. However, not all employees felt involved in the implementation on the program . This was felt mostly by the lower cadre staff members. As a result they felt left out of the system and weren't involved in the decision making of the company.

#### **4.2.5 Commitment to ISO 9001 and Quality Management**

**Table 4.2.6 Commitment to ISO 9001 and Quality Management**

	Overall Mean	Overall Standard Deviation	Management Mean	Operation staff Mean
a) I am personally committed to deliver quality at KenGen	4.76	0.43	4.76	4.77
b) The management of KenGen are committed to quality	4.61	0.61	4.59	4.63
c) KenGen employees at all levels are committed to quality	4.28	0.74	4.28	4.28
d) ISO 9001 was totally supported by employees at KenGen	4.18	0.67	4.02	4.35
e) Since KenGen got ISO 9001 certification employees are more aware of quality issues	4.16	0.52	4.15	4.16

Most of the staff felt that they were personally involved in the delivery of quality at the company. This was shown by the high mean rating of personal involvement in the table above. This was backed up by the management's considerable involvement in the quality assurance process. This ensured that quality was checked at all levels.

The introduction of the ISO 9001 certification was also totally supported by employees at all levels. This is shown by the high mean rating of involvement and this has ensured that the employees have more knowledge of quality issues as shown in that last row of the above table.

## 4.2.6 Perception of certification

**Table 4.2.7 Perception of certification**

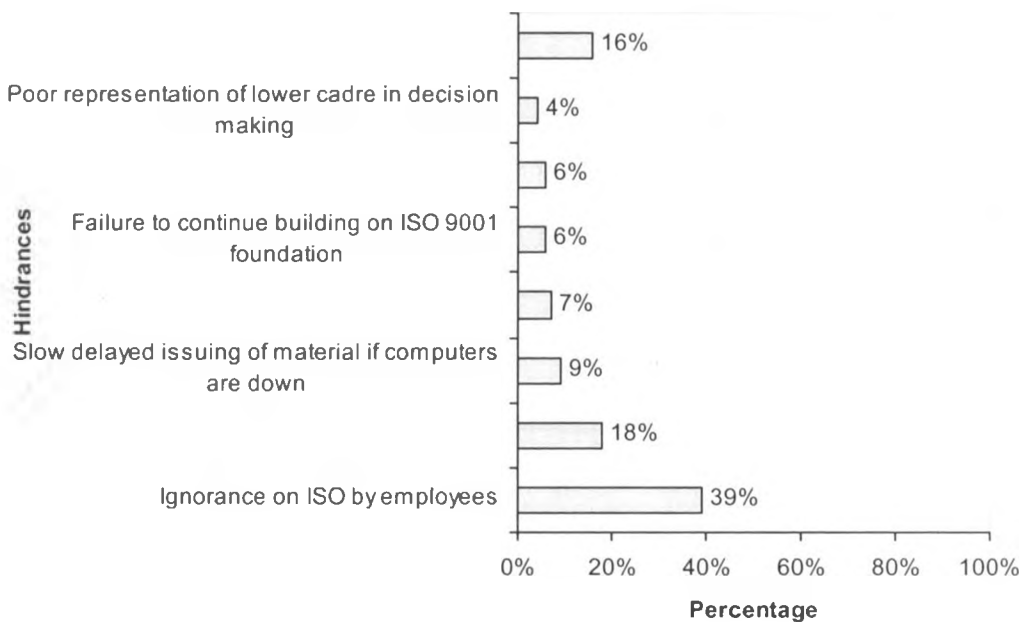
	Overall Mean	Standard Deviation	Management Mean	Operation staff Mean
a) If I have my own company like KenGen I would seek ISO 9001 Certification	4.46	0.62	4.43	4.49
b) Documentation of processes offer good opportunity to improve them	4.46	0.58	4.39	4.53
c) ISO 9001 has improved the public image of KenGen	4.43	0.6	4.39	4.47
d) ISO 9001 has improved processes in KenGen	4.27	0.58	4.33	4.21
e) Since KenGen got ISO 9001 certification employees are more aware of quality issues	4.2	0.43	4.24	4.16
f) ISO 9001 and other quality initiatives increase the company profits	4.1	0.75	4.07	4.14
g) Employees find ISO 9001 to be user friendly	3.99	0.65	3.87	4.12
h) ISO 9001 has brought about cost savings and reduced waste by employees in KenGen	3.9	0.75	3.78	4.02
i) ISO 9001 increased employee job satisfaction	3.71	0.79	3.57	3.86
j) ISO 9001 has increased bureaucracy at KenGen	3.36	1.18	3.02	3.72
k) ISO 9001 has brought about excessive documentation without real benefits	2.43	0.86	2.43	2.42

ISO certification was highly regarded. This was shown by the high rating of the various aspects of the certification. Most of the employees admitted that they would incorporate ISO Certification in their private companies if they had. This shows the level of satisfaction derived from the implementation of the process into the company. They also said that the process has provided good opportunities and helped provide good public image as well as improve process in the company. This is brought about by the awareness of the staff on quality issues thus increasing the

company's service output that reflects on the increased net profit. As a result of the staff finding the ISO standards friendly, they are now more satisfied with their jobs and the set standards since this is viewed as a bureaucratic process. However, few of the staff members felt that the certification had brought about extra documentation without real benefits to the firm.

#### 4.2.7 Hindrances to effective implementation of ISO 9001

Fig 4.2.2 Hindrances to effective implementation of ISO 9001



The major hindrance to implementation of ISO certification was shown to be the ignorance of the employees on the ISO standards and regulations. This resulted in poor employee attitude towards the program. Due to its dependence on computing and automation, a breakdown or interruption in the computers also causes the delay in the implementation of the process. This therefore requires that the company invest in new a reliable equipment that will be able to keep up with the company operations. Lack of proper documentation, failure to build on the ISO foundation regulations and slow decision making are the other major causes of failure of implementation of the ISO process.

Other minor reasons include the following

- Human errors
- Poor teamwork
- Lack of total commitment from some sections
- Too much bureaucracy
- Lack of proper monitoring process and evaluation process
- Variation of process for one department to another
- Lack of proper financial support

#### **4.2.8 Desired improvements**

The following are the desires of the company employees. These should be implemented but in relation to the company's mission, vision and objectives.

**Table 4.2.8: Suggested improvements**

Involve all people in decision making/ISO implementation	28%
Train staff more/have more training seminars	19%
All documented process to be followed strictly	10%
Audit effectiveness of system more often	9%
Reward staff to motivated them/promotions	8%
Increase number of technical staff	7%
Automation of system and communication	6%
Follow up on pending cases of NCR	4%
Cost saving	2%
Improve on communication	2%
Provide quick feedback to customers	2%
Company to go for EMS certification	2%
Meeting the mission and vision statements to the full	2%
Introduce firm to COYA award to compare with other	2%
Obtain quality material	1%

## **CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATION**

### **5.1 INTRODUCTION**

This section covers summary discussions, recommendations, and suggestions for further research and study limitations. The objective of the study was to establish the employees' commitment to ISO certification and quality management, assess the process used to introduce ISO certification to employees and their level of involvement in the process and to evaluate employees' perceptions of the process improvement initiatives and ISO certification at KenGen. This study attempted to answer the questions: How committed are the employees to ISO certification and quality management? What was the process used in the introduction of ISO certification and how involved were they in the implementation of the process? What is the employees' perception of the process improvement initiative and ISO certification?

### **5.2 DISCUSSION**

The findings indicate that most of the KenGen staff is well educated either at the college or the University level. A substantial number of the workers were male and this caused a gender imbalance at the company.

The ownership of company shares was quite overwhelming amongst the staff members. 93% of the employees had KenGen shares. Only a small proportion of the staff population did not have the company shares and this was attributed to the lack of capital at the time of sale of the shares to the public. This was spread across all the staff cadres. This was an indication of the staff's confidence in the performance of the company at the stock market. This is essential in the motivation and performance of the staff. A company that does well in the market tends to pay its employees well. Such employees usually feel privileged to be associated with such a firm and their morale to deliver is increased proportional to their morale level. As the internal customers of the company, their satisfaction is considered a great asset in the success of the company and this reflects on their performance and the overall satisfaction given to the external customers.

The implementation of the ISO Certification in KenGen was also well publicized. This is reflected by the 100% awareness of the process amongst the employees. This prior knowledge allowed the employees to accept the process and assist in its implementation as if it was their own initiative. This encouraged the employees to develop positive attitude towards the implementation of the certification.

The introduction of the process was considered a success. This was shown by the high rating of employees' happiness towards the implementation of the document. In addition, the staff felt that ISO 9001 certification fitted into their circumstances and job roles thus creating even a more positive attitude towards the implementation of the certification. The introduction of the process to the employees long before its implementation helped in making the employees feel that they were considered part of the team hence the need to support and ensure that the process is successful. Personal involvement in the implementation process was also a major contributor to the success of the process. This ensured that every staff member had a role to play in the system. As a result, every employee had a small but significant role to play in the overall success on the process. However, some of the employees felt that they were left out of the implementation process during the initial stages of the implementation. This was more so prevalent in the lower cadre. These employees felt that they were misrepresented in the implementation of the process.

The staff commitment to the implementation of ISO 9001 was undoubted. Most of them felt that their commitment to the implementation process was justifiable and true. This was shown by their commitment to deliver quality and reliable service to help the company achieve its goal of being an ISO 9001 certified company. This was encouraged by the management's commitment in the implementation process. For a successful implementation of the process, all employees from all levels were encouraged to participate. This brought about team work which is essential for the eventual success and completion of the project. As a result the KenGen management and staff have become more conscious and aware of quality issues. This greatly assisted in the service delivery and teamwork in the company.

The introduction of ISO Certification to KenGen has been viewed to be a success. Most employees felt that the documentation of the process offers good opportunity for improvement and they would emulate the process if they owned their own companies. This was viewed as a way of changing the public image of the company and to sensitize the employees more on quality issues. As a result, the company profit margins were projected to be on the increase. The process was also shown to be user friendly and created a job satisfaction to the employees. A sense of bureaucracy was also created by introducing the process in the company. However, a few employees felt that the process brought about extra documentation process that they felt that were unnecessary to the management.

Some of the major hindrances to the development of the process were poor representation of lower cadre in the decision making. Failure to continue building on ISO 9001 foundation was also a major contributor to the sluggish development of the process. However, ignorance by some of the employees on ISO 9001 issues was the greatest of all the hindrances. This required the company invest more on sensitization of its employees on the ISO process.

The following suggestions were therefore put forward by the respondents as ways of helping implement the ISO process.

- Human errors
- Poor teamwork
- Lack of commitment from some sections
- Too much bureaucracy
- Limited time factor to concentrate on ISO requirements
- Lack of proper monitoring process
- Variation of process for one department to another
- Actual participation
- Poor economy of state



## **CONCLUSIONS**

Generally the introduction of ISO certification in KenGen was viewed to a success. Due to the involvement of the staff prior to the introduction and implementation of the process, the employees were able to relate to the concept and accept it. As a result, a positive attitude was generated and the implementation made easier. This made the employees to be committed to the process as if it was their own idea. Each individual had a small but vital contribution to the process and the result was an effective team work that delivered what was intended.

Due to the acceptance of the process by both the management and the operation staff, a positive perception was created and this would enable the company to thrive well in the market and achieve its goals.

## **RECOMMENDATIONS**

It was recommended that the company maintains its good relationship between the management and the operation staff. This would only be achieved through constant communication between these two cadres in the company. Proper training should be put in place to motivate and educate the staff on sensitive issues involving the implementation of processes such as ISO Certification.

The suggestion put forward by the staff should be looked into carefully and where possible implemented. It is only through such initiatives that the company can gain the staff confidence and boost their morale in delivering quality service.

## **LIMITATIONS OF THE STUDY**

This study faced several limitations. One limitation was that some of the target respondents were busy and difficult to access. This made the research to take quite a long time- in some cases the respondents had to be given a questionnaire more than once. Despite giving more than once, some refused to respond hence a response rate of 89% was recorded instead of a 100% response. The study covered mostly the Seven Forks area; a wider regional representation would have been more comprehensive.

The research is based on self-reported information and hence there was a risk of bias.

## **SUGGESTIONS FOR FURTHER RESEARCH**

More research should be carried out to provide for better working conditions and improve on the regulations put across by ISO 9001. This should be carried out in other sectors such as manufacturing and agriculture. Such firms include East African Breweries Limited, Kenya Telkoms etc.

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## APPENDIX 1: INTRODUCTION LETTER

GEORGE KIIRU  
C/O MBA OFFICE,  
FACULTY OF COMMERCE,  
UNIVERSITY OF NAIROBI,  
P.O.BOX 30197,  
NAIROBI

July , 2006

Dear Respondent,

### RE : REQUEST FOR RESEACH DATA

I am a postgraduate student in the Faculty of Commerce, University of Nairobi, pursuing a Masters in Business Administration degree. In order to fulfill the degree requirements, am undertaking a Management Research Project , titled: *Employee Perceptions of ISO 9001 Implementation and process Improvement Initiatives- The Case of KenGen .*

In order to carry out the Research , you are selected to form part of the study . The purpose of this letter is to request you to respond to the attached questionnaire. The information you give will be treated with utmost confidentiality and will be used only for academic purposes. At no time will your name be used or referred to in the final report.

A copy of the findings will be availed to you upon your request. For any clarification on this matter, I can be reached on 0722 827665. Your assistance and cooperation will be greatly appreciated.

Thank you.

GEORGE KIIRU

MBA STUDENT - UON



## APPENDIX 2: QUESTIONNAIRE

### PART A: Personal Details

1a. Your name ..... (Optional)

1b. Job Title .....

1c. Indicate your job level

Top Management	( 1 )
Middle management	( 2 )
Operation Staff	( 3 )

1d. Terms of Employment

Permanent	( 1 )
Contract	( 2 )

1e. Education Level

Primary	( 1 )
Secondary	( 2 )
College	( 3 )
University	( 4 )

1f. Gender            - Male (1)                      Female                      (2)

Do you own shares in KenGen?

- Yes            01 (Skip to q2)  
 No             02 (Continue to q1b)

1g. If no, why not?

1h     Are you aware that KenGen is an ISO certified? Yes (1) No (2)

**PART B: Process Used to Introduce ISO and Level of Involvement**

Q 2     Please indicate the extent to which the following statements apply to the way ISO certification was introduced in KenGen

Statement	To a very large extent 5	To a large extent 4	To some extent 3	To a small extent 2	To no extent at all 1
a) Employees were introduced to ISO 9001 long before implementation					
b) All employees were totally involved in the implementation of ISO introduced to ISO 9001 long before implementation					
c) Only a selected group of employees were involved in the initial implementation of ISO					
d) I was personally involved in the implementation of ISO					
e) The employees were happy about the ISO certification					
f) ISO 9001 fits my circumstances and job roles					

**PART C: Commitment to ISO and Quality Management**

Q 3     Please indicate the extent to which you agree or disagree with the following statements

Statement	Agree Strongly 5	Agree 4	Neither Agree nor disagree 3	Disagree 2	Strongly Disagree 1
a) KenGen employees at all levels are committed to quality					
b) The management of KenGen are committed to quality					
c) Since KenGen got ISO 9001 certification employees are more aware of quality issues					
d) ISO 9001 was totally supported by employees at KenGen					
e) I am personally committed to deliver quality at KenGen					

**PART D: Perception of Certification**

**Q 4** Please indicate the extent to which you agree or disagree with the following statements

Quality Elements	Agree Strongly 5	Agree 4	Neither Agree nor disagree 3	Disagree 2	Strongly Disagree 1
a) Since KenGen got ISO 9001 certification employees are more aware of quality issues					
b) ISO 9001 has improved processes in KenGen					
c) ISO 9001 has increased bureaucracy at KenGen					
d) ISO 9001 has improved the public image of KenGen					
e) Employees find ISO 9001 to be user friendly					
f) ISO 9001 has brought about excessive documentation without real benefits					
g) If I have my own company like KenGen I would seek ISO 9001 Certification					
h) ISO 9001 has brought about cost savings and reduced waste by employees in KenGen					
i) Documentation of processes offer good opportunity to improve them					
j) ISO 9001 increased employee job satisfaction					
k) ISO 9001 and other quality initiatives increase the company profits					

Q5 What would you say are hindrances to effective implementation of process improvement initiatives and implementation of ISO 9001?

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Q6 What improvements would you like to see in KENGEN quality improvement initiatives?

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Thank You for Your Cooperation



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA PROGRAM – LOWER KABETE CAMPUS**

UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
LOWER KABETE CAMPUS

UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS

DATE 16<sup>th</sup> August 2006

**TO WHOM IT MAY CONCERN**

The bearer of this letter GEORGE T KIIRU

Registration No. D/G/P/7862/C1

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the student to do their projects on real problems affecting firms in Kenya. We would therefore appreciate if you assist him/her by allowing him/her to collect data in 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 organizations on request.

Thank you

**J.T. KARIUKI**  
**CO-ORDINATOR, MBA PROGRAM**

**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**  
**MBA OFFICE**  
**P. O. Box 30197**  
**NAIROBI**



# KenGen

**Kenya Electricity  
Generating Company Ltd.**

Stima Plaza, Kolobot Road, Parklands  
P.O. Box 47936, Nairobi, Kenya  
Telephone: 254-2-248833, 36660000  
Fax: 254 - 2 - 248848

Our Ref: HR/HYD/11/JMM/new

Date: 31<sup>st</sup> August, 2006

**Mr. George Kiiru,  
C/O MBA Office,  
Faculty of Commerce,  
University of Nairobi,  
P.O. Box 30197,  
NAIROBI.**

Dear Sir,

**REF: MBA RESEARCH PROJECT - UNIVERSITY OF NAIROBI**

This is to confirm that management has duly authorized you to collect research data from Kengen staff for pursuance of your MBA research project entitled: *Employee perceptions of ISO 9001 implementation and other quality improvement initiatives - The case of KenGen.* You are hereby advised to treat the information given as strictly confidential and to use it only for academic purposes. You will collect the data using a structured questionnaire.

Through this note KenGen staff have been requested to give you maximum support as you collect the data. You will also be expected to avail a copy of your research project to the management.

Yours faithfully,

**For: KENYA ELECTRICITY GENERATING CO. LTD,**

  
**J.M. MWANGI**

**For: CHIEF MANAGER, HUMAN RESOURCES**

c.c. Managers – Kipevu, Olkaria, Hydros.  
Area Human Resources Officers  
Area Engineer – MH  
Chief Engineer - Turkwel

