

**EFFECTS OF INTERNATIONAL ORGANIZATIONS FOR  
STANDARDIZATION 9001: 2000 ON SERVICE DELIVERY IN  
PUBLIC SECTORS – A CASE STUDY OF KENYA REVENUE  
AUTHORITY**

**BY**

**EILEEN IMMACULATE KWEDHO**

**SHRD/PGH/82/08**

**A THESIS SUBMITTED TO THE SCHOOL OF HUMAN RESOURCE  
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**MOI UNIVERSITY**

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## DECLARATION

### Declaration by the Candidate

This thesis is my original work and has not been presented for a degree in any other university. No part of this work may be reproduced without prior permission from the author and/or Moi University.

.....

Eileen Immaculate Kwedho Date

SHRD/PGH/82/08

### Declaration by Supervisors

This thesis has been submitted for examination with our approval as the University supervisors.

.....

Prof. L.S. Mulongo Date

Department of Development Studies

School of Human Resource Development

.....

Mr. Dedan Ongaya Date

Department of Development Studies

School of Human Resource Development

## **DEDICATION**

This work is dedicated to all those who have supported me and whose encouragement has been my source of determination, hope and inspiration.

## **ACKNOWLEDGEMENT**

I thank the Almighty God for giving me peace of mind and sense of direction. I also thank all those who prayed for me. Indeed their prayers were answered.

I am grateful to Moi University for granting me the opportunity for this study. I owe my gratitude to my supervisors; Prof. L. S. Mulongo and D. Onganya who provided the much needed guidance and support as I struggled to complete this project. I wish to recognize my initial supervisor the Late J.M. Makokha for the guide in proposal writing. May his soul Rest in Peace. Not to be forgotten is Mr. L.M. Kinoti of K.R.A. who assisted in distributing the questionnaires. This study could not have been conducted without the cooperation of the Kenya Revenue Authority workers, Heads of departments of the branches which participated in the study. Thank you very much for your commitment to this thesis. Finally, I am deeply indebted to my loved one, Dr. Kwesi O. A. brothers and sisters especially for their support and encouragement that has enabled me reach this far.

## ABSTRACT

Service delivery in any given organization is dependent on various factors that could include managerial and professional skills, policies, commitment, vision, and mission although depending on the nature of the function being undertaken. Today however, most organizations are embracing the use of quality management systems as part of uniform service delivery. Although this has worked effectively in the Private Sectors little information exists on the actual effect in the Public sector, for instance the effect of ISO. This study sought to examine the effect of implementing ISO 9001:2000 on service delivery in public sector with reference to the Kenya Revenue Authority. The study addressed the following objectives: to examine the effects of ISO 9001:2000 implementation on the work system of KRA, evaluate the effects of ISO 9001:2000 on service delivery in KRA to assess the challenges experienced in the implementation of ISO 9001:2000 and suggest appropriate ways of enhancing effective service delivery in K.R.A. This study was based on E. Deming's theory on Quest for quality which is "*Quality is every one's response*". A descriptive survey design was used in the study which involved the target population of all the employees of the company from which a sample of 220 respondents were selected. Simple and stratified random sampling techniques were used to select respondents from the four company departments that participated in the study. Data was collected using questionnaires and interview schedules which were validated using expert's help from supervisors and reliability determined using the test re-test method. The questionnaire yielded reliability coefficient of 0.75 which was considered reasonable enough. The data collected was analyzed using descriptive and inferential statistics. The descriptive statistics used included frequencies and percentages while the Chi-Square statistic was used to determine the relationship between the variables of the study. The findings indicated that the implementation of ISO 9001:2000 had a significant impact on the work systems and service delivery at the KRA despite the existence of challenges ranging from limited opportunities for training, inadequate materials and financial resources, poor remuneration for workers, to the integration of ISO 9001:2000 requirements including advertisements, documenting procedures and setting of quality management teams. These findings provide baseline evidence to monitor circumstances surrounding the implementation of ISO 9001:2000 in institutions like the KRA and other relevant organizations for better work and quality service provision.

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## LIST OF ABBREVIATIONS

ACB	Accredited Certification Bodies
CEO	Chief Executive Officer
HACCP	Hazard Analysis and Critical Control Points
IEC	International Electro technical Commission
ISO	International Organization for Standardization
KRA	Kenya Revenue Authority
MTRH	Moi Teaching and Referral hospital
QMS	Quality Management Systems
SMEs:	Small Microfinance Enterprise
TQM	Total Quality Management

## OPERATIONAL DEFINITION OF TERMS

- Certification** This is where 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> parties evaluate a company's quality against some specified or stated or manual.
- Continuous improvement:** State of positive direction taken by applying incremental steps to streams of adoptive decisions, over a period of time.
- Customer:** Is the final consumer or recipient of the result of the operation of a production process.
- ISO 9001:** Refers to the model for quality assurance in design or development production, installation and servicing. This standard is for demonstrating to customers the derived quality of the quality management systems.
- ISO:** International Organization for Standardization is a world wide federation of national standards bodies.
- Quality System:** It is the organization, structure, responsibilities, procedures and resources for implementing quality management. It is designed to provide both the support and mechanism for the effective conduct of quality-related activities in the organization.
- Service Quality:** Indicates the degree to which the service conforms to express or implied customer requirements.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Overview**

This chapter focused on the background of the study, statement of the problem, objectives, research questions, and assumptions of the study, significance of the study, scope, limitations, and theoretical framework key aspects that formed the basis for the study.

#### **1.2 Background of Study**

The ISO 9000:2000 series of standards have become the most widely recognized and accepted quality standards in the world. In 1993 it became mandatory in some industries to possess certification to the ISO 9000 series, in order to participate in the European Union (EU). Recently, ISO series has been upgraded to ISO 9000:2000 standard series.

The ISO 9000:2000 series is a four-part standard run by the International Organization for Standardization (ISO). Many countries have adopted this standard that was written to address the areas that are considered good business practices for every part of a company, the standard, however, is not industry specific it is a general guideline for good and efficient business operation.

The applicable standard(s) from the ISO 9000:2000 standard series is selected by the company and an application for approval from the National Standard Organization on behalf of ISO is required. For example the Saudi Arabian Standard Organization (SASO) is responsible for monitoring and accreditation of the ISO standards in Saudi Arabia.

The standard is a guide to world-class business practices. The manner in which the elements are addressed is decided on by the individual company. Use of the ISO 9000:2000 standard series standard can also provide companies some assurance that a certified supplier follows sound business practices and has a system in place that will provide consistent quality of goods or services. Companies gaining certification are awarded a certificate attesting to their conformance to the requirements of the standard.

Kenya Revenue Authority (KRA) is one of the public institutions which was established by an Act of Parliament, Chapter 4 of Laws of Kenya, which became effective on 1<sup>st</sup> July, 1995. The Authority is charged with the responsibility of collecting revenue on behalf of the Government of Kenya. It is the tax collection agency of Kenya. KRA has its offices spread all over the country to be found in towns like Eldoret, Kisumu, Busia, Malaba, Naivaisha, Kitale among others, and Nairobi being the head office. KRA's mission, at the centre stage, is to ensure that it offers quality services and timely services to its clients and stakeholders. One of its major roles is to assess, collect, administer and enforce laws relating to revenue in the country.

The organization is one of the Government agencies that run its operations in the same way as a private enterprise. As regards revenue collection and other support functions, the authority is divided into several departments concerned with its clear defined roles headed by a Commissioner which include Customs Services Department, Domestic Taxes Department, Domestic Revenue and Large Taxpayers Office. Other departments consist of Road Transport Department, Support Services Department, and Investigations & Enforcement Department.

KRA, in order to fulfill its primary mission or objective, has embarked on the implementation and the use of ISO 9001:2000 to improve quality standards to satisfy its customers.

ISO 9001:2000 is a worldwide federation of national standard bodies. The work of preparing international standards is normally carried out through ISO 9001:2000 technical committees where each member body interested in a subject for whom a technical committee has been established has the right to be represented on that committee. ISO 9001:2000 collaborates closely with the International Electro technical Commission (IEC) on all matters of electro technical standardization (KEBS, 2000).

ISO provides a reference framework, or a common technological language, between an organization, its suppliers and the customers. ISO 9001:2000 is an internationally recognized standard for an organization's internal Quality Management. ISO 9001:2000 promotes the adoption of a process approach when developing, implementing and improving the effectiveness of a quality management system, to enhance customer satisfaction by meeting the customer requirements. The introduction and implementation of a new quality system brings about profound changes in companies (Carlsson, 1996). KRA like many other organizations worldwide is striving to ensure that they get ISO certified to ensure that it provides quality services as well as having an opportunity to compete with other organizations in the world. It is against this background that this study sought to establish the effects of implementation of ISO 9001:2000 in public institutions/organizations in Kenya.



### **1.3 Statement of the Problem**

In today's business environment, it is essential for a business organization to offer service delivery with customer satisfaction motive. Organizations today must strive to be competitive than ever before due to increasing advancement in technology and globalization. ISO 9001:2000 is considered as one of the best modes that most organizations today have adopted. The recent economic downturn has led to many citizens looking to their local and national authorities for support. Whilst the authorities are facing heightened financial scrutiny, transformation is top of the agenda. Many institutions that have tried implementing ISO 9001:2000 usually shift their focus from delivery of services as an obligation to delivery of quality services with sustained profits in mind. These require that certain set standards must be achieved at specific times.

Many a times, the overriding factor in such institutions is just service delivery with little or no customer satisfaction motive. In fact KRA is more often than not viewed by the populace as an institution which is just bent on making the most of the citizens hard won resources and always do achieve their motive. This study sought to find out why the objectives of ISO 9001:2000 have not been achieved 100% and this is evidenced by the long queues experienced in KRA offices all over the country and also evasion of tax by both ordinary payers and businessmen. Although the concept is recent, there isn't any documentary evidence and follow-ups to show that ISO 9001:2000 implementation mechanism and how it is supposed to facilitate achievement of its goals has entirely been a success story in Kenya. The study also sought to verify to what extent and how ISO 9001:2000 has been implemented with a view to ascertain why the objectives are not realized in majority of institutions/organizations in Kenya.

## **1.4 Objectives**

The purpose of the study was to establish the effects of implementation of ISO 9001:2000 on service delivery in public sectors a case study of KRA. The specific objectives were:

- i. To examine the effects of ISO 9001:2000 implementation on the work system of K.R.A.
- ii. To evaluate the effects of ISO 9001:2000 on service delivery in K.R.A.
- iii. To assess the challenges K.R.A. faces in implementing ISO 9001:2000.
- iv. To suggest appropriate ways of enhancing quality management systems in K.R.A.

## **1.5 Research Hypothesis**

The following two null hypotheses were posited for testing at an alpha level of 0.05.

- i. There is no significant relationship between ISO 9001:2000 Certification and work system of Kenya Revenue Authority.
- ii. There is no significant relationship between ISO 9001:2000 Certification and service delivery to clients at the Kenya Revenue Authority.

## **1.6 Justification of the Study**

ISO 9001:2000 is one of the key factors that enable an organization to execute its activities efficiently and effectively. Its implementation in public institutions enhances the attainment of its objectives. To do so, it needs to ensure that there is effective implementation of ISO 9001:2000 through effective actions plans in all its departments. The study highlighted the effects of implementing ISO 9001:2000 on service delivery in public institutions.

### **1.7 Significance of the Study**

The study will be beneficial to the state corporations who are still pursuing certification as it will enlighten them on the relevance of ISO 9001 certification and its impact on the service delivery. The organization will review the need for certification on the basis of the results of this study. By establishing the effects of implementing ISO 9001 -2001 on service deliver in public sectors, Kenya Revenue Authority may employ this information towards improving the service delivery while the public institutions may discover appropriate ways towards improving service and then adopt in the organization. The results of the study will also be useful to all stakeholders who will use the findings that will contribute to the professional bank of knowledge on implementation of ISO 9001:2000 as one of the strategies in organizational route to productivity.

The results of the study may also be beneficial to organizations as they work towards earning a competitive edge in the market (or stay a float in the market) as one of the best service delivery organizations. The study is envisaged to provide an informative basis upon which the company and wider public will realize the need to appreciate the implementation process of ISO 9001:2000 certification. Recommendations from the study will facilitate KRA and other public institutions in proper management.

The study will also go a long way in assisting the regulation and policy makers of public institutions. Based on the results of the study, they would decide to make it a policy for all the public institutions to adopt ISO 9000:2001 as a tool for improving service delivery or not. This could also be extended to other organizations in the private sector who would wish to do business with the public sector.

## **1.8 Assumptions of the Study**

The study was based on the following assumptions:

- i. That the variables of the study will not change in the course of the study.
- ii. The respondents are not biased and are fair, consistent and accurate.
- iii. An assumption of this study was based on the willingness of respondents to give the required information and provide honest views on the issues raised in the research instruments.
- iv. The researcher understands each of the elements on the data collection Instruments.
- v. The tests that were administered to the respondents are valid measures of objectives of the study.

## **1.9 Scope of the Study**

The study was conducted in the Kenya Revenue Authority, Nairobi office. Given that ISO 9001:2001 certification is a broad process for the whole organization the study focused on all the permanent employees and clients of the company. The organization was selected being one of its own kind that collects tax in the country and the fact that it was certified. The research focused on the processes the organization went through to improve service delivery and achieve ISO 9001: 2001 certification and the challenges it faced. This study focused on the effects of implementation of ISO 9001: 2000 with reference to the effect on the work system, improved service at KRA and the challenges experienced in the implementation of ISO 9001:2000. The study was conducted in 2014.

### **1.10 Limitations of the Study**

The limitations to this study are derived from the study area and the study population. Limitations are aspects of the study that may affect the results negatively (Mugenda and Mugenda, 2003). This study encountered the following challenges and among them was: Financial limitations whereby the study required a lot of money for stationery, piloting and travel plus accommodation expenses. This limitation was overcome by budgeting and saving in advance. Bureaucracy was another factor whereby this study required following of certain procedures before permission for data collection. This was handled by seeking permission before hand. There are limited materials on ISO 9001: 2000 as it is relatively a new area with limited research.

This was overcome by consulting the quality experts for provision of ISO 9001:2000 materials. Time was yet another issue because the study required enough time so as to collect comprehensive data required for the study and also the attitude of the respondents. There was need to book appointments with subjects with permission sought from relevant authorities prior to the time of actual data collection. The design technique and the sampling procedures adopted in the study enhanced accessibility to the required subjects who participated in the study. The use of questionnaire, as a method of data collection, faced problems because some respondents may not return them hence leading to low response rate. The researcher handled this problem by sensitizing the respondents on the significance of the study.

### **1.11 Theoretical Framework**

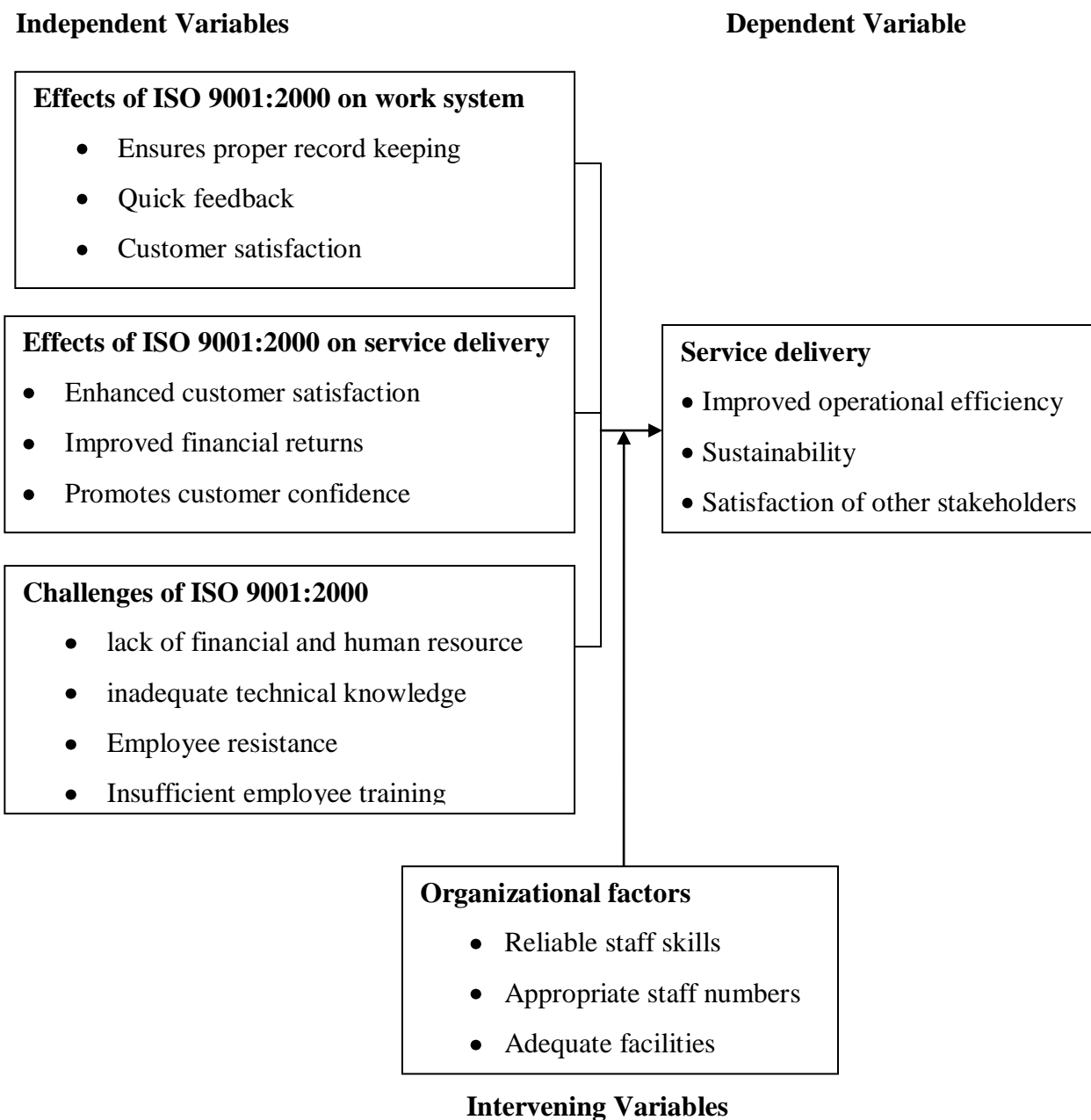
This study adopted Deming's theory of (2003) on quest for quality which states that; "*Quality is every ones response*". Deming (1990-1993) is considered to be the father

of Modern Quality. He preached that to achieve the highest level of performance requires more than a good philosophy-the organization must change its behaviour and adopt new ways of doing business. Deming's theory emphasizes on continuous improvement which is one of the principles of ISO 9001:2000. It helps organizations to remain competitive and improve the quality of products. Deming came up with 14 points and the 5<sup>th</sup> point is to improve constantly the system of production and service. Deming (1986) said, '*Quality must be built at the design stage.*' This theory is therefore relevant to the study since it emphasizes on the need for continuous improvement in order to produce quality goods and services.

Building on Total Quality Management (TQM) model as espoused by Deming, with a working model in place, a company should be able to support the structure with a series of drivers that translate the model into working vehicles. These drivers add guidance to the vehicles that carry the program into a series of actions creating the TQM climate focused on Customer Satisfaction and quality. The study utilized these theories to ascertain the effects of implementing ISO 9001 -2001 in public institutions at Kenya Revenue Authority.

## **1.12 Conceptual Framework**

The conceptual part of this study deals with defining the relationship between implementation of ISO 9001:2000 and the work system of KRA, improved service delivery to clients of KRA, challenges experienced in implementing of ISO 9001:2000 and the suggestions through which public organizations can adopt to improve the quality management systems. The conceptual framework of this study is represented in figure 1 below.



**Figure.1.1: Conceptual Framework-Self Source: Self Conceptualization**

This conceptual framework is an explanation of the relationships among several factors that have been identified as important to the problem and it contains a synthesis of the problem (Ngechu, 2001). The independent variable is implementation of ISO 9001:2000 through adherence to the principles, requirements and conformity to the elements ISO 9001:2000 in organizations. The work system and improved

service delivery arising implementation of ISO 9001:2000 at the KRA thus constitutes the dependent variables.

The anticipated outcome of implementation of ISO 9001:2000 requirements includes an improved work system in terms of proper record keeping, quick feedback and customer satisfaction. On the effects of ISO 9001:2000 on service delivery improvement such as enhanced customer satisfaction, improved financial returns and customer confidence were some of the service delivery that improved after implementation of 9001:2000. On challenges of ISO 9001:2000 lack of financial and human resource, inadequate technical knowledge, employee resistance and insufficient employee training were some of the challenges facing ISO 9001:2000 implementation.

These outcomes are prevailed upon by the moderating variables, which are: the availability of adequate KRA staff skills, staff numbers, sufficient facilities supply and adequate equipment and offices for work. These factors are expected to determine the level to which work system and service delivery can be improved in departments to ensure effective implementation of ISO 9001:2000 requirements at the KRA.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Overview**

This chapter comprises of literature related to the effects of ISO 9001:2000 implementation on the service delivery of an organization, what ISO entails, principles, benefits, steps needed for a successful implementation, pitfalls to an effective implementation. Some of the aspects focused or captured the trends and achievements of other public institutions globally, nationally and locally which have adopted the same strategy. The importance of ISO 9001:2000 implementation and challenges are outlined elsewhere in this chapter.

Customer satisfaction, profitability and market leadership are driven in large part by delivering quality products and services to customers. Today, more than ever, there is a worldwide trend towards increasingly stringent customer expectations regarding quality. Accompanying this trend has been a growing realization that continuous quality improvements are often necessary to achieving and sustaining excellent economic performance.

#### **2.2 Concept of ISO**

One roadblock to providing quality products and services was the definition of what ‘quality’ meant to different customers. Different countries, industries and government all had varying quality systems that suppliers had to adopt in order to deliver goods around the world. A single worldwide standard was needed to simplify international standards. The result was the inception of ISO 9001: 2000 series.

Management of quality is the organizational function responsible for defect prevention.

The purpose of quality management is to manufacture a product whose quality is designed, produced and maintain at the least possible cost, while still providing full customer satisfaction. The list of tasks to be performed by quality management force includes the following: (1).Participate in design reviews, reliability analyses, environmental testing and other defect-prevention tasks, (2). Help create an environment and culture of quality(3),Keep within the operating costs established by budgets and estimates,(4)Acquire adequate personnel, equipment, and facilities to perform professional quality control,(5)Establish accurate, adequate, and economical measuring techniques and obtain equipment for control of product quality,(6)Control the quality of purchased material as specified in documents and purchase orders,(7)Measure product quality through process evaluation, product inspection, packaging inspection, and audit,(8)Diagnose quality-inhibiting situations and conditions and identify the underlying causes,(9)Return quality information to organizational groups and vendors requiring this knowledge,(10)Initiate corrective action to eliminate poor design, material, processes, and worker skills,(11)Collect quality data to assist in analysis and prevention activity,(12) Respond promptly to customer complaints and questions.

Figure 2.1 summarizes the functions of a management in quality system. The plan section can be considered the origin. The arrows pointing clockwise signify the direction to the next proper course of action. Once the control section is reached, the cycle continues to the plan section. The inner circle represents the phases, the middle circle represents the actions, and the outer circle represents the functions. The entire process, therefore, denotes the never-ending cycle of the quality system.

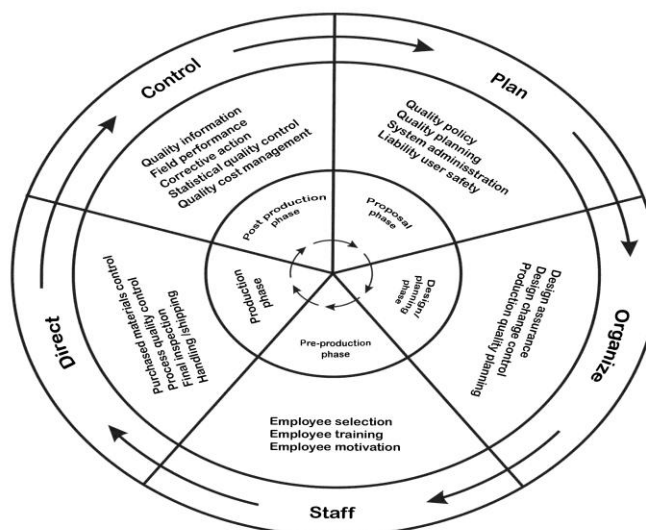


Figure 2.1. Functions of management in quality system

Source: KEBS- *Implementation of International Standardization for Organization 9001:2000*

### 2.3 History of ISO

The name ISO is derived from the Greek word 'isos' meaning 'equal'. Therefore the short form of the organization name is always ISO the organization for standardization (KEBS, 2008). The international organization for standardization was

founded in 1946 in Geneva Switzerland where it is still based (Dale 2003). Its mandate is to promote the development of international standards to facilitate the exchange of goods and services internationally; it is composed of over 158 member countries Kenya included.

The ISO technical committee developed a series of international standards for quality systems which were first published in 1987. The various ISO standards were intended to be advisory and were developed for use in two part contractual situations and internal auditing. Currently most countries have adopted the ISO 9000 as their national standards; likewise thousands of organizations through out the world have quality systems registered to the standard.

### **2.3.1 ISO 9000**

ISO 9000 is a family of standards for quality management systems. ISO 9000 is maintained by ISO, The International Organization for Standardization and is administered by accreditation and certification bodies. The ISO 9000 represents an international consensus on good management practices with the aim of ensuring that the organization can time and time again deliver of product or services that meet the client's quality requirements. These good practices have been refined into a set of standardized requirements for a quality management system, regardless of what your organization does, its size, or whether it's in the private, or public sector (Seddon, 2000).The ISO 9000:2000 series of standards have become the most widely recognized and accepted quality standards in the world. In 1993 it became mandatory in some industries to possess certification to the ISO 9000 series, in order to participate in the European Union (EU). Recently, ISO series has been upgraded to ISO 9000:2000 standard series.

The ISO 9000:2000 series is a four-part standard run by the International Organization for Standardization (ISO). Many countries have adopted this standard that was written to address the area that are considered good business practices for every part of a company, the standard however is not industry specific, it is a general guideline for good efficient business operation. The applicable standard(s) from the ISO 9000:2000 standard series is selected by the company and an application for approval from the National Standard Organization on behalf of ISO is required. The standard is a guide to world-class business practices. The manner in which the elements are addressed is decided on by the individual company.

Use of the ISO 9000:2000 standard series can also provide companies some assurance that a certified supplier follows sound business practices and has systems in place that will provide consistent quality of goods or services. Companies gaining certification are awarded a certificate attesting to their conformance to the requirements of the standard.

### **2.3.2 International Organization for Standardization 9001:2000 (ISO 9001:2000)**

It is a term for a set of international quality standards developed by the ISO located in Geneva Switzerland. ISO is the specialized international agency for standardization and the source of ISO 9000. Established in 1947, it comprised of the national standards bodies of 140 countries, working together to produce more than 13,000 International Standards for business, government and society (ANS/ISO/ASQ)

ISO 9001:2000 is the world largest standards developing organization. Between 1947 and the present day, ISO has published more than 17500 International Standards, ranging from standards for diversified activities such as agriculture and construction,

through mechanical engineering, to medical devices, to the newest information technology developments. "The essence of ISO's 9001:2000 history is made up of the visions, aspirations, doubts, successes and failures of the people who, over the past fifty years, have created this rather remarkable organization."

ISO 9001:2000 standards originated from quality standards of the United States of America department of Defence (MIL –Q 9852) in the late 1950's. These standards were adopted by the British Standards Institutions, and the scope was expanded to incorporate the entire business process and was named as the British Standards 5750 code in 1979. The International Organization for Standardization adapted the British 5750 code and issued the ISO 9000 Standard series in 1987. The first major revision to the standard was issued in 1990 and was renamed as ISO 9000-1-1994. Table 1 indicates some of the development to date. Although ISO 9000 evolved technically in Europe, the International Organization for Standardization consists of members from more than 100 countries. In the early 1990's an American from AT & T was chairing the group. This is a truly global standard and is not a European conspiracy to lock out foreign products.

ISO 9001:2000 describes fundamentals of quality management systems, which form the subject of the ISO 9001:2000 family, and defines related terms.-Chapter 4 of The ASQ ISO 9001-2000 (Cianfrani *et. al.*, 2001). The basic foundation of ISO 9000 is a foundation for running a business well. Just as different types of structures refused different foundations so do different institutions. Thus, the standards to which a company can be registered, ISO 9000 though ISO 9000 apply to enterprises accord of to the scope of their activities, ISO 9004 and the ISO 9000

– X family are documents that provide specific guidelines for specific industrial applications.

**Table 2.1 Quality Standards Development**

<b>Year</b>	<b>Quality Standards</b>	<b>Reason for development</b>	<b>Country for developing</b>
1963	MIL –Q-9858	Military	USA
1969	AQAP	Military	NATO
1970	10CFR50	Military	USA
1971	ANSI-N45-2	Nuclear federal	USA
1973	DEFSTAN 05	Generic quality enhancement	UK
1975	CSA Z299	Generic quality enhancement	Canada
1977	AS 1821/2/3	Generic quality enhancement	Australia
1979	BS 5950	Generic quality enhancement	UK
1987	ISO 9000	Generic quality enhancement	International
1994	ISO 9000-1-1994	Generic quality enhancement	International

*Source: P.T. J. James improved version 2009 Total Quality Management*

Of the three ISO 9000 standards ISO 9001 is the most comprehensive in scope confirming process conformance from the initial development of a product through production, test, and installation and servicing. ISO 9002 covers only the procurement product installation and servicing portion of the business. Both ISO 9001 and ISO 9002 standards require the same degree of conformance to their respective scope of activity. For example when comparing two suppliers of a commodity item such as A4 paper if one has ISO 9001 certification and the other has ISO 9002 certification does not mean the ISO 9001 operation has better process. However, if you refuse the producer to provide design work for you then the ISO 9001 certified supplier is the supplier of choice as ISO9002 does not provide for reviews of this area.

ISO 9003 unlike the previous two addresses only the final inspection and testify and has a significantly lower conformance requirement. This standard is some what

controversial and many industrialists feel that it generally undermines the entire standards especially when a company uses it solely to claim certification.

### **2.3.3 ISO 9000 Versions**

There are different versions of ISO 9000 up to date. These include ISO 9000:1987 which had the same structure as the UK Standard BS 5750, with the three models for quality management systems, i.e. ISO 9001:1987, ISO 9002:1987 and ISO 9003:1987. We then have the 1994 version where the ISO 9001:1994 emphasized quality assurance via preventive actions, instead of just checking final product. We then have the 2000 version that has ISO 9000: 2000 that combines the three standards 9001, 9002 and 9003 into one, called 9001. The 2000 sought to make a radical change in thinking by actually placing the concept of process management front and centre.

### **2.4 ISO 9001: 2000 Requirements**

ISO 9001:2000 specifies requirements for a quality management system where an organization needs to assess, demonstrate its ability to consistently provide product that meets customer and applicable regulatory requirements, with an aim of enhancing customer satisfaction, including processes for continual improvement and the assurance of conformity to requirements.(KEBS- Implementation of ISO 9000 Standards).

ISO 9001: 2000 reflects a well organized operation with trained and motivated people. It is about running a business guided by common-sense principles that have existed for most of this century. ISO 9001:2000 is a family of standards for quality management system maintained by 150 International Organization of Standards and administered by accreditation and certification bodies. Some of the requirement is



ISO 9001:2000 which is one of the standards in the ISO 9001:2000 family include (i) a set of procedures that covers all key process in the business, (ii) monitoring processes to ensure they are effective, (iii) keeping adequate records, (iv) checking output for defects (or non controlling) with appropriate and corrective action where necessary, (v) regularly reviewing individual processes and the quality system itself for effectiveness and (vi) facilitating continual improvement.

#### **2.4.1 The 20 Elements of ISO 9001: 2000 Standard**

The ISO 9001:2000 standard focuses on twenty (20) aspects of a finality program that are subjected to rigorous audits during the certification process. Each section relates to a specific aspect of satisfying customers. The following twenty (20) elements are contained in Section 4 of the ISO 9000 standard documents and their corresponding application.

**Table 2.2: 20 Elements of ISO 9001:2000 and their Corresponding Application**

No	Elements ISO 9001:2000
1.	Management responsibility
2.	Quality system
3.	Contract review
4.	Design control
5.	Document and data control
6.	Purchasing
7.	Control of customers-supplied product
8.	Product identification and traceability
9.	Process control
10.	Inspection and testing
11.	Control of inspection measuring and test equipment
12.	Inspection and test status
13.	Control of non conforming product
14.	Corrective and preventive action
15.	Handling, storage packaging, preservation and delivery
16.	Control of quality records
17.	Internal quality audits
18.	Training
19.	Servicing
20.	Statistical techniques

*Source: Buletin Tribulanan MAMPU NO. 1/96, November 1996: 5*

#### **2.4.2 Principles of ISO 9001:2000**

A quality management principle is a comprehensive and fundamental rule or belief for leading and operating an organization aimed at continually improving performance over the long term by focusing on customers (persons or organizations that receive a product and include purchasers, consumers, clients end-users, retailers and beneficiaries) while addressing the needs of all other interested parties e.g. owners, employees, suppliers, shareholders, other investors, unions, partners and society.

The principles enable an organization to determine the right things to do and understand why they are doing them. When undertaking any organization change,

these principles should be used to validate the change. The results should be capable of demonstrating where all of the principles have been satisfied. If this cannot be demonstrated, there is further room for improvement.

ISO 9001:2000 standards are based on eight quality management principles which include: (i) Focus on your customers, (ii) Provide leadership (iii) Involve your people (iv) Process approach (v) Systems approach to management (vi) Continual improvement (vii) Factual approach to decision making (viii) Mutually benefit supplier relationship.

#### **2.4.3 Importance of ISO 9001:2000**

Business organizations today focus on their customers and credible suppliers. They ensure that the customers get the right quality at the right time and at the right price. They also ensure that their suppliers are dealt with honestly so as to ensure long-term relationship and sustainability of the business (Boyer, 2003). ISO 9001:2000 is rapidly becoming the standard of choice for businesses throughout the world, and worldwide registration totals almost 100,000 companies. In the US, NASA and the Dept of Defense, as well as the three major automakers, have adopted it and in the UK, registration of companies using the standard has been quickly increasing. Meanwhile, US computer industry leaders are trying to implement a system of self-certification, arguing that many business benefits are to be obtained from so doing (Paton, 2003).

“The object of ISO 9001:2000 is to promote the development of standardization and related world activities with a view of facilitating exchange of goods and

services and to developing cooperation in the sphere of intellectual, scientific, technological and economic activity” (Rabbit & Bergh, 2007).

## **2.5 Effectiveness of ISO Implementation**

Obviously, one reason to implement and certify to ISO 9001-2001 is that customers may require it and recognize the value of ISO 9001:2000 certified suppliers. Additionally, some industries require companies to evaluate and audit their suppliers. The requirement to audit these suppliers is often waived for ISO certified suppliers, thus saving the company money. As the purpose of the standard implies, companies would want to implement the ISO 9001:2000 standard to improve their effectiveness and increase customer satisfaction. Improved system effectiveness and customer satisfaction typically result in greater profitability through gains in efficiency and increased sales from happy customers.

“Consistent policies and procedures are critical to the growth of an organization. According to Bizmanualz, process improvement, quality records, document control, quality procedures, quality manual, benchmarking, continuous improvement and auditor certification is enhanced through ISO (Bizmanualz ISO 9001:2008 Certification, 2009).

## **2.6 Certification and Its Results to ISO 9001**

It is an acknowledgement of the continuous effort and commitment that the staff or the company will invest in implementing quality management system. ISO does not itself certify organizations applying for ISO 9001 compliance certification. Although commonly referred to as ISO 9000:2000 certifications, the actual standard to which an organization’s quality management can be certified is ISO 9001: 2000. Both the

accreditation bodies and the certification bodies charge fees for their services. The various accreditation bodies have mutual agreements with each other to ensure that certificates issued by one of the Accredited Certification Bodies (ACB) are accepted worldwide.

Through ISO 9001:2000 there are well defined and documented procedures, quality is constantly measured, procedures ensure corrective action is taken whenever defects occur, defects rates decrease and are caught earlier and corrected at a lower cost, defining procedures identifies current practices that are obsolete or inefficient, documented procedures are easier for new employees to follow and organizations retain or increase market share, increasing sales or revenues.

## **2.7 The Public Service through ISO 9000**

The public sector is part of the state that deals with the delivery of goods and services by and for the government, whether national, regional or local/municipal. Examples of public sector activity range from delivering social security, administering urban planning and organizing national defenses. The public service is obligated to deliver the best service to its customers and stakeholders at whatever cost.

### **2.7.1 Principles of Public Service Delivery**

Democracy accountability requires that Consultation Users and consumers of public services should be consulted about the level and quality of the services they receive and wherever possible, to be given a choice about the services that are offered. Service standards users and consumers of public services should be told what level and quality of service they will receive so that they are aware of what to expect. Courtesy users and consumers of public services should expect full, accurate information about the services they are entitled to receive, openness and transparency.

The public should expect to be told how national departments and provincial, administrations are run, how much they cost, and who is in charge. Responsiveness Users and consumers of public services should expect that, when the promised standard of service is not delivered, they will be offered an apology, a full explanation and a speedy and effective remedy, and that any complaint will produce a sympathetic positive response.

### **2.7.2 ISO 9001:2000 Implementations in Service Delivery in Public Sector**

The global change has enhanced an environment that has provoked a demand for good governance. The voices for transparency, integrity and accountability have demanded of the public service not just improved service delivery, but also demonstrate the value –for-money in public expenditures, and the fight against corruption in service delivery (Kiragu, 2002).

### **2.8 Effects of ISO 9001:2000 in Organizations**

Lafuente, Bayo-Moriones and Garcia-Cestona (2009) carried out a study on the impact that ISO certification and ownership structure have on firm performance. They used a sample of 163 Spanish manufacturing firms for the period 1996–2000 and performed a rare events logit model and a regression analysis. Their findings showed that firms producing intermediate goods that had implemented just-in-time practices were more likely to adopt ISO certification. Furthermore, there was reported strong influence of the ownership structure upon ISO adoption policy, especially when a multinational firm is the largest shareholder. Empirical evidence supported that ISO certification and ownership structure positively impact firm performance. However, their results indicate that the positive impact of ISO certification on performance diminished in firms where ownership is highly concentrated.

Heras, Casadecus and Dick (2002) conducted a study on ISO 9001 certification and the bottom-line: a comparative study of profitability of Basque region companies. They used the Return on assets employed; the average profitability was calculated for 400 certified firms and 400 non certified firms for the years 1994 to 1998. They used secondary data from the country's database. They observed that average profitability of certified firms were superior to those of the non certified firms. They concluded that implementation of ISO 9001 tends to pay off in the long run rather than in the short run.

Martinez-Costa and Martinez-Lorente (2003) did a study on the effects of ISO 9001 certification on firm's performance: A vision from the markets. This paper documented the stock price performance of a sample of Spanish companies certified by AENOR. The methodology of Event studies was applied to investigate whether the market interprets the registration of a company as a signal of its better future performance. After applying parametric and non-parametric tests, they did not find clear evidence to affirm that the market values positively ISO 9001 registration.

Feng, Terziovski and Samson (2007) examined the relationship of ISO 9001:2000 Quality System certification with operational and business performance in Australian and New Zealand-based Manufacturing service companies found out that ISO 9001 certification has a positive and significant effect on operational performance, but a positive weak effect on business performance. They therefore concluded that ISO 9001 certification by itself does not lead to improvement in business performance.

Wayhan, Kirche and Khumawala (2002) conducted a study on financial performance implication of ISO 9001 certification. Survey results indicated that ISO 9001-certified companies expected to gain a competitive advantage over their non-certified rivals, as evidenced by superior financial performance. The study did establish a link between ISO 9001 certification and *ROA*, but they argued that the finding must be tempered by the fact that the effect size was extremely small and that the effect dissipated quickly. This suggests that ISO 9001 certification should only be implemented when a compelling reason for certification is evident.

Beirao and Cabral (2002) studied the reaction of Portuguese Stock market to ISO certification and found that the financial ratios i.e. sales to assets, operating income to sales, net income to sales, net income to assets, and net income to shareholder's equity showed a decrease one year after ISO 9001 certification, followed by a drift up in the subsequent year. Only the sales per employee ratio increase in all the five years. The results suggest that ISO 9001 implementation and certification has costs, which are often high, but in the long-term the benefits outweigh the costs. This indicates that certification should be seen as a long-term investment.

Padma, Ganesh and Rajendran (2006) examined the critical factors of ISO 9001:2000 and organizational performance of Indian manufacturing firms. To achieve their objectives they used a questionnaire survey which was conducted during 2002–2004 from a sample of ISO 9001:2000 certified firms in India to gather practitioners' perceptions on various aspects of the Critical Factors and organizational performance. They found out that compliance to ISO 9001:2000 requirements and level of



organizational improvement varied mainly on the size, level of turnover and the market coverage of the different firms.

Najmi and Kehoe (2001) in their study, the role of performance measurement systems in promoting quality development beyond ISO 9001 concluded that performance measurement systems, in addition to providing a quantitative view of the business impact of the quality development process also provides a motivation to the developmental process itself. the role of the performance measurement systems in indicating the change in performance between the development up to achieving ISO 9001 and the benefits in moving beyond certification was found to be very critical. The application of the model of performance measurement was evaluated from a survey of industrial organizations using a questionnaire which were sent to 1,050 manufacturing companies within six sectors in the UK.

Casadeus and Karpetrovic (2005) analyzed the changes in the perceived benefits of ISO 9001 with the passage of time. They carried out an empirical survey of 399 companies conducted in 2002 in Catalonia (region of Spain). The findings were that ISO 9001:2000 registered organizations reported benefits to a lesser extent than their ISO 9001/2/3: 1994 registered counterparts across all studied benefit categories. Considering that the new standard was supposed to be a much improved version of the old one, their findings were then contrasted with the results of an almost identical survey performed in 1998. Their discussion demonstrated that the perceived benefits of the ISO 9001/2/3: 1994 implementation also decreased over time.

Tselepis, Tsekouras, Skuras and Dimara (2006) explored the effects of ISO 9001 on productive efficiency of firms. A sample of 1,572 firms from three Greek manufacturing industries was used for empirical work. The firms were from the food and beverages industries, the machineries industries as well as from the electrical and electronics appliances manufacturing industries and included both adopters and non-adopters of ISO 9001. A stochastic frontier methodological approach was adopted and the effects of ISO 9001 modeled in four ways: as a managerial input alongside the conventional inputs of capital and labor, as a factor affecting technical inefficiency, as an input and a factor affecting technical inefficiency and as having no effect at all. They observed that ISO 9001 operates as a factor affecting technical inefficiency with non-neutral effects on capital and labor. The combined effect of ISO 9001 reflected the positive result of ISO 9001 on reducing production inefficiency.

Wanambisi (2010) carried out a study on Sustaining Continual Improvement in ISO certification in Public Institutions. He used descriptive design and sampled 17 ISO certified institutions. Questionnaires were distributed to three employees in each of the selected institutions. The study findings showed the selected organizations practice the QMS documentations requirements and that the management had taken a leading role in enforcing and implementing QMS. In addition majority of the workers had technical knowledge required for the running of the system for continual improvement. Some of the challenges faced in implementations included employee commitment to continual improvement and slow transfer of information between departments.

Kungu (2010) conducted a study on the Implementation of ISO 9001:2008 Quality Management Systems at Total Kenya Limited. She conducted the research by way of case study of Total Kenya Ltd by use of in-depth interviews of the ISO team. The study revealed that there overall quality had improved in the organization following the implementation of QMS ISO 9001:2008.

Kimani (2008) carried out a study on the Role of ISO 9001 Certification in developing competitive advantage for Kenyan Organizations. The study was done using a descriptive survey that targeted all firms that had been certified by end of July 2007. The data was collected using a questionnaire. The result showed that certification to ISO 9001 is a source of competitive advantage to the Kenyan firms over their rivals. A certified firm has developed unique resources inform of enlighten human resources and a robust management system structures. It further ascertained that the benefits of certification clearly outweigh the challenges such as the high cost on regular surveillance audits.

White *et. al.*, (2009) examined the rationale for establishing a quality management system by obtaining ISO 9001:2000 certifications in non-profit small to medium enterprises in the UK and showed that through correct development of quality management systems organizations were able to generate bottom-line savings and business performance enhancement. The study identified the process of the preparation for certification and showed that when the quality management system was developed as part of a coherent initiative, lasting performance improvements were achieved. The value of quality management systems, according to the 9001 standard, depends on the way they are implemented. The performance of quality

management systems can improve, if companies diligently adopt the new standard rather than attempt to incorporate it into the existing quality management systems (Michaela *et. al.*, 2007).

Fotopoulos and Psomas (2010) investigated ISO 9001:2000 implementations in the Greek food sector and showed that the major reasons for certification, unlike benefits, concerned firstly the internal and then the external business environment, and no particular difficulties were observed during the standard implementation. From the overall findings of the study, the authors concluded that strong internal motivation or willingness to improve a company's quality helped establish a quality management system that led to external benefits such as the improvement of the company's position in the market as well as to internal benefits. Ruževičius *et. al.*, (2004) obtained similar results. Their research revealed that the implementation of quality management systems mostly resulted in benefits of intangible nature that were internal to a given company. The key finding is that although the main reason to start implementing quality system is the pursuance of external advantages, the implementation results mostly in an increase in internal benefits such as improvements of the definition of responsibilities and obligations of the employees, a decrease in non-conformism, better communication among the employees and increased efficiency.

However Prajogo, Huo and Han (2012) conducted a study which examined 321 middle and senior managers of ISO 9001 certified firms in Australia who were responsible for managing the quality systems in their organizations. This study was based on establishing the effect of ISO 9000 implementation on operational and

supply chain management practices that, in turn, will predict the operational benefits within adopting firms. Their results indicate that supplier and internal process management both have a positive effect on operational performance, while customer process management has no significant impact on operational performance.

## **2.9 Challenges Facing Implementation of ISO 9001 Standards**

Souza-Poza *et. al.*, (2009) stated that there were a number of challenges facing small and medium size organizations in their effort to implement ISO 9001 standards. The challenges were: lack of financial and human resources, inadequate technical knowledge of quality management, lack of knowledge of formalized systems, and a lack of experience in internal auditing. Cagnazzo *et. al.*, (2010) conducted an extensive review of literature to identify the impact of ISO implementation on the performance of the company. The authors, then, validated the theoretical findings through a survey on 336 Italian companies. The survey results assisted the literature findings.

Fard and Abbasi (2010) reported that opponents of ISO 9000 claim that it is somewhat difficult to adopt ISO 9001 in the public organizations in Iran, because the standards were originated in the private-industrial sector, and thus they are not applicable to the public sector which mainly provides services. Lamport *et. al.*, (2010) mentioned that despite the great evidence about the benefits of ISO9000 it is still debatable as to whether or not the standards improve business performance and profitability. The authors mentioned that most studies have examined the impact of ISO standards based on self-rated measures such as customer satisfaction, productivity and product quality.

Therefore, the authors attempted to assess empirically the impact of ISO 9000 on the financial performance of a sample of companies studied in the Mauritius, Singapore. The analysis revealed that there is an association between ISO 9000 certification and the overall financial performance of the companies studied. It could be concluded from the review of literature that regardless of the barriers, misconceptions, and opinions of proponents and opponents of ISO 9001, the ISO 9001 proved to be a good device to improve the processes of organizations through relying on a management system approach, and by focusing on the value-added activities to meet and exceed customer's expectations.

Literature reveals the ranking of ISO 9001 implementation barriers according to respondents' opinions as a; Top management commitment, Employee resistance, Difficulty of performing internal audits, Absence of consulting boards, ISO 9001 requirements are unrealistic, Financial resources, Lack of human resources and Insufficient employee training.

Insufficient knowledge about quality programs appears, the highest quoted factor that impedes the ISO 9001 implementation is top management commitment. Lack of top management commitment as a barrier was also reported by Hesham and Magd (2007), Magd (2007), Escanciano *et. al.*, (2001), and Wiele *et. al.*, (2005). Lack of management commitment could be attributable to several factors: low education on quality, high top management turnover, and low leadership dedication to quality. The implementation of ISO 9001 can affect the whole organization, and if top management shows total dedication to quality programs, it leads to an atmosphere of continuous improvement. Top management must be convinced that the registration and certification shall enable the organization to communicate to its customers a clear

commitment to quality. It should understand that a QMS shall improve the business efficiency by eliminating non value added processes. In addition, top management should demonstrate its commitment to ISO 9001 through: communicating to the organization the necessity of meeting customer and statutory requirements, defining the organization's quality policy and make it known to everyone in the organization, and insuring that quality objectives are disseminated to all levels of the organization. Some suggested actions that may be taken by top management are: participating in improvement projects, leading the organization by example, and creating an atmosphere to encourage people participation.

The second most important barrier seen by respondents was the employee resistance. Similar finding was concluded by Psomas *et. al.*, (2010). The employee resistance may come from the fear caused by a lack of information about ISO 9001 requirements, and from the belief that it will be difficult to change the mindset of employee regarding quality programs. Therefore, employee understanding and support to ISO 9001 are critical to its success.

Another important barrier reported by the sample surveyed is the difficulty of performing internal audit. This factor was also found to be important by Sousa-Poza *et. al.*, (2009). Internal auditing is used as a mean of improvement and to confirm compliance with the requirements of the standards. Audits findings direct the attention of management to the areas where action is required. Lack of experience in performing internal audits is attributed to lack of understanding of the QMS, employee's level of education, lack of training, and low worker morale. It was also uncovered in this study that the absence of consulting boards is a major limitation to the effective application of ISO 9001. In fact there does not exist any foreign

certifying board or any consulting agency that can certify the organizations for ISO 9001. The majority of respondents (76%) believed that ISO 9001 requirements are unrealistic. This finding is attributable to several reasons such as: quality is realized through inspection, the standards cause sub-optimization of performance, the standards depends on people's interpretation of quality, and the standards create bureaucracy that the organization was better off without it (Seddon, 1998).

Another factor that was reported by respondents is the lack of financial resources to mobilize the implementation of ISO 9001. Funds are needed to institute training programs, provide quality resources, payments for external consultants, payment for auditors, and payment for certification (Tamimi & Sebastianelli, 1998; Arora, 1996). With respect to human resources, 73% of the respondents thought that lack of human resources was essential factor acting against the implementation of ISO 9001. A range of issues may comprise this factor such as: inadequate level of education, misinterpretation of the standards, low worker moral, and high worker turnover. The last but not the least two factors are attributed to: low level of education, lack of employee training programs, and insufficient top management commitment to quality programs.

As found in the literature in a study carried out in Iran, there exist misconceptions about ISO 9001. ISO 9001 certification requires a long time. Internal auditing is the only means by which data and procedures are uncovered to external auditors before and after the certification. External auditors are bodies that are certified by the ISO and function worldwide. The internal auditors are very well trained and accredited by the ISO, Geneva. Auditors use four methods: observation, asking questions, verifying record-keeping and selecting records. Using these methods, the auditor identifies and



reports evidence about the areas where corrective actions are required. The literature does not refer to any incident where data or secrets pertaining to an organization were leaked out by internal auditors. Therefore, there is no need to worry about the data and the secrets of an organization from external auditors.

With respect to the second misconception, 83% of the respondents believe that with ISO 9001 the organization is assured of beating the competitors. ISO 9001 is a quality management system which is required by customers or countries. However, ISO 9001 does not guarantee successful competition. In fact, many non-ISO organizations are leading the competition edge such as world class companies; while many ISO certified organizations have gone bankrupt. To succeed in the competition arena, the focus of the organization should not be on the value of the standard, but on the entire governance of this quality certification (Nayebpour & Koehn, 2003).

The third misconception delineated by respondents was the great funds required for certification. It is true that certification requires financial resources, but these resources are not inhibitive. With some employee training on internal auditing, the organization can cut the certification costs significantly. The majority of the respondents believed that all the levels in the organization must be certified. This belief comes from little education on QMS. In fact, the whole organization, or one of its departments, or one process can be qualified to obtain the ISO 9001 certification. This is one important misconception of why organizations hesitate in taking the initiative to qualify for the ISO 9001.

Another major misconception about ISO 9001 is that the certificate is awarded by the ISO, Geneva. Actually, the ISO, Geneva does not certify organizations, but the registration agencies do. For instance, many registration and qualifying agencies work

in Saudi Arabia and are ready to provide their services such as: BSI, DNV,SASO, 9SGS...etc, (Magd, 2005). The ISO certificate is not given for life as the majority of respondent's thought. The life time of the certificate is three years only, during which several scheduled and unscheduled reviews are performed. Upon request, the organization can renew the certification or not. The ISO 9001 is not concerned with the quality of goods and services, but rather it is concerned with the quality management system within the organization. Therefore, a product marked with ISO 9001 does not imply top quality. Many respondents agreed that ISO 9001 is awarded to private organizations only. Actually, any organization (manufacturing or service) public, private, mixed, for profit, and non-profit can be ISO certified upon compliance with the requirements.

In addition, the majority of the sample surveyed believed that ISO 9001 results in decreased productivity. Many companies that have implemented a quality management system reported cost savings through improved process, effectiveness, and efficiency. ISO 9001 can lead to improved management and operational processes, resulting in less waste in time and material, increased productivity, and cost saving (Cagnazzo *et. al.*, 2010). The last misconception about ISO 9001 is that the certification process takes long time. Depending on the size of the organization, the nature of its operations, and the maturity of its quality system, the certification process may take between 6 months to two years. ISO 9004 provides guidelines for effective action plans to implement ISO 9001 (Arora, 1996).

Surveys found in literature showed that generally organizations did not find ISO hard to implement, however, the ease with which an organization tackles this process shows signs of decline the more the organization is non-developmentally motivated.

This observation indicates the existence of a relationship between motivations and the perceived degree of difficulty. In order to make this relationship explicit, this research investigated the conditions leading to the difficulties SMEs encountered while implementing the 21 ISO processes.

It was found that the perceived degree of difficulty with the implementation of the ISO 9001:2000 processes is caused by five implementation conditions. These five implementation conditions form an interrelated set of underlying factors which influence the organizations ability to implement ISO 9000. The implementation conditions consist of: (i) Constraints on resources; (ii) Lack of top management commitment; (iii) Lack of understanding of the standards requirements; (iv) Lack of employee commitment; (v) documentation and control.

Here top management commitment should be interpreted as a dummy variable representing the motivations with which organizations initiate the ISO implementation process. A truly developmental motivation is the result of committed top management, driving the ISO implementation process. Higher top management commitment lowers the severity of the other implementation conditions, resulting in a lower perceived degree of difficulty with the implementation of ISO. In contrast non-developmental motivations are derived from external condition forcing management to act and thereby resulting in a lower commitment. Lacking serious committed, management provides less of a stimulus to the other implementation conditions, causing a higher degree of perceived degree of difficulty

### **2.9.1 Challenges of ISO 9001:2000 in Kenya**

For Kenya to fully utilize the immense practical solutions to economic and technological problems that ISO standards offer in terms of responding to local and

global market demands, securing access to world markets which, in turn, contribute to economic growth, certain specific challenges and constraints need to be addressed: Kenya has to actively participate in all standard setting forums. This will enhance its capacity to challenge and defend country positions. The inability of African countries to participate in these meetings has turned most of the African nations into standard takers. This is a serious bottleneck which got the attention of leaders of the G8 countries. Through the African Action Plan meeting, held in Kananaskis (2002), the G8 leaders pledged their support to provide technical assistance to help African countries engage in international negotiations and standard setting systems. This help is crucial and African countries need to play their full part in the relevant international standard setting systems.

Financial constraints coupled with limited capacity to provide credible information based on research needed to articulate and defend Kenya's interests, has made Kenya vulnerable to changes especially when these changes have protectionist intentions. Cost of compliance. Most of the Kenyan industries are small and medium-sized enterprises, compliance to certain standards, for example ISO 22000, Hazard Analysis and Critical Control Points (HACCP) etc., has a heavy cost implication and complying with international standards can undermine the Small Market Enterprises (S.M.E.s) in Kenya in their access to foreign markets. Moreover, compliance may accompany further upgrading of production processes and equipment which complicates the whole state of affairs.

In conclusion, to participate effectively in global trade, African countries must develop the capacity to meet international standards. This, in itself, is a formidable challenge (Wilson and Abiola, 2003). Kenya has to surmount this challenge in order

to achieve sustainable double-digit growth in its economy as envisaged in the economic blueprint (Kenya Vision 2030).

## **2.10 Knowledge Gap**

The literature reviewed in this chapter is geared towards an understanding of the relationship between implementation of ISO 9001:2000 and the work system of KRA, improved the services delivery to clients of KRA, challenges experienced in implementing of ISO 9001:2000 and the suggestions through which public organizations can adopt to improve the quality management systems. Previous studies carried out lay emphasis on the contribution of ISO 9001:2000 implementations on the service delivery of an organization. Critical review of literature further has stressed the need for organizations to embrace recommendation of ISO for improved work systems and service delivery to clients. The study zeros down on implementation of ISO 9001:2000 and service delivery at the Kenya Revenue Authority.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Overview**

This chapter presents information on the procedure and methodology used by the researcher to conduct the study. It covers the description of the study area, research design, target population, sample and sampling procedures, instruments, validity and reliability of instruments, data collection and data analysis procedures.

#### **3.2 Area of Study**

The study was conducted at Nairobi Central Region. The study focused on the staff of the KRA of different levels from different departments. It focused on the effects of ISO 9001:2000 implementations in the organization and its impact on service delivery. It was selected due to the need to ensure that there is effective implementation of ISO 9001:2000 through effective actions plans in all its departments and to enhance performance in this sector. KRA Nairobi region was selected for the study because it serves a wider range being the headquarters so its success or failure would positively or negatively affect the other branches.

#### **3.3 Research Design**

The study adopted a descriptive survey research design. In descriptive research one sets out to study with as few assumptions as possible to examine a phenomenon from many points of view, looking for new ideas and insights which will explain what is happening and how certain variables are related (Pail, 1995). Surveys can be used for explaining or exploring the existing status of two or more variables at a given point in time. Survey design also enables the researcher to collect original data for the

purposes of describing and measurement of characteristics of a population, which is too large to be observed directly. The design was considered appropriate for this study because it sought to find new ideas and insights in the implementation of ISO 9001:2000 in departments in the Kenya Revenue Authority which could improve service delivery. The design enables the researcher to reach many subjects within limited time (Kothari, 2005). The study was conducted in the various regions to authenticate the extent and effects of ISO 9001:2000 on the service delivery. Nairobi area is a fairly wide area and hence this design was convenient in soliciting views from respondents.

### **3.4 Target Population**

The study population comprised employees at the Kenya Revenue Authority in Nairobi Central Region and its branches. The study involved 500 respondents who included HODs, employees and clients at the KRA. A total of 5 Heads of Department at KRA, 350 employees at KRA and 140 Customers/Clients formed the target population.

### **3.5 Sample Design and Size**

The respondents in this study were selected from population of KRA employees. The samples were picked from the departments using stratified and simple random sampling techniques. Systematic random sampling was used to select the actual respondents for the study where by every 2<sup>nd</sup> customer was used in the study. Purposive sampling was used to select the Heads of Department because they had adequate information to answer the objectives of the study. Proportionate sampling was used to ensure that the sample size was proportional to the target population. A total of 5 Heads of Department at KRA, 157 employees at KRA and 63 customers

were selected from various departments formed the sample frame selected by using simple and stratified random sampling techniques. This is shown in table 3.1 below.

**Table 3.1: Sampling Size**

<b>Target group</b>	<b>Population</b>	<b>Percentage</b>	<b>Sample size</b>
Heads of Department	5	100%	5
Employees	350	70%	157
Customers/Clients	140	28%	63
<b>TOTAL</b>	<b>500</b>		<b>225</b>

**Source:** Author, 2014

### **3.6 Data Collection Instruments**

Data was collected using questionnaires, interviews and document analysis. The researcher conducted interviews with key informants and staff of the organization and also administered questionnaires to the management. The instruments sought information on the extent of ISO 9001:2000 implementation on the work system and improved services at the KRA, and the challenges experienced in implementing of ISO 9001:2000.

#### **3.6.1 Interviews**

In order to collect the necessary qualitative data about the implementation of ISO 9001:2000, face-to-face interviews were conducted with the senior management category. The interview questions are similar in intent with the questionnaire and this gives validity to the responses received and checks the consistency of responses. The subjects were interviewed individually and/or in-group to specifically understand both their individual and groups' own perceptions of the effects of the implementation of ISO 9001:2000 on service delivery. To eliminate researcher and research assistant's biases, the information from the interviews were reviewed by the researcher and



copies given back to clients concerned to confirm the data. This was done in order to increase the investigator's confidence in the reliability and validity of the results (Miles and Huberman, 1984; Neumann, 1989; Patton, 1983, 1991).

### **3.6.2 Questionnaires**

Questionnaires were used to collect relevant information on the implementation of ISO at the KRA. Questionnaires facilitate easy and quick derivation of information within a short time (Borg and Gall, 1983). The questionnaire contained both open and closed ended questions that sought information on the effects of ISO 9001:2000 implementations on the work system, service delivery and the challenges facing implementation of ISO 9001:2000 in KRA. The likert scale was used to generate questions used to measure perception and attitudes of the subjects.

### **3.6.3 Document Analysis**

The research reviewed relevant documentary materials available on implementation of ISO in organizations. Documents included materials from library and other public institutions that have been certified.

## **3.7 Validity of the Instruments**

The research tools were developed and validated before their use with expert help from supervisors and other members from the department of HRM, to determine whether they are valid, adequate, itemized logically and intent tailored. The validity of a research instrument is the measure of how well it measures what it is supposed to measure. A survey of opinion was sought to find the most appropriate design. This was done to ensure that the instruments measure the content they are intended to measure (constant validity); correlate the results (concurrent validity) and measure what the instruments purport to measure (face validity). This was in tune with

Freeman (1950) who wrote that “Validity, however, should not depend on the subjective judgement of only one specialist. It should be based upon careful analyses by several specialists of instructional objectives and of actual matter studied. Thus, the individual experts’ pieces of advice were incorporated into the modified version of the instruments. In order to specify and to determine the content, construct and face validity, opinions were sought from the supervisors. The opinions were used to improve the instruments.

### **3.8 Reliability of the Instruments**

There was need to establish the reliability of the data collection instruments for the study. Reliability refers to the consistency that an instrument demonstrates when applied repeatedly under similar conditions (Kerlinger, 1983). It is a measure of how consistent the results from a test are. Before actual data collection, the researcher established the reliability of the research instruments. The test re-test method was used to obtain the two scores which were correlated using the Pearson’s product moment correlation coefficient and the Cronbach’s alpha to establish the reliability of the instruments. The correlation coefficient obtained was 0.75. This was regarded as reasonable reliability index for the research instruments, since the value was above the minimum r-value which Koul (1992) pegs at 0.5. James and Kintz observe that a high reliability value 0.70 and above shows that the characteristic it was designed to measure is actually measured.

### **3.9 Piloting**

Tuckman (1988) observes that it is highly desirable to run a pilot test on a questionnaire and to revise it based on the results of the test. Piloting was done to establish whether the instruments could be used to collect relevant data, identify any

problems likely to occur at the time of actual data collection process and to also check whether the instructions in the questionnaires are understandable to the respondents. The pilot study was carried out at KRA office in Eldoret which was not covered by the study. This was done to assess the clarity of the instructions and questions, where the respondents were tested using the pre-test to test their understanding of the instructions and wording of the questionnaires. This made it possible to revise and make the instruments more valid and also identify problems that the respondents would encounter. The pilot test data was also used to determine the reliability of the instruments.

### **3.10 Data Collection, Analysis and Procedures**

The researcher sought to verify the relationship of the data that was collected and the topic under study. The data collected was analyzed using both descriptive and inferential statistics. This is because the findings yielded both quantitative and qualitative data. The descriptive statistics used included frequencies and percentages while the chi-square statistics was used to test the significance of the relationships between the study variables and ascertain the differences in the subjects. The chi square analysis technique was found to be appropriate since it tests significance to show the interactive effects of the variables (Mugenda and Mugenda, 2003). The results are presented using illustration tables, percentages, frequency distribution tables, pie charts, bar or line graphs.

### **3.11 Document Review**

The researcher relied too on the material available from other institutions that are ISO certified for example Moi Teaching and Referral Hospital (Moi Teaching and Referral Hospital) that is ISO compliant but is medical oriented unlike KRA that is fiscal.

Permission to obtain and use these documents was sought with the assurance of their safety and confidentiality. This was used to ascertain the effects of ISO on service delivery in the institutions.

### **3.12 Ethical Considerations**

Ethical and legal framework for protecting human subjects rests on the principles of autonomy, benevolence and justice. This study stressed the need to have understanding of ethical concerns and whether research is more responsive to the respondents self- identified needs. The study ensured privacy and confidentiality by allowing respondents to have pre-eminence over time and extent to which they can withhold or share information. All the respondents were treated with respect and equality. Also, the principle of free and informed consent was adhered to by emphasizing voluntarism, clear explanation and sufficient detail of the nature of the research and procedures.

## CHAPTER FOUR

### DATA ANALYSIS AND DISCUSSION OF FINDINGS

#### 4.1 Overview

This chapter elucidates the purpose of the study through provision of empirical data that explicates the extent of the effects of implementation of ISO 9001:2000 on service delivery in public institutions with reference to the effect on the work system, improved service at KRA and the challenges experienced in the implementation of ISO 9001:2000. The research data obtained was analyzed using descriptive and inferential statistics. The findings in this section are presented in the context of specific questions, findings are explained and the implications of the same are given.

The main research questions of the study were:

- i. What is the level of effectiveness and efficiency of ISO 9001:2000 implementation on work system of Kenya Revenue Authority?
- ii. To what extent has the implementation of ISO 9001:2000 improved the services of Kenya Revenue Authority?
- iii. What are the challenges experienced in the implementation of ISO 9001:2000?
- iv. What are the ways that public institutions should adopt to improve quality management systems?

#### 4.2 Background Information of the Respondents

This section represents the personal information of the respondents concerning the gender, age, and academic qualifications of the employees at the KRA. It was deemed necessary to establish the gender, age and academic qualifications of the employees and clients who participated in the study. The results are as shown in Table 4.1 below.

**Table 4.1 Respondent's Gender, Age and Academic Qualifications**

<b>Gender</b>	<b>Employees</b>		<b>Clients</b>	
	F	%	F	%
<b>Male</b>	104	47	37	42
<b>Female</b>	116	53	51	58
<b>Group Total</b>	<b>220</b>	<b>100</b>	<b>88</b>	<b>100</b>
<b>Age in Years</b>				
18-30 Years	37	17	29	33
31-40 Years	101	46	37	42
41-50 Years	65	29	14	16
Over 51 Years	17	8	8	9
<b>Group Total</b>	<b>220</b>	<b>100</b>	<b>88</b>	<b>100</b>
<b>Academic Qualifications</b>				
Masters Level	22	10		
Undergraduate Level	33	15		
Diploma Level	97	44		
Certificate	68	31		
<b>Group Total</b>	<b>220</b>	<b>100</b>		

**Source:** Author, 2014

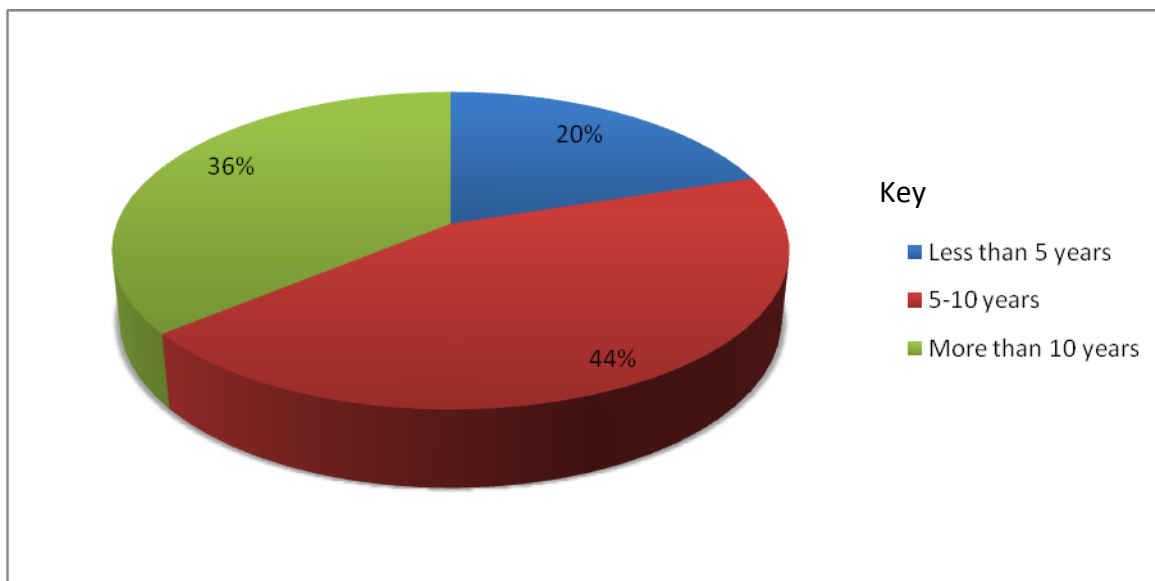
Table 4.1 reveals that the study involved 104 (47.0%) of employees are male while 116(53%) are female. This implies that there is an equal number of either gender at the work place with female population slightly more than the mean. From the table, 88 clients were involved in the study of which 37(42%) were male while 51(58%) were female. This implies that majority of the clients were female. Both genders were well represented in the study despite females being slightly more than males.

In regard to age, results indicate that majority of employees are between the ages of 31– 40 years 101 (46%); 65 (29%) were between 41-50 years, 37(17%) were between 18-30 years while only 17 (8%) were over 51 years in age. This means that majority

of workers are in the age bracket of 31-40 years. Results depict that 29(33%) of clients were between 18-30 years, 37(42%) were between 31-40years, 14(16%) between 41-50 years and 8(9%) were over 51 years. This means that all the clients were adults with majority being in the age bracket of 31-40years. These sections of clients are knowledgeable and were qualified to give their independent observations and opinions about KRA.

It was necessary to establish the academic qualifications of the respondents as this determines the type of work an individual does and where he/she is deployed to execute their duties. As shown in table 4.1 68 (31.1%) have attained Certificate level, 97(44%) Diploma Level, 33(15%) undergraduate level while 22(10%) have attained Masters Level of education. This indicates that most of the workers have diploma as their highest level of education that is 97(44%) followed by those with certificates. There are very few graduates and counted number of Masters Degree holders which is an indication that there is low skilled man power at the work place. This was necessary because it shows the competency and understanding level of the respondents on various issues as pertains to their work.

There was also need to establish how long the employees have served in the Organization. The length of service a person has worked for the organization determines how well that individual understands the institution, how it works and how they have seen it improve its performance since inception of the ISO 9001-2000 certified era. The results are as indicated in Figure 4.1.



**Figure 4.1: Duration Employees have served at KRA**

**Source:** Author, 2014

When employees were asked how long they had served at KRA, 44(20%) indicated to have worked for less than 5 years, 79 (36%) indicated to have worked for between 5-10 years while 97(44%) to have worked for the organization for more than 10 years. This shows that most of the employees have been in KRA for a long period of time. That is 101(40.2%) beyond 10 years. KRA seem not to be keen on employing new employees as suggested by 50(19.9%) that is employees who have been in the organization for less than 5 years.

### **4.3 Findings According to Study Objectives**

The study sought to investigate the extent of ISO 9001:2000 implementation has had on the work system of KRA; improved the services of KRA; the challenges experienced in implementing of ISO 9001:2000 and the suggestions through which public organizations can adopt to improve the quality management systems.



#### **4.3.1 The effect of ISO 9001:2000 implementation on the work system of KRA**

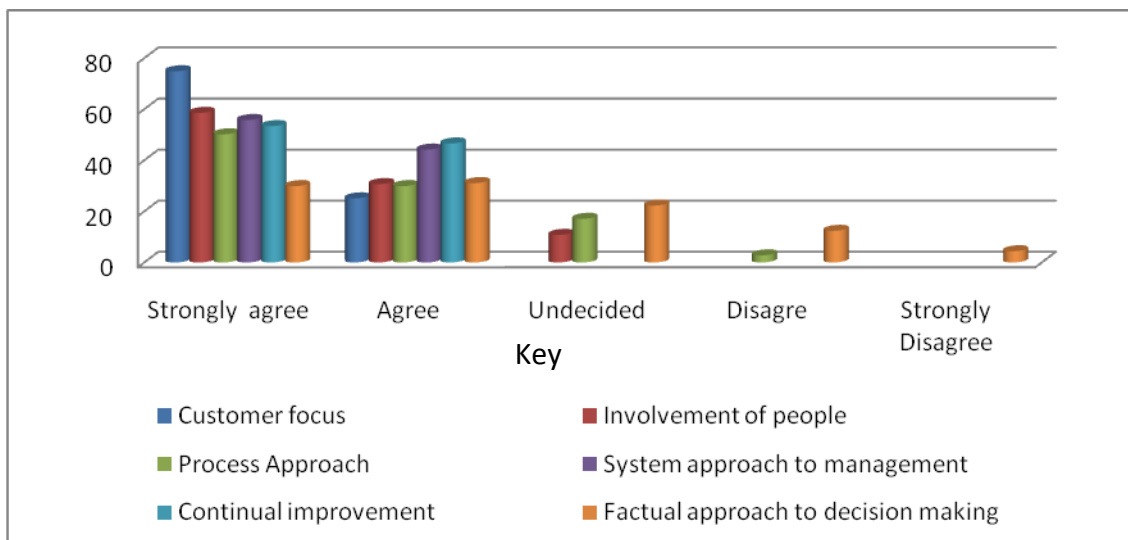
This study sought to establish the effect of ISO 9001:2000 on the work system at the Kenya Revenue Authority. There was need to establish the employee's knowledge of the ISO 9001:2000 and its implementation at the KRA and the benefits of ISO 9001:2000 certification on the work system at the organization.

#### **4.3.2 Employees knowledge of ISO 9001:2000 and their benefits.**

The table below shows the responses of employees on their knowledge about the implementation of ISO 9001:2000 at the KRA. It is clear that most employees 174 (79%) had knowledge of ISO 9001:2000 while 46 (21%) were not aware of the ISO 9001:2000 implementation in KRA. This means that majority of employees had an understanding of what ISO 9001:2000 meant. On whether the ISO 9001:2000 was beneficial respondents had various opinions as indicate. Most of the respondents (73%) agreed that ISO 9001:2000 certification was important and it has in turn resulted to benefit while 27% were not aware. This implies that the employees acknowledged the results of KRA becoming ISO certified in terms of customer's satisfaction, quick feedback and customer confidence among others.

#### **4.3.3 The Extent of ISO Implementation 9001:2000 on Work System**

The study sought to establish the effect of ISO 9001:2000 implementation on the work system of KRA. The table below presents various suggestions on the Extent of implementation of ISO 9001:2000 had on the work system. Results are as shown in Figure 4.2.



**Figure 4.2: Extent of ISO Implementation 9001:2000 on Work System**

**Source:** Author, 2014

Respondents were asked to indicate the extent to which they agree/disagree with the following statements regarding the extent ISO 9001:2000 implementation has had on work systems. On the effect of ISO 9001:2000 implementation on customer focus, a majority agreed. This is an indication that all the employees are in agreement that ISO has led to customer focus. Since attainment of ISO 9001:2000 customer focus has been enhanced because of universal acceptance of ISO 9001:2000 standards with a lot of emphasis on efficiency, consistency and dedication to products and services.

Concerning involvement of people, a majority of the employees agreed that they were in the implementation ISO 9001: 2000. This implies that, with implementation of ISO 9001:2000, people are being involved in management of the organization. This has created a conducive environment for work with employees being motivated and hence reduction of conflicts at all levels. According to Isaac *et. al.*, (2004) a conducive work environment is essential for the effectiveness of employees. The work environment influences the workers abilities to improve the quality of work In addition employee

morale is considered as a measure of organizational performance as identified by Terviosky and Samson (1999) in their study on TQM.

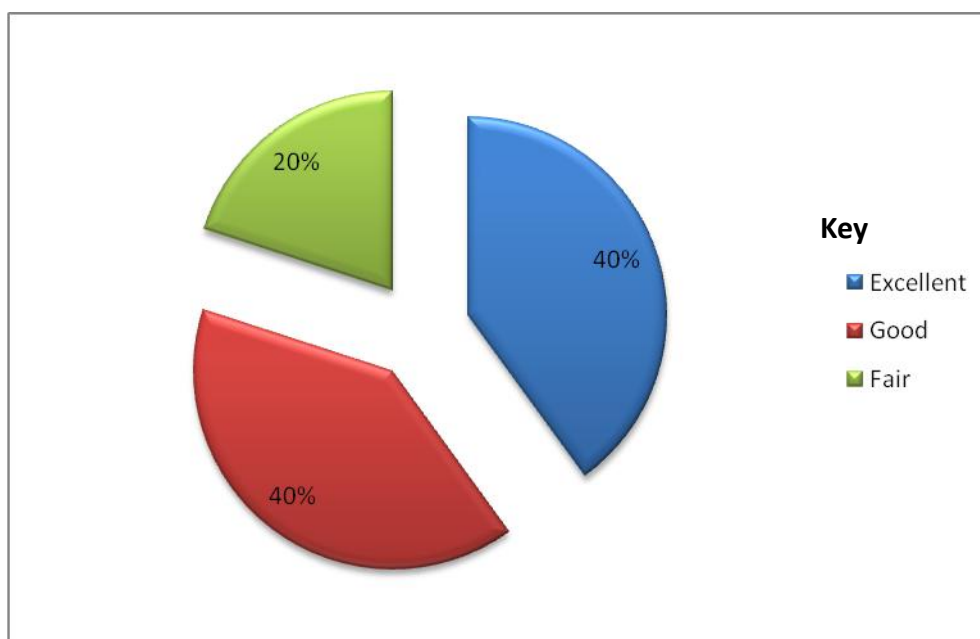
As indicated in the findings a majority of the employees affirmed the influence of ISO 9001:2000 implementation on process approach. This means that majority of the employees are in agreement that ISO 9001:2000 implementation has led to process approach in management at KRA. This was noted to have enhanced good employee relations at the work place as a result of employee's understanding of the procedures in the organization and can refer to them incase of difficulties..

When asked on system approach to management, a majority of the employees agreed. This implies that all the workers are aware of system approach of management and are in agreement that the implementation of ISO 9001:2000 has changed the management system or emphasized the system approach to management. There has been better management because of system approach to decision making processes. As a result of better management in the organization, there has been proper utilization of the skills of the employees as well as industrial harmony.

On continual improvement a majority of the employees agreed. This indicates that all the employees acknowledge continual improvement at work with implementation of ISO 9001:2000. This has been as a result of careful planning and implementation of recommended corrective actions noted during the audits. An improved service has led to increased customer satisfaction. This is a clear indication that there is continual improvement of the quality of services KRA offers to its clients.

As indicated in the results, a majority of the respondents indicated agreement on the effect of implementation of ISO 9001:2000 on factual approach to decision making. This shows that most of the employees were in agreement implying that there exist to some extent factual approach to decision making at work place with the implementation of ISO 9001:2000 at the Kenya Revenue Authority. As a result of better management at the KRA there has been proper utilization of the skills of employees as well as industrial harmony between the organization and employees and this has reduced the possibility of unrest that interfere with the operations of the KRA.

There was also need for the study to find out the perception of the clients towards the implementation of the ISO 9001:2000 at the KRA. The Figure 4.3 below presents the responses of managers concerning client's perception.



**Figure 4.3: Perception of Clients towards Implementation of ISO 9001:2000**

**Source:** Author, 2014

From the findings in Figure 4.3, a majority of managers who participated in the study stated excellent and good respectively when asked about their perception of the

implementation of ISO 9001:2000 at the KRA. This means that majority of managers believe their clients have either an excellent or good perception towards the organization following the implementation of ISO 9001:2000.

To find out if there is any statistically significant relationship between ISO 9001:2000 Certification and work system of Kenya Revenue Authority, the following null hypothesis was tested. There is no significant relationship between ISO 9001:2000 Certification and work system of Kenya Revenue Authority.

The findings are as shown in Table 4.2

**Table 4.2: Chi-Square Tests Values on Implementation of ISO 9001:2000 and Work System**

ISO 9001:2000 Certification and work system	
Chi-Square	216.255 <sup>a</sup>
Df	17
Asymp. Sig.	.000

**Source:** Author, 2014

An examination of the Chi-Square value in Table 4.2 indicates that the relationship is statistically significant because the high Chi-Square-value (216.255<sup>a</sup>) and the small associated significance level .000 ( $p < .05$ ) indicate that there is a significant relationship between the variables. There is therefore need to reject the hypothesis in question. This is a clear indication that the ISO 9001:2000 Certification has had an impact on the work system of Kenya Revenue Authority.

#### **4.3.4 The Effects of ISO 9000:2001 on Service Delivery in KRA**

The study sought to ascertain the effect of ISO 9001:2000 implementation on the service delivery at the KRA. The findings are as presented in Table 4.3.

**Table 4.3: Employees Perception of the Extent of ISO 9000:2001 on Improved Service**

Statement	Strongly agree		Agree		Undecided		Disagree	
	N	%	N	%	N	%	N	%
Operational efficiency	88	40	117	53	0	0	15	7
Enhanced customer satisfaction	130	59	59	27	0	0	30	14
Improved financial returns	53	24	117	53	11	5	40	18
Satisfaction of other stakeholders	97	44	110	50	13	6	0	0
Sustainability	88	40	117	53	0	0	15	7
ISO provides a basis for Continual improvement	125	57	66	30	29	13	0	0
International recognition	139	63	91	37	0	0	0	0
ISO promotes customer confidence based on documented systems	53	24	117	53	11	5	40	18
I have ready access to the information I need to get my job done	170	77	50	33	0	0	0	0

**Source:** Author, 2014

Respondents were asked to indicate the extent to which they agree/disagree with the following statements regarding the extend ISO 9001:2000 has had on improvement of services. On operational efficiency, a majority of the respondents agreed that implementation of ISO 9001: 2000 improved service delivery. It is evident that majority of employees are in agreement that there has been increased operational efficiency after attainment of ISO 9001:2000 certification status. From these findings there has been a change in the way they execute their daily duties and this has helped them work better to attain organizational objectives. There has been proper utilization of skills and competencies by employees who have generally been motivated.

Pertaining enhanced customer satisfaction a majority of the employees agree. This implies that majority of employees do believe that there has been increased customer satisfaction after adoption of ISO 9001:2000 certification at the institution. Customer satisfaction is one of the major purposes of a quality management system. Craig

Cochran (2001) asserts that an organization success depends on how many customers it has, how much they buy and how often they buy. Customers that are satisfied will increase in number and pay visits frequently which increases revenue for the organization. Customer satisfaction is ensured because of the benefits of quality management systems certification which has led to efficiency, consistency and dedication to products and services. Customer satisfaction is an indicator of organization as affirmed by Terviosky and Samson (1999) in their study of TQM. Finally customer satisfaction is a pointer towards the full application of the ISO 9001:2000 principle of customer focus.

There have been improved financial returns at the KRA as a result of attainment of ISO 9001:2000 certification as indicated by a majority of the employees who participated in the study. This is attributed to the quality products and services offered by the organization. Quality of the products and services has been enhanced by the fact that specified procedures are followed in order to enhance the quality of work and products. Further the regular internal and external audits ensure that non conformities and errors are always kept in check and corrective and preventive measures taken to avert errors or non conformities. The improved quality of the organizations products and services has enhanced revenue collection and thereby improved financial returns.

According to the findings, a majority of the employees were of the opinion that there has been an improvement in satisfaction of other stakeholders. This is as a result of better management since the attainment of ISO 9001:2000 certification at KRA which has ensured good employee relations, culture change, and improved quality of services to the clients. This can be attributed to factual approaches to decision making that affects the employee's performance of their duties in new ways.

In many organizations, sustainability forms a significant determinant of progress in terms of products and services delivery. This is in the operations of the organization through supervision to ensure proper utilizations of skills of the employees as well as industrial harmony. From the findings of this study, a majority of the respondents were of the opinion that ISO 9001:2000 certification has enhanced sustainability of the organization in terms of management and quality products and service delivery at the KRA.

From Table 4.3, it was indicated by a majority of the employees that ISO provides a basis for continual improvement. From the findings of this study, departments had experienced an improvement in performance since the organization attained ISO 9001:2000 certification status. This could be attributed to consistency in all operations and processes for service provision at the KRA. There is also efficiency in carrying out duties through adoption of documentation of procedures which is one of the principles of ISO 9001:2000 quality management systems. There is also an improvement in the processes because ISO 9001:2000 QMS outlines audit processes, management review and improvement processes based on data that has been collected hence realization of efficiency at the KRA.

According to the Table 4.3 a majority of the respondents hold the opinion that ISO 9001:2000 certification enhances international recognition. The organizations products and services are now recognized internationally and this is also important to clients outside the country because the recognition that its ISO 9001:2000 certified assures customers of the quality of their products and services.

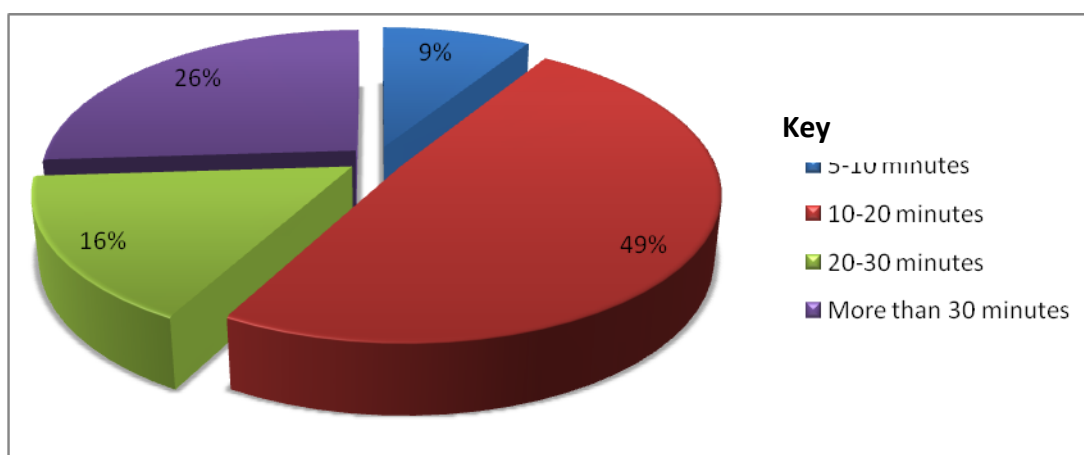


As regards that fact that ISO promotes customer confidence based on documented systems, a majority of the respondents confirmed. This implies that majority of employees are in agreement that ISO 9001:2000 has promoted customer confidence based on documented systems at KRA. Since attainment of ISO 9001:2000 certification status, customer confidence has been gained because of the acceptance of ISO 9001:2000 standards. Customer satisfaction is ensured because of the benefits of quality management systems certification which has led to efficiency, consistency and dedication to products and services.

From the findings, a majority of the respondents indicated that ISO promotes customer confidence based on documented systems. The documented system has ensured documentation of procedures which has benefitted the departments since it has guaranteed that traceable records are available in case of non compliant products. Documentation is in tandem with ISO 9002:2000 requirement of the process approach in which results are achieved more efficiently when activities and their related resources are managed as a process. Through documentation systems, activities are structured in order to achieve objectives in the most efficient and effective manner. In addition there is clear responsibility and accountability for managing key activities, there is also focus on factors such as resources, methods and materials that will improve key activities of the organization. A documentation system also has made activities to be systematically defined in order to achieve desired results, transparency of activities and early detection of errors in the system. The documentation of procedures has made reference easier. This has made it easy for employees to refer to them in case of difficulties.

According to Table 4.3 a majority of the respondents indicated that they have ready access to the information they need to get their job done. There is enhanced understanding of the procedures in the organization. The involvement of people in ISO 9001:2000 process is also crucial in ensuring that they understand the organization's procedures and this is properly applied by the KRA.

There was need to seek opinions from the clients on the duration taken to be served at the KRA. The findings are as indicated in Figure 4.4.



**Figure 4.4: Duration taken to be served**

**Source:** Author, 2014

From Figure 4.4 a majority of the clients indicated that they were served in 10-20 minutes at the KRA. This means that majority of the clients did not receive the services they were seeking for on time. This implies that despite the implementation of ISO 9001:2000, service delivery is still not efficient. There was also need to find out the kind of services offered to the clients at the KRA. The table below shows the responses of clients on the various services they receive at KRA.

**Table 4.4: The Services at KRA**

Item	Very good		Good		Fair	
	F	%	F	%	F	%
The overall quality of the service you receive	45	51	22	25	21	24
How would you describe the overall level of service in this organization	38	43	28	32	22	25

**Source:** Author, 2014

From Table 4.4, when clients were asked to comment on the overall quality of the services they received, a majority of the clients stated that they were good. This clearly shows that clients were happy and satisfied with the services they received as stated by majority of clients. Concerning how they would describe the overall level of service in this organization, a majority still indicated that they good. This implies that majority of clients were happy with the overall level of services in the organization hence they indicated them as very good or generally good.

During the interviews, the managers gave their opinions on the effect of ISO 9001:2000 affected in the organizational delivery of service. Majority of the managers 80% who participated in the study believe ISO 9001:2000 highly affected service delivery in the organization while 20% said ISO 9001:2000 a moderately affected in the organizational delivery of service. Most of the managers believe that ISO 9001:2000 had affected service delivery in an organization highly. This means that all the managers interviewed were in agreement that ISO 9001:2000 has affected service delivery in the organization.

To find out if there is any statistically significant relationship between the implementation of ISO 9001:2000 and service delivery in at the Kenya Revenue

Authority, the following null hypothesis was tested. There is no significant relationship between implementation of ISO 9001:2000 and service delivery at the Kenya Revenue Authority. The findings are as shown in Table 4.5.

**Table 4.5: Chi-Square Tests Values on Implementation of ISO 9001:2000 and Service Delivery**

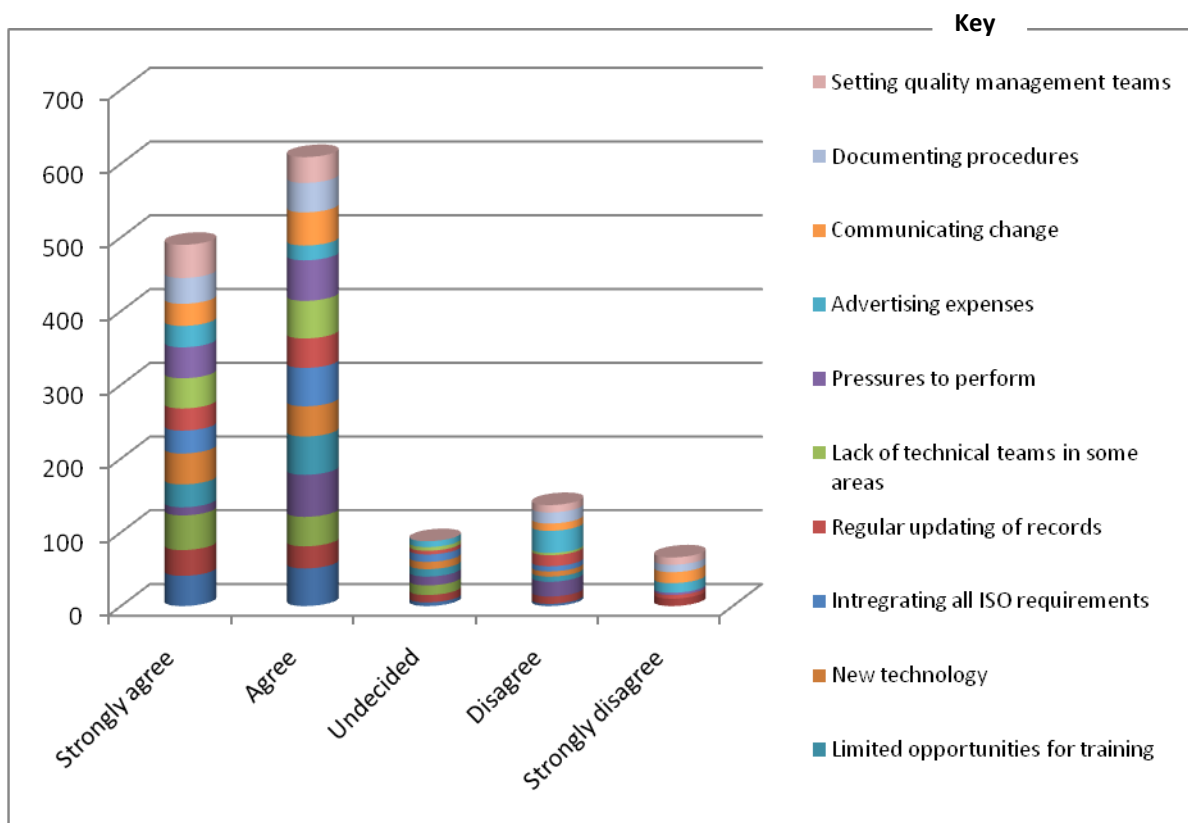
	Implementation of ISO 9001:2000 and Service delivery
Chi-Square	308.273 <sup>a</sup>
Df	14
Asymp. Sig.	.000

**Source:** Author, 2014

As indicated in Table 4.5 the large chi-square value 308.273<sup>b</sup> and its associated significance level 0.000 is indicative of existence of a relationship between the variables. The null hypothesis stating that there is no relationship between implementation of ISO 9001:2000 and service delivery at the Kenya Revenue Authority was thus rejected. The results thus show that there is a significant relationship between implementation of ISO 9001:2000 and service delivery at the Kenya Revenue Authority.

#### **4.3.5 Challenges Faced in Implementing ISO 9001:2000 at K.R.A.**

The third objective of the study was to explore the challenges faced in the implementation of ISO 9001:2000 at the Kenya Revenue Authority. Opinions were sought from the employees and managers on what they perceived as the challenges faced in the implementation of ISO 9001:2000. The respondents in the KRA faced various challenges in the process of implementing ISO 9001:2000 in their organization. These challenges are reported in Figure 4.5.



**Figure 4.5: Employees Perception of Challenges K.R.A. Face in Implementing ISO 9001:2000**

**Source:** Author, 2014

Figure 4.5 shows the level of agreement of employees on various statements regarding the challenges experienced in implementing ISO. Limited resources were noted as a challenge in the sense the material and financial resources are required for implementation of the process. As indicated in the findings, a majority of the employees indicated to agree to this sentiment. It is clear that a large number of respondents are in agreement with the statement that inadequate material and financial resources is major challenge to ISO 9001:2000.

According to Figure 4.5 most of the respondents hold the view that poor remuneration was a challenge in that before the KRA could embark on implementing ISO

9001:2000 requirements, there was need for an increment in the employee's remunerations and this meant that there was need for an increase in operational costs of the organization. It posed a challenge because KRA was not prepared for the changes.

Arising from the fact that ISO 9001:2000 QMS is a wide process the KRA had to bear the costs of all these process hence it was costly to ensure its full implementation without incentives to the employees. As indicated by a majority of the respondents, lack of incentives was an impediment to the implementation process as most workers could not be motivated and took time and were rigid to accept change into new ways of executing their duties as required by ISO 9001:2000 QMS without incentives.

The implementation of any innovation requires managerial support in terms of resources availability. From the findings in Figure 4.5, it was indicated by a majority of the employees who agreed that lack of managerial support was indeed a challenge to the implementation of ISO 9001:2000 at KRA.

Since the implementation process was procedural there was need to train the employees in order for them to understand it. This was a challenge as there is limited opportunities for training as indicated by a majority who agreed. This implies that there exist limited training opportunities for employees as suggested by a majority of employees. The employees had to attend to their duties and lacked enough time for training. Those employees who are nearing retirement felt that this was a challenge since they felt that they would not have time to fully apply the new knowledge as a result of their limited time for service at the organization. They felt therefore that training was not necessary.

The introduction of new technology was a challenge as indicated by a majority of the employees who agreed. The results indicate that majority of the employees at the KRA are in agreement that new technology is a challenge facing implementation of ISO 9001:2000. New technology is either absent or it is not known to employees hence they lack expertise to handle and use such technology.

In Figure 4.5 a majority of the respondents indicated that the Integration of all ISO 9001:2000 requirements was a challenge because after every audit the non conformities had to be corrected and in some cases some took a lot of time. In addition to audits there is re-documentation of procedures in areas where changes have been affected. Further the ISO 9001:2000 series are in constant change and this means organizations need to evolve into the new ISO standards in order to remain competitive.

Because of the need to ensure continuous improvement there has been need to ensure regular updating of records to reduce risk of lose of useful data on the operations in the various departments of the organization. The data is mainly used in providing information regarding customer satisfaction, conformity to requirements, characteristics and trends of processes, products and services offered by KRA. As indicated in the table, a majority of the employees indicated that the regular updating of records was indeed a challenge. Record updating procedures demanded constant checks on the processes and this was hindered due to shortage of staff.

Lack of technical teams in some areas was noted as a challenge since the ISO 9001:2000 QMS was new. As seen in Figure 4.5 most of the respondents held the opinion that there was lack of technical teams in some areas and this slowed down the process of implementing ISO 9001:2000 QMS. In the implementation process the

organization the organization had to train some of its staff so that they could implement the whole process. Initially the implementers were few and this posed a challenge to KRA.

The need to achieve targets has made employees in every department to constantly work which has resulted to pressure to perform. This is because of the need to continually improve KRA operations by the use of quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review. As indicated in Figure 4.5 a majority of the respondents indicated that pressure to perform was a challenge. This posed a challenge since time and resources were limited and slow down implementation of the process. This implies that majority of employees are under pressure and are not intrinsically motivated to perform but they have to perform to keep their careers alive. The increased pressure also caused stress in some employees and this hampered the way they executed their duties.

According to the findings in Figure 4.5 a majority of the employees agreed indicating that advertising expenses was also a challenge as some remained undecided while others disagreed. This show that a section of the employees believe advertisement is a challenge and almost an equal number have a contrary opinion that on advertisement being challenge. This may be due to the nature of services KRA offers.

Communicating change was noted as a challenge since a majority of people who were to initiate this change did not understand it in the beginning. It therefore took time for them to understand it and this in itself delayed the change process within the KRA. The failure to communicate change was a challenge because it led to unnecessary conflicts due to miscommunication. These conflicts reduced the pace of implementation of ISO 9001:2000.



Documenting procedures was noted as a challenge by a majority of the respondents who participated in the study. There was need to re-document in case of changes detected in audits and especially in cases where corrections were regular. In addition the documentation procedure was to be done in a standard format indicating the change done, title of the document, purpose, scope of change, references, definition of terms and methodology used. Therefore there was need for employees to be familiar with how to document the process. A change in the cycle of processes implied that the whole process had to be changed by the departmental process owners.

Setting Quality management teams in the initial stages setting up of quality management teams in some areas was a challenge because when implementing ISO 9001:2000 requirements there is need for KRA to bear all the involved costs of setting up quality management teams in terms of training them prior to implementing the process. As indicated in table a majority of the respondents hold the opinion that setting up of quality management teams was a challenge. This is because the quality management teams are involved in other assignments and needed to create time for the ISO 9001:2000 quality management team outside their normal duties.

On manager's views on challenges in implementing ISO 9001:2000 4 (80%) indicated that limited opportunities for employee training were a challenge to implementation of ISO 9001:2000. Also, 3(60%) of respondents stated that lack of technical teams in some area was a challenge. This implies that there exist challenges in the implementation of ISO 9001:2000 in the organization, the most that affects as stated above.

#### 4.3.6 Quality Management Systems in K.R.A

There was need to seek opinions from the respondents about what they felt could be put in place to ensure effective implementation of ISO 9001:2000 for quality management systems at the KRA. The findings are as indicated in Table 4.6.

**Table 4.6: Ways of Enhancing Quality Management Systems in K.R.A**

Statement	Strongly Agree		Agree		Undecided	
	F	%	F	%	F	%
Quality and customer satisfaction	139	63	81	37	0	0
Organizational supply chains	150	68	70	32	0	0
Cost of quality	117	53	88	40	15	7
Development of quality management	165	75	55	25	0	0
Time and timeliness for quality service	77	35	143	65	0	0
Completeness for quality service	154	70	66	30	0	0
Courtesy for quality service	68	31	125	57	26	12
Consistency in quality service	160	73	55	25	5	3
Accessibility and convenience for quality service	169	77	51	23	0	0
Accuracy for quality service	150	68	66	30	4	2
Responsiveness for quality service	134	61	70	32	15	7
Performance for quality products	97	44	92	42	30	14
Features for quality products	132	60	88	40	0	0
Reliability for quality products	103	47	101	46	15	7
Conformance for quality products	128	58	92	42	0	0
Durability for quality products	139	63	81	37	0	0
Serviceability for quality products	130	59	70	32	20	9
Safety for quality products	169	77	51	23	0	0

**Source:** Author, 2014

There was need for the study to seek opinions from the respondents on their perception of the appropriate mechanisms that can be put in place to enhance quality

management systems in Kenya Revenue Authority. When asked about the implementation of quality and customer satisfaction, a majority of the respondents were on the affirmative. It seems that quality and customer satisfaction is widely thought by employees to improve quality.

As indicated in Table 4.6 a majority of the respondents were of the opinion that emphasis on customers changing their perceptions could greatly improve quality management system. This is clear indicator that employees see need for the customers to change their perception about KRA so as to ensure successful implementation of ISO 9001:2000. There is need for enhancement of organizational supply chains in the organizations as espoused by a majority of the respondents who participated in the study. This will enhance quality on all the processes and products of the institution.

There is also need for cost of quality determination if the organizations are to maintain quality management systems. This was indicated by a majority of the respondents. This could ensure effectiveness in terms of quality products and services by the organization.

The development of quality management systems was mentioned as a means of enhancing quality management systems in organizations. A majority of the respondents identified development of quality management systems as core to quality products and services provision.

A majority of the employees were of the opinion that time and timeliness for quality service was also a factor that could enhance quality management systems at the KRA. This implies that majority of employees are in agreement that time and timeless quality service should be practiced at work place.

There is need for completeness for quality service as indicated by a majority of the respondents who participated in the study. This will give the employees an opportunity to acknowledge the fact that they can achieve the desired results if they mobilize their efforts in doing so. From Table 4.6, a majority of the respondents were of the opinion that for quality management systems, there is need for accessibility and convenience for quality service in an organization. This could enhance employee's satisfaction and thereby motivation to perform their roles and duties effectively.

Accuracy for quality service was identified by most of the respondents as a way of enhancing quality management systems in an organization. This enhances quality consciousness with focus on customer satisfaction which is one of the principles of the ISO 9001:2000. Courtesy for quality service was also applauded by a majority of the respondents who participated in the study. This clearly shows that there is need for courtesy for quality service as supported by most of the respondents who are in agreement with the statement.

There is need for consistency in quality service in order to improve on the quality management systems in an organization. As indicated in table 4.8, a majority of the respondents upheld this opinion. Quality work is enforced by the fact that there is a constant need to ensure continuous improvement and through this, the work done is always of good quality. About Responsiveness for quality service, a majority of the respondents were of the opinion. From these responses it can be deduced that most of the employees favour responsiveness for quality service as core to improvement of quality at work place. This is believed to increase the productivity of the organization in terms of quality services to the clients.

Performance for quality products was identified as a means of enhancing quality management system by a majority of the respondents who participated in the study. Improved performance can enhance quality service provision and this could be through adoption of proper mechanisms of monitoring and evaluation of employee performance and rewarding systems. Isaac *et. al.*, (2004) says that the work environment influences the employee's abilities to improve the quality of work. In addition employee morale is considered as a measure of organizational performance Terviosky and Samson (1999).

Features for quality products were identified as a means of improving quality management systems in an organization. As indicated in Table 4.6, a majority of the respondents were on the affirmative. From the table, a majority of the respondents indicated that reliability for quality products was a factor that could be ensured for improved quality management systems at the KRA. This means that most of the employees believe that in order to improve quality, reliability for quality goods and services need to be emphasized.

Conformance for quality products was identified as a way of improving quality management systems in organizations by a majority of the respondents who participated in the study. Through regular internal and external audits the non conformities and errors are always kept in check and corrective and preventive measures taken to avert errors or non conformities. This in itself leads to improved quality of the products that meet and exceed consumer expectations hence increased revenue for the organization.

For quality management systems in organizations, there is need for durability for quality products as identified by a majority of the respondents. This is enhanced

through careful planning and implementation of appropriate actions and specified procedures to enhance the quality of work and services to the clients.

Serviceability for quality products is key to enhanced quality management systems as shown by a majority of the respondents who participated in the study. This point to the need for opportunities for workers to go for training and even further their education for acquisition of the necessary knowledge and skills needed in achieving the desired results for quality products. Aesthetics for quality products is key to enhanced quality management systems as shown by a majority of the respondents who participated in the study.

There is need for safety for quality products as a way of enhancing quality management systems in organizations. As indicated in the findings, a majority of the respondents agreed to this sentiment. Quality of the products is enhanced by the fact that specified procedures are followed in order to enhance the quality of work and products. This could ensure sustainability and stability of the organization and an increase in customer satisfaction.

There was need for the study to seek manager's opinions on how to improve quality at the KRA. From the interview conducted most of the managers suggested that there is need for change of customer's perception about KRA. Finally, most of the managers suggested that more funds are required for training employees. This implies that external factors as customer perception about the organization and training of employees are key in implementation of ISO 9001:2000.

When interviewed, the managers indicated that ISO 9001:2000 had affected organizational delivery of service at their work place; a majority 90% rated the

influence as high as 1 (10%) rated the influence as moderate. Asked about their perception of clients towards the ISO 9001:2000 implementation, all of them confirmed having a positive inclination towards their clients as required of their work.

There was also need to ascertain the managers' feeling about the challenges experienced in implementing ISO 9001:2000 requirement in their organization. As found in the study, they noted that there exist limited opportunities for further training at the work place; inadequate materials and financial resources which were a challenge implementation of ISO 9001:2000. Poor remuneration and lack of incentives were noted as a challenge as the KRA could not embark on implementing ISO 9001:2000 requirements without an improved pay for the workers.

Lack of managerial support was indeed a challenge to the implementation of ISO 9001:2000 at KRA. Integration of all ISO 9001:2000 requirements was a challenge because after every audit the non conformities had to be corrected and in some cases some took a lot of time. As established during the interviews, the introduction of new technology is either absent or it is not known to employees hence they lack the expertise to handle and use such technology at work. Record updating procedures demanded constant checks on the processes and this was hindered due to shortage of staff at the KRA. Technical teams were lacking in some areas and this slowed down the process of implementing ISO 9001:2000 QMS.

Failure to communicate change was noted as a challenge because it led to unnecessary conflicts which reduced the pace of implementation of ISO 9001:2000 requirements. Documenting procedures was also noted as a challenge by a majority of the respondents who participated in the study. The need for documentation procedures in

standard form and need to re-document in case of changes detected in audits and especially in cases where corrections were regular was indeed a challenge. Setting Quality management teams in some areas in the initial stages was noted as a challenge because when implementing there is of the need for KRA to bear all the involved costs of setting up quality management teams in terms of training them prior to implementing the process of ISO 9001:2000 requirements.

On how best to improve the quality management systems the managers suggested among others the need to focus on quality and customer satisfaction, time and timeliness for quality, courtesy for service, refunds for training of employee's responsiveness for quality service performance for quality products and reliability for quality products. Provision of funds for training of employees was also noted as key to implementation of ISO 9001:2000 as suggested by all the managers who participated in the study.

There is need for completeness for quality service and enhancement of organizational supply chains in the organizations as espoused by a majority of the respondents who participated in the study. There is also need for cost of quality determination if the organizations are to maintain quality management systems.

The development of quality management systems was mentioned as a means of enhancing quality management systems in organizations. The need for accessibility and convenience for quality service in an organization was noted by most of the respondents as a means that could enhance employee's satisfaction and thereby motivation to perform their roles and duties effectively. Accuracy for quality service was identified by most of the respondents as a way of enhancing quality management



systems in an organization. Courtesy for quality service was also applauded by a majority of the respondents who participated in the study.

Consistency in quality service was needed in order to improve on the quality management systems in an organization. Performance for quality products was identified as a means of enhancing quality management system by a majority of the respondents who participated in the study. This is believed to lead to improved performance which enhances quality service provision. The need for safety for quality products was also identified as a way of enhancing quality management systems.

Conformance for quality products was identified as a way of improving quality management systems in organizations by a majority of the respondents who participated in the study. For enhanced quality management systems in organizations, there is need for durability for quality products, Serviceability for quality products and Aesthetics for quality products as identified by a majority of the respondents who participated in the study.

Basing on the results there was no respondent who strongly disagreed/disagreed with the statement regarding ways of enhancing quality management systems in K.R.A. this shows that when the mechanisms are put in place quality management systems in K.R.A will be fully achieved.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Overview

This chapter presents a summary of the whole study through the discussion of the study findings, the implications of the findings interpreted in the light of the available evidence and conclusions derived from the interpretation. Furthermore, some recommendations and areas warranting further investigation are highlighted.

Despite the efforts for ISO 9001:2000 certification by the Kenya Revenue Authority to improve on the performance of employees at the organization, there have been a number of challenges which affect the implementation of ISO 9001:2000 recommendations and in performing their duties and this adversely affect quality of the products and services at the organization. The current study sought to ascertain the effects of implementation of ISO 9001:2000 in public institutions/organizations in Kenya, using Nairobi KRA office as case study.

The variables of interest were the ISO 9001:2000 implementation and work system, service delivery and the challenges facing K.R.A. in implementing ISO 9001:2000 and ways of improving the quality management systems at the KRA. The descriptive survey research design was adopted. It involved administration of instruments which sought the respondent's opinions on the effects of implementation of ISO 9001:2000 on work system and quality management services at the KRA. The target population for the study was clients, employees and managers at the KRA. The samples of the study were respondents of the selected KRA head office at Nairobi. The measurement instruments used in this study were Questionnaires and Interview schedules which were administered to the clients, employees and managers who participated in the

study. The data derived from the tests were computed and analyzed by the use of descriptive and inferential statistics. Descriptive statistics included the frequencies and percentages while inferential statistics included the chi-square.

## **5.2 Summary of the Findings**

The study sought to ascertain the effects of implementation of ISO 9001:2000 in the Kenya Revenue Authority in Kenya, using Nairobi office as a case study. On whether the implementation of ISO 9001:2000 had an impact on work system and service delivery, the results were in the affirmative. This has been attributed to proper utilization of resources as well as adherence to the required standards and procedures as outlined by the ISO 9001:2000.

### **5.2.1 The Effect of ISO 9001:2000 Implementation on the Work System of KRA**

The objective of the study was to determine the extent of the implementation of ISO 9001:2000 on the work system at the KRA. To a great extent, findings of the study indicated that the ISO 9001:2000 implementation has had a positive effect on the work systems at KRA. Customer focus has increased leading to gains in confidence among the customers; more people are now involved in management as suggested by a majority of the respondents who participated in the study which has led to efficiency, consistency and dedication to quality services to clients. There has also been adoption process and system approaches to management at the KRA which has led to quality products and efficiency service provision at the KRA. The implementation of ISO 9001:2000 has resulted to continual improvement in terms of quality products and services to clients as indicated by most of the respondents. The use of the factual approach as a principle to decision making at work place has enhanced proper utilization of the skills of the employees as well as industrial

harmony among employees and thereby limited chances of possibility of unrest which interfere with operations at the KRA. This has greatly improved management at the KRA with customers having confidence and hence satisfaction at the work place.

The success of any organization depends on its work systems. Good work systems are indicators of a successful organization. Implementations of ISO 9001:2000 has seen the work systems at KRA change and improve. Quality work is enforced by the fact that there is a constant need to ensure continuous improvement and through this, the work done is always of good quality.

### **5.2.2 Implementation of ISO 9000:2001 and Improved the Services at KRA**

The second objective was to determine the extent of the influence of ISO 9001:2000 service provision at the KRA. From the findings, a majority of the respondents confirmed that to some extent, services have improved at the work place as a result of ISO 9001:2000 certification. The indicators being; improved operational efficiency, enhanced customer satisfaction and increased customer confidence based on documented systems. The employees have been enabled to execute their duties effectively and documented their work knowing what to do and how to it.

### **5.2.3 Challenges experienced in implementing of ISO 9001:2000**

From the findings of the study, it is indicated that there is no good change that comes without a cost. Despite gains made to improve services as a result of implementation of ISO 9001:2000, time taken to deliver such services is still wanting owing to existence of some challenges. Clients take long to receive the services they seek that is, between 10-30 minutes as suggested by a majority of the clients. This implies that despite the implementation of ISO 9001:2000, there is little efficiency in service delivery.

As established in the study, a majority of employees claim that there exist limited opportunities for further training at the work place. The employees had busy schedules at work thereby lacking enough time to attend training. This means that they cannot get new skills and knowledge demanded by the new technology at work place. Without training, there will be no efficiency at work place.

Inadequate materials and financial resources were also noted by a majority of the respondents as a challenge to effective implementation of ISO 9001:2000. It is clear that a large number of respondents are in agreement. Poor remuneration was noted as a challenge in that before the KRA could embark on implementing ISO 9001:2000 requirements, there was need for an increment in the employee's remunerations and this meant that there was need for an increase in operational costs of the organization. As indicated in the findings, lack of incentives was an impediment to the implementation process as most workers could not be motivated and took time and were rigid to accept change into new ways of executing their duties as required by ISO 9001:2000 QMS without incentives. Lack of managerial support was indeed a challenge to the implementation of ISO 9001:2000 at KRA. As noted by most respondents who participated in the study, most employees noted limited support from the management at work.

Integration of all ISO 9001:2000 requirements was a challenge because after every audit the non conformities had to be corrected and in some cases some took a lot of time. The adoption of new technology at the work place was noted as a challenge by a majority of the respondents. As established in the study, the introduction of new technology is either absent or it is not known to employees hence they lack the expertise to handle and use such technology at work. The regular updating of records

was noted a challenge by most respondents who participated in the study. Record updating procedures demanded constant checks on the processes and this was hindered due to shortage of staff at the KRA. As indicated in the findings, technical teams were lacking in some areas and this slowed down the process of implementing ISO 9001:2000 QMS. Most of the respondents indicated that pressure to perform was also challenge that resulted to

To some extent, advertisement was noted as a challenge by a section of the employees. Failure to communicate change was noted as a challenge because it led to unnecessary conflicts which reduced the pace of implementation of ISO 9001:2000 requirements.

Documenting procedures was noted as a challenge by a majority of the respondents who participated in the study. The need for documentation procedures in standard form and need to re-document in case of changes detected in audits and especially in cases where corrections were regular was indeed a challenge.

Setting Quality management teams in some areas in the initial stages was noted as a challenge because when implementing there is need for KRA to bear all the involved costs of setting up quality management teams in terms of training them prior to implementing the process of ISO 9001:2000 requirements.

#### **5.2.4 Ways of Improving Quality Management Systems at KRA**

ISO 9001:2000 has without doubt changed the work place. However; there are various there are loose ends which need to be tightened. The study's findings reveal the need to focus on quality and customer satisfaction, time and timeliness for quality,

courtesy for service, refunds for training of employee's responsiveness for quality service performance for quality products and reliability for quality products. Provision of funds for training of employees is key to implementation of ISO 9001:2000 as suggested by all the managers who participated in the study. Training of employees is the surest way of ensuring employees has cutting edge skills.

A majority of the respondents noted that the implementation of quality and customer satisfaction is widely thought by employees to improve quality. Most of the respondents were also of the opinion that there is need for completeness for quality service. Most of the respondents were of the opinion that emphasis on customers changing their perceptions about KRA could greatly improve quality management system and ensure successful implementation of ISO 9001:2000.

In order to enhance quality on all the processes and products of the institution there is need for enhancement of organizational supply chains in the organizations as espoused by a majority of the respondents who participated in the study. There is also need for cost of quality determination if the organizations are to maintain quality management systems. This was indicated by a majority of the respondents as the means to ensure effectiveness in terms of quality products and services provision by the organization.

The development of quality management systems was mentioned as a means of enhancing quality management systems in organizations. A majority of the respondents identified development of quality management systems as core to quality products and services provision. A majority of the employees were of the opinion that time and timeliness for quality service was a factor that could enhance quality management systems at the KRA.

The need for accessibility and convenience for quality service in an organization was noted by most of the respondents as a means that could enhance employee's satisfaction and thereby motivation to perform their roles and duties effectively. Accuracy for quality service was identified by most of the respondents as a way of enhancing quality management systems in an organization. Courtesy for quality service was also applauded by a majority of the respondents who participated in the study.

A majority of the respondents upheld the fact that consistency in quality service was needed in order to improve on the quality management systems in an organization. Quality work is enforced by the fact that there is a constant need to ensure continuous improvement and through this, the work done is always of good quality. About Responsiveness for quality service, a majority of the respondents were of the opinion. This is believed to increase the productivity of the organization in terms of quality services to the clients.

Performance for quality products was identified as a means of enhancing quality management system by a majority of the respondents who participated in the study. This is believed to lead to improved performance which enhances quality service provision. The need for safety for quality products was also identified as a way of enhancing quality management systems. From the findings, a majority of the respondents indicated that reliability and features for quality products was a factor that could be ensured for improved quality management systems at the KRA.

Conformance for quality products was identified as a way of improving quality management systems in organizations by a majority of the respondents who participated in the study. For enhanced quality management systems in organizations,



there is need for durability for quality products, Serviceability for quality products and Aesthetics for quality products as identified by a majority of the respondents who participated in the study.

### **5.3 Conclusions**

According to the findings of the study, Implementation of ISO 9001:2000 had a positive effect on work systems in terms of better management at the KRA there has been proper utilization of the skills of employees as well as industrial harmony between the organization and employees and this has reduced the possibility of unrest that interfere with the operations of the KRA. The Application of ISO 9001:2000 to Kenya Revenue Authority ISO 9001:2000 is very important to Kenya revenue authority. It has allowed the organization to abreast itself with the required standards which in turn have been able to improve in service delivery. ISO 9001:2000 is considered a hall mark of quality products and services.

It can be concluded that ISO 9001:2000 has an effect in service delivery in KRA through the enhancement of quick response received on demands, there is renewed customer confidence in the organization. The overall quality of the services and the overall level of service in this organization has greatly improved in the organization. However, these good gains are being hampered with inefficiency as revealed in long durations taken to serve customers.

Holding a certified of ISO 9001:2000 in the Kenya Revenue Authority is a vital thing as it is considered as an efficient way in the work systems. Applying the ISO 9001:2000 standards in Kenya revenue authority is relevant since it will express that

the organization is offering light standard of quality services as the international level of standards and they can easily be recognized globally.

Inadequate materials and financial support and the skill gap by employees pertaining to the new technology are the hindrances to implementation of ISO 9001:2000. This shows that there were still some challenges faced in KRA in some areas and this slowed down the implementation of ISO 9001; 2000.

Finally, on appropriate ways on enhancing quality management systems in KRA, the organization focuses on quality is vital in improving quality in an organization. Right skills and knowledge of employees is required as well as Implementation of ISO 9001:2000 as an all inclusive process. Good understanding of ISO 9001:2000 and commitment of all stakeholders is also an ingredient for quality improvement in an organization.

#### **5.4 Recommendations**

The results of this study are considered as an important contribution, especially as it provides baseline evidence to monitor circumstances surrounding the implementation of ISO 9001:2000 in institutions like the KRA. On the basis of the findings of the study, the following recommendations are hereby suggested.

KRA management should ensure full implementation of ISO 9001:2000 in order to have better work systems in the organization. This will require all the stakeholders to lay much emphasis on their role in ensuring successive implementation.

There is need for continual improvement of quality in the organization; the services provided must not only be quality but also sustainable. Quality of services offered should result to improved financial returns and lead to satisfaction of other stakeholders.

Emphasis on training employees on new technology and funds must be made available for training, workers should be given incentives to participate in training, all this cannot be achieved with management in a back seat; they need to fully support the whole implementation process by taking the leading role.

The KRA management should set up a good and clear feedback system. This will enable it to track progress and their achievements in implementing ISO 9001:2000. Top management need to understand their organization as well as be knowledgeable in ISO 9001:2000 so as to implement it very well.

### **5.5 Suggestions for Further Studies**

The study has been able to provide a starting point for further investigation and in the light of the results, the following suggestions have been proposed for further research. A comparative study on the performance of ISO 9001:2008 certified in public and private organizations, A study on the challenges facing the implementation of ISO 9001:2008 certification in organizations, Replication of the study over a large sample of employees and Replication of the study using different KRA centres in the Kenya.

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## **Appendix I: Letter of Introduction**

Eileen Immaculate Kwedho  
Department of Development Studies  
School of Human Resource Development  
P O BOX 1948-30100  
**MOI UNIVERSITY**  
**ELDORET**

17<sup>TH</sup> JANUARY 2010

The Chief Executive Officer  
Kenya Revenue Authority  
**Nairobi Office**

Dear Sir/Madam,

**RE: REQUEST TO CARRY OUT RESEARCH**

I am a Student of Moi University, Department Development Studies taking a Masters of Philosophy course in Human Resource Development.

I intend to carry out a research on Effects of International Organizations for Standardization 9001: 2000 on Service Delivery in public sectors in Kenya - Kenya Revenue Authority.

The study is purely for academic purposes and the responses will be treated with utmost confidentiality.

Your approval will be highly appreciated.

Yours faithfully,

---

**Immaculate Eileen Kwedho**



6. Are you aware of the ISO 9001: 2000 implementation in KRA?
- Yes ( )
- No ( )
7. Do you think there are benefits as a result of ISO certification in KRA?
- Yes ( )
- No ( )
8. If yes, state the benefits of ISO certification
- 
- 
- 
9. How has ISO 9001:2000 affected your organizational delivery of service?
- Fairly [ ]
- Moderately [ ]
- Highly [ ]
10. How would you rate flexibility of the system to the services of the organization and responsive to changes?
- Highly satisfactory [ ]
- Satisfactory [ ]
- Neutral [ ]
- Poor [ ]
- Very poor [ ]
11. What is the perception of your clients towards the ISO 9001:2000 implementation?
- Excellent [ ]
- Good [ ]
- Bad [ ]
- Fair [ ]

12. Do your clients understand the meaning and importance of the ISO standards?

Yes [ ]

No [ ]

13. Has the organization's ability been able to satisfy its customer's requirements through ISO standards?

Yes [ ]

No [ ]

14. What are some of the challenges you experienced solely in implementing ISO 9001:2000 requirements in your work

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

15. What ways would you suggest that can improve the quality management systems?

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

Please indicate the extent to which you agree/disagree with the following statements regarding the suggestions to the extent of ISO on work system.

	Statement	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
	<b>ISO lays emphasis on:</b>					
1	Customer focus					
2	Leadership					
3	Involvement of people					
4	Process approach					
5	System approach to management					
6	Continual improvement					
7	Factual approach to					

	decision making					
8	Mutual beneficial supplier relationship					

Please indicate the extent to which you agree/disagree with the following statements regarding the suggestions to extent of ISO on improved services

	<b>Statement</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
	<b>ISO Enhances</b>					
1	Operational efficiency					
2	Enhanced customer satisfaction					
3	Improved financial returns					
4	Satisfaction of other stakeholders					
5	Sustainability					
6	ISO provides a basis for Continual improvement					
7	International recognition					
8	ISO promotes customer confidence based on documented systems					
9	I have ready access to the information I need to get my job done					



Please indicate the extent to which you agree/disagree with the following statements regarding the challenges experienced in implementing ISO

	Statement	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
1	Inadequate material and financial resources					
2	Poor remuneration					
3	Lack of incentives					
4	Lack of managerial support					
5	Limited opportunities for training					
6	New technology					
7	Integrating all ISO requirements					
8	Regular updating records					
9	Lack of technical teams in some areas					
10	Pressure to perform					
11	Advertising expenses					
12	Communicating change					
13	Documenting procedures					
14	Setting Quality management teams					

Please indicate the extent to which you agree/disagree with the following statements regarding the suggestions to improve quality.

	Statement	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
	<b>Need for:</b>					
1	Quality and customer satisfaction					
2	Customers changing perceptions					
3	Organizational supply chains					

4	Cost of quality					
5	Development of quality management					
6	Time and timeliness for quality service					
7	Completeness for quality service					
8	Courtesy for quality service					
9	Consistency in quality service					
10	Accessibility and convenience for quality service					
11	Accuracy for quality service					
12	Responsiveness for quality service					
13	Performance for quality products					
14	Features for quality products					
15	Reliability for quality products					
16	Conformance for quality products					
17	Durability for quality products					
18	Serviceability for quality products					
19	Aesthetics for quality products					
20	Safety for quality products					
21	Other perceptions for quality products					

**END**

**THANK YOU**



Fair [ ]

Poor [ ]

6. How would you describe the overall level of service in this organization?

Excellent [ ]

Good [ ]

Average [ ]

Poor [ ]

**Please indicate the extent to which you agree/disagree with the following statements regarding the suggestions to the extent of ISO on work system.**

	Statement	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
	<b>ISO lays emphasis on:</b>					
1	Customer focus					
2	Leadership					
3	Involvement of people					
4	Process approach					
5	System approach to management					
6	Continual improvement					
7	Factual approach to decision making					
8	Mutual beneficial supplier relationship					

Please indicate the extent to which you agree/disagree with the following statements regarding the suggestions to extent of ISO on improved services.

	<b>Statement</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
	<b>ISO Enhances</b>					
1	Operational efficiency					
2	Enhanced customer satisfaction					
3	Improved financial returns					
4	Satisfaction of other stakeholders					
5	Sustainability					
6	ISO provides a basis for Continual improvement					
7	International recognition					
8	ISO promotes customer confidence based on documented systems					
9	I have ready access to the information I need to get my job done					

Please indicate the extent to which you agree/disagree with the following statements regarding the challenges experienced in implementing ISO

	Statement	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
1	Inadequate material and financial resources					
2	Poor remuneration					
3	Lack of incentives					
4	Lack of managerial support					
5	Limited opportunities for training					
6	New technology					
7	Integrating all ISO requirements					
8	Regular updating records					
9	Lack of technical teams in some areas					
10	Pressure to perform					
11	Advertising expenses					
12	Communicating change					
13	Documenting procedures					
14	Setting Quality management teams					

Please indicate the extent to which you agree/disagree with the following statements regarding the suggestions to improve quality.

	<b>Statement</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Undecided</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
	<b>Need for:</b>					
1	Quality and customer satisfaction					
2	Customers changing perceptions					
3	Organizational supply chains					
4	Cost of quality					
5	Development of quality management					
6	Time and timeliness for quality service					
7	Completeness for quality service					
8	Courtesy for quality service					
9	Consistency in quality service					
10	Accessibility and convenience for quality service					
11	Accuracy for quality service					
12	Responsiveness for quality service					
13	Performance for quality products					
14	Features for quality products					
15	Reliability for quality products					
16	Conformance for quality products					
17	Durability for quality products					
18	Serviceability for quality products					
19	Aesthetics for quality products					
20	Safety for quality products					
21	Other perceptions for quality products					

### **Appendix IV: Managers Interview Schedule**

1. How has ISO 9001:2000 affected your organizational delivery of service?
  - a. Fairly
  - b. Moderately
  - c. Highly
2. What is the perception of your clients towards the ISO 9001:2000 implementation?
3. What are some of the challenges you experienced in implementing ISO 9001:2000 requirement
4. What ways would you suggest that can improve the quality management systems?



### APPENDIX V: Research Permit

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

**CONDITIONS**

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit.**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.**

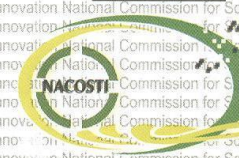
**REPUBLIC OF KENYA**

**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION**

**RESEARCH CLEARANCE PERMIT**

**Serial No. A/108/2014**

**CONDITIONS: see back page**



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

**THIS IS TO CERTIFY THAT:**

**MS. EILEEN IMMACULATE KWEDHO**  
**of MOI UNIVERSITY, 5916-30100**  
**eldoret, has been permitted to conduct**  
**research in Nairobi County**

**on the topic: EFFECTS OF**  
**INTERNATIONAL ORGANIZATIONS FOR**  
**STANDARDIZATION 9001: 2000 ON**  
**SERVICE DELIVERY IN PUBLIC SECTORS**  
**IN KENYA. KENYA REVENUE AUTHORITY**

**For the period ending:**  
**26th December, 2014**

*Eileen Kwedho*  
**Applicant's Signature**

*[Signature]*  
**Secretary**  
**National Commission for Science, Technology & Innovation**

## APPENDIX VI: Research Authorization



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349, 310571, 2219420  
Fax: +254-20-318245, 318249  
Email: secretary@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref: No.

Date:

24<sup>th</sup> September, 2014

**NACOSTI/P/14/8609/3367**

Eileen Immaculate Kwedho  
Moi University  
P.O Box 3900-30100  
**ELDORET.**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *“Effects of International Organizations for Standardization 9001: 2000 on service delivery in public sector in Kenya – Kenya Revenue Authority,”* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for a period ending **26<sup>th</sup> December, 2014.**

You are advised to report to **the Chief Executive Officer, Kenya Revenue Authority, the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
**DR. S. K LANGAT, OGW**  
**FOR: SECRETARY/CEO**

Copy to:

The Chief Executive Officer  
Kenya Revenue Authority.

The County Commissioner  
The County Director of Education  
Nairobi County.