THE ROLE OF INTERNATIONAL ORGANIZATION FOR STANDARDIZATION CERTIFICATION ON PURCHASING PERFORMANCE: A CASE STUDY OF THIKA WATER AND SEWERAGE COMPANY

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF BACHELOR IN MANAGEMENT AND LEADERSHIP OF THE MANAGEMENT UNIVERSITY OF AFRICA

AUGUST, 2017
DECLARATION

This project is my original work and has not been presented elsewhere for the award of a Degree.

Signature --------------------------------- Date---------------------------------

CAROLYNE CHEMTAI
ODL/BML/3/00097/2/2014

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

Signature--------------------------------- Date---------------------------------

Dr. Emmanuel Awour

Management University of Africa
DEDICATION

This project would not have been successful if it were not for the support, encouragement, and patience of my loving family members their continued prayers towards successful completion of this course.
ACKNOWLEDGEMENT

Most heartfelt appreciation to MUA fraternity and in particular to Dr. Emmanuel Awour my able supervisor for having time to walk with me through the journey during the project writing sessions. Without him the research would not have been a reality.
ABSTRACT

Main aim of the study was to address the role of international organization for standardization certification on purchasing performance with study objectives being to determine the effects of cost in relation to ISO on purchasing performance at Thika Water and Sewerage Company; To determine the effects of quality in relation to ISO on purchasing performance at Thika Water and Sewerage Company; To examine the effects of customer satisfaction in relation to ISO on purchasing performance at Thika Water and Sewerage Company; To establish the effects of company image in relation to ISO on purchasing performance at Thika Water and Sewerage Company. The significance of the study will be to add literature therefore researchers will be able to use this research study as a reference to what they will do in future not forgetting that it was used as a source of literature review to their studies. 45 respondents were chosen through random sampling that was stratified. The researcher used secondary information sources which were obtained through reading relevant literature available in the library, various documents, publications and reports including, journals, and magazines. The research questionnaires were administered by the researcher herself, and respondents’ data was analyzed through descriptive statistics. Graphs, tables and pie chart are used for data presentation. The study findings indicate that ISO 9001 certification has improved performance in organizations through prevention of defects and has also helped to improve the reputation of the organization through providing a unique image in the market. It’s recommended that leadership should be committed in the implementation process of as required in ISO 9001 certification. Conduct staff training on regular basis and encourage team work. The top management should also adopt ISO 9001 certification as a marketing tool since it has been observed that the certification helps improve the company’s image. In view of the findings, it was recommended to the company that should create systems that are designed to sort issues that affects customer orders, review contracts and handles customers complains, to ensure quality supplies of pipes and other water equipment are purchased from a certified supplier and set a quality management mechanism that will always act like a benchmark to ensure quality always.
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<td>Kenya Bureau of Standards</td>
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<td>NSC</td>
<td>National Standards Council</td>
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<td>NQI</td>
<td>National Quality Institute</td>
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<tr>
<td>QMS</td>
<td>Quality Management System</td>
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<td>ROA</td>
<td>Return on Assets</td>
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<td>R.B.M</td>
<td>Result Based Management</td>
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<td>THIWASCO</td>
<td>Thika Water and Sewerage Company</td>
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<td>R.O.M</td>
<td>Result Oriented Management</td>
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<td>ISO</td>
<td>International Organization for Standardization</td>
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DEFINITION OF KEY TERMS

Performance Management: Organization alignment with individual’s organizations objectives to accomplish organizational goals (Alhabeeb, 2012).

Service Delivery: Is a measure that relates output to the labor resource expected in producing that output. It’s a measure of efficiency with which labor is being utilized in production (Baner, 2007).

Customer Satisfaction: Fulfilling customers’ needs and demand within the expected given period of time (Andersen & Gatignon, 2012).
CHAPTER ONE
INTRODUCTION

1.0 Introduction

This chapter outlines the background of the study, statement of the problem, objectives, research questions, significance and scope of the study. The chapter presents background of the study which explores the role of international organization for standardization certification on purchasing performance.

1.1 Background of the study

According to Finnish Standard Association (2012) ISO 9000 is defined as the coordination of activities that control and guide organizations on quality. Quality is requirements in today’s life; the main issue of quality is outlined in customer satisfaction. Customer expectation and requirements of a particular product or service lies purely on their own understanding. Quality is managed and controlled through all processes within the firm. For organization to establish and maintain quality they are forced to adopt quality management system in the organization strategy. According to Hoyle (2007) importance of quality is regarded as the backbone of organization, globalization has influenced the development of quality in major ways that include quality control, quality planning, quality assurance and quality improvement. All these activities are essential pillars of excellence administration. Quality management in modern society is represented by standards and the most common applied are ISO families, the most widely used is ISO 9000 series and QS 9000. Quality management system is performed by models of excellence; the role of these frameworks is to support organization in the competitive in the market (Bergman, 2010).

Organizations are constantly looking for modalities to improve and expand their business in terms of quality and quantity. Adoption of ISO certification has revealed to be proactive strategy improves organization performance (Zhang, 2010). ISO 9000 deals with essentials of systems of quality management that has eight principles of management which standards are based on. Subba, Ragu-Nathan and Solis (2007) ISO 9001 involves the requirements that organizations
have standards to fulfil. However third party accreditation bodies provide validation those organizations meets the requirement of ISO 9001. ISO 9001 is the commonly used management tool in most organizations today but has also received a fair share of criticisms from other quarters for being wasteful instead of helping organizations. Various scholars have been arguing about the importance of ISO 9001 on company performance. Studies shows that organizations can achieve internal improvements while similar studies also indicating standards are too generic to cause organization have improvements but are good management tools.

Corbett, Curkovic and Pagell (2004) carried a study in the US that determined after three years of certification organizations achieves significant abnormal improved performance. For organizations to quality management they need to establish quality management systems as a way of carrying their daily operations. The study had focus on purchasing section of Thika Water and Sewerage Company to establish how quality management and its applications affect purchasing function of the organization which is responsible supplier selection, procuring materials among others to ensure all the functions are effective organizations are required to have a well-organized management quality system.

1.1.1 Thika Water and Sewerage Company profile

The organisation was registered in 2009 to provide water and sewerage services, but it was established in 1950. The company has been operating as department of Thika municipal council since 1956 and 2009 its operations were taken by Athi Water Services Board. The vision of the company is to be the leader in provision of affordable, reliable and quality water and sewerage services in its jurisdiction; the organization mission statement is to provide excellent water services to all clients all year round; culture of the organisation are based on the following values sense of identity, purpose, belonging and direction. Services that THIWASCO provide include water, sewerage and exhauster services.

1.2 Statement of the problem

Nevertheless the introduction of performance appraisal system in 2006, the strategies of Vision 2030 and the ISO policies, services delivered in public sectors have been found wanting.
Organizational performance has become an essential concept in all institutions. Ideally, customers expect reliance and availability of services from organizations whether public or private. This concept has become more of a necessity in the recent past where certification has been viewed as key determinant in customer satisfaction and a way of organizational branding. ISO 9000 comprises the requirements that organizations have standards to fulfil.

Several studies have been conducted in relation to ISO 9000 and findings vary from authors. Corbett, Curkovic and Pagell (2004) carried a study in the US that determined after three years of certification organizations achieves significant abnormal improved performance. For organizations to quality management they need to establish quality management systems as a way of carrying their daily operations. There for the study was to ascertain whether the purchasing section performance of organizations are ISO certified compared to the ones that are not with reference to Thika water and Sewerage Company. The research drive will to identify the role of certification with ISO and its impact on the purchasing performance of the Thika Water and Sewerage Company.

1.3 Objectives of the study

The underlying objective of this research study was to determine the role of international organization for standardization certification on purchasing performance with reference to Thika Water and Sewerage Company as case study.

1.3.1 Specific objectives

i) To determine the effects of cost in relation to ISO on purchasing performance at Thika Water and Sewerage Company.

ii) To establish the effects of quality in relation to ISO on purchasing performance at Thika Water and Sewerage Company.

iii) To examine the effects of customer satisfaction in relation to ISO on purchasing performance at Thika Water and Sewerage Company.

iv) To establish the effects of company image in relation to ISO on purchasing performance at Thika Water and Sewerage Company.
1.4 Research questions

i. To what extent does cost in relation to affect ISO on purchasing performance at Thika Water and Sewerage Company?


iv. Does company image in relation to ISO affects purchasing performance at Thika Water and Sewerage Company

1.5 Significance of the Study

1.5.1 Management of Thika Water and Sewerage Company

The study is significant to the Thika Water and Sewerage Company and other public organizations as they will be able to understand the role of international organization for standardization certification on purchasing performance. The top management will use the information that may be of great benefit to the Thika Water and sanitation Company with regard to ISO certification on its purchasing performance. This may greatly help it redefine its approach with regard to the same and have it focusing more on the same for improved certification and increased benefits.

1.5.2 County and National Government

The research findings will enable the government to understand and appreciate the importance of the role of international organization for standardization certification on purchasing function in public office and will provide insights to develop and implement regulations and policies that will enhance the implementation of ISO.

1.5.3 Future Researchers and Scholars

This study will thus make special contribution to the existing knowledge, address and provide the background information to research organizations, individual researchers and scholars who will want to carry out further research in this area to identify gaps in the current research.
1.6 Scope of the study

The research was based at Thika Water and Sewerage Company in Thika town, Kiambu County. The researcher believes that this would give enough ground to generalize the findings. The researcher also believes that this will provide adequate population and sample for the study and therefore give reliable results and findings. However, the study was carried out during the month of Feb 2017 to April 2017.

1.7 Chapter Summary

The chapter describes study background and the understanding the role of international organization for standardization certification on purchasing performance with reference to Thika Water and Sewerage Company. It also identified the necessary empirical and literature aims and methodology to be followed in conducting the study. The chapter has also laid down the intended research, study objectives and research questions under which the study was. The importance and the scope of study have also been highlighted, with the scope covering Thika Water and Sewerage Company of due to limitations on the researcher resources.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter the study has reviewed works that are related and consistent with study intentions. Clarification of the existing theories besides analysis of the past established knowledge which will outline the organized understanding of the major issues and past studies. The chapter further presents empirical literature, research gaps to be filled and conceptual framework.

2.1 Theoretical literature

2.1.1 Institution Theory

Institution theory has put more emphasis on the organization environment are important in shaping firms structure and actions, the theory states that organization decisions are not purely driven by rational goals of efficiency but by cultural and social factors and apprehensions for acceptability. Organizations are elated by structures, routines, cultures and operate at several levels. According to institutional theory organizations become similar due to isomorphic pressure and pressure for sincerity. Which implies that organization in the same field tend to become homologous over time, as competitive and customer pressure motivate them to copy organization leaders. Organizations are likely to be induced to adopt what fellow organization by external isomorphic pressures from competitors, government, trading partners and customers (Othman, 2006).

Institutional theory puts more emphasis on social behaviour which considers organization process by which structures, schemas, rules, norms and routines that are established as authoritative guidelines. According to the theory organization strategies are influenced by other external factors that include political, social and economic pressure and decision making within the firm seek to legitimate their practices to other stakeholders. The study adopted this theory because it explains the changes brought about in organization by social values, regulations that affect decision and technological advancements Institution theory has put more emphasis on the organization environment are important in shaping firms structure and actions, the theory states that organization decisions are not purely driven by rational goals of efficiency but by cultural and social factors and apprehensions for acceptability. Organizations are elated by structures,
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2.1.1 Theory of planned behaviour

Theory of planned behaviour is designed to explain and predict human behaviour within a given specific context, the behavioral theory suggest that verdict are not in any way made impulsively, but they are as result of assertiveness or subjective norms and perceived behavioral control which primarily affect behaviour through the impact on intention. According to this theory it indicates that when someone intends to engage in a particular behaviour, they are more likely to engage in it.

Theory of planned behaviour was adopted in the model framework for development purpose and it does not assume the decision making that is rational, but rather it incorporates both unforced and thoughtful decision making. Human behaviour is assumed to follow a consistent, reasonable and often automatic path which may be biased, irrational and inaccurate (Folan & Browne, 2015). Human behaviour is based on various behavioral criteria such as occurrence, extent and contradiction. Interest behaviour in this study applied the underlying theory to launch and decide the dynamics under the current study.

2.2 Empirical Literature
2.2.1 Costs

Various studies on ISO 9000 indicate that production, eminence of works and product quality improves drastically when certification is implemented. According to Hunt (2007) ISO 9000 certification does not guarantee quality of the end product but the process presents an evaluation in how firm’s quality system is monitored and may be the key to successful business management. The adoption of quality management system contributes to better and most improved financial performance. Well managed organization implement the standard is what is distinguishes a business from others in performance, organizations that use the standard in daily operations receives greater, better and improved performance. Romano (2009) has observed significant improvements when organization implements certification. Ozguret (2012) observed that quality tools, the level of usage is higher for ISO 9000. Dick (2012) explains that ISO 9000 certification makes thoughtful alterations in the ways is measured and perceived. According to Vertinsky and fuller (2006) indicated that ISO 9000 certified organizations engaged in software engineering achieved increased profitability, the certification leads to increased business control, sales and production will increase while cost will be reduced and less complains.

Study by McKeown and McAdam (2009) show that the increase the rate of return in management quality and also contribution from theorist in operations indicates that operating performance that are better are supposed to lead in components of competitive advantage, less work and improved productivity that should result in lower expenses and higher profit margins, timely delivery and finally lower defects. According to Dennis and Robin (2010) ISO 9000 certification has positive effects of the process control. Corbett, et al., (2012) said that Certification pays it leads to performance improvements in organization finances measured on return of properties, production and transactions however organizations required accreditation to improve performance and reduce declines in production. According to Quazi (2012) advocates of ISO 9000 certification indicates that benefits include service improvement, quality products, efficiency and productivity. ISO 9000 implementation makes an organizations operating performance to go up, reduces cost, improves on time, improves customer satisfaction, increases productivity and the sales rate increases (Heskett, 2007).
2.2.2 Quality

A study conducted on 695 manufacturing firms listed on the stock market by Cheng and Yeung (2007) the study established that organization that are ISO 9000 certified have their operating cycle time reduced after the enactment which shortens the cycle after 5 days, this organizations shows continuous improvement in real time based competence in the long run and proficient phase of eleven days, this include seven percent improvement in the operating cycle for both account receivables and inventory days. The study also established that irregular output is minimize by account receivable days thus implies that this organization could offer improved customer service and improved quality products. The perception of quality service is that both service and quality are intangible and mostly encompass the intangible elements, appraisals for clients in regard weather personal or biased (Takeuchi & Quelch, 2013).

Bednar and Reeves (2014) defines quality being equivalent to excellence and value as being in accord predetermined sets of requirements and being in a position to meet customers expectation. Berry, Zeithaml and Parasuraman (2007) explains perceived quality focuses on the extent in which discrepancy between customer expectations and the level of quality they perceive that have received. Customer perceptions and expectations are both entirely subjective. However they define service quality as perceived by the customers as being a purely individual estimation curtailing from the position of the client. According to Park and Yoo (2007) service quality is the extent to which a firm is capable of effectively satisfaction of customer’s objectives. Quality is what every organization strives to thrive on and it’s a challenge to most organisation. Clients are more informed and increase in demanding quality product and services, they also confirm whether product brand is certified and it’s of good quality. The level of product quality has an impact on organization performance which directly influence and develop trust (Geysken, 2008).

ISO 9000 certification was created for quality attainment and provision of defined steps for the development of organization quality management system that is for monitoring progress of product and services as they pass through each stage of production. When quality system like ISO is introduced the quality process increases due to the decrease inefficiency. In addition organization will be able to be recognized internationally. Organization that embraces
management system in place such as ISO 9000 markets the business, while improves integrity and value addition will be part and parcel of product development process. The ISO 9000 certification takes an evolution in how organization manage communication and quality system which in general are key to success in business management where the aim of continuously improvement becomes a basic tool to advance the competitiveness of the organization.

2.2.3 Customer Satisfaction

A study carried out by Casadesus and Jimenez (2008) in studying ISO 9000 and the responses were based on clients requirements, new markets access were represented with 21%; customer relations improvements achieved 18%; improvement in services to customer were 16% and customers audits 8% the study establish increased customer satisfaction, less customer complaints and the increase in purchasing power influences aspects related external customers.

Clients play an important role in quality management, because their demand products with higher standards therefore organizations are obligated in improving customer value proposition. Modern marketplace is characterized by competing firms, universality which distinguishes from other participants using quality superior product such result improves customer perceived value and image and improves customer loyalty (Kandampully & Juwaheer, 2009). Clients are interested quality as planned by suppliers who seek a way to guarantee quality of service delivery that will meet customers’ expectations. ISO 9000 provides values as pledge to firms and their customers those obvious and accepted processes though ISO 9000 certification is not mandatory as business requirements more business seems to acquire it from suppliers and partners, certification boost an organization assessment all the time the organization is judged against competition (Roger, 2002).

Willingness for organization to adopt ISO 9000 is often in line with expectations on improved quality and factors perceived as important competitive advantage and success. One of the attributes of customer expectation is the quality of services and products on offer at the market; consequently the logical conclusion is that after sales evaluation is often stronger and more intense. The reasons way marketing departments aim at retaining customers and looking for new ones they understand they must meet their expectations. Another research by Carol and Garcia
(2009) studied whether ISO 9000 certification affects client’s business perception, a survey methodology that was adopted on 204 Spanish consumers of insurance firms. The study established certification improves client’s perceptions with regard all the study variables. Adoption of ISO certification system yields concrete and visible benefits to companies in form of increased customer’s satisfaction (Kunnanatt, 2007).

2.2.4 Company Image

A study by Berkeley and Toffel (2001) of the Harvard Business School reviled that organization that adopt ISO certification have a higher rate of growth in sales, low staff turnover. The system adopters will definitely be in business and become more likely to report zero injury for staff. Study by Sonny (2009) established that factors that encourage a firm to implement ISO 9000 accreditation were the organizational appearance. Proactive and specialized strategies in organization are tasked in implementing quality schemes however organization image is the motivation behind seeking certification. A similar study Nguyen and Leblanc (2011) showed that procuring pursuit and customers behaviour are influenced and affected by business appearance, however what influences customers choices whether to buy or not to buy is purely perceived on organisation image. Organizations are motivated to provide clients with outstanding value and this is determined by internal corporate culture that influences superior levels of quality (Legcevic, 2008).

Quazi (2012) established that advocates of ISO 9000 accreditation name paybacks such as having the capability to advancement organizational image, while standardization is important for organizations and so is product differentiation that make the product to stand out from the crowd. While external standards are describe by ISO 9000. Organization those are mostly successful at creating and sustaining competitive advantage are those that maintain continuous internal standards renewal. However it’s not enough to have this advantages organization must communicate their advantages to other business otherwise the firm will not proper, through standardization such as ISO allow organization to communicate with other organization with a common language and even its own internal process are affected.
2.3 Summary and research gaps

Customer expectation and requirements of a particular product or service lies purely on their own understanding. Quality is managed and controlled through all processes within the firm. For organization to establish and maintain quality they are forced to adopt quality management system in the organization strategy. According to Hoyle (2007) importance of quality is regarded as the backbone of organization, globalization has influenced the development of quality in major ways that include quality control, quality planning, quality assurance and quality improvement. All these activities are essential pillars of management quality, in a modern society quality management is represented by standards and the most common applied are ISO families, the most widely used is ISO 9000 series and QS 9000. Quality management system is performed by models of excellence; the role of these frameworks is to support organization in the competitive in the market.

Several studies have been conducted in relation to ISO 9000 and findings vary from authors. Corbett, Curkovic and Pagell (2004) carried a study in the US that determined after three years of certification organizations achieves significant abnormal improved performance. For organizations to quality management they need to establish quality management systems as a way of carrying their daily operations. The study was to establish whether the depiction of purchasing section of organizations that are ISO certified compared to the ones that are not with reference to Thika water and sewerage company. The research drive will to identify the role of certification with ISO and its impact on the purchasing performance of the Thika Water and Sewerage Company.
2.4 Conceptual Framework

The conceptual framework was presented in a schematic interpretation.

Figure 2.1: Diagram showing the conceptual frameworks

![Conceptual Framework Diagram]

2.5 Operationalization of Variables

<table>
<thead>
<tr>
<th>Objective</th>
<th>Variable Type</th>
<th>Indicators</th>
<th>Type of Data Analysis</th>
</tr>
</thead>
</table>
| To determine the effects of cost in relation to ISO on purchasing performance | Cost | • Budget allocation  
• Competitive pricing | Descriptive statistics |
| To establish the effects of quality in relation to ISO on purchasing performance. | Quality | • Quality service  
• Quality products  
• Customer satisfaction | Descriptive statistics |
| To examine the effects of customer satisfaction in relation to ISO on purchasing performance. | Customer Service | • Less complains  
• Customer relations | Descriptive statistics |
<table>
<thead>
<tr>
<th>purchasing performance</th>
<th>• Effective communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>To establish the effects of company image in relation to ISO on purchasing performance</td>
<td>Company Image</td>
</tr>
<tr>
<td></td>
<td>• Proper structures</td>
</tr>
<tr>
<td></td>
<td>• Responsibilities</td>
</tr>
<tr>
<td></td>
<td>• Quality service</td>
</tr>
<tr>
<td></td>
<td>• Quality products</td>
</tr>
<tr>
<td></td>
<td>Descriptive statistics</td>
</tr>
</tbody>
</table>

2.6 Chapter Summary

Empirical and theoretical literatures are discussed in this chapter with relation to the role of international organization for standardization certification on purchasing performance. Literature review aims to maximize the accuracy of determining that there is need to thoroughly and critically select the most appropriate past activities. The study has selected the literature that fall within the objectives of the study. This literature review sets out to explore and critically analyses the concept of international organization for standardization certification in relation to purchasing performance. It is aimed at providing a theoretical and conceptual basing from which a methodology for research is developed, an analytical framework chosen, relevant data collected and consequent analyses carried out towards drawing conclusions on area under study.
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

Investigation procedure offers an explanation into what type of research this study is all about. It also defines the population of the study and the specific sampling techniques to be used, data analysis and collection methods. The chapter also includes design, pilot study, validity, reliability and ethical consideration.

3.1 Research Design

A general layout that the researcher uses to respond to research questions is referred to as research design. Orodho (2005) defines research design as general layout that is used to answer research questions. This study dilemma was carried out though descriptive research designs. Cooper and Schindler (2008) describe descriptive design as process of establishing reasons why an incident occurred.

Research design that is descriptive in nature is appropriate for studies that have specific issues where problems have been defined (Mugenda and Mugenda, 2003). The issues in the study being the role of international organization for standardization certification on purchasing performance with reference to Thika Water and Sewerage Company as case study, are thus geared to address the essential why, who, when, what, and how questions in the research. The study seeks to describe a situation through the study of variable relationships. The study describes and defines the subject matter by profiling issues under study (Cooper & Schindler, 2008). It also helped the researcher to critically analyse the problem in question with a view of drawing more detailed and specific information about the subject that can be useful to the management. Most often than not, it is used as a precursor to more statistical research provides valuable pointers as to which variables are test worthy quantitatively.
3.2 Target Population

Borg and Grall (2009) described target population as common set of study units that the research study uses to generalize results. Mugenda and Mugenda (2003) refer to target populations as units that have observable characteristics that the study uses to generalize the finding. The research study targets were 120 Staff at THIWASCO.

Table 3.1: Table showing target population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior level management</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Middle level management</td>
<td>40</td>
<td>34</td>
</tr>
<tr>
<td>Ordinary staff</td>
<td>67</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>117</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3 Sample and Sample Technique

The definition of a sample is a subject of population that has been selected to reflect or represent characteristics of a population (Kothari, 2004). A stratified proportion sampling is employed to obtain a suitable unit representative of analysis. This is because of the heterogeneity of the population and respondents all had equal opportunity of participation. This method is cost effective, fast track data collection, and access to the unit of analysis and elements of the study. According to Kombo and Tromp (2009) 10% and 20% sample size of the target population chosen through stratified sampling. Thus, 10% of the reachable people are adequate for the illustration. Researcher used 38% of the target population because of limited resources. Kothari (2004) observed that sample drawn randomly is unbiased in a way that no number of populations has any chance of being selected more than the other. The study used stratified sampling technique which involved dividing the target population of 117 staff at THIWASCO into strata. This method was appropriate since it gave all the respondents from each of the four strata, equal
chance to participate. Participants were stratified into the following categories; senior level management, middle level management and ordinary staff. A sample size of 45 staff at THIWASCO was arrived at through proportionate stratified sampling as shown here below:

Sample size: \( x/n \times z = y \)

Where \( x/n \) = weight over population.

\( Z = \) Sample space

\( Y = \) sample size.

Hence a sample size determined in each stratum was achieved as follows:

**Table 3.1: Table showing research sample size**

<table>
<thead>
<tr>
<th>Type of trade</th>
<th>Target Population</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior level management</td>
<td>10</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Middle level management</td>
<td>40</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Ordinary staff</td>
<td>67</td>
<td>20</td>
<td>72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>117</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### 3.4 Data Collections Techniques

A questionnaire is an instrument of research that contains questions on the variables of the study. The researcher used questionnaires which are more efficient and economical tool for descriptive and preventive research for the sample size that is chosen. This way it was easier to identify the level by which the respondent agreed or disagreed (Kothari, 2004). Questionnaires were used to collect primary data.

The study used secondary data for literature review; these materials used included books, journals, reports, journals, magazine and internet literature. The research collected primary data for this study report and used secondary data for literature review.

### 3.5 Pilot study

Aim of a pilot study is to establishing the validity and reliability of instruments of research (Cooper & Schindler, 2008). The study adopted content validity to measure the degree to which
data was to be collected with the aid of questionnaires. The pilot testing was conducted using the questionnaire on 10 staff at THIWASCO. The pilot group was done through random sampling. According to Cooper and Schindler (2008), a pilot study should be ten percent of the main study.

### 3.5.1 Validity

The researcher used both content and faces visibility to ascertain legitimacy of the questionnaire. Validity is described as correctness and capacity of interpretations founded on the study results. The research conducted the pilot study to validate the study questionnaire. Content validity draws an extrapolation from assessment scores to large domain of similar to those on the test. Content validity draws an inference from test scores to a big area of items similar to those on the test. Gillham (2008) explains that understanding and expertise covered by the test items that represent a larger area of same dynamic.

### 3.5.2 Reliability

The study used co-efficient of 0.6 or above for all constructs that are considered adequate for the study. The construct multiple of reliability is Cronbach alpha; according to Rousson, Gasser and Seifer (2012) the standard acceptable reliability coefficient is 0.6 the study adopted Cronbach Alpha was used to test research instruments reliability.

### 3.6 Data Collection Procedure

Primary data presented the actual information that remained poised for the study. Questionnaires were self-administered and hand delivered to the target respondents with the questionnaire having it picked by the researcher for data analysis. The study used secondary data for literature review; these materials used included books, journals, reports, journals, and magazine and internet literature.

#### 3.6.1 Questionnaires

Questionnaires are a list of standard questions prepared to fit a certain inquiry. The questionnaires will contain both closed ended questions so as to facilitate structured responses for the rating of various attributes whilst open ended questions which will help to provide additional respondents
information. According to Arodho (2005) questionnaires measures likelihood of straight, even and blunt answers. This can be superior to an interview because social communion operates strongly in a face of situation that may prevent the person from expressing what he feels to be socially or professionally unacceptable views. The study used likert-type format of questionnaires.

3.7 Data Analysis and Presentation

Descriptive statistics was used for data analysis. Specifically, means, averages and percentages were used in the study. The data analysis tools were simple tabulations and presentations of the report using spread sheets. The data was attainable using tables, charts and graphs; Data were first coded then organized into concepts from which generalization was made of entire population. Data was then be tabulated and frequencies calculated on each variable under study and interpretations made from the field findings. Percentages will then calculate and interpretation made.

3.8 Ethical Consideration

3.8.1 Voluntary Participation

The researcher sought consent from the local authority before administering the questionnaires. Participants were asked to verbally consent to participate in the research, for which they was free to participate or not to. The researcher explained to them that the information that they gave was used only for the study.

3.8.2 Informed Consent

The researcher ensured that the principle of informed consent was properly applied and the respondents were devoid of hang-ups that come with lack of clear expectations of the research. As Oliver (2004) points out, some respondents may be impressed by the status of the researcher, or even by the word research has used and may agree to participate without having a good idea of what the research is all about.

3.8.3 Confidentiality
The researcher explained to the respondents that the data that was gathered in this study was treated in confidence and that the findings were meant for a project of Management University of Africa. The researcher explained to the respondents that the data was coded and no one, whatsoever, related the data to the respondents for both external and internal audiences of the project.

3.8.4 Anonymity

The researcher accorded the respondents their due respect while at the same time ensuring that they answer the questions to the expectations of the study, interjecting questions, intelligibly. The researcher picked respondents without any discrimination. This helped the researcher to receive truly anonymized respondents even to the researcher himself. This was achieved through self-administered questionnaires with an anonymous method of return.

3.9 Chapter Summary

The chapter outlines methodology adopted in the study it offers and explanation into what type of research this study is all about. It also defines study populace and selection methods to be used, data analysis and collection methods, study design, pilot study, validity, reliability and ethical consideration.
CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

Research field data is presented in this section, the chapter has been sectioned into; response rate, respondent’s background, and the role of international organization for standardization certification on purchasing performance: a case study of Thika water and sewerage company.

4.1 Presentations of Research Findings

4.1.1 Response Rate

This refers to response by the respondents which was administered through questionnaires from each strata, as per the sample size as shown in the below. The response rate determination was important because it clearly invested to determine the number of questionnaires that would be valid for analysis.

Table 4.1: Table showing research response rate

<table>
<thead>
<tr>
<th>Classification</th>
<th>Occurrence</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned</td>
<td>40</td>
<td>88%</td>
</tr>
<tr>
<td>Not Returned</td>
<td>5</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The researcher distributed questionnaires to 45 respondents which were computed as shown in chapter three section four 3 and 4; sampling design and sampling technique. A response rate of 88% was achieved which was favorable for the study as shown in table 4.1 and figure 4.1 above.

### 4.1.2 Demographic information of the respondents

**Table 4.2: Table showing respondents gender**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Occurrence</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>18</td>
<td>45%</td>
</tr>
<tr>
<td>Female</td>
<td>22</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The gender characteristics of Thika Water and Sewerage Company is dominated by females 55% as shown in figure 4.2 and table 4.2 above by against males who are 45%. The gender representation of the respondents indicate that, views concerning the role of international organization for standardization certification on purchasing performance at the Thika Water and Sewerage Company were represented by all gender, and no single opinion can be attributed to a particular gender.

Table 4.3: Table showing respondents age brackets

<table>
<thead>
<tr>
<th>Classification</th>
<th>Occurrence</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 years to 30 years</td>
<td>7</td>
<td>17%</td>
</tr>
<tr>
<td>31 years to 40 years</td>
<td>16</td>
<td>40%</td>
</tr>
<tr>
<td>41 years to 50 years</td>
<td>11</td>
<td>28%</td>
</tr>
<tr>
<td>Above 51 years</td>
<td>6</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
As indicated in Table 4.3 and shown in Figure 4.3, 21 years to 30 years of the respondents were 17%, 40% of the respondents were 31 years to 40 years, 28% aged were 41 years to 50 years while 15% were aged between 51 years to 60 years. The response represents a good dispersion of the respondents in the age bracket but a majority was aged between 31 years to 40 years.

**Table 4.4: Table showing respondents education level**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Occurrence</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Degree</td>
<td>3</td>
<td>8%</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>10</td>
<td>25%</td>
</tr>
<tr>
<td>Diploma</td>
<td>18</td>
<td>45%</td>
</tr>
<tr>
<td>O-Level</td>
<td>9</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The respondent who had O-level were 22%, 45% has diploma qualifications 25% were graduates while 8% had master’s degree. This can be interpreted to mean that the institution had a high premium attached to the respondents’ qualifications going by the academic qualifications therein. This shows that the work at the organizations require professional input as shown in table 4.4 and figure 4.4 above.

**Table 4.5 Respondents work experience**

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years and below</td>
<td>12</td>
<td>30%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>28</td>
<td>70%</td>
</tr>
<tr>
<td>11 years and Above</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>
Figure 4.5 Respondents work experience.

As shown above in Table 4.5 and Figure 4.5 30% had been in the organization for 5 years, 70% had been in organization for between 6-10 years and none for a period above 10 years since the company was started in the year 2009 and there before employees were working under municipal council of Thika. The research findings indicated that majority had been in the organization for more than 5 years; the respondents had long experience in service.

Table 4.6: Table showing respondents departments

<table>
<thead>
<tr>
<th>Variables</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource and Administration</td>
<td>3</td>
<td>8%</td>
</tr>
<tr>
<td>Finance</td>
<td>5</td>
<td>12%</td>
</tr>
<tr>
<td>Procurement</td>
<td>5</td>
<td>12%</td>
</tr>
<tr>
<td>Technical</td>
<td>19</td>
<td>48%</td>
</tr>
<tr>
<td>Commercial</td>
<td>8</td>
<td>20%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>
The response as indicated in figure 4.6 and table 4.6 shows that 8% of the respondents worked for Human Resource Administration department, 12% from finance, 12% from procurement, 20% from Commercial and 48% of the respondents were from Technical department. The Technical department seems to have the largest number of employees as they include plumbers, meter readers and electricians. This shows that all categories in the organization were well presented in the study.
4.2 Main Issues of the Study

Table 4.7: Response on role of ISO certification in enhancing purchasing performance.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>31</td>
<td>78%</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>

Figure 4.7 Response on role of ISO certification in enhancing purchasing performance.

Table 4.7 and figure 4.7 shows that 78% of respondents affirmed ISO certification enhances purchasing performance while 22% said it does not. This reflects a situation of respondents who understands the various benefits that an ISO certified company can benefit from.
Table 4.8 Response on roles played by ISO certification in enhancing purchasing performance at Thika Water and Sewerage Company procurement department.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing purchasing costs</td>
<td>12</td>
<td>30%</td>
</tr>
<tr>
<td>Increasing customer satisfaction</td>
<td>8</td>
<td>20%</td>
</tr>
<tr>
<td>Developing a positive company image</td>
<td>11</td>
<td>27%</td>
</tr>
<tr>
<td>Improving service quality</td>
<td>9</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Figure 4.8 Response on roles played by ISO certification in enhancing purchasing performance at Thika Water And Sewerage Company procurement department.

Table 4.8 and figure 4.8 indicates that 30% of the respondents said that ISO certification enhances the purchasing performance at Thika Water And Sewerage Company procurement department by reducing purchasing costs, 20% by increasing customer satisfaction, 27%
developing a positive company image and 23% of the respondents said improving service quality. The response depicts a situation of a majority of respondents believing ISO certification enhances the purchasing performance of any organization.

Table 4.9 Response on whether ISO certification would reduce the purchasing costs incurred by the company.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agreed</td>
<td>19</td>
<td>47%</td>
</tr>
<tr>
<td>Agreed</td>
<td>16</td>
<td>40%</td>
</tr>
<tr>
<td>Disagreed</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>Strongly Disagreed</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Figure 4.9 Response on whether ISO certification would reduce the purchasing costs incurred by the company.

Response on whether ISO certification would reduce the purchasing costs incurred by the company

Respondent were asked to indicate their level of agreement if ISO certification would reduce the purchasing costs incurred by the company, 47% strongly agreed, 33% agreed, 13% disagreed and
7% strongly disagreed as shown in figure 4.9 and table 4.9. This can be interpreted that ISO certification would reduce the purchasing costs in organization.

Table 4.10 Responses on how ISO certification reduces the costs incurred during the purchasing of goods in the company

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Reworks</td>
<td>9</td>
<td>23%</td>
</tr>
<tr>
<td>Low Defects</td>
<td>24</td>
<td>60%</td>
</tr>
<tr>
<td>Product Conformity</td>
<td>7</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>40</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The response as shown in fig 4.10 and table 4.10 indicates that 60% of the respondents said that ISO certification reduces the costs incurred during the purchasing of goods in the company by ensuring low defects of goods purchased, 23% said by reducing reworks while 17% said by ensuring product conformity to specification so that it matches with the intended purpose. This
indicates that the company by certifying with ISO a company can reduce all the after costs that a company may incur.

**Table 4.11: Response on how the reduced costs may affect the purchasing performance for Thika Water And Sewerage Company**

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased sales</td>
<td>26</td>
<td>65%</td>
</tr>
<tr>
<td>More profits</td>
<td>10</td>
<td>25%</td>
</tr>
<tr>
<td>Higher levels of production</td>
<td>2</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Figure 4.11 Response on the how the reduced costs may affect the purchasing performance for Thika Water And Sewerage Company**

The response as shown in figure 4.11 and table 4.11 indicates 65% of the respondents said reduced costs affect the purchasing performance of a company by increasing sales, 25% by increasing profit and 10% of the respondents said by increasing levels of production. The response shows that reduced costs may transform the performance of the company by giving an over whole transformation.
Table 4.12: Response on whether ISO certification develops a positive company image.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>37</td>
<td>93%</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>7%</td>
</tr>
<tr>
<td>Totals</td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>

The response indicates that 93% of the respondents agreed that ISO certification develops a positive company image and 7% said no as shown in figure 4.12 and table 4.12.
Table 4.13: Response on the rating of the company image of Thika Water and Sewerage Company procurement department.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very highly</td>
<td>13</td>
<td>32%</td>
</tr>
<tr>
<td>Highly</td>
<td>24</td>
<td>60%</td>
</tr>
<tr>
<td>Low</td>
<td>3</td>
<td>8%</td>
</tr>
<tr>
<td>Totals</td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>

Figure 4.13: Response on the rating of the company image of Thika Water and Sewerage Company procurement department.

Table 4.13 and figure 4.13 shows the response indicates that 60% of the respondents rated the image of the company’s procurement department very highly, 32% highly and 8% low. This
indicates that majority of the respondent’s belief organization performance is affected by the procurement department and rated it as very highly due to its immense contribution.

Table 4.14: Response on how ISO certification increases customer satisfaction in services and products procured by the procurement department.

<table>
<thead>
<tr>
<th>Variables</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick supply of stock</td>
<td>14</td>
<td>35%</td>
</tr>
<tr>
<td>Improving communications with customers</td>
<td>10</td>
<td>24%</td>
</tr>
<tr>
<td>Involving customers in decision making</td>
<td>7</td>
<td>19%</td>
</tr>
<tr>
<td>Assurance of quality</td>
<td>9</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Figure 4.14: Response on how ISO certification increases customer satisfaction in services and products procured by the procurement department.
The response as indicated in figure 4.14 and table 4.14 shows that 35% of the respondents said that ISO certification increases customer satisfaction in services and products procured by the procurement department by ensuring quick supply of stock, 24% said by improving communications with customers, 19% by involving customers in decision making, and 22% said by giving an assurance of quality of goods purchased. This indicates that customer satisfaction is important for organization performance.

Table 4.15: Response on how to measure the level of customer satisfaction in services and products provided by the procurement department.

<table>
<thead>
<tr>
<th>Variables</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction surveys</td>
<td>11</td>
<td>27%</td>
</tr>
<tr>
<td>No of complains received</td>
<td>14</td>
<td>35%</td>
</tr>
<tr>
<td>No of reworks and returns</td>
<td>15</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Figure 4.15: Response on how to measure the level of customer satisfaction in services and products provided by the procurement department.
The response as shown in figure 4.15 and table 4.15 indicates 38% of the respondents said that they would measure the level of customer satisfaction in services and products provided by the procurement department by counting number of reworks and returns, 35% said by checking the number of complaints received and 27% by conducting customer satisfaction surveys. This indicates that it’s important for a company to conduct customer satisfaction in order to thrive in this era of competition.

Table 4.16: Response on benefits of customer satisfaction in enhancing purchasing performance.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High employee performance</td>
<td>13</td>
<td>32%</td>
</tr>
<tr>
<td>Low employee absenteeism and turnover</td>
<td>12</td>
<td>30%</td>
</tr>
<tr>
<td>Better productivity</td>
<td>15</td>
<td>38%</td>
</tr>
<tr>
<td>Totals</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.16: Response on benefits of customer satisfaction in enhancing purchasing performance.
As tabulated in table 4.16 and shown figure 4.16 the response shows that 38% of the respondents said that some of the benefits of customer satisfaction in enhancing purchasing performance is improving the productivity, 32% said by increasing employee performance while 30% said by lowering employee turnover and absenteeism. This indicates that customer satisfaction contributes immensely on the purchasing performance of any department in a company.

Table 4.17: Response on how often the procurement department procures services and products that meet customer level of expectations.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>12</td>
<td>30%</td>
</tr>
<tr>
<td>Very Often</td>
<td>20</td>
<td>50%</td>
</tr>
<tr>
<td>Rarely</td>
<td>8</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Figure 4.17: Response on how often the procurement department procures services and products that meet customer level of expectations.
Figure 4.17 and table 4.17 shows 50% of the respondents said that very often the procurement department procures services and products that meet customer level of expectations, 30% said always and 20% said rarely. The response shows that the department of procurement endeavors to procure services and products that meet customer level of expectations.

**Table 4.18 Response on ISO certification benefits on product and service quality**

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conformation to specifications</td>
<td>15</td>
<td>38%</td>
</tr>
<tr>
<td>Reduced accidents</td>
<td>10</td>
<td>25%</td>
</tr>
<tr>
<td>Reduced reworks</td>
<td>7</td>
<td>17%</td>
</tr>
<tr>
<td>Improved processes</td>
<td>8</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.18: Response on the ISO certification benefits on product and service quality.

The response as indicated in figure 4.18 and table 4.18 indicates 38% of the respondents said that some benefits are derived from ISO certification on product and service quality is
confirmation to specifications, 25% said reduced accidents, 17% said reduced reworks while 20% said improved processes. From the response it’s very clear that product and service quality are derived after ISO certification.

Table 4.19: Response on whether ISO 9000 certification impact on service and product quality of a company.

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>36</td>
<td>90%</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>Totals</td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>

Figure: 4.19: Response on whether ISO 9000 certification impact on service and product quality of a company

Table 4.19 and figure 4.16 indicates that 90% of the respondents agreed that ISO 9000 certification impact on service and product quality of a company while 10% said no. This
indicates that majority of the respondent’s belief that certification would greatly impact on the product and service quality. This is as shown in table 4.19 and figure 4.19.

**Table 4.20: Response on how quality of a product and service procured by the department enhance the overall performance of the company**

<table>
<thead>
<tr>
<th>Variables</th>
<th>F</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction hence loyalty</td>
<td>19</td>
<td>48%</td>
</tr>
<tr>
<td>Staff motivation</td>
<td>12</td>
<td>22%</td>
</tr>
<tr>
<td>Better financial performance</td>
<td>9</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

**Figure 4.20: Response on how quality of a product and service procured by the department**

Table 4.20 and figure 4.20 indicates that 48% of the respondents strongly agreed quality of a product and service procured by the department enhance the overall performance of the company
by increasing customer satisfaction, 22% by increasing staff motivation and 30% said by improving better financial performance.

4.3 Study Limitations and Delimitations.

Owing to the nature of the target respondents, some reluctance was anticipated from some respondents in terms of disclosing information with regards to the survey for fear of being reprimanded by the managers in the organization who are responsible for handling issues related to the matter under study. The researcher attached authority research letter from the university to the questionnaire so as give further assurance on the purpose of the study.

4.4 Chapter Summary

This research report examines the role of international organization for standardization certification on purchasing performance. The findings were therefore influenced by both males and females. Data has been presented by use of tables, pie charts and graphs. The study provides the significant findings to support the role of international organization for standardization certification on purchasing performance in Kenya as well as development of strategies to address these challenges. The respondents strongly agreed that ISO certification would reduce the purchasing costs incurred by the company. ISO certification reduces the costs incurred during the purchasing of goods in the company by ensuring low defects of goods purchased, 23% said by reducing reworks while 17% said by ensuring product conformity to specification so that it matches with the intended purpose. This indicates that the company by certifying with ISO a company can reduce all the after costs that a company may incur. The respondents indicated reduced costs affect the purchasing performance of a company by increasing sales, 25% by increasing profit and 10% of the respondents said by increasing levels of production. The response shows that reduced costs may transform the performance of the company by giving an over whole transformation. 93% of the respondents agreed that ISO certification develops a positive company image and 7% said no. Respondents said that ISO certification increases customer satisfaction in services and products procured by the procurement department by ensuring quick supply of stock, 24% said by improving communications with customers, 19% by involving customers in decision making and 22% said by giving an assurance of quality of goods purchased. This indicates that customer satisfaction is important for organization performance.
The response shows that 38% of the respondents said that some of the benefits of customer satisfaction in enhancing purchasing performance is improving the productivity, 32% said by increasing employee performance while 30% said by lowering employee turnover and absenteeism. This indicates that customer satisfaction contributes immensely on the purchasing performance of any department in a company.

From the response it’s very clear that product and service quality are derived after ISO certification. The response indicates that 90% of the respondents agreed that ISO 9000 certification impact on service and product quality of a company while 10% said no. This indicates that majority of the respondent’s belief that certification would greatly impact on the product and service quality. 48% of the respondents strongly agreed quality of a product and service procured by the department enhance the overall performance of the company by increasing customer satisfaction, 22% by increasing staff motivation and 30% said by improving better financial performance.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 Introduction

In the section contains summary of research outcomes, recommendations and conclusion of the research study are outlined in this section in relation to study variables on the role of international organization for standardization certification on purchasing performance with reference to Thika Water and Sewerage Company and finally areas that need further research. The research was aimed at determining the role of international organization for standardization certification on purchasing performance.

5.1 Summary of the findings

Response rate of 88% was achieved out of the distributed questionnaire after having duly filled; this was good participation from the respondents. The gender representation was at 55% were females while 45 % were males. The response shows that the company is gender sensitive and has equal chances of employment for both males and females as shown by the results. 17% of the respondents were aged between 20 years to 30 years, 40% were aged amongst 31 years to 40 years, and 28% were aged between 41-50 years while 15% were aged between 51-60 years. The response represents a good dispersion of the respondents in the age bracket but a majority was aged between 31 years to 40 years. 22% of the respondents had O-level education, 45% has diploma qualifications 25% were graduates while 8% had master’s degree. This can be interpreted to mean that the institution had a high premium attached to the respondents’ qualifications going by the academic qualifications therein. 30% of the respondents had worked for at-least 5 years, 70% had worked between 6-10 years and none for a period above 10 years since the company was started in the year 2009 and there before employees were working under municipal council of Thika. 8% of the respondents worked for Human Resource Administration department, 12% from finance, 12% from procurement, 20% from Commercial and 48% of the respondents were from Technical department. The Technical department seems to have the largest number of employees as they include plumbers, meter readers and electricians. 78% of the respondents affirmed ISO certification enhances purchasing performance while 22% said it does
not. This reflects a situation of respondents who understands the various benefits that an ISO certified company can benefit from. 30% of the respondents said that ISO certification enhances the purchasing performance at Thika Water And Sewerage Company procurement department by reducing purchasing costs, 20% by increasing customer satisfaction, 27% developing a positive company image and 23% of the respondents said improving service quality. The response depicts a situation of a majority of respondents believing ISO certification enhances the purchasing performance of any organization.

5.1.1 How do costs affect purchasing performance in Thika Water and Sewerage Company?
Response confirmation is that 47% of the respondents strongly agreed that ISO certification would reduce the purchasing costs incurred by the. The response shows that majority of the respondents believed that ISO certification would reduce the purchasing costs of any company 60% of the respondents said that ISO certification reduces the costs incurred during the purchasing of goods in the company by ensuring low defects of goods purchased, 23% said by reducing reworks while 17% said by ensuring product conformity to specification so that it matches with the intended purpose. This indicates that the company by certifying with ISO a company can reduce all the after costs that a company may incur. 65% of the respondents said reduced costs affect the purchasing performance of a company by increasing sales, 25% by increasing profit and 10% of the respondents said by increasing levels of production. The response shows that reduced costs may transform the performance of the company by giving an over whole transformation.

5.1.2 To what extent does quality affect purchasing performance in Thika Water and Sewerage Company?

The response shows that 38% of the respondents said that some benefits are derived from ISO certification on product and service quality is confirmation to specifications, 25% said reduced accidents, 17% said reduced reworks while 20% said improved processes. From the response it’s very clear that product and service quality are derived after ISO certification. The response
indicates that 90% of the respondents agreed that ISO 9000 certification impact on service and product quality of a company. This indicates that majority of the respondent’s belief that certification would greatly impact on the product and service quality. 48% of the respondents strongly agreed quality of a product and service procured by the department enhance the overall performance of the company by increasing customer satisfaction, 22% by increasing staff motivation and 30% said by improving better financial performance.

5.1.3 How does customer satisfaction affect purchasing performance in Thika Water and Sewerage Company?

The response shows 38% of the respondents said that they would measure the level of customer satisfaction in services and products provided by the procurement department by counting number of reworks and returns, 35% said by checking the number of complaints received and 27% by conducting customer satisfaction surveys. This indicates that it’s important for a company to conduct customer satisfaction in order to thrive in this era of competition. The response shows that 38% of the respondents said that some of the benefits of customer satisfaction in enhancing purchasing performance is improving the productivity, 32% said by increasing employee performance while 30% said by lowering employee turnover and absenteeism. 50% of the respondents said that very often the procurement department procures services and products that meet customer level of expectations, 30% said always and 20% said rarely.

5.1.4 To what extent does company image affect purchasing performance in Thika Water and Sewerage Company?

The response indicates that 93% of the respondents agreed that ISO certification develops a positive company image. The response indicates that 60% of the respondents rated the image of the company’s procurement department very highly. 35% of the respondents said that ISO certification increases customer satisfaction in services and products procured by the procurement department by ensuring quick supply of stock, 24% said by improving communications with customers, 19% by involving customers in decision making and 22% said by giving an assurance of quality of goods purchased. This indicates that customer satisfaction is important for organization performance.
5.2 Conclusion

Quality is requirements in today’s life; the main issue of quality is outlined in customer satisfaction. Customer expectation and requirements of a particular product or service lies purely on their own understanding. Quality is managed and controlled through all processes within the firm. For organization to establish and maintain quality they are forced to adopt quality management system in the organization strategy, importance of quality is regarded as the backbone of organization, globalization has influenced the development of quality in major ways that include quality control, quality planning, quality assurance and quality improvement. All these activities are essential pillars of quality management. In the modern society quality management is represented by standards and the most common applied are ISO families, the most widely used is ISO 9000 series and QS 9000. Quality management system is performed by models of excellence; the role of these frameworks is to support organization in the competitive in the market. Adoption of ISO certification has revealed to be proactive strategy improves organization performance. ISO 9000 deals with essentials of systems of quality management that has eight principles of management which standards are based on. ISO 9001 involves the requirements that organizations have standards to fulfil.

5.3 Recommendations

Study had the following recommendations

5.3.1 Costs

The company should strive to certify with a quality management system as it pays. Quality management system leads to better and improved financial performance that is determined by return on assets, productivity and sales. The management of THIWASCO should seek certification and avoid operations declines that will negatively affect the procurement function and certification should all be extended in all other departments within the firm in order to improve overall organization performance.

5.3.2 Customer Satisfaction
It’s recommended that the procurement department to make purchases from certified suppliers, the management of THIWASCO should ensure that customer satisfaction is one of their main driving forces. Management should put in place measures that are designed to improve and increase customer satisfaction even should go ahead a plan seniors and workshops on customer care and customer relations management for its entire staff.

5.3.3 Company image

In order for the company to retain its image the procurement department will ensure quality supplies of pipes and other water equipment are purchased from a certified supplier. The management should ensure that protected at all cost and this will and can be achieved when customer satisfaction is achieved, timely service delivery, quality service among others.

5.3.4 Quality

The management of THIWASCO should strive achieve customer satisfaction through provision of quality services and quality goods. To ensure organization continues to offer excellence services to clients it should set a quality management mechanism that will always act like a benchmark to ensure quality always

5.4 Area of Further Study

For appropriate conclusions and recommendations, the study recommended the following as areas for further studies, Therefore a similar research can be conducted in other public and private institutions to verify and confirm these finding.
REFERENCE S


Dear Respondent,

RE: RESEARCH DATA
My names are Carolyne Chemtai and as part of the requirements to graduate with a degree of Bachelor of Management and Leadership of the management university of Africa. I am conducting a study titled: THE ROLE OF INTERNATIONAL ORGANIZATION FOR STANDARDIZATION CERTIFICATION ON PURCHASING PERFORMANCE: A CASE STUDY OF THIKA WATER AND SEWERAGE COMPANY. For this reason, I humbly request you to assist in filling the attached questionnaire to the best of your knowledge. The information that you will provide is strictly for academic purposes, shall not be used for any other way, and your names shall not appear in this study. Your input will go a long way in facilitating this research study.

Thank you.

Yours Faithfully,

CAROLYNE CHEMTAI
ODL/BML/3/00097/2/2014
APPENDIX II

RESEARCH QUESTIONNAIRE

PART 1: DEMOGRAPHIC CHARACTERISTICS

1. Indicate Gender 1. Female { } 2. Male { }

2. What is your highest level of Education?
   Secondary { } Diploma { } Degree { } post graduate { } PhD{ }

3. What is your Age bracket
   20 yrs. to 30yrs { } 31yrs to 40yrs { } 41yrs to 50years { } 51yrs to 60yrs { } over 60 years { }

4. Working experience in the organization 5 years or less { } 6-10 years { }
   Above 10 Years { }

5. Under which department do you work?
   i. Human resource and Administration { }
   ii. Finance { }
   iii. Procurement { }
   iv. Technical { }
   v. Commercial { }


PART 2: MAIN AREA UNDER STUDY

6. In your opinion, does ISO certification play any role in enhancing purchasing performance?
   Yes { } No { }

7. What are some of roles played by ISO certification in enhancing purchasing performance at THIWASCO procurement department?
   i. Reducing purchasing costs { }
   ii. Increasing customer satisfaction { }
   iii. Developing a positive company image { }
   iv. Improving service quality { }

8. Do you agree that ISO certification would reduce the purchasing costs incurred by the company?
   Strongly Agreed { } Agreed { } Disagreed { } strongly disagreed { }

9. How does ISO certification reduce the costs incurred during the purchasing of goods in the company?
   Less reworks { } Low defects { } Product conformity { }

10. How would the reduced costs affect the purchasing performance for THIWASCO?
    Increased sales { } More profits { } Higher levels of production { }

11. Does ISO certification develop a positive company image?
    No { } Yes { } I don’t know { }

13. Kindly rate company image of THIWASCO procurement department?
    Very highly { } Highly { } Low { }

14. How does ISO certification increases customer satisfaction in services and products procured by the procurement department?
    i. Quick supply of stock { }
ii. Improving communications with customers  {   }

iii. Involving customers in decision making  {   }

iv. Assurance of quality  {   }

15. What are the most preferred measure of customer satisfaction of services and products offered by the procurement department?

i. Customer satisfaction surveys  {   }

ii. No of complains received  {   }

iii. No of reworks and returns  {   }

16. What are the benefits of customer satisfaction in enhancing purchasing performance?

...............................................................

...............................................................

17. How often does the procurement department procure services and products that meet customer level of expectations?

i. Always  {   }

ii. Very often  {   }

iii. Rarely  {   }

18. What ISO certification benefits on product and service quality?

i. Conformation to specifications  {   }

ii. Reduced accidents  {   }

iii. Reduced reworks  {   }

iv. Improved processes  {   }

19. Does ISO 9000 certification impact on service and product quality of a company?

Yes  {   }  No  {   }  Don’t know  {   }

20. How does quality of a product and service procured by the department enhance the overall performance of the company?

Customer satisfaction hence loyalty {   } Staff motivation {   } Better financial performance {   }

THANK YOU FOR YOUR PARTICIPATION