STRATEGIC QUALITY MANAGEMENT PRACTICES AND PERFORMANCE OF AIRLINES. A CASE STUDY OF A KENYAN AIRLINE

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

OCTOBER 2016

DECLARATION

I hereby declare that this project is my original work and has not been presented to any University or other institution of higher learning for any degree award.

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

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MRS. KIRUTHU

DEDICATION

This research project is dedicated to my family and friends for the source of support, encouragement and motivation they accorded me.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank my supervisor, Mrs. Zipporah Kiruthu whose encouragement, guidance and support from the initial to the final levels has enabled me to develop a deeper understanding in writing this project and seeing it through to completion. In connection to this, I would like to express my gratitude towards the faculty of University of Nairobi for according me the audience, knowledge, and support. Lastly, I extend my gratitude to the UON Main Campus community in general, the MBA Class of 2015 and my family who have greatly been an encouragement during my entire study period.

ABSTRACT

The demand for air transport has increased steadily over the past years as marked by the growth of passengers and freight traffic by 45% and 80% respectively. The rapid expansion in Africa's aviation industry is nonetheless lagging behind that of the rest of the world as it is hampered by poor quality management practices despite their popularity in adoption. This has resulted in the notable deterioration of the performance of most of the airlines in Africa. This study therefore sought to determine the effect of strategic quality management practices on the performance of the airline industry through a case study of one of the Kenyan airlines. Specifically, it sought to determine whether strategic quality management practices namely six sigma, ISO-9000, business process re-engineering and learning organization were employed in the organization. The study also sought to determine the effect of the implementation of strategic quality management practices on their overall performance. The indicators of performance under review were customer and employee satisfaction, profitability and innovat1ion. To achieve these objectives, an exploratory research design was adopted and data collected using questionnaires from strategically sampled respondents who are employees of the airline. Data collected was analyzed and processed using an appropriate statistical package to draw conclusions of the study objectives. The findings of this study established a correlation value of 0.824 which indicates that there exists a strong positive relationship between strategic quality management practices and organization performance at 95% significant level. It was recommended that the observed lapses in efficient strategic quality management should be minimized to ensure that error-free transactions are achieved and all stakeholders are satisfied with the level of efficiency. Future research should extend the findings of this study and provide the perspective of customers in regards to the quality of service in Kenyan airlines.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Structured methodologies drawn from quality management, programs such as six sigma, learning organization, re-engineering and ISO: 9000 certification have received considerable attention by various scholars and practitioners as they have been found to enhance process capability, improve organizational performance and profitability (Pantano, 2006; Hammer, 2012; Goeke & Offodile, 2014). However, despite increased popularity and widespread adoption of these practices by many firms, there are concerns and criticisms about their impact and effectiveness on organizational performance (Roberts, 2014). Some scholars also argue that these are simply a re-packaging of traditional quality management practices. They are therefore subject to the limitations and criticisms on their practicality (Dahlgaard-Park, 2006). This study is therefore focused on determining the effect of the adoption of strategic quality management practices on organizational performance.

Quality is a significant component of any production or service which is essential in keeping customers satisfied. The principles and premises of quality have evolved over time leading to the development of competing views of the term. Traditionally, it was termed as the degree to which a product or service meets a customer's expectations. Crosby (1979) defined quality as the conformance to specifications, whose management requires a measurement mechanism in relation to ISO 9000: 2000 quality standards (Vorley & Tickle, 2001). Kondo (1997) defined quality as a source of employee's empowerment. According to him, the aim of a company should be to make itself attractive to its employees and customers while making profits for its shareholders. There are four stages of quality management according to Dale et al. (2004), this include checkup, quality control (QC), quality assurance (QA) and total quality management (TQM).

According to Hulbert and Sproutester (2008), checkup entails activities such as measurement and examination of product or service characteristics in comparison to specified requirements to determine conformity to the said requirement. According to proponents of this development such

as Deming (1986), checking up a product with the aim of finding its non-conformity to specifications and subsequently disposing it is an ineffective and costly process. He therefore proposed that quality should result from quality control aimed at improvement of a process instead of inspection. Juran (1988) defined quality control a process through which actual performance is measured against expected performance and action taken against any observed variance. It therefore regulates quality performance by preventing low quality products/ services which do not conform to basic requirements from getting to the final consumer (Crosby, 2006). As a measure of quality, quality control however is ineffective as it can only help detect non-conformance at a late stage after production has been finalized hence adding up to the variable costs of an organization (Wang & Yu Chu P. 2000).Dale, Boaden and Lascelles (1994) therefore proposed that solving the root cause of non-conformance can be managed through quality assurance. This led to the development of the concept of quality assurance (Lockwood et al., 2006). Dale et al., (1994), defines quality assurance as a prevention based system that focuses on elimination of non-conformance at the product design stage. Opponents of quality assurance however argued that quality management does not just entail being proactive in managing processes leading to product production but should involve all stakeholders and be incorporated in the organizational overall strategy. This led to the advent of Strategic Quality Management (Lockwood et al., 2006).

1.1.1 Strategic Quality Management Practices

Strategic Quality management is the strategic formulation of goals, objective setting, planning and implementation as well as the monitoring, controlling and taking of corrective measures (Vorley & Tickle, 2001). Recent developments of the concept define it as an integration of a set of practices with effective utilization of resources to provide better quality services and products to customers through integration with other organizational practices and effective utilization of resources (Cicmil, 2010). These strategic quality management principles, guidelines and techniques are six sigma, process re-engineering, learning organization, ISO standards among others.

Six sigma is a self-propelling continuous improvement technique which enables an organization to yield benefits beyond realization of originally intended goals and instill an organizational culture that aims to improve performance (Paparone & Christopher, 2013). It was introduced by Smith

(1986) and it aims at creating an organization that fully embraces quality management in all management levels. It is focused on cutting costs and works best through well laid out specific financial goals (Myagawa, 2014). The sigma principle asserts that continuous efforts by organizations aimed at achieving stable and predictable process results are important in order for an organization to succeed (Richardson, 2007). Secondly, there should be mechanisms in place in every organization to measure and control as well as improve business processes. The doctrines further assert that for an organization's processes to have sustainable quality improvement there is need for total organizational commitment particularly from the top level management (Myagawa, 2014). Six sigma therefore provides for evaluation of process capability hence its wide applicability in statistical quality control. Its key contribution to the quality management field is the absolute professionalization of quality management functions (Morris, 2006).

Another important element of strategic quality management is learning organization. According to the Navran Associates (2003), a learning organization is termed as one that seeks at improving its current and future performance through a holistic development, adaptive and transformative approach for all its stakeholders. Alvani (2000) believes that learning organizations instill in all their members an innovative behavior. As such, team work, thinking culture and creation of new ideas and thoughts is highly encouraged (Senge, 1990).

Business process re-engineering dates back to the early 1990's and focus on an evaluation and design of the analysis and design of workflows within an organization (Karimi, 2014). It is aimed at helping organizations come up with ways of improving customer service, cutting down on operational costs and have a competitive edge within the industry in which they operate. According to Voon et al., (2014), successful re-engineering can create substantial improvements in the way organizations do business. However, the ultimate success of any re-engineering process is dependent on an organization's commitment, motivation and ability to create and apply detailed knowledge to the reengineering initiative (Karimi, 2014).

The International Organization for Standardization (ISO) was established with a purpose to set up international quality standards. These universally applicable standards aim at helping organizations to document their quality practices more objectively.

The International Organization for Standardization (ISO) published its first set of ISO 9000 standards for quality management in 1987. The standards also entail a certification process through which companies are rated as having attained the set standards (Wang & Yu, 2000). The standards which are applicable to all types of companies have since their inception attained a global acceptance.

1.1.2 Performance

According to Georopoulos and Tannenbaum (2007) performance is viewed as the extent to which any given social system fulfils its work, people and organizational structure objectives. Seashore (2007) further asserted that performance can be evaluated as an organization's ability to utilize both its external and internal environment using limited resources to attain its desired goals. In order to report on an organization's performance level, then the actual results should be quantified and evaluated against the expected results. (Burke & Litwin, 2001).Most importantly, performance management should be able to measure weather an organization has created a result-oriented culture. This will help raise employee performance, foster their individual development and increase overall organizational effectiveness. Richard et al., (2009), asserts that organizational performance encompasses three different outcomes namely financial, product market performance and stakeholder's returns.

In the recent past, organizations have attempted to manage organizational performance through the use of the balanced scorecard methodology which has various perspectives i.e. financial performance, customer service, learning organization and internal process improvement (Burke & Litwin, 2001). A number of studies have investigated various factors that are critical to the performance of an organization and include leadership, employee satisfaction, quality, strategy, innovation, corporate governance and development of information technology (Kates & Galbraith, 2007; Richard, et al., 2009).Most studies however tend to focus on measuring financial performance of organizations and non-financials such as customer and employee satisfaction (Upadhya et al., 2014). This study therefore will focus on measuring organizational performance based on the definition by Richard et al., (2009). The areas of focus will be customer and employee satisfaction, profitability and innovation and their relationship with the successful implementation

of strategic quality management practices such as six sigma, learning organization, ISO standards and business process re-engineering.

1.1.3 Strategic Quality Management and Performance

Through the adoption of strategic quality management, organizations are likely to benefit in various ways such as improved quality, employee engagement, improved working relationships, customer and employee satisfaction, productivity, effective communication, profitability and increased market share which are all measures of good organizational performance enshrined in performance measurement systems. Smith (2007) found that the link between quality management and organizational strategy is well established. This shows that strategic quality management is not just an operational efficiency related element but is essential for all organizational aspects and functions (Lam & Lin 2011).

Strategic quality management therefore provides organizations with guidelines as to how they can improve their fundamental performance through the reduction of production costs and provision of differential customer satisfaction. Emphasis is strongly placed on the need for strategic planning processes that are based on quality management (Surechchandar et al., 2001). Juran (2009) asserts that most successful total quality management organizations ensure that quality goals are incorporated in the overall business plan, are championed by the organizational leadership and have the buy-in of all stakeholders (Lam & Lin, 2011). This means that the support and primary activities of service delivery organizations must inculcate strategic quality management in all their organizational operations.

1.1.4 Airline Industry

A report by International Air Transport Association (IATA) (2013) states that the airline industry is the worldwide biggest revenue generating industry with more than US$ 12.9 billion. The airline industry is progressing as the number of tourists continues to grow owing to the convenience of air travel, increase in portability of fuel and entry of new airlines into the industry (Rhoades & Waguespack, 2009). Liberalization initiatives by air transport and Open Skies agreements have also had significant positive economic effects on the economies of the partnering nations as well as on the industry. The literature survey indicates that traffic growth following Open Skies and air

liberalization have increased and significantly benefited consumers (passengers), shippers, and other stakeholders. To gain competitive advantage, airlines continuously undertake benchmarking of their operations to the best rated airlines by providing quality services that meets or exceeds the expectation of customers. Thus, customer satisfaction in the airline industry is never ending making quality management critical (Karimi & Safari, 2014). Not managing quality will mean no added value and assuring value to the airline customers is very important (Peters, 2009).The use of a strategic approach to quality management by airlines will therefore improve their competitiveness (Ghobadian, 2004).

The airline was incorporated in 1977 after the dissolution of the East Africa Airways. It is a public-private partnership with majority shares held by the government of Kenya with 29.8% and KLM with 26.7 % stake. In 2005, the airline became a member of The Sky Team Alliance through which it's able to gain access to the member airlines' global network and passenger facilities. The company has several future expansion plans that include increasing its fleet and adding 24 other destinations by the year 2021 according to its annual report (2015) including initializing their services to Australia, North and South America and expansion in Asia. Despite these optimistic plans and the company having received ISO 9000 quality certification, which led to its ranking fourth among the top ten airlines in Africa after South African airways, Ethiopian Airlines and Egypt Air (KA report, 2014) , the airline's performance has been worsening over the recent past. Several studies have been done that however prove the airline's woes are not only caused by external environment issues but also internally such as rising operational costs, leadership, employee dissatisfaction among other management failures.

There is need therefore to research on the causes of the issues the airline faces, that prevent it from achieving the intended goals, despite having quality management systems in place. In doing so, the study explored the extent of implementation of strategic quality management practices such as six sigma, learning organization, and business process reengineering and ISO-9000 standards at the airline and how they are related to performance improvement.

1.2 Research Problem

Having clear cut strategic quality management systems is key in establishing competitive advantage over any competition as well as ensure that any organization achieves its intended objectives (Jamali et al., 2010). The airline has quality management systems in place used in managing various organizational functions. However, despite their popularity, there has been an insignificant positive relationship between their implementation and organizational performance. Various scholars have done studies to better understand the causes of poor organizational performance despite such quality management practices being put in place. A study by Mulaku and Ahmed (2014) found out that the airline has been undertaking major management changes aimed at improving its performance. Oyieke (2012) also found out that the airline has had major change management involving organizational restructuring including formation of alliances and partnerships. Further, Mwikya (2014) found that the airline employs world class operations and technology including the hub and spoke model to ensure efficiency in customer satisfaction.

Prior related studies by Mwangi (2011) and Wanyiri (2010) on total quality management practices in thermal power plants also discovered that customer focus and cost management contributes to an organization's competitive advantage. Although these studies have contributed to the knowledge of quality management and organizational performance improvement, there are concerns on the poor performance trend being espoused by the airline, the case of this study such as sub-optimal planning, system failure, long turn-rounds, poor customer service and non-uniformity of fleet among others. The airline has been facing several challenges over the years which have seen a decline in the airline's profitability over the years. In 2015, the airline reported a huge loss to the tune of 25.7 billion after tax, a 661% drop from the previous 2014 financial year loss of 3.3 billion and huge rise in operating costs. The airline is also undertaking major job cuts as currently there are 600 employees to be laid off with the first phase of 80 employees already on their exit. The airline also faces stiff competition from the Middle East carriers such as Qatar and Emirates (Dahlgaard-Park, 2006). Among the causes reported by a select senate committee to look into the airline's crisis include poor investment decisions by management, lack of customer focus, poor routing arrangements and human resource practices.

Despite management efforts aimed at saving the crippling airline, its performance continues to deteriorate. Addressing these challenges can potentially unlock the industry's potential for future growth as air travel is essential to the prosperity of Kenya. This study therefore sought to fill the gap by investigating the impact of the adoption of strategic quality management practices on organizational performance as it sought to answer the following questions; what is the level of uptake of strategic quality management practices by the airline, and what is the impact of the implementation of strategic quality management practices on their performance. To the body of knowledge and research, the study was compared to theory to determine the practicability of these strategic quality management practices.

1.3 Research Objective

1.3.1 General Objective

The main objective of this study was to highlight the effect of strategic quality management practices on the performance of the airline through an examination of the basic strategic quality management techniques and management systems they employed.

1.3.2 Specific Objectives

i. To determine the level of uptake of strategic quality management practices by the airline.

ii. To establish the effect of the implementation of strategic quality management practices on the performance of the airline.

1.4 Justification

This study's findings are useful to airline management in determining the appropriate strategic quality management practices to adopt in order to enhance their customer satisfaction and meet overall business objectives. Airline governing bodies like IATA can use the information to determine what needs to be done to ensure their strategic quality management practices are effective. To policy makers, findings from the study can be used to establish the best policies and frameworks to adopt in order to enhance strategic quality management. Findings of this study will

add to the knowledge of the area of strategic quality management and organization performance as it contributes to the academic literature of strategic and operations management. It gives a base for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed literature that has been developed by authors and researchers in the themes outlined in the study objectives. It reviewed relevant secondary literature that focus on strategic quality management practices mainly employee and customer satisfaction, profitability and innovation. The chapter helped to understand and provide the relevance of the study objective by presenting theories supporting the study, a conceptual framework and empirical evidence.

2.2 Theories

The theories below highlight the importance of the implementation of some of the key pillars of strategic quality management practices. They include the importance of strategic quality management practices being engrained in the organization's culture, for strategic quality management practices to be successful, all staff should be empowered within their scope and the customer is ultimately the deciding factor in terms of the organization's success and sustainability hence meeting their needs should always be the key focus.

2.2.1 Systems Theory

Deming's theory of insightful knowledge is a management philosophy grounded in systems theory. The theory is founded on the principle that each organization is composed of a system of interrelated processes and people which make up system's components. The success of all workers within the system is dependent on management's capability to orchestrate the delicate balance of each component for optimization of the entire system (Bowen, 2010).The systems theory is also based on an ability to understand the company's processes and systems, variation knowledge to understand the occurrence of variation and their causes, knowledge theory to understand quality programs and psychology knowledge to understand human nature. In his fourteen points, Deming proposed various factors as necessary in implementing strategic quality management among them; management commitment, positive corporate culture, employee's education and training. These critical factors translate into a Shewart Cycle which is about learning what works and what does

not and ongoing improvement in a schematic way. It relates to the fact that strategic quality management should be inculcated in the entire organization, beginning with the strategy, as opposed to being and stand-alone department.

2.2.2 Kanter's Theory on Empowerment

Kanter believes that organizations can have increased performance if they learn to empower all employees with leadership skills. Providing employees with necessary tools, information access and support will empower their decision making. According to Lawler et al., (2002), organizations have two kinds power; formal and informal power. While Formal power focuses on individualistic/independent decision making, informal power focuses on building relationships with peers (Ngowi, 2002). However, in both kinds of power, the conditions required for empowerment are uniform and include access to information, resources, education and training and availability of opportunity for advancement. These conditions have formed the basis of the works and studies of behavioral theorists. In relation to strategic quality management, Kanter describes a learning organization as one of the strategic quality management practices which enables members to continually gain knowledge and enhance their capabilities which in turn aid the organization in adapting to dynamic environments and remain competitively superior.

2.2.3 Kano Theory

The Kano theory of customer categorizes products attributes based on customer perspectives and their effect on customer satisfaction (Dettmer, 2001). These classifications aid in design decisions by indicating when good is good enough. It focuses on how an organization can penetrate target markets, sustain itself and improve customer satisfaction (Evans & Lindsay, 2008).

2.3 Strategic Quality Management Practices

Strategic quality management is concerned with improving quality of services and goods of an organization through integration of efforts of all stakeholders in order to meet the needs and expectations of customers (Martinez & Jimenez, 2009). Research on strategic quality management has been primarily focused on subjective evidence and case studies (Schroeder et al., 2008). McAdam and Lafferty (2004) argue that successful implementation of quality management practices requires attention to both the methodology and behavioral perspective of management.

While early research on quality management has been focused on the technical side of management in terms of tools, techniques and methodologies, recent studies have paid attention to the psychosomatic, relative and human side of quality management such as learning organization, investing in people, and business process re-engineering (Buch & Tolentino, 2006).
Building upon goal theory literature, Linderman et al., (2003) address the role of specifying challenging goals for strategic quality management practices indicating that the use of a structured method such as ISO-9000 standards increases performance. In another study, Linderman et al., (2006) empirically show that effective goal setting can be achieved when strategic quality management practices employ tools and methods. However, specifying unrealistic and very challenging goals render employees being unmotivated, are counterproductive, and mostly frustrated.

From a knowledge management perspective, Choo et al., (2007) developed a knowledge-based framework for strategic quality management practices. They argue that such practices that can make a balance between the effective implementation of prescribed methodology e.g. tools and techniques such as ISO-9000 and context e.g. leadership, organizational culture. This can be done to an extent that firms can manage such a balance and maintain a sustainable quality advantage. Previous studies on quality management address the role of processes and techniques such Six Sigma as highly controlled process improvement systems. While there is agreement on the ability these processes have on enhancing operational performance, there is little understanding on the effect of strategic quality management on improving firm performance over time (Foster, 2007).

2.4 Performance Indicators

For this study, we focused on four major indicators of organizational performance (customer and employee satisfaction, profitability and innovation) as highlighted by (Burke & Litwin, 2001).

2.4.1 Customer Satisfaction

Kotler (2000) defined satisfaction as a feeling of pleasure or lack of it which results from comparing the product/service's perceived performance against the actual outcome.'' On time performance, is normally used to evaluate performance in the airline industry. It measures

customer satisfaction as a percentage of overall expected performance. The level of on time performance for the airlines determines the effectiveness of their systems and can be measured through the arrival and departure times of flights. Airlines typically perform well when their on-time performance reaches 90%.

Measuring on-time performance in relation to customer satisfaction is problematic due to a time lag between measuring customer satisfaction against performance improvement besides other variables which influence airline performance such as price, distribution, competition, detours, weather and unrealistic scheduling. Fornell (1992) asserts that higher customer satisfaction is able to translate into higher than normal market share growth, improved customer loyalty, lower operational costs and eventually higher profitability. Further, customer satisfaction is also found to be strongly correlated with customer repurchase intentions, cross buying and willingness to refer others to the company (Reichheld, 1996b).

2.4.2 Employee Satisfaction

Price (2001) defines employee satisfaction as an effective orientation by an employee towards his/her work. Employee satisfaction is concerned with what people feel and how they behave when doing their work. Researchers espouse that employee satisfaction is influenced by the interaction of a family of factors such as acknowledgment, communication, nature of work, general work environment, organizational systems among others (Ilies, Wilson & Wagner, 2009; Irving & Montes, 2009; Koonmee, Singhapakdi, Virakul & Lee, 2010). For most management scientists, the core employee satisfaction strategy pursued by organizations is meeting their needs (Giannikis & Mihail, 2011). However, contemporary research advances have challenged this view due to the multi-faceted nature of employee satisfaction which makes their measurement difficult. However, the most common method of measurement of employee satisfaction entails administration of periodic satisfaction surveys or conducting group satisfaction interviews (Deshpande, Arekar, Sharma & Somaiya, 2012). The importance of these methods however lies in their ability to draw satisfaction sentiments from employees (Schneider, Hanges, Smith & Salvaggio, 2003).

2.4.3 Profitability

Organizations cannot grow sustainability without the availability of profits for re-injection into the firm. It is therefore an important indicator of performance. However, Delmar et al., (2003), points out that while profits are an important indicator of success, the relationship of profits to size is only evident in aggregate of firms or over long periods for individual firms. Additionally, MacMillan and Day (1987) considered that an organization's rapid growth could lead to higher profitability based on evidence that firms become more profitable when they enter new markets quickly and on a large scale.

2.4.4 Innovation

Kotler (2003) studied the relationship between innovation and performance, offering the example of Sony, a leader in innovation, he argued that that due to the heightened level of competition and shortened product life cycles, a firm's ability to generate innovations may be more important than ever in allowing it to improve performance and maintain competitive advantage (Artz et al., 2010).This shows that innovation has become a pre-requisite for all firms aiming at sustaining their growth and staying relevant in the ever changing market (Lipit, 2006).Moreover, firms and that continuously innovate contribute significantly to economic growth. Thus, it is no coincidence that countries that spend highly on research and development investment intensity are the leaders of the ladder of economic development (Ahmed & Shepherd, 2010).

2.5 Empirical Review

This section reviewed empirical studies that have been conducted in the areas of strategic quality management and how they affect performance.

2.5.1 Strategic Quality Management and Performance

When strategic quality management is analyzed in terms of performance, four levels or dimensions of firm performance are relevant and these are financial performance, customer satisfaction, organizational effectiveness and employee satisfaction. Other levels of analyzing performance relate to reduction of operational cost, improving productivity, attaining higher market share and profits, and innovation development.

Karimi, Safari, Hashemi, and Kalantar (2014) study a criterion set of strategic quality management outcomes in service companies, including customer-focused outcomes, financial and market, organizational effectiveness and social responsibility outcomes. More closely related to Kenya, Mwangi (2004) assessed the impact of strategic quality management practices on stock prices in responsive sectors of specific companies listed at the Nairobi Securities Exchange (NSE) and established that organizations pay more attention on reducing defects and errors in their goods and services instead of integrating strategic quality management in all their functions. Omachonu and Ross (2000) on an empirical study on how to achieve quality found that some organizations collaborate with their stakeholders through contractual agreements in order to increase the quality of component parts. Often these organizations send out "quality action teams" to consult with their major stakeholders with an objective to help these organizations to analyze and improve their work processes. The above study's findings are in line with the recommendation of total quality management authorities (Slack & Lewis, 2008) who propose that organizations need to work directly with their stakeholders to ensure that their processes are of the highest quality possible.

A review of the existing literature on strategic quality management and continuous improvement programs identifies that the practice has both strategic and operational implications which interact with various aspects of management such as committed leadership, better customer relationships, technical system, benchmarking, training, employee empowerment, lean management, process improvement and measurement (Menor, 2007). According to Klassen & Menor (2007), effective strategic quality management requires trade-off of cost vs quality. This is because it has been argued that the ability of an organization to respond to changes in a highly dynamic market will be at risk if the quality management maintains a narrow and blurred scope on operations. At the strategic level, research shows that strategic quality management positively impacts business result and enhance profitability (Kaynak, 2013). This view challenges the traditional view of quality management which focused primarily on reducing variability in the firm's operations (Pannirselvam et al., 1999; Silver, 2014). Effective strategic quality management in customer sensitive markets, the product or service quality cannot be sustained with emphasis on efficiency and variance reduction but requires flexibility and adaptability. The above literatures reviewed indicate that various factors within an organization such as organizational context moderate the

effect of quality management hence too much emphasis on it may impede the organization's responsiveness to new customers. This therefore calls for the need for strategic quality management on operational and business process.

Based on the above literature, the research selected on the following four practices of strategic quality management implementation for this study. They are: six sigma, learning organization, business process re-engineering and ISO-9000 standardization. While six sigma, learning organization and ISO-9000 work related and behavioral strategic quality management practices take a fixed view of the organizational processes, re-engineering and restructuring exhibits a dynamic view of dealing with change over time. Organizations should look into the interaction and interconnectedness of these processes improvements (Linderman et al., 2013)

In the airline industry, the core goal of strategic quality management is to provide customers with services that will give them satisfaction (Oyieke, 2012). This is because, the proper adoption of these quality principles in the operation of these airlines can bring about added value to an organization such as satisfying customers and employees and improvements in the operational processes. While some airlines have seen their performance improve with the adoption of these strategic quality management practices, others have been unsuccessful due to their non-conformity with the implementation procedures. This research will assess the effects of strategic quality management implementation at the airline and also identify factors which hinder the airline from reaping the benefits from its implementation (Mwikya, 2014).

2.6 Summary of Literature Review

Organizations across the globe have adopted various process management systems among them strategic quality management which are aimed at improving their initiatives. While some of these practices such as business process re-engineering are designed to reorganize internal operational processes of the firms others such as six sigma incrementally change their operational performance. From the literature reviewed for this study, there was a clear indication that quality management has a positive effect on customer's repatronage intentions as well as on the performance and survival of any organization.

Despite these attempts on the applicability of strategic quality management practices, there is lack of systematic evidence regarding the extent of strategic quality management implementation and its influence on organizational performance especially in emerging economies such as Kenya. In order for organizations to ensure that they benefit from these strategic quality management practices, the starting point should be defining them from their business strategy. This is because integrating strategy to strategic quality management can help an organization to go beyond mere customer satisfaction and ensure that organizations are able to obtain the synergistic benefits expected from their integrated implementation.

2.7 Conceptual Framework

The below conceptual framework was used to outline the researcher's preferred approach of showing the relationship between the variables of the study. The interconnection of these blocks completes the framework for the expected outcomes.

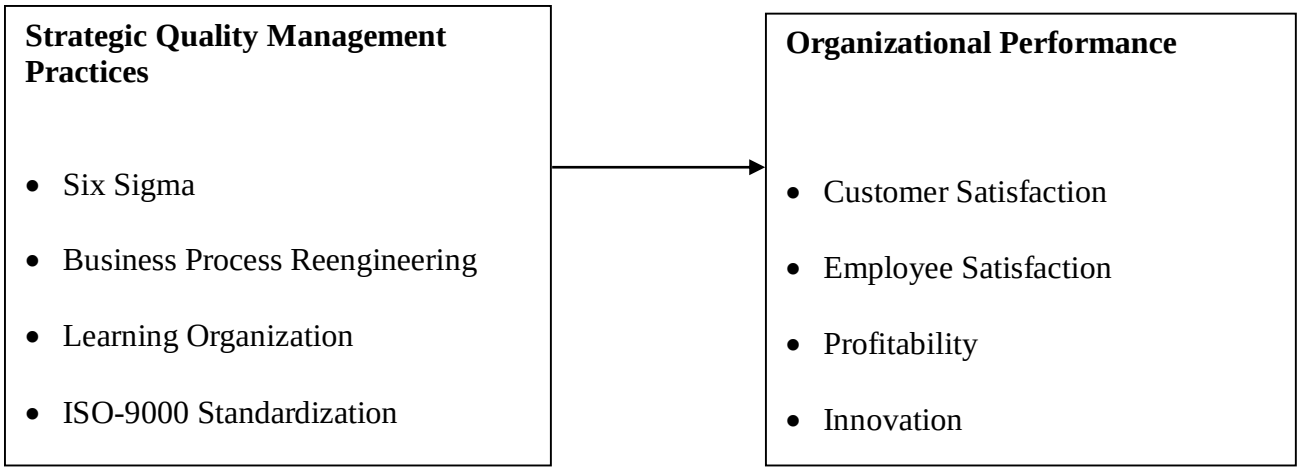

Fig. 2.1 Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used in the study. It outlines the research design, the target population, sample size and sampling procedure, data collection instruments and procedure, the reliability and validity as well as the data analysis techniques.

3.2 Research Design

The study adopted exploratory research design. Exploratory research design was chosen because it enables exploration of the characteristics of the individual or group of individuals being study (Kothari, 2004). The exploratory design helped establish how the implementation of existing strategic quality management practices influence organizational performance. The study adopted a case study approach as it gives more robust results, of in-depth and very rigorous evaluation of evidence that supports the conclusions.

3.3 Target Population

The population comprised of all of the airline's employees. The target population for this study was drawn from the airline, with a population size constituting of 45 employees from different departments.

3.4 Sample Size and Sampling Technique

Respondents were selected through stratified random sampling technique to ensure adequate representation of different groups of a population in the sample. Stratified sampling divides the population into homogenous groups such that the elements within each group are more alike than the elements in the population as a whole (Nachimas & Nachimas, 2008).

3.5 Data Collection Instrument

Primary data was collected regarding strategic quality management influences on organizational performance using structured questionnaires which were self-administered. Drop-and-pick method

of administering the questionnaires was used. Questionnaires were found to be ideal because of the ease in their administration and relatively low cost (Kombo & Tramp, 2006). Sources of secondary data included published literature drawn from published articles and reports, web searches, and visits to local libraries. Search engines, such as Google Scholar, were also be used to identify additional materials.

3.5.1 Pilot Testing of the instrument

A preliminary assessment was done on the data collection tools to determine likely problems. This test was conducted at the airline's Mombasa International Airport whereby twenty questionnaires were administered to the employees in the respective departments. The filled questionnaires were later checked for consistency.

3.5.2 Validity of the Instrument

Validity refers to a measure of reliability of the sample to represent the entire population. Reliability analysis aims at finding out the extent to which a measurement procedure will produce the same result if the process is repeated over and over again under the same conditions (Toke et al., 2012). Cronbach alpha coefficient was computed using statistical package for social sciences. The Cronbach alpha coefficient value above 0.6 showed that the measurement procedure is reliable (Toke et al., 2012).

3. 6 Data Analysis and Presentation

Descriptive and inferential statistics was used to analyze the quantitative data obtained to enable critiques to conceptualize the results. Nachmias and Nachmias (2004) note that descriptive statistics allows the researcher to organize data into a meaningful way. The data was analyzed using statistical package for social sciences version 23.0 which Martin et al., (2002) asserts that has an ability to handle large amount of data since it has a wide range of effective statistical procedures which are designed for social sciences. Huck (2000) contends that analysis of variance ranks first in popularity for applied researchers when comparing three or more means. ANOVA was used to test for significance in general of the model at 95% level of significance. The chi-square was used to measure how much variability exists in the mean of organizational performance over the strategic quality management practices of the study mainly (learning organization,

business process re-engineering, six sigma and ISO-9000) before and after the study using ANOVA.

Organizational performance was regressed against four variables i.e. learning organization, six sigma, business process re-engineering and ISO-9000.

The equation was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = performance

β_0 = constant (coefficient of intercept)

X_1 = learning organization

X_2 = six sigma

X_3 = business process reengineering

X_4 = ISO – 9000 standardization

ε = error term

The correlation coefficients from the regression showed the effect of the independent variables on the dependent variable.

CHAPTER FOUR

RESEARCH FINDINGS, DATA ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter represents the study findings and results. Specifically, the data analysis was conducted in line with specific objectives where patterns were investigated, the data interpreted and inferences drawn on them.The section was divided into segments touching on the descriptive statistics on the independent variables namely learning organization, six sigma, business process reengineering and ISO 9000 standardization, and the dependent variable which is organizational performance. Pearson's correlation was done to determine the relationships amongst the variables.

4.1 Response Rate

The study initially had sampled a total of 45 respondents drawn from the staff at the airline. The findings indicate that the study was able to gather data from 39 respondents which represented 87% of the population under study. The recorded response rate can be attributed to a methodology adopted, whereby the researcher pre-notified the prospective respondents of the intended survey and utilization of self-administered questionnaires which were completed and picked later by the researcher. Follow up calls were also made to clarify queries as well as prompt the respondents to fill the questionnaires. Figure 4.1 shows the summary of the response rate.

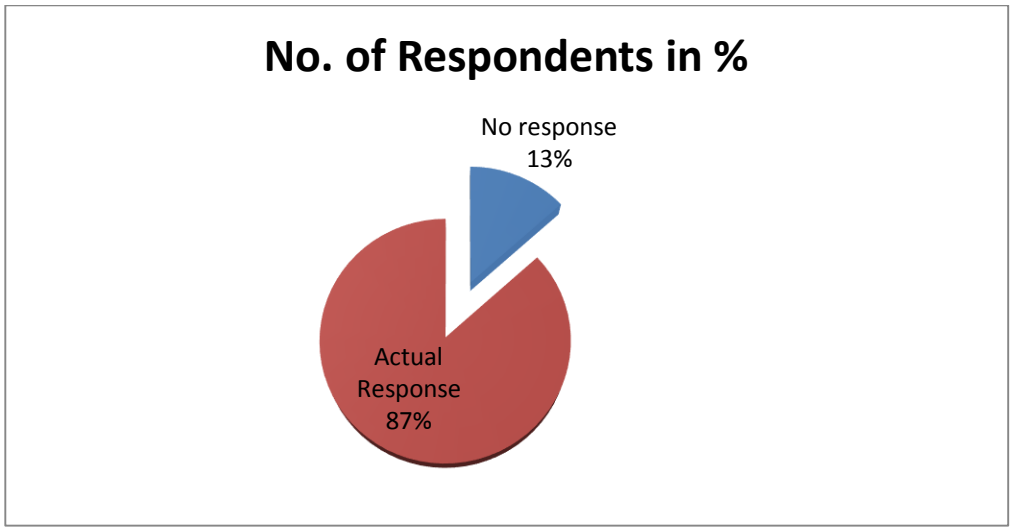

Figure 4.1: Response Rate

4.2 Reliability Test

A pilot test was conducted and its reliability was evaluated using the Cronbach's Alpha which is used to evaluate internal consistency. Nunnally (1978) set the Alpha threshold at 0.6 which was used as a benchmark in this study. All the variables were able to produce scales that were reliable by having an Alpha value that is above the set threshold of 0.6 as shown in Table 4.1.

Table 4.1: Reliability Test

Constructs	Items	Cronbach's Alpha
Six Sigma	5	0.749
Business Process Reengineering	5	0.872
Learning Organization	5	0.786
ISO-9000 standardization	9	0.756
Performance	5	0.731
Scale Combination		**0.779**

Six Sigma had an Alpha value of 0.749, Business Process Reengineering (0.872) while Learning Organization had an Alpha value of 0.786. ISO-9000 Standardization had an Alpha value of 0.821 while performance had an Alpha value of 0.815. The general scale combination had an Alpha value of 0.779. The findings in all the scales indicate that the internal consistency is above 0.6 in all the variables.

4.3 Descriptive Statistics

The study used a Likert scale to collect data on the views of the respondents regarding various statements for the variables under study. Varied scales were used and the mean and standard deviation for each assertion was generated and the mean index for each variable arrived at.

4.3.1 Strategic Quality Management Practices Undertaken in Your Organization

Respondents were asked whether there were strategic quality management practices in place in the organization. 100% of the respondents answered in the affirmative. They were further asked whether the organization implements quality management practices. 79.5% of the respondents answered in the affirmative that the organization implements strategic quality management practices while 20.5% said no. Table 4.2 shows the percentage distribution.

Table 4.2 Implementation of Quality Management Practices

		Frequency	Percent
Valid	YES	31	79.5
	NO	8	20.5
	Total	39	100.0

The respondents confirmed that the strategic quality management practices in place within the organization include six sigma, learning organization, business process reengineering and ISO 9000 standardization.

4.4.1 Learning Organization

Table 4.3 gives a summary of the views by respondents on learning organization.

Table 4.3: Learning Organization Summary

	Mean	SD
The employees are provided with feedback on the quality of their performance	3.21	1.174
All employees believe that quality is their responsibility	3.46	1.047
The workforce is well motivated to undertake quality improvement	4.23	.583
Regular Training for employees is done to improve on quality	3.54	.854
Quality service delivery is as a result of employees empowerment	3.28	.944
Mean Index	**3.54**	

As seen in Table 4.3, majority of respondents the highest mean of 4.23 agreed that the workforce is well motivated to undertake quality improvement, These findings are in line with Linderman et al (2013) who states that organizations should look into the interaction and interconnectedness of these processes improvements. This is because significant improvement in production efficiency can only be achieved through improvement of an organization's supporting administrative processes and management of decision making.

The respondents further agreed that regular training of employees should be put in place to improve quality with a mean of 3.54 and concur that quality is the employees' responsibility. These findings are corroborated by the study by Menor (2007) which indicate that a review of the existing literature on strategic quality management and continuous improvement programs identifies that the practice has both strategic and operational implications on various aspects of management such as committed leadership, improved customer relationships, employee empowerment, lean production among others. The mean index stood at 3.54 which translates to 70.4%, hence high levels of agreement with the statements.

4.4.2 Six Sigma

Table 4.4 summarises the findings of the level of agreement to statements on Six Sigma.

Table 4.4: Six Sigma Summary

	Mean	SD
There is elimination of waste to achieve low cost and reduce the operating cost	3.31	.977
Our airline is concerned about excellent customer service	2.36	.959
Our airline flights always achieves on time performance	2.18	1.048
My airline seeks to deliver its services reliably just as promised	3.87	.894
Our airline has excelled in quick turn-rounds and minimal delays innovations for process improvement	3.26	.850
Mean Index	**2.99**	

As shown in Table 4.4, respondents agreed that the airline seeks to deliver its services reliably and as promised, and that it has excelled in quick turn-rounds and minimal delays innovations for process improvement as indicated by means of 3.87 and 3.26 respectively. The respondents also averred that there is elimination of waste to achieve low cost and reduce the operating cost as shown by a mean of 3.31. These findings are corroborated by Bolboli and Reich (2013) who postulate that the range of strategic quality management benefits include reduced operational cost, increased and more efficient production and larger market share and profitability.

The respondents' view on the airline's concern about excellent customer service and time performance achievement were reflected by the lowest mean values (2.36 and 2.18 respectively). This shows that the airline is facing challenges in areas of providing excellent customer service and timely performance. The mean index stood at 2.99 which translates to 59.8%, indicating medium levels of agreement with the statements. These findings are not in tandem with the study by Fornell (1992) which established that higher customer satisfaction decipher higher market share growth and an organization's ability to command customer loyalty with a strong association to improved profitability. Moreover, customer satisfaction and customer repurchase intentions are found to be highly correlated (Reichheld, 1996b).

4.4.3 ISO 9000 Standardization Implementation

100% of the respondents stated that the organization is ISO certified. They further gave varied views on the airline's ISO 9000 Standardization. Table 4.5 shows the summary of the level of agreement of how the factors influence ISO 9000 Standardization implementation.

Table 4.5: Factors influencing ISO 9000 Certification

	Mean	**SD**
Self-declared conformance	3.49	.914
Mandated customer requirement	4.23	.583
Market need	3.54	.854
Customer satisfaction	4.23	.583
Mean Index	**3.87**	

Mandated customer requirement and customer satisfaction had the highest mean of 4.23 followed by market need at 3.54 and lastly self-declared conformance which recorded the lowest mean of 3.49. These findings are in line with that of Oyieke (2012) who stated that in the airline industry, the main essence of strategic quality management is to provide customers with services that make them satisfied. The mean index stood at 3.87 which translates to 77.4%, indicating high levels of agreement with the statements.

Table 4.6: Incorporation of Concepts in ISO 9000 Standardization

	Mean	**SD**
Resource management	3.97	1.088
Voice of customers	4.23	.583
Knowledge management	3.54	.854
Systematic problem solving and learning	4.23	.583
Use of technology to develop and implement requirements	3.49	.914
Mean Index	**3.89**	

As shown on Table 4.6, the respondents were asked to state the importance of incorporating varying concepts into the ISO 9001 and two concepts held the highest means namely: voice of customers and Systematic problem solving and learning (4.23). The respondents were of the opinion that resource management, knowledge management and use of technology to develop and implement requirements were of importance too, as indicated by mean scores of 3.97, 3.54 and 3.49 respectively. These results findings relate with the study by Yahiya and Goh (2001) who found that implementation of ISO 9000 enables an organization to achieve benefits such as internal benefits such as improved quality, documentation and measurement system. Other external benefits include improved customer satisfaction and competitive edge. The mean index stood at 3.89 which translates to 77.8%, indicating high levels of agreement with the statements.

4.4.4 Business Process Reengineering

Table 4.7 shows the summary of the level of agreement concerning Business Process Reengineering.

Table 4.7: Business Process Reengineering

	Mean	**SD**
The airline has a flexible workforce to manage peak demand periods	3.21	.951
Our airline has eliminated non-value adding processes to speed up processes and reduce cost	2.13	.864
There are regular quality audits to enhance effectiveness of the QMS programs	4.23	.583
Our organization customizes services to meet unique customer needs	3.28	.944
The airline does not consider technology as a costly venture whose benefits are usually overestimated.	3.87	.894
Mean Index	**3.34**	

As summarized in Table 4.7, majority of the respondents agreed with the statement that there are regular quality audits to enhance effectiveness of the QMS programs and that the airline does not consider technology as a costly venture whose benefits are usually overestimated, as indicated by mean scores of 4.23 and 3.87 respectively. These findings are in line with the study by Klassen

and Menor (2007) who reiterate that effective strategic quality management requires a balance of both operational and strategic objectives being pursued by an organization.

It has been argued that the ability of an organization to respond to changes in a highly dynamic market will be at jeopardy if the quality management maintained has a narrow scope on operations. The respondents generally disagreed on the fact that the airline had eliminated non-value adding processes to speed up processes and reduce cost as indicated by a mean score of 2.13.

The respondents also agreed that the airline customizes services to meet unique customer needs and has a flexible workforce to manage peak demand periods as depicted by mean scores of 3.87 and 3.21 respectively. The overall mean index of 3.34 (66.8%) shows that the respondents were in agreement with the statements.

4.4.5 Performance

Performance is the dependant variable of this study. There is a strong argument that strategic quality management principles are used to achieve organizational goals i.e. improve its performance. Further, these principles can adequately bring a company's processes under statistical control besides providing a statistical infrastructure of their implementation. Among the key drivers are customer satisfaction, employee satisfaction, profitability and innovation. Table 4.8 below shows the summary of the level of agreement concerning the dependent variable.

Table 4.8: Performance Summary

	Mean	SD
The airline has achieved reduced operational costs	1.59	.595
The organization's profits have increased.	2.31	.731
Our services are ranked as superior to those of our competitors	3.13	.864
We have had increased market share	2.31	1.004
The airline has achieved operational efficiency	2.62	.963
Mean Index	**2.39**	

According to Table 4.8, the level of agreement to statements were average with the highest mean being 3.13 stating that the airline's services are ranked as superior to those of their competitors. At a mean score of 2.62, the respondents agreed the airline had achieved operational efficiency. Findings by Roth (2009) establish that the implementation of quality management practices will have a positive effect on operational performance in the organization.

The respondents agreed that organization's profits and market share have not increased as indicated by the mean of 2.31. These findings are contrary to a study by Karimi, Safari, Hashemi, and Kalantar (2014) who project a criterion set of strategic quality management outcomes that should emanate from implementing strategic quality management systems in the organization including financial, market, customer, social responsibility and general organizational effectiveness outcomes. The overall mean index of 2.39 (47.8%) shows the low levels of agreement with the statements.

4.5 Correlation Analysis

A correlation analysis was done to establish the association between the variables namely learning organization, six sigma, ISO – 9000 standardization and Business Process Re-engineering with

performance of the airline. Table 4.7 provides the correlation matrix that summarizes the relationship between the independent variables and dependent variable.

Table 4.9: Performance Summary

		Organizational Performance	Six Sigma	Business Process Reengineering	Learning Organization	ISO-9000 standardization
Organizational Performance	Pearson Correlation	1				
	Sig. (2-tailed)	.000				
Six Sigma	Pearson Correlation	.726	1			
	Sig. (2-tailed)	.012	.000			
Business Process Reengineering	Pearson Correlation	.643	.657	1		
	Sig. (2-tailed)	.021	.014	.000		
Learning Organization	Pearson Correlation	.794	.697	.605	1	
	Sig. (2-tailed)	.015	.013	.027	.000	
ISO-9000 standardization	Pearson Correlation	.782	.671	.714	.598	1
	Sig. (2-tailed)	.017	.005	.004	.001	.000

$p < 0.05$

The correlation matrix in Table 4.9 indicates a positive significant relationship among the variables with varying degrees in terms of strength. At 95% confidence level ($p<0.05$), the analysis shows that there is positive significant relationship between six sigma and operational performance ($r = .726$, $p = .012$) while between six sigma and business process reengineering, we have a positive significant relationship ($r = .657$, $p = .014$). Six sigma and learning organization also have a

positive relationship as indicated by correlation coefficient of .697 (p= .013) while six sigma has a positive relationship with ISO-9000 Standardization indicated by a correlation coefficient of .671 (p= .005).

The relationship between business process reengineering and operational performance is a positive one with a correlation coefficient of .643 (p= .021) while between business process reengineering and learning organization, we have a positive significant relationship (r = .605, p = .027). Business process reengineering and ISO-9000 standardization also have a positive relationship as indicated by correlation coefficient of .714 (p = .004).

The results further show that learning organization has the most significant positive effect on the airline's operational performance. The correlation matrix shows a positive significant relationship between learning organization and operational performance (r = .794, p = .015) while between learning organization and ISO-9000 standardization, the positive relationship is depicted by a correlation coefficient of .598 (p = .031). The relationship between ISO-9000 standardization and operational performance is a positive one with a correlation coefficient of .782 (p = .017).

The findings are in line with studies by Pantano (2006), Hammer (2012), Goeke and Offodile (2014) who posit that structured methodologies drawn from quality management, programs such as six sigma, learning organization, re-engineering and ISO: 9000 certification have received considerable attention by various scholars and practitioners as they have been found to enhance process capability, improve organizational performance and profitability.

4.6 Inferential Statistics

In determining the effect of strategic quality management on the performance of the airline, the study performed a multiple regression analysis to determine the nature of relationship between the variables.

4.6.1 Regression Analysis

The linear regression analysis represents the linear relationship between the dependent variable which is Operational performance and independent variables which are learning organization, six sigma, business process reengineering and ISO 9000 standardization. The coefficient of

determination (R Squared) and correlation coefficient (r) shows the degree of the relationship between the independent variables and performance. The four independent variables that were studied explain 70.2% of the factors influencing performance as represented by R Squared (coefficient of determinant). Other aspects not studied in this research contribute 29.8% of the factors influencing performance. The correlation coefficient of 0.824 indicates a strong linear relationship between strategic quality management and performance. A Durbin Watson of 2.169 was established indicating lack of autocorrelation in the model residuals. Table 4.10 displays the model summary.

Table 4.10: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.824[a]	.702	.692	.23484	2.169

a. Predictors: (Constant), Learning Organization, Six Sigma, Business Process Reengineering and ISO 9000 Standardization

4.6.2 ANOVA

This study used ANOVA to ascertain the significance of the regression model from which an f-significance value of $p < 0.05$ was established as shown in Table 4.11. The ANOVA test produced an f-value of 23.043 which was significant at $p<0.05$. This depicts that the regression model was significant at a confidence level of 95%. That is, the model has less than 5% chance of misrepresentation. The model is statistically significant in predicting how learning organization, six sigma, business process reengineering and ISO-9000 standardization affects operational performance and by having a confidence level of 95%, the results are highly reliable.

Table 4.11: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.354	4	1.271	23.043	.000[a]
	Residual	2.427	85	.055		
	Total	8.781	89			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), learning organization, six sigma, business process reengineering and ISO-9000 standardization

4.6.3 Regression Coefficients

The regression equation applied was: $Y= \beta_0+ \beta_1X_1+ \beta_2X_2+ \beta_3X_3+ \beta_4X_4+\varepsilon$, where Y was operational performance, β_0 represented the regression constant, while β_1 - β_4 represented the regression coefficients where X_1- X_4 were learning organization, six sigma, business process reengineering and ISO-9000 standardization, and ε as the regression model error term which indicates its significance. The regression equation is as follows: $Y = 1.327 + 0.466X_1 + 0.233X_2 + 0.191X_3 + 0.256X_4+ \varepsilon$. The regression equation means that when learning organization, six sigma, business process reengineering and ISO-9000 standardization have null value, and performance would be 1.327.

The results indicate that learning organization has the most significant positive influence in enhancing the firm's performance. This is shown by the regression analysis t-value of 3.779 and a p-value of 0.005 at 95% level of significance that is less than 5%. The findings presented also indicate that that taking all other independent variables at constant, a unit increase in learning organization will lead to a 0.466 increase in performance.

ISO 9000 Standardization comes in second in terms of positive significance in enhancing the firm's performance with a regression analysis t-value calculated of 3.145 and a p-value of 0.006 at 95% level of significance that is less than 5%. The findings presented also show that taking all other independent variables at constant, a unit increase in ISO 9000 standardization will lead to a 0.256 increase in performance.

The Six Sigma was found to be positively significant in influencing the firm's performance with a regression analysis t-value of 3.016 and a p-value of 0.023 at 95% level of significance. The findings presented also show that taking all other independent variables at constant, a unit increase in six sigma will lead to a 0.233 increase in operational performance.

The results further show that business process reengineering ranked as the least positively significant in enhancing the firm's performance with a regression analysis t-value of 3.329 and a p-value of 0.013 at 95% level of significance that is less than 5%. The findings presented also show that taking all other independent variables at zero, a unit increase in business process reengineering will lead to a 0.191 increase in operational performance.

Table 4.12 provides a summary of the regression coefficients.

Table 4.12: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.327	.560		2.584	.000
	Learning Organization	.466	.123	.326	3.779	.005
	Six Sigma	.233	.077	.349	3.016	.023
	Business Process Reengineering	.191	.058	.375	3.329	.013
	ISO – 9000 Standardization	.256	.089	.302	3.145	.006

a. Dependent Variable: Operational Performance

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter provides a summary of the study's findings as relates to the objectives. The data collected as analyzed and interpreted. The results of the findings were correlated with both empirical and theoretical literature. The conclusion therefore relates directly to the specific objectives. The recommendations were inferred from conclusion and discussion of the findings.

5.1 Summary

The study sought to establish the effect of strategic quality management practices on a firm's performance by studying how six sigma, learning organization ISO 9000 standardization and business process re-engineering affect the performance of the airline. The empirical literature showed that strategic quality management and organizational performance have a strong positive correlation and that implementation of strategic quality management tools improves performance of an organization.

5.1.1 Learning Organization

The finding of the study revealed a positive relationship between the strategic quality management practice of learning organization and organizational performance. The high mean index of 3.54 shown from the results indicates that an organization willing to implement strategic quality management practices should focus on the factor of learning organization. As such an organizational change involves significant organizational alterations such as cultural, structural and behavioral which in turn affect innovativeness which in turn influence performance. Learning should be the most provoking ground for participating in strategic quality management. Additionally, it provides the basis for continuous improvement and provides for innovative ways of pursuing current issues and accomplishing new tasks. On the other hand, strategic quality management provides suitable environments for learning and provides employees with a variety of tools for improving their performance. Therefore, strategic quality management and learning are inextricably associated as they help make organizational tasks and objectives more meaningful.

The study findings are in line with previous studies (Kropp, 2006 and Sohi, 2013) that found out learning organization affects total quality management performance of an organization. Thus, organizations should form strategies for implementation that pursue and promote a learning capability among employees along with strategic quality management in order to enhance their operational performance.

5.1.2 Six Sigma

While the airline may have in place pre-planned initiatives aimed at measuring, identifying and providing solutions for performance improvement, its implementation is not optimal in its key focus areas such as customer satisfaction and reduction of errors and cycle time.

The main thrust of six sigma is the application of a well-disciplined easy to follow methodology to the optimization of discrete business activities that impact on organization performance. Its successful implementation therefore requires that there is full commitment throughout the organization, maintaining metrics to evaluate its service delivery, minimization of costs and deliver to customers what they want. Instead of relegating its implementation to the basic methodology of system leadership, support system and technology tools which has been evolving over the years. Successful implementation of six sigma as a strategic quality management practice to reflect improved organizational performance requires an emphasis on objective and empowered employees to a broadening range of business operations. Viewed from this broader perspective, it is possible to see how various business processes of the airline form the sequence of service delivery by learning the upper and lower variability, how to progressively eliminate defects and drive the business value through improved performance.

It is also evident that the assessment of core business processes in terms of continuous improvement related to content to key performance indicators as a measure of success. Therefore, six sigma can be inextricably linked with progressive process improvement and optimization.

5.1.3 ISO Certification

The critical factor of ISO 9000 within strategic quality management significantly affects performance. The result findings indicate that operation management procedures resulted in improved operating standards. These findings are in line with those of Kozak (2009) who avers that ISO certification is helpful in implementation of quality. Implementing ISO 9000 led to

internal benefits such as better measurement and documentation systems as well as greater quality awareness. The study further shows that the involvement of employees, knowledge management and training all affect the perspective of quality practices which in turn affect organizational performance. Based on the above results, the factors of ISO 9000 all affect performance as depicted by the positive correlation coefficient of .782 ($p = .017$). External benefits to an organization for having ISO 9000 include improved customer satisfaction and competitive edge.

5.1.4 Business Process Re-engineering

From the study findings, the correlation established between business process re-engineering and performance of 0.643 at 95% level of significance shows that BPR improves performance in terms of cost savings, customer services and time reduction. However, it is important to note that although the BPR initiative seems to be successful and affects the performance, there is an indication of its sub-optimization which may be due to one or two departments of the airlines being optimized at the expense of another bureaucracy of parastatal processes or lack of recognition of the degree of the problem.

The results confirm that an organization can improve the performance of internal, learning, customer satisfaction, only when they re-engineer their business to strategically align with strategic quality management. In order to improve on performance an overall focus on elimination of non-value adding processes is necessary besides having a customer focus and reducing costs. Organizations should examine and evaluate work processes and find innovative ways to eliminate non-value added activities and their subsequent integration across the whole organization if the long term benefits of its efficient implementation are to be reaped.

5.2 Conclusion

The findings of this research indicate that indeed strategic quality management is a strategic tool for an organization to employ in order for it to remain competitive. If adequately practiced, it can bring about added value to an organization in terms of efficiency in operation, customer and employee satisfaction as well as increased profitability.

The implication of managing every aspect of the organization was revealed, as each process is seen to affect and in turn get affected by other processes. That is, any dysfunction in any of the strategic

quality management practices processes of learning, ISO 9000, business process reengineering or six sigma has an overall effect on the total organizational performance, thus showing the need for a holistic approach which involves strategic quality management practices in entirety to be managed effectively.

Additionally, the findings of this research indicated that management has a crucial role to play in ensuring that the total company-wide culture embraces quality management.

Employee involvement ensures quality improvement as it is built on a decentralized organizational structure that cascades decision making to the shop floor.

5.4 General Recommendations

The idea behind the implementation of strategic quality management is to ensure that adequate attention is given to quality so as to give room for an error free transactional process and less room for customer complaints while maximizing customer satisfaction. Summarizing the whole discussion from the t-test and interviews conducted, it is observed that, the chain of activities involved in the operations of the airline have a direct or indirect effect on customer satisfaction. The strategic approach to strategic quality management has paid off, but the airline has not gotten to the height of the world class airlines as they still experience some issues of inefficiencies. This shows there are some lapses in the implementation process of strategic quality management. There is the need for continuous improvement, thus areas which have shown high levels of concern from respondents should be worked upon and proper procedures which will minimize these inefficiencies should be put in place. In the hypercompetitive airline industry, competition is not resting; there is the need for the airline to continue to benchmark their services with the world class airlines and improve their service quality regularly.

Quality checks should be implemented periodically to assess the progress and take corrective actions where necessary. Continuous training should also be given to employees, so as to keep them acquainted with changes in the industry. Management should ensure operational costs are brought to the minimum to enable the airline compete on cost. Further, the management should continue to identify and eliminate all forms of waste such as the recent selling of the Heathrow landing slots and redundant Boeing 777-200 aircrafts as well as reviewing their network

scheduling to optimize a lean fleet. The ultimate goal of the airline should be to create value for the customer thereby gaining their loyalty which will eventually translate to profits.

The regulatory authority of the aviation industry in Kenya has a big role to play in ensuring the objectives of this airlines are attained. There is the need to upgrade the various facilities as seen with the recent Terminal 1A by the Kenya Airports Authority which will ensure the efficient functioning of the operations of the airline. Thus there is a need for change in management approach, and the need to buy into the objectives of these airline. The government, being one of the major stakeholders should further investigate the reasons behind the airline's recent dismal financial performance and address it forthwith in order to not only recoup their investment but to also steer the airline to their former glory. The Civil Aviation Act, Kenya Airport Authority Acts 53 and the Kenya Competition Act are some of the legislations which the airline's management should be consulted in reviewing as they pertain to consumer rights and governance.

5.4 Recommendations for Further Research

The study is a justification of the fact that inculcating strategic quality management systems such as learning organization, six sigma, ISO Certification and Business Process Re-engineering will enable the organization boost its performance. It is recommended that more studies should be carried out, which covers all airlines operating within the Kenyan Aviation Industry to establish the effectiveness of the implementation of these strategic quality management practices while using a representative sampling technique. Also, it will be of great benefit to ascertain the true perception of customers to service quality in Kenya with regards air transport as no prior research has been carried out in this field. This will give an indication to what the customers' desire most in terms of airlines service delivery.

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APPENDIX 1

THE QUESTIONNAIRE

The questionnaires consist of four major parts as shown below, which focuses on the areas of interest of the research. The first part relates to general information of the respondent and organization. The second part relates to the extent to which your organization has put in place strategic quality management practices, the third section focuses on the organizational and contextual variables that facilitate or impede the effective implementation of SQM practices in your organization. The final section focuses on the synergetic benefits of the integrated implementation of these SQM practices on the performance of your organization.

Section A: SQM PRACTICES UNDERTAKEN IN YOUR ORGANIZATION

1. Does your organization have Quality Management Practices in place?
   Yes [ ] No [ ]
2. Does your organization implement Quality Management Practices?
   Yes [ ] No [ ]
3. Which of the following quality management systems does the organization have in place? Please select all that may apply.
   [ ] Six Sigma
   [ ] ISO 9000 Standardization
   [ ] Learning organization
   [ ] Business process reengineering
   [ ] Others *(Please specify)* .....

4. Please indicate the level of importance that strategic quality systems have on your organization's performance?
   [ ] Unimportant
   [ ] Less important
   [ ] Neutral
   [ ] Important
   [ ] Very Important

5. On a scale of 1 to 5, where, 1= Strongly disagree; 2= Disagree; 3= Neutral; 4= Agree; 5=Strongly agree, please indicate the extent to which you agree with the statements below regarding employee training and learning in your organization.

Factor	**1**	**2**	**3**	**4**	**5**
The employees are provided with feedback on the quality of their performance					
All employees believe that quality is their responsibility					
The workforce is well motivated to undertake quality improvement					
Regular Training for workers is put in place to improve on quality					
Quality service delivery is due to workers empowerment					

6. On a scale of 1 to 5, where, 1= Strongly disagree; 2= Disagree; 3= Neutral; 4= Agree; 5=Strongly agree, please indicate the extent to which you agree with the statements below regarding implementation of six sigma management processes in your organization.

Factor	**1**	**2**	**3**	**4**	**5**
There is elimination of waste to achieve low cost and reduce the operating cost					
Our airline is concerned about excellent customer service					
Our airline flights always achieves on time performance					
My airline seeks to deliver its services reliably just as promised					
Our airline has excelled in quick turn-rounds and minimal delays innovations for process improvement					

7. Is your organization ISO-9001 certified? Yes.....No.....

8. On a scale of 1 to 5, where, 1= Strongly disagree; 2= Disagree; 3= Neutral; 4= Agree; 5=Strongly agree, please indicate the level of agreement on the following factors influence your organization in ISO 9001 certification.

Factor	**1**	**2**	**3**	**4**	**5**
Self-declared conformance					
Mandated customer requirement					
Market need					
Customer satisfaction					

9. On a scale of 1 to 5, where, 1= Not Important at all; 2=Not Important; 3= Neutral; 4= Important ; 5=Very Important, please indicate how important is it to incorporate the following concepts into ISO 9001

Factor	**1**	**2**	**3**	**4**	**5**
Resource management					
Voice of customers					
Knowledge management					
Systematic problem solving and learning					
Use of technology to develop and implement requirements					

10. On a scale of 1 to 5, where, 1= Strongly disagree; 2= Disagree; 3= Neutral; 4= Agree; 5=Strongly agree, please indicate the extent to which you agree with the statements below regarding business process re-engineering in your organization

Factor	**1**	**2**	**3**	**4**	**5**
The airline has a flexible workforce to manage peak demand periods					
Our airline has eliminated non-value adding processes to speed up processes and reduce cost.					
There are regular quality audits to enhance effectiveness of the QMS programs					
Our organization customizes services to meet unique customer needs					
The airline does not consider technology as a costly venture whose benefits are usually overestimated.					

Section B: EFFECTS OF SQM PRACTICES ON ORGANIZATIONAL PERFORMANCE

11. As a result of implementing appropriate SQM practices, many organizations have accrued a lot of benefits. State the extent to which the following apply in your airline *(where 1-To a very great extent; 2-To a great extent; 3-To a moderate extent; 4-To a small extent; 5-Not at all)*

Factor	**1**	**2**	**3**	**4**	**5**
The airline has achieved reduced operational costs					
The organization's profits have increased.					
Our services are ranked as superior to those of our competitors					
We have had increased market share					
The airline has achieved operational efficiency					

12. State any other benefits your airline is enjoying as a result of the Strategic Quality Management practices that have been correctly put in place.

    ……

    ……

    ……

Thank you for taking time to respond to this questionnaire.