# Quality Management Practices and Performance of Logistics Companies in Mombasa County, Kenya

# Hellen Nduta Gachomo<sup>1</sup> Lawrence Wainaina<sup>2</sup>

<sup>1</sup>Masters of Business Administration Degree (Strategic Management) Student, Kenyatta University, Kenya

<sup>2</sup>Department of Business Administration, School of Business, Kenyatta University, Kenya

IBMED

# **ABSTRACT**

The declining performance of logistics companies in Kenya is worrying. This is because the Communication Authority of Kenya report of 2020 indicates that there has been a consistent reduction from the year 2013 through to 2017. For the year ended December 31st in 2019, logistic companies reported a performance decline in accumulative loss before Ksh. 622 million tax. The 7% financial income reduction (Ksh. 1.0 billion) attributed to this profitability decline in the sector. Hence, low equity ratio and return on assets at -5.5% and -0.9% was reported in comparison to 3.2%. Therefore, this study seeks to ascertain how Mombasa County logistics companies' performance is influenced by quality management practices. The specific study objectives were to examine how customer focus, process management, top management commitment and employee training influence Mombasa County logistics companies' performance. Quality management theory, leadership contingency model and human capital theory anchored this research. Descriptive research technique was deployed. 475 management employees from Mombasa County's logistics companies form the target population. A stratified random sampling technique was deployed. 143 participants were selected as a sample through simple random sampling technique. The questionnaires were pre-tested on 14 participants who will be excluded from the actual exercise. Reliability and Validity were tested using Cronbach's Alpha test and ensured through the use of content validity. Content analysis tested qualitative data and descriptive statistics evaluated quantitative data. In addition, a multiple regression analysis was done. The study examined that customer focus, process management, top management commitment and employee training notably and positively influenced Mombasa County's logistics companies. It was concluded that value for clients is provided by a customer-centric approach through giving response to their needs and wants using tailored products and services. The employee's empowerment is facilitated top management commitment of logistics companies and job satisfaction levels are improved using commitment and leadership to TQM of client satisfaction through the creation of firm climate emphasizing client satisfaction and total quality. Training of employees in the organization boosts their performance and motivation rate. Employee hard skills are sharpened through training hence improving their job satisfaction and morale. The study recommended that the logistics companies should building a customer-focused culture through hiring the right employees who have a customer mindset towards keeping customers at the center of the business. The logistics companies should map their processes and document those processes using the right tools. The top management of the logistic companies should ensure each individual is aware of the company's overall strategy and goals. The management of the logistics companies should give employees the time, motivation, and opportunity to get the most out of the training.

**Key Words:** Customer Focus, Process Management, Top Management Commitment, Employee Training

IRWED

DOI 10.35942/jbmed.v5i1.316

#### Cite this Article:

Gachomo, H., & Wainaina, L. (2023). Quality Management Practices and Performance of Logistics Companies in Mombasa County, Kenya. *International Journal of Business Management, Entrepreneurship and Innovation*, 5(1), 123-141. https://doi.org/10.35942/jbmed.v5i1.316

#### 1.0 Introduction

# 1.1 Background to the Study

A state in which the total quality management (TQM) system in interwoven tightly with the process of strategy formulation is represented by strategic quality management, hence contributes to sustainable competitive advantage (Calingo, 2016). Schonberger (2019) observe that firms undergo various strategy quality integration stages, each connected uniquely with attributes of strategy process and quality management practices. Therefore, quality's strategic impact is profound that firms not accepting quality in measuring against corporate endovors are measured may not be positioned well in the future market place. Organizational environment has gone through major enhancement and changes regarding quality and ended up becoming among the crucial strategies which might be put in place in any firm to attain better organizational performance. Additionally, as the labor market increases globally, service and product quality should be improved by organizations for survival within rivals. (Brah, Wong & Rao, 2018). Abusa and Gibson (2015) observe that organizational performance is a construct that is multidimensional evaluating organization's position pertaining to external or internal standards. Therefore, quality management practices are an integrated management philosophy facilitating a constant enhancement culture through which companies that are successful are trying to attain client quality perception in boosting organizational performance and client satisfaction.

Quality management techniques implementation helps enterprises in improving efficiencies withing – in global marketplace, it is deemed to be a requirement in becoming competitive. The quality management practice is a continuous process and pulls through to the level of a firm learning to uncover issues and effectively finding solutions (Demirbag, Tatoglu, Tekinkus & Zaim, 2016). According to Ibrahim (2018) the gains of quality management practices implementation can be seen from enhanced operational service efficiency and increased organizational effectiveness. Therefore, companies adopting a strategy emphasizes on the attainment and sustenance of a higher quality outcome by use of quality performance as the outputs and management practices as the inputs. Terrein (2015) observe that the service industry is experiencing more pressure to ensuring up-to-date presentation of their quality as the world market becomes more integrated. Thus, quality management strategies are being adopted by organizations to deal with competition. According to Kagumba and Gongera (2018) performance of a company entails repetitive happenings for establishment of organizational goals, monitoring how the goals progress and making adjustments in towards achieving them efficiently and effectively.

Pakistan is one of the developing nations with challenges of incorporating local values, norms and culture in organizations or businesses leading to a big hindrance to quality culture system success (Farooqui, Masood & Aziz, 2017). Kaynak (2018) observe that in Pakistan the business and industrial areas have been working with little comprehension of quality benefits, to be managers in the constant increasing global village, the nation should be attentive in improving quality in

service and industrial sector. Therefore, the organizational culture should be client-driven and able to display reasonably priced correct products at the right time and place.

Ever-changing customer demands, intense worldwide competition and globalization have changed the marketing environment drastically in the last few years. For instance, In Jordan Oil company, IAl-Damen (2017) observe that the top administration go on putting efforts to consider TQM as priority in the future of their enterprise and involve it in implementation of it at every stage and gives recommendation that the organizations should keep looking into methods of increasing staff participation and empowerment. Therefore, it can be argued that TQM dictates that all company employees to be collaborative to produce high quality services and products to attain client demands.

Okeoma (2019) observe that quality management is an ethical and holistic techniques in enterprises in South East Nigeria constantly enhance their process, services /products that involve stakeholders in satisfying clients and improving sustainability and performance and recommend that firms enhance employee skill/involvement and business structures and provide enough resources for successful TQM implementation. Also, Ezenyilimba, Ezejiofor and Afodigbueokwu (2019) cite that in Nigerian deposit money banks, client satisfaction is affected by TQM practices application and recommend that there should be staff involvement in creating a working environment where individuals are capable and confident and initiate the required steps in satisfying client needs to attain organizational goas and values. Monirei (2016) indicate that the successful implementation of quality programs of manufacturing industry in Kenya relies on workforce that if these manufacturing industries get more empowered, involved and trained staff there is a high likelihood of realizing quality management techniques implementation benefits. Similarly, Maina (2018) observe that the Kenyan manufacturing sector ought to do benchmarking themselves with firms that perform better globally to know the practices used by the businesses to enhance their performance. Therefore, TQM is a management philosophy tending to connect firm functions focusing on attaining the client needs and an organization's main objective.

## 1.1.1 Quality Management Practices

IBMED

These are an organization's-wide management approaches to improve its performance (profitability, customer satisfaction, productivity and quality) (Handfield, Jayaram & Ghosh, 2014). Ahire and Dreyfus (2017) indicate that the practices of quality management adopted by an organization's managers are meant to empower its workforce, promote long term, sustained, and continuous improvement in productivity and quality and do away with staffs' fear of change. Therefore, it can be argued that within an organization, quality management practices look into continuous process improvement providing superior client value and meeting client needs. In this study quality management practices adopted will be; customer focus, process management, top management commitment and employee training. Cook (2018) observe that customer-focus is a market orientation's central tenet; these are beliefs putting client interests at the fore front not excluding the rest of the stakeholders like employees, managers and owners in developing long-term benefits. According to Sharp (2019) in TQM, satisfying clients is a fundamental goal which can be achieved through the attempt of an organization in designing and delivering services and products fulfilling the needs of the clients. Therefore, before any major business strategy formulation, customer feedback must be carefully and regularly monitored.

Process management entails planning and administration of the essential activities in achieving great performance level in primary processes of an organization and opportunity identification for

and

Innovation, Volume 5, Issue 1, 2023, PP 123-141, ISSN 2707-8027

operational performance and quality improvement and eventually, client satisfaction (Evans & Lindsay, 2018). According to Rula (2019) process management is attained through the identification of required activities in achieving the anticipated outcome and measure the process outputs and inputs, and identification of the business primary activities' communication channels and the operations' impacts on clients, stakeholders and suppliers, and results of risk assessment, clearly defining the main activities' management authorities and responsibilities. Therefore, the emphasis ought to be on ways of better improving, designing and managing processes to satisfy fully and produces increasing value for the stakeholders and clients. Top management are the highest decision makers in an organization and are mandated for goal achievement in partnership with other people within an organization (Wheelen & Hunger, 2016). In addition, Wheelen and Hunger (2016) show that the responsibility of top management takes different dimensions in attaining overall progress of the company that is derived from the mission, goals and strategies together with other organizational processes. Therefore, top managers ought to possess skills appropriate in managing effectively the process of strategic planning. According to Thong, Yap and Raman (2016) top managers commitment includes establishing and working with qualified committees, policy and objective formulation and establishment, giving all required resources and training, monitoring implementation at each organizational level and evaluation of these policies in relationship with set objectives. Daniels (2015) observes that staff training is a key toll in enhancing performance and in promoting an organization's stability index and is essential for an enterprise to put more efforts and investing more in staff training for the achievement of its goals in a more economic manner. According to Gunter (2018) efficient training programs assist in coming up with a conducive and supportive learning environment to the employees and helps them in efficiently dealing with foreseeable issues in time and easily. Therefore, committing to effective and ongoing training to the employees enables them to cope up with the changes hence better performance.

## 1.1.2 Organizational Performance

Performance is accomplishing a specific task gauged against prior set efficiency, cost effectiveness, completeness and accuracy standards. It is the level of accomplishing an achievement (Dess & Robinson, 2015). Seashore and Yuchtman (2017) observe that there are five categories of financial analysis measures which ascertain the performance of a firm: financial efficiency, repayment capacity, profitability, solvency and liquidity. For scholars with a concern in just any management area, organizational performance is the ultimate dependent variable of interest. The real institutional results or output as gauged against anticipated results (objectives or goals) constitute organizational performance. Three firm areas are covered by organizational performance: economic value added, product market performance like shareholder return, market share and sales and performance (ROI, ROA and profits) (McCracken, McIlwain & Fottler, 2016). According to Richard et al. (2013) many field specialists have a concern with organizational performance organizational performance (organizational development, legal, finance, operations and strategic planners). Recently, majority of companies are using balanced scorecard technique in managing organizational performance — many dimensions like monetary, internal process, customer, and learning and growth measure and track performance.

Davis and Pett (2015) observe that each organization is seeking more effectiveness and attain superior outcomes. Efficiency is connected to the company's capability in designing a model that is unique to embrace business opportunity by exchanging associations and it's hence a crucial way of an organization to interact with its environment in generating sustainable growth. In all

and

industries, among the most essential goals for organization is enhancing organizational effectiveness. Organizational effectiveness can be analyzed by use of customer satisfaction, goal attainment, efficiency and acquisitions (Kushner and Poole, 2016).

Hsu, Marsh and Mannari (2019) observe that the firm's focus on the market targeted to provide the necessary and expected satisfaction necessitated the acknowledgement that client satisfaction in an important tool which clients should be given by an institution for it to attain its primary business objective – profitability. According to Mehra and Dhawan (2020) for management, client satisfaction is key because of concentrated competition particularly in the service sector. Hence, it is important for organizations to look into their level of satisfaction to the customers. Market share measures the market dynamics have been predicted by a company and the target client needs. In the competitive landscape, it essential for market share to be monitored closely for any sign of change (Szymanski, Bharadwaj & Varadarajan, 2017). According to Farris, Olver and DeKluyver (2019) for market competitiveness, market share is a key indicator – how best is the firm's performance against its rivals. It is important for organizational performance to examine strategic value of marketing metrics and market share profitability association because the marketing executives are constantly pressured to be accountable for marketing activities in a firm. In this study, organizational performance was gauged using efficiency, customer satisfaction and market share.

## 1.1.3 Logistic Companies in Mombasa County

IBMED

Kenya has a vast and fast-growing transport and logistics sector. The sector is dominated by local firms but also has a number of international firms like DHL, Well Fargo, G4S and FedEx. The sector has seen entry of various transport sector firms both small and established (Gwaro, 2019). Like agriculture, transport among the most crucial industries in the Kenyan economy. It is regarded as a backbone of the economy considering all other sectors are supported by it. Transport is in fact among the majorly utilized sectors in the nation since it serves commuters, industries using rail transport in ferrying the goods, farmers transporting goods transport by water. But there are players in this service industry (Mwangangi, 2020). Over the past decade, there has been development in the logistic market in Kenya to greater quality A- and B-grade warehouses from the typical lower specifications of warehouses descried as 'godowns'. Due to infrastructure improvement, many operators may relocate to less crowded areas like Machakos and Kiambu counties which have relatively cheaper land available. The biggest market share (26%) is occupied by transport and logistic user, 22% is covered by wholesale and 23 % by manufacturing and engineering. In comparison with 5.3% in Q3:2017, 5.4% slight growth was registered by the storage and transport sector in Q3:2018 – this was decline from 7.8% in Q2:2018 – due to fuel cost increment in 2018, July because of the 8% VAT introduction.

Mombasa port is presently Kenya's main port and congestion and constraints in capacity bring about delays. Additionally, Ruske and Kauschke (2013) observe that challenges at ports including transport and logistics firms are efficiency of procedures and the airports management. There has been continuous growth in the transport and logistics sector in Kenya. This has risen from a family business with some trucks and the Mombasa Port development boosted this and ventures for additional entrepreneurs joining the business to meet the market demand opened up. The need for IT related interventions, storage and logistical solutions has been necessitated by the proposed development in the Mombasa port like the new development of gas docks and oil and the constructing a third container terminal. The improved techniques and management principles in

and

IBMED

operations in logistics taking part in energy saving, transportation cost, delivery speed and transporting products has led to progress in effective goods movement. Manipulation of logistic is highly dependent on transportation. When a review of the present condition is done, a viable system requires a clear-cut structure of logistics and appropriate transportation equipment and less wasteful procedures to link the process from start to end flawlessly (Tseng & Yue, 2005; Tilanus, 1997).

#### **1.2 Problem Statement**

In the current global market, industries have evolved from stable and slow-moving oligopolies to hypercompetitive environments with powerful and rapid competitive moves, where rivals strike unconventionally, unexpectedly and quickly and the creation and erosion of advantages is done quickly. Overall, the duration of sustained competitive advantage has shrunk over time (Esper, 2017). According to Grant (2019) logistics has progressed from a simple transport function to a strategic, cross-functional, and global discipline; additionally, the trend of focusing on logistics has developed a desire of improving and sharpening organizational logistics abilities. For instance, while 95% of Kenyan cargo is transported by road and rail, approximately 83% of businesses have suffered from an inability to use logistics as a competitive weapon in securing and maintaining client loyalty, affecting the delivery of services and goods. In improving logistics efficiency, the Kenyan government upgraded the standard gauge railway to relieve road congestion and shorten the duration taken to deliver goods from the port to their destination (Kariuki, 2018). However, the declining performance of logistics companies in Kenya is worrying. It is also facing constant change currently driven by stringent regulations, changing consumer expectations and tech innovations. Fuel prices is one of the factors highly contributing to concerns on transportation budget. The companies have also been facing challenges in the adjustments done in responding to market changes like intellectual property protection, credit availability, global sourcing and new product launches.

In China, Hang (2013) study examined how the pharmaceutical industry logistic performance was influenced by quality management and continuous improvement, leadership, customer focus and employee involvement as TQM items notably affect logistics performance. However, the research had a contextual gap as it focused on pharmaceutical industry. Using South Sulawesi Province fishery industry in Indonesia, Munizu (2015) study investigated how organizational performance and competitive advantage were influenced by TQM and findings show that quality management practices notably and positively impact both competitive advantage and organizational performance. However, the respondents were purposively selected presenting a methodological gap. Jermsittiparsert, Namdej and Sriyakul (2019) study explored the green supply chain management practices are impacted by system effectiveness and quality management techniques and the results indicated that quality management practices adopted strongly predicted the green supply chain management practices. However, the study findings were based on Thailand context and may not apply to the Kenyan context. Hence, this research will seek to investigate the influence of quality management practices on the performance of logistics companies in Mombasa County, Kenya.

# 1.3 Study Objectives

## 1.3.1 General Objective

To investigate the influence of quality management practices on the performance of logistics companies in Mombasa County, Kenya.

# 1.3.2 Specific Objectives

This study was guided by the following specific objectives:

- i. To examine the influence of customer focus on the performance of logistics companies in Mombasa County, Kenya.
- ii. To establish the influence of process management on the performance of logistics companies in Mombasa County, Kenya.
- iii. To determine the influence of top management commitment on the performance of logistics companies in Mombasa County, Kenya.
- iv. To find out the influence of employee training on the performance of logistics companies in Mombasa County, Kenya.

#### 2.0 Literature Review

#### 2.1 Theoretical Literature Review

Theories adopted to guide the study are highlighted. These theories include; balance score card model, quality management theory, leadership contingency model and human capital theory.

## 2.1.1 Balance Score Card Model

Kaplan and Norton (1996) founded it. It is a performance management frame work linking strategy to daily business happenings. It gives a holistic business perception depending on the objectives. The concept argues that the technique gives a superior way of translating the firm strategy and vision into a tool efficiently communicating strategic intentions and motivating execution against the strategic goal ascertained. It is a management system helping firms give clarification of the vision and strategy and translating these to action. The model connects measures of performance by focusing on the enterprise' strategic vision in 4 parts: internal business process, financial, innovation and learning and customer (Malina and Selto, 2015).

Epstein and Wisner (2018) posit that a balanced scorecard is strategic planning framework organizations utilize in priority assigning to services, projects and products; planning routine happenings; and communicating goals and targets. It helps firms in monitoring and gauging the strategies' success to ascertain how best their performance is. According to Punniyamoorthy and Murali (2018) the model is acting like a structured report measuring firm management performance. Evaluation of the management team is done against KPIs to illustrate how they have contributed to the strategy and the set targets achievement. In determining business growth and its comparison to its rivals, success is gauged against particular targets or goals.

This model is relevant as it focuses on how the company ensures that it is earning a return on the investments made and is managing major risks faces in operating the firm, ways of providing value to its clients and established the extent of client satisfaction with their services or products, considering the objectives and measures helping the enterprise efficiently operate. Further, the

IBMED

model assists in firm services or product evaluation and ascertain if they are conforming to the standards desired by the client and organizational capacity is crucial in objectives and goal optimization with favoring outcomes. This theory is used in explaining the performance as the dependent variable.

# 2.1.2 Resource Based View Theory

Wernerfelt (1984) propounded it. It puts forward an argument that an organization is able to attain and sustain competitive advantage when it has imperfectly imitable, rare, non-substitutable and valuable resources. In a firm not every resource is strategically relevant. The organizational goal is ensuring it accesses and controls valuable resources to the development and acquisition of external or internal relevant resources.

Amit and Shoemaker (2017) observe that through RBV, a firm is deemed a compilation of organizational, human and physical resources. Sustainable competitive is achieved from has imperfectly imitable, rare, non-substitutable and valuable firm resources. According to Conner (2019) RBV enables firm managers in understanding why the most crucial assets in a firm is competences and also in appreciating firm performance can be improved using the assets. The theory accepts that for company success, attributes relating to competences, organizational culture and past experiences are crucial. The theory is relevant since it suggests that imperfectly imitable, rare, non-substitutable and valuable firm resources best places a company for long-term success. The resources might be a foundation for the development of company abilities leading to greater performance. The organizations should have enough capability for organization, management and exploitation of resources in a way providing value added to clients and creating advantages over rivals.

#### 2.1.3 Leadership Contingency Model

Fiedler (1964) presents the Fiedler leadership contingency model in which the author proposes that effective strategy implementation depended upon the proper match between a leaders' ability to lead is contingent upon situational factors that include the leaders' capabilities, preferred style, and behavior, competency of employees. This theory propounded that leaders should adopt that style which best to the situation and immediately stimulate the employee performance. The contingency theory of leadership supposes that a leader's effectiveness is contingent on whether or not their leadership style suits a particular situation (Kerr, Schriesheim, Murphy & Stogdill, 2017). According to this theory, an individual can be an effective leader in one circumstance and an ineffective leader in another one. However, Peters, Hartke and Pohlmann (2015) believe this model does not allow enough flexibility because it does not believe that leaders are capable of changing their leadership styles. Therefore, in order for the managers to maximize their likelihood of being a productive leader, this theory posits that they should be able to examine each situation and decide if their leadership style is going to be effective or not. The theory is relevant since it illustrates that an effective leader is accountable for guiding and knowledge sharing to the staff in leading them to enhanced execution and making them expert in the maintenance of their work quality in implementing project process and give needed support to project members is a great task. Introducing clear leadership standard promotes key values and maturity on responsibilities and roles hence implementing strategy efficiently and effectively to achieve greater organizational performance. This theory supports top management commitment variable

# 2.2 Empirical Literature Review

This part covers empirical reviewed researches done previously by different researchers concerning the strategic planning, process management, top management commitment and employee training.

## 2.2.1 Customer Focus and Organizational Performance

A study examining how organizational performance and job satisfaction and commitment to service quality are related in Islamic Republic of Iran's Custom employees was done by PourKiani and Tanabandeh (2016) using a cross-sectional study technique. Senior organizational managers provided data through questionnaires and the data was evaluated using multiple regression, Pearson correlation and factor analysis. It was disclosed that organizational performance and client focus positively and notably related. However, the study made use of cross-sectional study technique which cannot be utilized in establishing cause and effect associations.

Using Chinese companies, Cai (2018) explored how important client focus was to the performance of an organization. The targeted companies were selected randomly from twenty-nine provinces in China by use of stratified probability proportional to sizes (PPS) technique. Data evaluation was through structure equation modelling and it was evident that organizational client orientation impacts customer association practices in turn influencing client satisfaction and production performance. However, the study used client orientation as the sole client focus indicator.

Kavulya, Muturi, Rotich and Ogollah (2018) studied how Kenyan SACCOs performance is affected by client focus. 181 authorized Kenyan DT-SACCOs that have been there for at least five years were targeted. Data was obtained by questionnaires and analysis by multiple regression and descriptive analysis. Findings indicated that SACCO performance and client focus strategy notably and positively connected. However, SACCOs were focused on.

# 2.2.2 Process Management and Organizational Performance

Kohlbacher and Reijers (2013) study examined how process management affect company execution. Exploratory research technique was utilized. The empirical findings reported that organizational performance is positively and significantly connected with a culture matching the continuous process improvement techniques application, process approach, a process-oriented organizational structure and process performance measurement. However, exploratory research design was deployed thus presenting a methodological gap.

Using chosen automobile firms in Southeast of Nigeria, Lilian, Uzochukwu and Francisca (2015) examined how process management influenced organizational performance. 827 people were targeted and 112 participants constituted the sample size. The study results reported a positive connection between staff satisfaction and process redesign, organizational success is influenced by custom excise duties and that work process innovation influences staff retention. However, the study focused on selected automobile firms' performance in Southeast of Nigeria thus presenting a contextual gap.

Onjure, Wanyoike and Mungatu (2018) studied how process management influenced Kenyan commercial banks' performance. Descriptive survey technique was used. Support staff, clerical and secretariat, supervisors and management were selected randomly to form the sample and gave data through questionnaires. Process design significantly and positively connect with e-commerce

strategy by the banks. However, commercial banks were focused on thus presenting a contextual gap.

# 2.2.3 Top Management Commitment and Organizational Performance

Leyan (2018) study investigated how Kenya Ports Authority organizational performance and top management commitment were related. A descriptive study technique was deployed. KPA management staff working at diverse departments were retargeted. This study used primary data gotten using semi-structured questionnaire. Data evaluation was by linear regression. It was reported that KPA organizational performance was positively affected by top management commitment. However, the study focused on Kenya Ports of Authority thus presenting a contextual gap.

Wahome, Simiyu and Mwirigi (2017) assessed top management support practice's role on Kenyan Steel Manufacturing Companies' performancef. Questionnaires gathered quantitative and qualitative data through descriptive study design. 46 Listed steel manufacturing firms were targeted. The study concluded that Kenyan Steel Manufacturing Companies' performance was significantly contributed to by top management support practice. However, focus was on Kenyan steel manufacturing companies thus presenting a contextual gap. Kaaria, Kamaara, Nzulwa and Ombui (2018) study examined how top management commitment acted as a moderating effect on Kenyan Commercial State Corporations' organizational performance and human resource information system. Census approach was utilized and quantitative and qualitative data collection methods employed. 165 HR deputy directors, directors and chief executive officers of strategic and pure Kenyan commercial state corporations were targeted. 48 participants were interviewed and it was disclosed that top management had a moderating effect on organizational execution and HR information system. However, Commercial State Corporations in Kenya were focused on hence a contextual gap. There is also a methodological gap as the study undertook a census while this resesearch, stratified sampling was done.

# 2.2.4 Employee Training and Organizational Performance

Gitongu (2021) study investigated how employee training influenced organizational performance in Nakuru County Three-Star Rated Hotel. 5111 staff working in the county government formed the target group with 357 being selected as the sample size. A questionnaire obtained primary data and evaluated using inferential and descriptive statistics and findings displayed by tables. It was reported that organizational performance was positively and notably influenced by employee training. However, the study context was three-Star Rated Hotels in Nakuru County hence a contextual gap. Naqvi and Khan (2016) researched on influence of employees training on organizational performance. Microfinance bank sub-sector was considered and 3 banks chosen. 304 participants provided the required data using a questionnaire. The research demonstrated that productivity was significantly affected by ability, knowledge, skills gotten from training. However, the study focused on microfinance bank sub-sector thus presenting a contextual gap.

In Enugu state, Nigeria, Ndibe and Campus (2014) study assessed how soft drinks bottling companies' organizational performance was affected employee training. 694 employees from 7UP and Nigerian bottling companies were targeted. Secondary and primary data sources (annual reports and personnel records) were used. 254 employees took part in the data collection exercise. The study found that organizational performance and employee training perception positively and

strongly connected. However, the study focused on Nigerian soft drinks bottling companies thus presenting a contextual gap. In addition to primary data, secondary data was utilized too.

# 2.3 Conceptual Framework

This is as a visual or written display of an expected association between variables (Mugenda and Mugenda, 2003). It demonstrates what the scholar is expecting to get in the study and gives a definition of the relevant study variables and helps in mapping out their association. Figure 2.1 shows the conceptual framework.

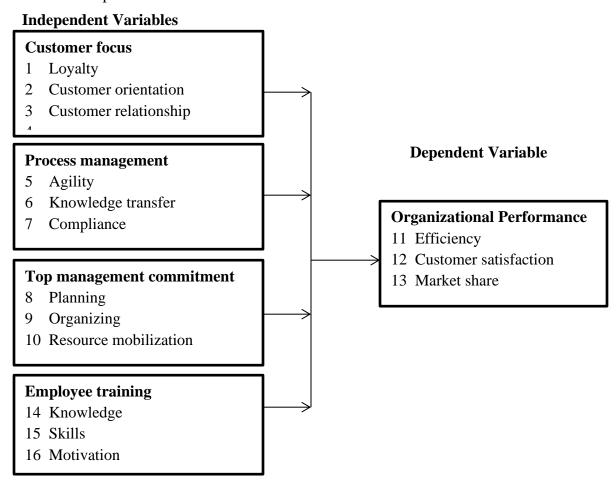


Figure 1: Conceptual Framework

#### Source: Researcher (2022)

Figure 1 describes how the variables relate to each other. Organizational performance - dependent variable. Customer focus, process management, top management support and employee training - independent variables.

## 3.0 Research Methodology

The study used descriptive study technique. The design helps the scholar in investigating and describing the present phenomena being focused (Mugenda & Mugenda, 2003). Therefore, it will be used to attain an in-depth data collection and evaluation. The design was also be suitable since it enables the investigator in describing demographic data, attitude, opinions, perceptions and

situations on quality management practices' influence on organizational performance. This research's targeted population was 10 logistics companies in Mombasa County, Kenya. The respondents were 475 employees working with these companies. 217 respondents formed the sample size. Questionnaires collected primary data. The questionnaire had closed and open-ended questions. Open ended questions permit participants to give their opinion concerning the study variables to strength the findings obtained from the closed ended questions.

SPSS helped in analyzing quantitative data and displayed using frequencies, standard deviation, means and percentages in graphs, pie charts and bar charts. The responses will be tallied, response variation percentages computed and data description and interpretation based on the study assumptions and objectives using SPSS to relay the study results. Information from the open-ended questions will be thematically analyzed. Additionally, multiple regression analysis was conducted and the equation is;  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$ : Whereby Y = Performance of Logistics firms in Kenya,  $X_1 = \text{Customer focus}$ ,  $X_2 = \text{Process management}$ ,  $X_3 = \text{Top management support}$ ,  $X_4 = \text{Employee training}$ ,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ,  $\beta_4 = \text{Regression Coefficients}$ ,  $\epsilon = \text{Error term}$ 

# 4.0 Data Analysis Results

Regression analysis was done to demonstrate how dependent and independent variables were connected. The findings are tabulated below:

**Table 1: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.709 <sup>a</sup>	.824	.816	0.918	

Source: Survey Data (2022)

The results indicate that the adjusted R square value was 0.816 or 81.6% which represents the value in which the independent variables studied explain the Kenyan logistics firms' performance. Hence, other factors not investigated contributed to a factor of 0.184 or 18.4% of the performance of logistics firms in Kenya.

**Table 2: Analysis of Variance** 

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	109.284	4	27.321	493.114	.001
	Residual	11.081	200	.0554		
	Total	110.365	204			

Source: Survey Data (2022)

From the results, the significance value of 0.001 demonstrate that the regression model was notable in predicting how customer focus, process management, top management commitment and employee training had influence on the Mombasa County logistics companies' performance. The statistical value of F at 5% level of significance was at 493.114 which is greater than the statistical mean square value of 27.321. Therefore, it was concluded that F critical (value = 0.566), indicating significance of the overall model.

**Table 3: Coefficients** 

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	.539	.118		4.568	.001
	Customer focus	.704	.209	3.087	3.368	.000
	Process management	.834	.312	1.364	2.673	.001
	Top management commitment	.771	.133	1.751	5.797	.000
	Employee training	.696	.128	2.648	5.438	.000

Source: Survey Data (2022)

From the regression model, holding customer focus, process management, top management commitment and employee training to a constant, the logistics companies' performance in Mombasa County, Kenya would be 0.539. In addition, a unit rise in customer focus leads to a rise in logistics companies' performance at a 0.704 factor, a unit rise in process management results to an increase in performance at a factor of 0.834, a unit rise in top management commitment leads to a rise in performance at a 0.771 factor and a unit rise in employee training leads to an increase in performance at a factor of 0.696. Therefore, the resulting regression equation was: Organizational performance = 0.539 + 0.704 (customer focus) + 0.834 (process management) + 0.771 (top management commitment) + 0.696 (employee training). Where Y = Organizational performance,  $X_1$ = Customer focus,  $X_2$ = Process management,  $X_3$ = Top management commitment,  $X_4$ = Employee training

The research examined that customer focus positively and significantly influence on Mombasa County logistics companies' performance (t=3.368; P<0.05). This agrees with Kavulya, Muturi, Rotich and Ogollah (2018) who studied how Kenyan SACCOs performance is affected by client focus. Findings indicated that SACCO performance and client focus strategy notably and positively connected. The research disclosed that process management notably and significantly influenced Mombasa County logistics companies' performance (t=2.673; P<0.05). The results agree with Onjure, Wanyoike and Mungatu (2018) who studied how process management influenced Kenyan commercial banks' performance. The study found that process design significantly and positively connects with e-commerce strategy by the bank.

Further, top management commitment positively and notably affects Mombasa County logistics companies' performance (t=5.797; P<0.05). The results concur with Kaaria, Kamaara, Nzulwa and Ombui (2018) study which examined how top management commitment acted as a moderating effect on Kenyan Commercial State Corporations' organizational performance and human resource information system. Top management had a moderating effect on organizational execution and HR information system. The study identified that employee training significantly and positively affected Mombasa County logistics companies' performance (t=5.438; P<0.05). The findings concur with Ndibe and Campus (2014) study which assessed how soft drinks bottling companies' organizational performance was affected employee training. The study found that organizational performance and employee training perception positively and strongly connected.

## **5.0 Conclusions and Recommendations**

#### 5.1 Conclusions

The study concluded that a client-centric method offers values for clients through giving response to their needs and wants using tailor-made products and experiences. The technique gives value for firms using value propositions based on customer lifetime value, cost to serve, and customer needs. Client-focused firms get competitive advantage for long by still being agile and providing the clients with their needs. Consequently, clients provide referrals, use services and products actively and remain loyal. The study concluded that through process management the companies standardize processes hence staff do their duties efficiently within the framework that is set and decision-making is sped and human error is reduced. The process management strategy uses a more systematic approach to understand every process' origin and the way it streamlined in supporting similar needs but using lesser steps, less manual effort and data. The process management strategy also helps the companies to evaluate the current processes in identifying parts with clients wasting time to submit redundant data in a system and in discovering best techniques in helping clients see the far they are in a complex process and the more steps needed.

The study concluded that the employee's empowerment is facilitated top management commitment of logistics companies and job satisfaction levels are improved using commitment and leadership to TQM of client satisfaction through the creation of firm climate emphasizing client satisfaction and total quality. The commitment forms the top management of the logistics companies helps in establishing expectations and procedures using the policies set. A corporate culture is established through how a company is run daily and as per the policies. The study concluded that training of employees in the organization boosts their performance and motivation rate. Employee hard skills are sharpened through training hence improving their job satisfaction and morale. Employee training helps them and the company ascertains their weakness and find out ways of fixing them. Training of employees improves how they adhere to the quality standards of the company and similarly strengthen the capabilities and functioning of new hires and old workforce.

## References

- Abusa, F., & Gibson, P. (2015). Experiences of TQM elements on organizational performance and future opportunities for a developing country. *International Journal of Quality & Reliability Management*, 30(9), 920 941.
- Akinyele, S. T., & Fasogbon, O. I. (2017). Impact of strategic planning on organizational performance and survival. *Research Journal of Business Management*, 4(1), 73 82.
- Al-Damen, R. A. (2017). The impact of total quality management on organizational performance case of Jordan oil Petroleum Company. *International Journal of Business and Social Science*, 8(1), 192 202.
- Aubry, M., & Hobbs, B. (2019). A fresh look at the contribution of project management to organizational performance. *Project Management Journal*, 42(1), 3-16.

- International Journal of Business Management, Entrepreneurship and Innovation, Volume 5, Issue 1, 2023, PP 123-141, ISSN 2707-8027
- Becker, G. S. (2009). *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education* (3<sup>rd</sup>ed). Chicago: University of Chicago Press
- Brah, S., A., Wong, J., .L., & Rao, B. M. (2018). TQM and business performance in the service sector: a Singapore study. *International Journal of Operations & Production Management*, 20(11), 1293 1312
- Conner, K. (2019). Historical comparison of resource-based theory and five schools ofthought within industrial organization economics: Do we have a new theory of the firm? *Journal of Management*, 17(1), 121 154
- Cook, S. (2018). Customer care excellence: How to create an effective customer focus. Kogan page publishers.
- Daniels, S. (2015). Employee training: a strategic approach to better return on investment. *Journal of business strategy*, 4(1), 56 69
- Davis, P. S., & Pett, T. L. (2015). Measuring organizational efficiency and effectiveness. *Journal of management research*, 2(2), 87 92
- Demirbag, M., Tatoglu, E., Tekinkus, M., & Zaim, S. (2016). An analysis of the relationship between TQM implementation and organizational performance: evidence from Turkish SMEs. *Journal of manufacturing technology management*, 17(6), 829-847
- Dess, G. G., & Robinson, R. B. (2015). Measuring organizational performance in the absence of objective measures: the case of the privately-held firm and conglomerate business unit. *Strategic management journal*, 5(3), 265-273
- Epstein, M. J., & Wisner, P. S. (2018). Using a balanced scorecard to implement sustainability. *Environmental quality management*, 11(2), 1-10
- Evans, J. R. & Lindsay, W. M. (2018). *Managing for quality and performance excellence*. Seventh ed. Canada: Thomson.
- Ezenyilimba, E. P., Ezejiofor, R. A., & Afodigbueokwu, H. E. (2019). Effect of total quality management on organizational performance of deposit money banks in Nigeria. *International Journal of Business and Law Research*, 7(3), 15-28.
- Farooqui, R. U., Masood, J., & Aziz, R. (2017) Assessing the Viability of Total Quality Management Implementation in Contracting firms of Pakistani Construction industry. *Construction in Developing Countries*, 2(3), 482 499
- Farris, P., Olver, J., & DeKluyver, C. (2019). The relationship between distribution and market share. *Marketing Science*, 8(2), 107-128

- International Journal of Business Management, Entrepreneurship and Innovation, Volume 5, Issue 1, 2023, PP 123-141, ISSN 2707-8027
- Gitongu, M. N. (2021). Influence of employee training on organizational performance in Three-Star Rated Hotels in Nakuru County, Kenya. *Journal of Hospitality and Tourism Management*, 4(1), 40-51.
- Gwaro, T. M. (2019). Logistics innovations in the road transport sector in Kenya (Doctoral dissertation).
- Hang, S. (2013). Total quality management influence the logistics performance of pharmaceutical industry in China (Doctoral dissertation, Universiti Utara Malaysia).
- Hsu, C., Marsh, R. M., & Mannari, H. (2019). An Examination of the Determinants of Organizational Structure. *The American Journal of Sociology*, 88(5), 975 996
- Ibrahim, O. (2018). Total Quality management (TQM) and Continuous Improvement as Addressed by Researchers. *International Journal of Scientific and Research Publications*, 3(10), 1-4
- Jermsittiparsert, K., Namdej, P., & Sriyakul, T. (2019). Impact of quality management techniques and system effectiveness on the green supply chain management practices. *International Journal of Supply Chain Management*, 8(3), 120-130.
- Kaaria, A. G., Kamaara, M., Nzulwa, J., & Ombui, K. (2018). Moderating Effect of Top Management Commitment on Human Resource Information System and Organizational Performance in Commercial State Corporations in Kenya. *Journal of Human Resource and Leadership*, *3*(3), 42 55.
- Kagumba, A. M. & Gongera E. G. (2018). Quality Assurance Strategy on Organizational Performance: Case of Kenyatta University. *European Journal of Business and Management*, 5(2), 265 270
- Kaplan, R. S., & Norton, D. P. (1996). Linking the balanced scorecard to strategy. *California management review*, 39(1), 53-79
- Kariuki, P. W. (2018). Factors affecting adoption of reverse logistics in the Kenya manufacturing sector: A case study of coastal bottlers company. *International Journal of Academic Research in Business and Social Sciences*, 4(9), 84 93
- Kaynak, H. (2018). The relationship between total quality management practices and their effects on firm performance. *Journal of operations management*, 21(4), 405-435
- Kerr, S., Schriesheim, C. A., Murphy, C. J., & Stogdill, R. M. (2017). Toward a contingency theory of leadership based upon the consideration and initiating structure literature. *Organizational behavior and human performance*, *12*(1), 62 82
- Kohlbacher, M., & Reijers, H. A. (2013). The effects of process-oriented organizational design on firm performance. *Business Process Management Journal*, 19(2), 245-262

- International Journal of Business Management, Entrepreneurship and Innovation, Volume 5, Issue 1, 2023, PP 123-141, ISSN 2707-8027
- Kothari, C. R. (2004). *Research Methodology: Methods and Techniques* (2<sup>nd</sup> ed.). New Delhi: New Age International
- Kushner, R. J., & Poole, P. P. (2016). Exploring Structure-Effectiveness Relationships in Nonprofit Arts Organizations. *Nonprofit Management and Leadership*, 7(2), 119-136
- Leyan, D. S. (2018). Top management commitment and organizational performance of Kenya Ports Authority, (Master's Project, Kenyatta University)
- Lilian, O. O., Uzochukwu, O. C., & Francisca, O. N. (2015). Business process design and organizational performance of selected automobile firms in Southeast of Nigeria. *European Journal of Business, Economics and Accountancy*, 3(3), 12 43
- Maina, P. N. (2018). A Survey of the Implementation of Total Quality Management Practices in ISO 9001 Certified Service Organizations in Kenya: A Survey of ISO 9001 Certified Service Organizations in Kenya (Doctoral dissertation, Kenyatta University).
- McCracken, M. J., McIlwain, T. F., & Fottler, M. D. (2016). Measuring organizational performance in the hospital industry: an exploratory comparison of objective and subjective methods. *Health services management research*, 14(4), 211-219.
- Mehra, K., & Dhawan, S. K. (2020). Study of the process of organizational learning in software firms in India. *Technovation*, 23(2), 121-129.
- Monirei, E. M. (2016). *Quality management and organizational performance of manufacturing firms in Nairobi County* (Doctoral dissertation, University of Nairobi).
- Mugenda, O. M. & Mugenda, A. G. (2003). Research Methods: Quantitative and Qualitative approach, Nairobi: Act press
- Munizu, M. (2015). The Impact of total quality management practices towards competitive advantage and organizational performance: Case of fishery industry in South Sulawesi Province of Indonesia. *Pakistan Journal of Commerce and Social Sciences (PJCSS)*, 7(1), 184-197.
- Mwangangi, P. W. (2020). *Influence of logistics management on performance of manufacturing firms in Kenya* (Doctoral dissertation, COHred, supply chain managent, JKuat).
- Naqvi, S. M. H., & Khan, M. A. (2016). Employees training and organizational performance: Mediation by employees' performance. *Institute of Interdisciplinary Business Research*, 5(4), 490 503.
- Ndibe, B. C., & Campus, E. (2014). Effect of employees training on organizational performance in soft drinks bottling companies in Enugu state, Nigeria (Faculty of Business Administration, University of Nigeria Enugu Campus).

- International Journal of Business Management, Entrepreneurship and Innovation, Volume 5, Issue 1, 2023, PP 123-141, ISSN 2707-8027
- Njoroge, E. (2018). Effects of strategic planning on organizational performance: A case of event planning firms in Nairobi CBD (Doctoral dissertation, United States International University-Africa).
- Okeoma, V. C. (2019). Total Quality Management and Organizational Effectiveness in Selected Breweries in South East Nigeria. *International Journal of Business & Law Research*, 7(4), 59 67
- Onjure, C. O. Wanyoike, D. M., & Mungatu, J. (2018). Influence of product process on Electronic Commerce Strategy as Adopted by Commercial Banks in Kenya. *International Journal of Innovative Research & Development*, 7(1), 180 198
- Orodho, A. J. (2005). Essentials of Educational and Social Science Research methods: Qualitative and Quantitative Approaches. Nairobi: Acts Press
- Peters, L. H., Hartke, D. D., & Pohlmann, J. T. (2015). Fiedler's Contingency Theory of Leadership: An application of the meta-analysis procedures of Schmidt and Hunter. *Psychological bulletin*, 97(2), 274 287
- Punniyamoorthy, M., & Murali, R. (2018). Balanced score for the balanced scorecard: a benchmarking tool. *Benchmarking: An International Journal*, 5(1), 6 15
- Rintari, H., & Moronge, M. (2018). Role of strategic planning practices on the performance of public institutions in Kenya. *International Journal of Science and Research (IJSR)*, 3(7), 56–67
- Rula, A. A. (2019). The impact of total quality management on organizational performance Case of Jordan Oil Petroleum Company. *International Journal of Business and Social Science*, 8(1), 192 202
- Schultz, T. W. (1993). The economic importance of human capital in modernization. *Education economics*, 1(1), 13 19.
- Seashore, S. E., & Yuchtman, E. (2017). Factorial analysis of organizational performance. *Administrative science quarterly*, 2(1), 377-395
- Sharp, B. (2019). Marketing orientation: more than just customer focus. *International Marketing Review*, 1(2), 6-15
- Singh, V., Terjesen, S., & Vinnicombe, S. (2008). Newly appointed directors in the boardroom:: How do women and men differ?. *European management journal*, 26(1), 48-58
- Szymanski, D. M., Bharadwaj, S. G., & Varadarajan, P. R. (2017). An analysis of the market share-profitability relationship. *Journal of marketing*, *57*(3), 1-18.

- Terrain, M. (2015). Comparing Three Signals of Service Quality. *Journal of Services Marketing*, 2(3), 23-34
- Thong, J. Y., Yap, C. S., & Raman, K. S. (2016). Top management support, external expertise and information systems implementation in small businesses. *Information systems research*, 7(2), 248-267.
- Wahome, R., Simiyu, G. N., & Mwirigi, F. M. (2017). An Assessment on the role of top management support practice on performance of Steel Manufacturing Companies in Kenya. *The Strategic Journal of Business & Change Management*, 4(2), 62 75

This is an open-access article published and distributed under the terms and conditions of the Creative Commons Attribution 4.0 International License of United States unless otherwise stated. Access, citation and distribution of this article is allowed with full recognition of the authors and the source. Copyright, content ownership and liability for content herein remain with the authors.