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UNIVERSITY OF APPLIED SCIENCES

Prime Mover

Importance of Total Quality Management

(Case Study: Nyayo Tea Zone Development Corporation)

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2012 Laurea Hyvinkää

Laurea University of Applied Sciences
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Importance of Total Quality Management

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Degree Programme in business management
Bachelor's Thesis
May, 2012

Laurea University of Applied Sciences
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 Degree Programme in Business Management
 Services and Customer Relationship Management

Abstract

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Importance of Total Quality management: Case Study on Nyayo Tea Zone Development Corporation

Year	2012	Pages	49
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Strategy is becoming an increasingly important element of business. In ordinary language, strategy refers to a plan of action that is set or designed to achieve a particular goal. Daft, R and Lane P, 403, (2008) define *strategy* as *a plan of action that describes allocation of resources and activities for dealing with the environment and helping the organization attain its goals.*

In present world, where business competition has become the order of the day, in order to achieve positive results and returns, a good strategy is an important tool for surviving harsh competition and ensuring that the company remains in business.

The main objective of this research is to present the reader with a clear picture of how important TQM is and how it can be used as a strategic tool for business development. In order to support this assumption, a case study research has been conducted.

The case study is done in Tea and Forest Organization Company in Kenya where TQM has been used as a strategic tool for achieving positive returns.

The research was carried out using qualitative approach method which aims to find out how TQM can be used as a strategic tool. The research is also descriptive because the case study describes how TQM is applied in Nyayo tea Zones Development Corporation. The research also evaluates the importance of TQM in business development.

The findings were made using a questionnaire. The study focuses on the importance of TQM as a tool of strategic business development.

The findings show that applying TQM in Nyayo Tea Zones Development Corporation has succeeded in promoting general growth of the company, including the expansion of plantations as well as increase in production and annual income. These findings along with academic research demonstrate the importance of TQM in business development.

Key words: Total Quality Management, strategy, Importance.

Laurea-ammattikorkeakoulu
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Degree Programme in Business Management
Services and Customer Relationship Management

Tiivistelmä

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Vuosi	2012	Sivumäärä	49
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Strategiasta on tulossa yhä tärkeämpi elementti liiketoiminnassa. Yleisesti strategia-sana viittaa toimintasuunnitelmaan, jonka tarkoitus on tietyn päämäärän saavuttaminen. Daft and Lane, 403 (2008) määrittelevät sanan strategia toimintasuunnitelmana, joka kuvaa resurssien käyttöä ja ympäristöön liittyviä toimia sekä organisaation auttamista sen päämäärien saavuttamisessa.

Nykyisin kilpailu ohjaa maailmaa ja jotta yritys voi selvitä kilpailussa, on toimivan strategian merkitys suuri positiivisten tuloksien saavuttamiseksi. Tämän tutkimuksen tärkein tavoite on osoittaa lukijalle selvästi kokonaisvaltaisen laatujohtamisen (TQM) tärkeys ja miten sitä voidaan käyttää strategisena työkaluna liiketoiminnan kehittämisessä. Tämän oletuksen tukemiseksi on toteutettu tapaustutkimus kenialaisessa Tea and Forest Organisation -yhtiössä, jossa TQM:ää on käytetty työkaluna positiivisten tulosten saavuttamiseksi.

Tutkimus toteutettiin kvalitatiivista tutkimusmenetelmää käyttäen, joka pyrkii löytämään tavat TQM:n hyödyntämiseen strategisena työkaluna. Tutkimus on deskriptiivinen. Se kuvailee tapoja, joilla TQM:ää on käytetty Nyayo Tea Zones Development Corporationissa. Työ myös kuvailee TQM:n tarkeyttä liiketoiminnan kehittämisessä. Tutkimus tehtiin kyselytutkimuksena.

Tulokset osoittavat, että TQM:n käyttö Nyayo Tea Zones Development Corporationissa on auttanut yhtiön kasvua sekä kasvattamalla teeviljelmien kokoa että vuosittaista satoa ja rahallista tuottoa. Nämä löydökset yhdessä akateemisen tutkimuksen kanssa osoittavat TQM:n tärkeyden liiketoiminnan kehittämisessä.

Keywords TQM, strategia, Merkitys

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1 INTRODUCTION:

A company doing business in a competitive business environment has to employ really effective and well-organized strategies in order to achieve positive results. This research is based on a case study of Nyayo tea zone Development Corporation and how they used TQM as a strategic tool. The first chapter introduces the reader to the entire research study. It looks into the basis of the research, the question raised, aim and type of research done.

1.1 Background of the study

Business has gone a long way of evolution, ever since the days of barter trade (exchange of goods for goods or services for services); many changes have occurred since then allowing modern business to makes it easy to trade both goods and services.

Strategies of the old type of business involved a lot of planning concerning the location, time and who to trade with. It can be said that business strategies have been around since the beginning of trade and business itself. Due to changes occurring in the world, these strategies have only been improved to match the demand of modern business. In present day business world, there is too much competition between business entities doing the same type of business. There is also the emergence of small business enterprises which directly compete for customers with large business organizations and therefore threaten to send large-scale business out of the market. In order for big businesses to maintain their market, strategy has become a major tool of their survival.

The thesis describes strategic business development. An enterprise uses strategic business management which involves producing drafts as well as implementing and evaluating cross-functional decisions that lead to achievement of long-term objectives. Global competition is quickly making the old management model obsolete and is giving way to new management method that is customer-driven and which takes into account not how big the profit is, but rather to what extent the company meets its customers' requirements (Georges and Weimerskirch A, 1994).

Business strategy is a wider topic which involves many different types, functions and tools in this case the research is based on Total quality Management as a tool for strategic business development.

1.2 Research question

Looking at the business world one is left wondering why it is that some large business organizations with a lot assets and cash fail while some small business enterprises survive even hard economic times. This leads to the main question of the research—“**How important is TQM**

and how can it be used as part of business strategy?” This thesis will try to answer the question.

1.3 Aim of the research

The main aim of the thesis is to look at business strategy, defining its clear meaning and using TQM (Total Quality Management) as the main tool of strategy development to present a clear picture of how important TQM is for strategies of any type of business that one is doing. At the end of this thesis it will be seen how important business strategy is for a business.

1.4 Type of research used

Qualitative method of research was used to attain the raw data. According to Kumar (2008), Qualitative research is a method of inquiry applied in several academic fields; it is concerned with qualitative phenomena i.e. phenomena related to or involving quality or kind. This type of research aims at discovering the underlying motives and desire, using the in-depth interviews for the purpose. Qualitative research is especially important for behavioral science where the aim is to discover the underlying motives of human behavior. (Kumar, 152, 2008). Throughout this paper we shall be looking at “Why” and not “how” business organizations use TQM as a tool for business strategies. There will also be questionnaires which have been answered by the case study company.

1.5 Structure of the thesis

In order to answer the research question, the thesis has been divided into sections where section one is the introduction of the study, section two looks at the case study of the company in order to give the general outline of the company, what they do, why and how they have used TQM as a strategic management method to achieve their positive results.

Section three takes the reader through the theory about TQM what other people say about TQM and whether it can be used as a strategic tool in business organization. Several references from different authors help answering the research question.

Section four describes methodologies and problems encountered during this research. Last is section five which includes findings, data analysis and the conclusion of the research.

2 NYAYO TEA ZONE DEVELOPMENT CORPORATION. (CASE STUDY)

2.1 Company Introduction

Nyayo Tea Zones Development Corporation is a company located in Kenya. According to info please, High Beam Research. (2005) *Kenya Geography, history and Government*, Available: www.infoplease.com/ipa. Last accessed 27th March 2011, it gives the location of Republic of Kenya as a country found in East Africa, along the Indian Ocean to its southeast and across the Equator, it is bordered by Somalia to the northeast, Ethiopia to the north, Sudan to the northwest, Uganda to the west and Tanzania to the south. Kenya has a land area of 582,650 km² and the capital city is Nairobi. It has a population of about 39 million residents of different cultures. Kenya also has a good number of game parks and reserves with thousands of varieties of animal species.

Kenya is one of the major African nations classified as a developing nation and in some cases it is referred to as an emerging African nation. The capital city Nairobi is a major business hub and the country has the largest economy by GDP in East and Central Africa. The country's tea and coffee production is quite high and is renowned worldwide. In recent years the country has started producing horticultural products which has seen the nation becoming a major exporter of fresh flowers to the European market.

2.1.1 KENYA MAP



Fig 1

Information gathered from Nyayo Tea Zone. (2008), *Tea for forest conservation*, Available: www.teazones.co.ke. Last accessed 28 March 2011, Nyayo Tea Zones Development Corporation comes into existence by an act of parliament in 1986 through a legal gazette No. 265 as a State Corporation whose main objective was to protect and conserve the country's forests. The Corporation has job to promote forest conservation by establishing buffer zones to check human encroachment on forestland. This is achieved through the establishment of tea and assorted tree buffer belts around those forests. The Corporation operates in seventeen zones across the country. Another function of the corporation apart from protecting the forests is to help rehabilitate ecologically fragile areas.

The State had many objectives when it established the corporation which include conservation of forest and protection of the environment, production of the internationally renowned Kenya quality tea, production of wood fuel for tea factories, creation of jobs for the local community generation of revenue for the Kenyan government.

The buffer is a unique concept that has been very successful and is a shining example of innovative approaches to solve problems of human encroachment on forests which also allows for

harmonious coexistence between agricultural activities, conservation and communities living adjacent to the forests. In the process, the Corporation makes profits from tea and fuel wood proceeds, thus' generating its own revenue. Some of the proceeds from tea and wood fuel are ploughed back into the community through monetary disbursements to Community Based Organizations in the Corporation's 17 zones to enable them to engage in afforestation and income generating activities so that the communities can become custodians of forest protection instead of being agents of destruction.

The corporation has achieved its main objective of protecting the forest by forming protective belts along buffer zone of Mt. Kenya and Mt. Elgon, the Aberdare ranges, Mau-Trans Mara, Olpusimoru forest complex and Cherangani Hills. The protective belts are also found in Kaptagat forest, Kakamega Equatorial Forest, North and south Nandi forest and also Tinderet forest. A total of 4,773 hectares of trees have been planted to date by the corporation.

The present board and management team has tried to streamline the corporation's operation through implementation of good governance and modern business practice which has registered great successes during fiscal year of 2007/2008, was when the corporation ranked number two on the list of the most productive state corporations, and number one on the list of the most improved corporations. The corporation's other activities include disbursement of large sums. 96 millions of Kenyan shillings have been disbursed to support 104 community-based organizations in both afforestation and income-generating activities.'

(Tea zone 2008). These community programs have not only economically empowered communities living adjacent to forests but also greatly reduced their reliance on forest products for their livelihood. The Corporation also provides employment to the local communities, which has contributed much to the prevention of forestland destruction by offering alternative sources of income for livelihood.

The tea zone website (2008) has also spelled out the mission, core values, vision of the organization.

2.1.2 Vision

The Corporation wishes to be a leading and profitable organization in conservation of forests and protection of the environment.

2.1.3 Mission

The organization aims at effectively protecting the forest area, achieving the highest quality tea and wood fuel production and building a profitable corporation.

2.1.4 Core values

The Corporation is guided by the following core values in conduction of its business: integrity, professionalism, teamwork, commitment and respect for each other

2.1.5 Corporation Mangement

Management has been subdivided into to small regions or zones. The corporation is headed by Managing Director followed by its deputy and then bellows them there are different departmental heads, with the main office situated in Nairobi, the capital city of Kenya. Corporation consists of 17 zones which each headed by zonal coordinator. Each zone is further subdivided into blocks headed by a supervisor who is directly responsible for managing employees and all the activities that take place in the block.

2.1.6 Labour

At the moment, Nyayo Tea Zones Development Corporation has 400 employees working for the corporation on permanent terms and between 4000 to 6000 people employed daily on a casual basis.

2.1.7 Kenya gazzeted forest

FOREST BLOCK	GAZETTED FOREST	INDIGENOUS/ASSORTED PLANTATIONS OF TREES (Area/ Ha)
MT. KENYA BLOCK	Mt. Kenya	199,538
	Nyambene	5,953
	Upper Imenti	10,402
	Nthunguru Hill	554
	Lower Imenti	2,477
ABERDARE BLOCK	Aberdare	103,315
	Kikuyu escarpment	37,619
	Nyamweru	803
MAU, TRANSMARA AND OL PUSIMORU COMPLEX	Maasai Mau	46,373
	Western Mau	22,748
	Trans Mara south	34,454
	Mau south	12,884
	Northern Mau	1,296
	Eastern Mau	6,067
	OL pusimoru	17,258
NANDI FOREST	North Nandi	11,345
	Kaptagat	12,985
	Kiptarakwa	12,801

	South Nandi	19,568
KAKAMEGA FOREST	Kakamega Forest	17,838
MT. ELGON	Mt.Elgon Forest	73,089

Table 1

2.1.8 Nyayo Tea Zone, Zonal Location

FOREST BLOCKS	ZONE	Area Planted with Tea (ha)	Area Planted with Assorted Trees (ha)	Total (Ha) Area
ABERDARE RANGES	Kiambu	165	436.8	605.8
	Murang'a	135	82	218.2
	Nyeri	187	80	268
MT KENYA AND NYAMBENE	Mathira	118	139.7	262.5
	Kirinyaga	247	41.6	293.8
	Embu	175	61.5	238.5
	Meru South	130	33.7	166.7
	Meru Central	193	119	324
MAU, TRANSMARA AND OL PUSIMORU COM-	Olenguruone	206	179.6	411
	Nyangores	175	96.5	273.5

PLEX	Kericho	147	142	291
KAKAMEGA	Kakamega	216	584	885.2
MT ELGON	Kapsokwony/Saboti	190	820	1025.1
CHERANGANI	Kapcherop	121	381.9	512.9
NANDI	Kaptarakwa	102	612	724
	North Nandi	463	731.8	1375
	South Nandi	446	714	1280
	Total hectares	3416	5235.1	8651.1

Table 2

2.2 Business line

From the year Nyayo Tea Zones Development Corporation was established, it has been doing business in two major fields - tea production and forest planting. Tea production has been the major source of income for Nyayo tea Zones.

2.2.1 Tea production

Tea plantations have doubled in quantity, acting as buffer zones for reducing encroachment on forests and also as a major source of income for the corporation.'

Production of tea by the Nyayo Tea Zones Development Corporation has registered steady growth since the first bushes matured in 1989.

Over the years, green leaf production has increased from three million kilograms in 1989/90 to 18.8 million kilograms in 2009/2010. The increased green leaf production has enabled the

Corporation to become financially self-reliant, Tea Zones (2008). There is an increase in demand for tea, and in order to keep up with this global trend, the current management team of the corporation is aiming at tremendously expanding and improving the quality of the tea it produces, which includes planting an additional 1,500 hectares of tea plantations. In the next three years, this expansion is expected to increase production of tea to 25 million kilograms.

There are many competitors in the tea industry and to maximize their production plus the profit, the Nyayo Tea Zones has embarked upon construction of its own factories to be used in processing the tea produce from their plantations. This will allow Tea Zones to have factories near the plantations and hence improve the quality of tea produced by the Corporation and reduce losses from unprocessed tea. Kipchabo Tea Factory in North Nandi tea zone is already complete.

Processed tea produce by Tea Zones is sold at different markets, which includes local market, regional companies and also international markets and companies. They also sell their tea to packaging companies around the country and the world.

Tea Zone factories also offer cooperation to private tea farmers. The factories buy tea from local tea growers in order to boost the volume of tea produced daily. By doing so, the corporation has performed the function of creating employment and wealth for the local community who now have an easy and cheaper way to transporting tea to the factories near them rather than transporting tea a long distance to other factories. Also the farmers will suffer less loss due to tea being perishable in nature, the faster it reaches the factory the better the quality and the smaller the loss of kilograms due to weathering and hence the income is higher.

2.2.2 Forest conservation

The corporation has done a lot in trying to replant trees in open areas of forest where there has been a lot of deforestation and encroachment by human population.

Deforestation of natural forest has led to negative impact, not only just on agriculture, but also on livestock and fisheries. Each year Kenya loses tens of thousands of forest hectares because of human encroachment, this leads to the land being left bare, exposing it to massive erosion and, consequently, leading to desertification in once an agriculturally rich country. According to tea zone (2008), Tea Zones since its inception in 1986, has managed to plant 4,773 hectares of forest cover. Nyayo Tea Zones Development Corporation is comprised of 17 zones: around Mt Kenya (Nyambene, Upper Imenti, Nthunguru Hill and Lower Imenti); Aberdare Ranges (Kikuyu escarpment, Nyamweru); Mau, Transmara and Ol Pusimoru (Maasai Mau, Western Mau, South Mau, South Western Mau and Eastern Mau); Nandi Forest (North Nandi, Kaptagat, Kaptaber and South Nandi); Kakamega Forest and; Mt Elgon Forest.

As a result, areas where the corporation is situated and have plantations of either trees or tea, illegal logging has been greatly reduced and encroachment has been stopped. As a matter of fact, ever since the buffer zone was established, there has been a resurgence of some of the rivers and dams that had disappeared because of deforestation and encroachment upon the forest.

Out of the Kenyan companies which have been mandated to protect the forest, Nyayo Tea Zone Development Corporation has played the leading role in the preservation of biological diversity of Kenya's highland forests. The tea plantations have acted as live fence preventing human encroachment and forest distraction. Industrialization and globalization have become a major focus of business survival, therefore in order for the company to effectively achieve its overall goals; the Corporation has employed new strategies for conservation and protection of Kenya's natural forest resources. This, in turn, will lead to promotion of economic prosperity for the local communities in line with the current Economic Recovery Strategy for Wealth and Employment Creation by the Kenya Government, which will be achieved by enhancing the consolidation of physical buffer zones around forests through plantation and management of wood fuel, indigenous trees and tea plantations. In addition, the Corporation will support the development of agro forestry for buffer zone communities and engage them to participate in forest planning and management.

To achieve these goals the corporation has to do a lot of work, however, the work of conservation cannot succeed without the participation of various stakeholders. Hence the Corporation is working closely with local communities, non-governmental organizations and relevant government bodies like the Kenya Forest Service to ensure not just the planting of new forests, but protection of the existing ones, Tea zones (2008).

2.3 Major Business strategies

Tea Zones has several strategies put in place in order to reach its goals and objectives.

2.3.1 Strategy

-Tea zone has strategies for expanding the tea and trees plantations each year, by establishing their own tree and tea nurseries. The corporation has ensured that every zone in a region has at least one big tree and tea nursery. The nursery is used to supply seedlings to different blocks in the zone where extension of a plantation or new planting is done.

One of the corporation's strategies is to enhance its procurement procedures by promoting a culture of transparency and competitive sourcing.

Acquisition of raw materials, tools and equipment is done by inviting tenders whereby all the people interested can apply to supply or buy from the corporation.

-The corporation also has a new strategy to maximize employees' performance as well as a staff rationalization program in line with its needs, which involves recruiting new talent in order to increase the corporation's capacity. The corporation also has workshops which are used in educating and teaching its workers.

- To achieve all-round conservation of forest and catchment area the corporation has sensitized the community on agro-forestry and tea husbandry which has led to many people around the forest growing tea and planting trees. This in turn led to the local community putting less pressure on the forest because it is able to get satisfactory amount of wood fuel and fodder obtained from practicing agroforestry on their farms.

- The corporation has also used total quality management as a way of managing its operations in order to attain positive results. In the year 2008, Nyayo tea Zone Corporation received a certification for ISO 9001:2008 on Quality Management system. The organization has used Total Quality Management to create a functional framework between the corporation's management, workers, customers and suppliers in general.

2.4 *Customers and Suppliers*

2.4.1 Customers

The corporation has different customers locally and internationally.

2.4.1.1 Local Markets

Tea production is the main company's commodity, Tea zone sell their products to several local markets. The major tea zones customer is KTDA- Kenya Tea Development Agencies. KTDA have 54 factories around tea-growing regions of the country, which offer market and buy green leaves from Nyayo tea zone and other local private farmers.

Apart from KTDA, Tea Zone sells their green leaves tea to other customers who have private companies and factories, i.e.

- 1) George Williamson LTD company
- 2) Eastern Produce
- 3) Kakuzi Ltd
- 4) Finlay's Company.

With the building of the new factory in Kipchabo in North Nandi district, Tea zones will also sell the processed tea directly to other markets. Processed tea can be sold to Kenya tea Packers Ltd (KETEPA), at auction in Mombasa port of Kenya and directly to consumer.

For forest products, mostly wood fuel is sold locally in the country to the following customers:

- 1) Neighboring community around the forest who uses the wood fuel for their own domestic use.
- 2) Woodturning companies, who use tree stems to produce preservation posts and poles for electrical lines. Telephone lines and wires as well as fencing posts are also produced from the same wood. A well matured tree can also be used to produce preserved beam which can be employed in construction of temporary bridges.
- 3) Trees are also sold to other tea companies that use wood to heat the boilers for tea production.

2.4.1.2 International Markets

At present, most of Tea Zone tea, reaches international markets through KTDA. With the building of two factories, the processed tea also reaches the global market through auction in Mombasa.

Major markets for Kenyan tea are:

- Egypt
- Britain
- Pakistan
- Denmark etc.

No forest product sold outside Kenya is fully used and sold locally.

2.4.2 Competitors

In the field of tea and tree growing in Kenya there are many competitors, most of them are either individual or private-owned companies e.g. Kakuzi, George Williamson, Finlay's, Eastern produce etc.

All these companies compete to produce high quality products and control the biggest market share in the country. In order to be competitive Nyayo tea zone has employed the use of total quality management as a way of managing its affairs in order to strategically compete with the rest of the companies in being the leader in high quality tea production and enjoy the biggest market share.

2.5 The Corporation's Achievements

According to tea zones (2008) the company has several corporate achievements which range from corporate expansion to relationship with community around the forest.

2.5.1 Expansion

Tea Zone is an agricultural business company and its expansion is mainly based on the number of hectares of both tea and trees it has planted. From the year it was estab-

lished up to the year 2000 the corporation has planted 3416 hectares of tea and 5235.1 hectares of assorted trees species (both indigenous and wood fuel) which have acted as a buffer zone and have successfully stopped human encroachment upon the forestland.

2.5.2 Production

Tea production is the major source revenue for the company. In a number of years the corporation has also been able to increase its annual Greenleaf production from 3 million kilograms in the 1990s to the 18.8 million kilograms in the 2009/10 financial year. During the year 2009/2010, the company also sold mature trees from North and South Nandi zones.

2.5.3 Labour

With employment being a major challenge for Kenya as a nation, the company has offered employment opportunities to the local people, and currently it has a workforce of 400 permanent employees and engages between 8000 and 12000 workers on a casual basis in its tea plantations and tree plantations in the zones.

2.5.4 Assets

Acquisition of assets has been a considerable achievement of the company. It has been acquiring vehicles, new plantations every year and has also built houses, factories and offices. For the past few years the corporation has been self-sustaining and its net assets base has grown to 3.5 billion Kenyan shillings, excluding the value of land because it was allocated to the corporation by the Kenyan government.

2.5.5 Factories

In order to generate maximum profit and as part of making the corporation sustainable through value addition, the corporation has constructed its first tea factory at Kipchabo in Nandi central district. The second factory, whose plans are at an advanced stage, will be constructed at Gatitu in Kirinyaga. This is a great achievement since most of the loss suffered during transportation and rejection is highly reduced.

2.5.6 Communities

Communities living next to the forest benefit a lot from the company's work. The corporation has empowered communities living adjacent to the forest zones where it operates and turned them into custodians of forests instead of agents of destruction, be-

cause it has offered them employment and therefore they have jobs and are not compelled to destroy the forest.

2.6 Performance Achievements

Nyayo Tea Zones Development Corporation (2008) is currently ranked as the best state corporation judging by contract performance for the 2008/2009 financial year. This is an improvement compared to the previous ranking as the second best performing parastatal of the 2006/2007 financial year.

As a manufacturing and commercial company, the corporation was also ranked as the best performing parastatal in the commercial / manufacturing sector in both the 2006/2007 and 2008/2009 public service performance contract results.

As the corporation is growing large, the current management has managed to keep expenditure in check. This is demonstrated by the 2009/2010 seven fundamentals of institutional management evaluation results conducted by the ministry of agriculture, when the corporation emerged as the best at expenditure control.

The company has embraced total quality management as a way of management, In June 2009; the corporation attained the international quality management systems - ISO 9001:2008 CERTIFIED

2.7 Total Quality Management Application within the company

Today business environment is quite competitive in nature, and this has led to many businesses looking for a way to survive or compete with others in this type of environment. Nyayo Tea Zone is one of the companies which have put measures in place in order to compete with other organizations which conduct the same type of business. Nyayo Tea Zones Development Corporation decided to use total quality management as a strategic tool for business development and realization of their major objectives as a business organization.

According Nyayo Tea zone (2008), Nyayo Tea Zones Development Corporation has adopted the basic principles of the Quality Management Systems which draw attention to customer focus, leadership, involvement of people, factual approach to decision making and mutually beneficial supplier relationships as the guiding framework for the senior management. These principles are also embedded in the core values that guide operations at the Corporation, namely: integrity, professionalism, teamwork, commitment and respect for each other. As they marked the attainment of ISO certification, they reminisced about their steady development into a stable and profitable State

Corporation, has they embarked on the journey to adopt the Quality Management System.

In order to see or to be certain that Total Quality Management actually works in Nyayo tea zone, they have to keep check on the following five lines to see if they correspond to the objectives of the company. The feedback they receive on them gives a clear picture of how TQM is performing.

2.7.1 Customer Focus

Tea zone has taken their customers satisfaction as their major concern while using TQM as a major strategic tool for business development. They offer high quality tea to their customers and also good type of wood to woodturning companies. 'The quality of their products is liked by the recipient, because there has been less rejection green leaf tea in recent years.

2.7.2 Leadership

The organization has well-structured leadership from the top management in the office to the lowest casual worker at the zonal level. It allows easy flow of information and duties from one department to the other and also keeps duplication of responsibilities in check.

2.7.3 People Involvement

Different people are involved in different areas of tea zones activities, The Government, the staff of tea zone, the community around tea zones plantations are all involved in one way or another in making's the company a successful one.

2.7.4 Decision Making

The organization makes most of its decisions at meetings of the board of directors which are chaired by a chairman appointed by the Government of Kenya.

2.7.5 Beneficial Suppliers

The company uses an open tendering system to acquire most of its inputs required to have quality production. Cost control and profit-making is important for achieving for company's goals, and, therefore, Tea Zones puts their main focus on suppliers who are beneficial to them. They always chose to deal with suppliers who are well-known, flexible, reliable, offer good prices and supply quality items on time.

2.8 Tea Zone's Target in Future

Tea zone (2008) It was the desire of the board of directors to turn the corporation into a modern, efficient 21st century organization before formally seeking the ISO certification, and the current management introduced modern management practices which helped them realize the successes they had in the recent past, notably the award they received in 2008/2009 financial year for being the best ranked and performing parastatal organization.

Receiving this award is a sign that the corporation has met its target of achieving their objectives. Putting their target into consideration, currently tea zone have managed to establish over 11,789 acres of assorted tree species; and over 6,916 acres of mature tea bushes in gazette forests around the country, which have acted as buffer zones and play a major role in the protection of gazette forests from human encroachment and destruction.

To make their operations more sustainable in meeting their future targets, they intend to establish an additional 1,500 hectares of tea, 5000 hectares of assorted tree species and 500 hectares of indigenous trees in environmentally sensitive areas in the next five years.

Also as competition is becoming tougher, the company is making a major step towards value addition and' is venturing into tea processing. At the moment the construction of the first tea factory, at Kipchabo in Nandi North District, is at an advanced stage and is scheduled to start processing early next year and the second factory will be constructed in Kirinyaga soon afterwards.

According to the strategic plan, the corporation aims to achieve its objectives by using the ISO certification. The senior management team will be in charge of direction so as to realize the corporation's objectives and take innovative advantage of every opportunity to advance the goal of forest conservation and quality tea production.

Lastly the Corporation will aim to continually review the quality objectives and make improvements in order to maintain the ISO 9001:2008 Quality Management System standards, which will give the company the upper hand in present competitive business world.

2.9 Developing of strategies using SWOT analysis

Tea Zones Development Corporation has used SWOT analysis in order to develop their strategies. For tea zone to decide to use TQM has a tool for business management, they had to clearly look at the field of business they are in, location, surrounding, Environment, Politics,

globalization, Society and economics. This means that SWOT analysis became a major base for studying all these aspects.

2.9.1 SWOT - definition

SWOT is an abbreviation which stands for Strength, Weakness, Opportunity and Threats, according to Gillespie (2007),

Strengths are internal factors that a firm may build on to develop a strategy i.e. marketing strength, financial strength, Operational strength and HRM strength. **Strengths** are strong positives factors within the company that it can use to achieve its objectives. **Weakness** are internal factors that firms may need to protect themselves against i.e. marketing weakness, financial weakness, operational weakness and HRM weakness, therefore weaknesses are negative factors within a company which can produce a negative outcome, though the company can take steps to avoid such effects. Both strengths and weaknesses are internal factors and relate to the present.

Opportunities and **Threats** are external factors that may affect the business performance and relate to the future. Opportunity is defined as a favorable condition or situation for attainment of goals or it can also refer to a good position or a chance for success in any field that you are involved in. Threat is defined as a factor which can cause harm or can lead to business closure and the business or organization has no power to control those factors.

2.9.2 SWOT Analysis in Nyayo Tea zone Development Corporation

2.9.3 Strengths

Nyayo has got a lot of internal strengths which can enable the company to reach major goals. Land is one of the company's strength, it has enough land for expansion whenever they are ready to plant more trees and tea, they can do planting around the forest, Labour availability is also one of the strength the company has since there is a big population around the forest therefore it is not hard to find people for work on plantations. The revenue generated from selling the products is enough to run the company and also some of its' major projects are financed by the African Development Bank (ADB) or World Bank.

2.9.4 Weaknesses

As one of the major state corporations, tea zone has got its own internal weaknesses, poor road network in areas of tea and forest plantations, the road around plantations and forest are not paved with tar and are seasonal and very rough roads which are impassable during the rainy season and hence directly hamper the delivery of green tea leaves to the factory. As for the level Literacy, most people who are casual workers in tea zones are semi-literate there-

fore sometimes there is loss or distortion of information when it is passed on between the casual workers. Tea Zones Development Corporation also lacks its own processing plant. The corporation produces a lot of green leaf tea, and the recently-built factory cannot cater for all the tea produced.

2.9.5 Opportunities

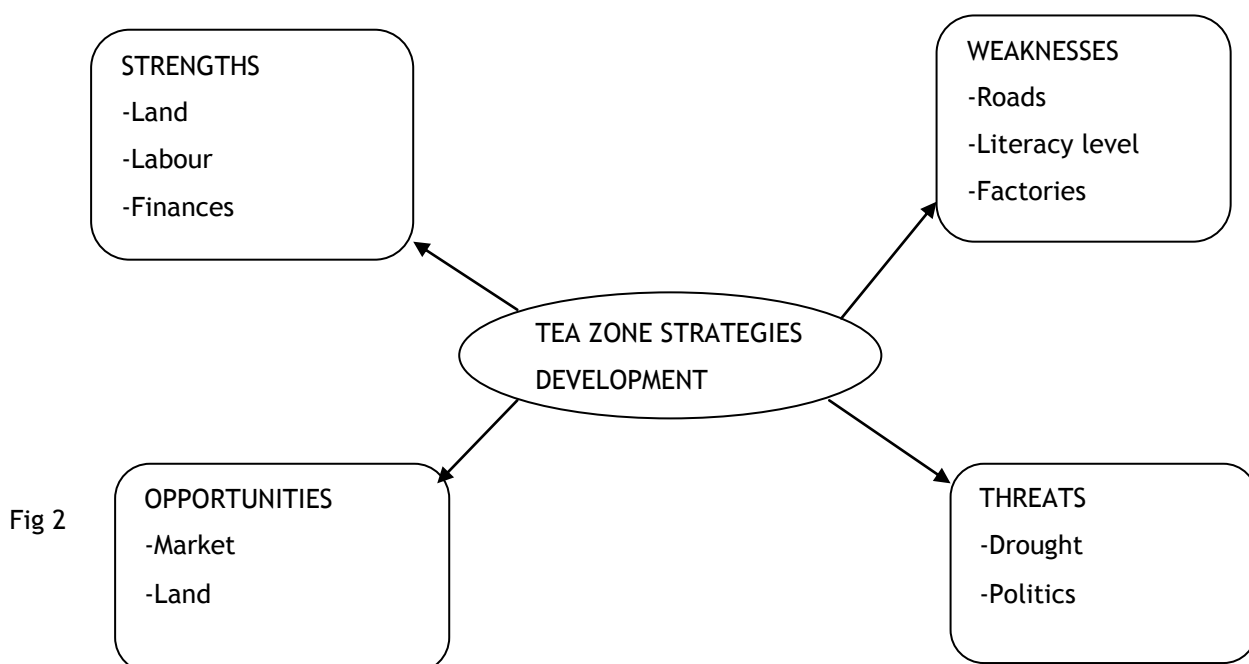
As a business corporation, tea zone has opportunities which are related to the future i.e. market. There is a worldwide market for tea which the company can enter by building more factories so that they can have more processed tea and forest product in order to be able to approach the market directly rather than sell green leaf tea to a processing factory. It will allow the company to generate maximum profit. Land is another future opportunity that the company has, since there is a lot of empty land around the forest which the organization can request from the state in order to expand their plantations in future.

2.9.6 Threats

In business, threats always exist and there is little that can be done about it.

The major threat for the company is drought, with it being Agriculture Company; tea growing depends a lot on rains for high production of green leaf tea and prolonged drought is catastrophic for the growth of tea. Politics is also threat to the company's objectives because when there is instability in politics of the country and people resort to fighting along tribal lines it can lead to some communities being displaced, hence the lack of workforce for gathering tea from plantations.

2.10 SWOT chart of tea zone strategic development



3 Theoretical Research on TQM as strategic business tool

3.1 Definitions of TQM

Many deferent authors have described at TQM as the best way of business management in present competitive business world. The Gale group (2011) refers to Total Quality Management (TQM) as a management method used to enhance quality and productivity in organizations, particularly in businesses and enterprises. The system is a comprehensive approach that works horizontally across an organization, involving all departments and employees and extending backward and forward to include both suppliers and clients/customers.

TQM is a combination of three words which are Total, Quality and Management-

Total can be defined as absolute, complete or after everything/ everyone is counted.

Quality has several meanings according to the different authors, e.g. Mukherjee (2006) Dr. Juran defines quality as the fitness to use', Philip Crosby defines it as 'conformance to requirements' and ISO 1900:2000 defines quality as 'The degree at which set of inherent characteristic satisfies the requirements' considering the above definitions, Mukherjee defines quality as *'totality of the features or state of the products and /or services that satisfies the stated and implied need of the customer.*

Management refers to organization and coordination of activities of an enterprise in accordance with certain policies and for achieving defined objectives, Business Dictionary (2011). Mukherjee (2006) defines management as a continuous process of creating and maintaining a conducive environment for a group of people who are working together towards a common objective or a specific goal.

Summing up the definition of three words that make up TQM, Mukherjee (2006) defines ***Total Quality Management as an organized scientific approach towards continuous improvement of quality involving everyone in the organization covering every function aimed towards total customer satisfaction.*** This definition clearly demonstrates that improvement of quality of all the processes within a company leads to complete customer satisfaction, in turn increasing profit.

Other authors who examined TQM (Dale H. B., Michna C. B. and Glen H. B., 2003) define it as follows: total - whole or complete; quality - the degree of a product's excellence; management - the act or manner of handling, controlling or directing. They describe TQM as a ***philosophy and a set of guiding principles that represent the foundation of continuously improving organization.*** They went ahead and define TQM as application of quantitative methods and human resources to improve all the process within an organization and satisfy the needs of customers in the present as well as future. Having a foundation of continuous improvement within a company ensures that the organization is sustainable in terms of pro-

duction, customers' workers and suppliers. It also allows the company to have fewer defects and generate maximum profit from production.

In general, the aim of TQM is to minimize cost and maximizing production. A lot of authors have different definitions of TQM, but looking at the work of Anand A.S. (2004) he suggest that, TQM is a new philosophy and the definition is not yet standardized and is yet to be universally applicable. He also suggests that with TQM being a versatile philosophy, only what is done matters and not what is stated.

3.2 Concept of TQM

The concept of TQM focuses on the quality of customer satisfaction, Dehlgaard .J.J, Kai.K and Kanji.G.K. (2002) wrote that TQM is a culmination of a hierarchy of three quality definitions

- Quality is to continuously satisfy the customer's expectation.
- Total Quality is to achieve quality at a lower cost.
- Total Quality Management is to achieve quality through everybody's participation.

In trying to Implement TQM it is important to understand the concept of quality cost which is the sum of failure costs, Appraisal costs and prevention costs. Most of these costs are invisible and an organization may use only visible cost which may lead to wrong figures, because most businesses do not want to use the unknown figures. In TQM application this may be improved by investing in Quality Management costs which consists of the following two according to Dehlgaard .J.J, Kai.K and Kanji.G.K. (2002)

- Preventing quality cost - is the cost of activities which aims at preventing quality defects and any cropping problems by finding and controlling their causes.
- Inspection/Appraisal cost- this cost includes finding defects which have already occurred or ensure that certain standards of quality are met.

Investing in quality management cost will ensure that there is improvement in Quality and also reduction in either internal or external failure cost.

3.3 Origin of TQM

As changes have been occurring in the business world Motivation of workers, market of products and services seem to have been overtaken by time. With most business organizations turning to innovation and research, they develop new way of management which could make all departments in an organization work together in order to achieve their objectives and hence Total Quality Management comes into play. Answer corporation (2011) states that although TQM techniques were adopted prior to World War II by a number of organizations, the creation of the Total Quality Management philosophy is generally attributed to Dr. W. Edwards Deming. In the late 1920s, while working as a summer employee at Western Electric Company in Chicago, he found worker motivation systems to be degrading and economically

unproductive; incentives were tied directly to quantity of output, and inefficient post-production inspection systems were used to find flawed goods.

In the 1930s Deming teamed up with Walter A. Shewhart, a statistician who convinced him that statistical control techniques could be used to supplement traditional management methods. Using Walters's theories, Deming came up with statically controlled management process which shows the manager the means of determining when to interfere with an industrial process or when to leave it alone without interference.

In 1947 Deming was sent by one of his client US state Department, to Japan to try to revitalize the Japanese economy devastated by war. His Management ideas were well-received and put into practice to help the ailing manufacturing sector. His Quality Management system helped Japanese companies to achieve a massive market share and by late 1970's and 1980's some American companies struggled to adopt TQM and productive techniques. By early 1990's American companies had also gained in quality and productivity. Answer corporation (2011).

3.4 Evolution of TQM

TQM being different management method which was first brought into use in Asian countries specifically Japan, had to evolve into the current form before being adopted by American companies.

After World war Calis, J.F (1993) described the outcome of the war 11 whereby the Americans come out stronger than ever while the rest of the countries had to struggle with their economies, one of them being Japan. Most companies were saved by Dr. Deming Edward an American who came up with a new method of management for Japanese companies to adopt and use leading to a positive outcome and the revival' of the country's economy. The success of the system led American companies to adopt it in late 1970's and 1980's.

TQM evolution has been analyzed in depth by different authors; they have described how the method has developed from one stage to the other. Most writers have described the development of TQM in four stages. Amanda. A. S (2004) and Kanji G.K, Jens J.D and Kai.K (2002) have all discussed the four stages of TQM evolution, which are: -

- Quality inspection,
- Quality control,
- Quality assurance and
- TQM

3.5 TQM evolution Chart

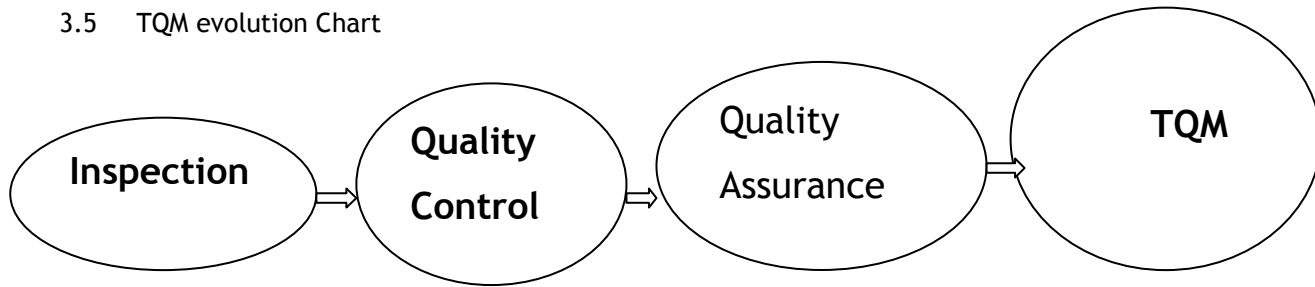


Fig 3

3.5.1 Inspection

Inspection is the first stage of TQM evolution. Amanda. A. S (2004) in this stage inspection is used to identify nonconformities at the end of production. In older days it was used to measure quality, at the end of any process be it manufacturing or service, inspection was done. A product could only be used if it passed the inspection. Nowadays, in the era of competition and high quality, the inspection philosophy called “the end justifies the means” is not acceptable anymore, and, therefore, quality control is essential’.

3.5.2 Quality control

This is the second stage of TQM evolution. As inspection became unreliable and outdated due in the changing business world, Quality control was used whereby process-performing data is collected and quality planning is done using statistical tools to keep the process under quality control. Control instruments give people working within the organization confidence about the quality of a product, but still it keeps people outside the organization in the dark about the real quality of the product.

3.5.3 Quality Assurance

According to Amanda A. S (2004), the above two stages, have raised the quality awareness of the people inside the organization. However, this does not assure the stakeholders outside the company of the product quality. The customers, the shareholders and also the general public should be familiarized with the quality processes within the organization. At this stage quality assurance becomes more important to all the stakeholders. The organization prepares a quality report which documents a single process and few details i.e. who is doing what, how it should be done, how errors should be handled if they occur should be handled, how the process should be monitored and how resourced need to be used until the completion of the process. At this stage, bodies like ISO 9001:2000 came into play by certifying companies and raising more confidence and assurance for all stake holders of the quality of the products.

The three stages inspection, quality control and quality assurance result in the error-free process. However, in order to attain efficient and high-quality production, the system needs to be operated by quality-conscious individuals. Perfect quality requires equal attention to both the system and human components. Doing so leads to the last stage of TQM.'

3.5.4 Total Quality Management

It is the final stage of the evolution which incorporates both the system and human components. Amanda. A. S (2004) and Kanji G.K, Jens J.D and Kai.K (2002) In TQM, the customer is an important component of the system. Everyone within the organization is motivated to work towards ensuring customer satisfaction. Quality is enhanced by employees' and teamwork encourages them to achieve the goals of the organization. TQM is now accepted worldwide as the best quality assuring methodology.

3.6 What do people say about TQM?

According to Hut, PM. (2007), Total Quality Management is often associated with the development, deployment, and maintenance of organizational systems that are required for various business processes. It is based on a strategic approach that focuses on maintaining existing quality standards as well as making incremental quality improvements. It can also be described as a cultural initiative as the focus is on establishing a culture of collaboration among various functional departments within an organization for improving overall quality. Collaboration between the departments and stakeholders allows to easily coordinating functions of different processes within the organization. The detection of any defects that may lead to failure can also be recognized in advance and be taken care of.

Rogers, 1-37 (1996) talks about TQM as the management method that allows the attainment of quality excellence by continuously improving the process involved. In his book, he examines Edward Deming's 14 points of TQM implementation. These points involve consistency in approach used in production and continuous inspection leading to elimination of errors at every stage of the process and attaining of quality at the end of the process ensuring customer satisfaction. Edward Deming's 14 points highlight the following, Creating constancy of purpose towards improvement of the products and services. Adopting a new philosophy and ceasing dependency on mass inspection. Deming went on to say that organizations should stop doing business on the basis of price tag and that continuous improvement of the system should always be done to keep up with the changing business environment. As for employees, he points out that the organization should institute a modern method of supervising and training workers and also a vigorous program of education and retraining. Deming also notes that the work standard that prescribes numerical quotas and only considers quantity and not quality should be eliminated. Also, employees should be allowed to be proud of workmanship by

removing the barriers limiting them from feeling this pride. Lastly the organization should create a structure which would allow implementing these points on a daily basis.

Following the 14 points ensures that the quality is enhanced throughout the process. This leads to high-quality products and services that satisfy the customers' needs.

3.7 Five Pillars of TQM

Charantimath, 6 (2006) describes TQM as a management approach that tries to achieve and sustain long-term organization success by encouraging employee feedback and participation, satisfying customer needs and expectations, respecting social value and beliefs and obeying governmental statutes and regulations. He also describes TQM as having five pillars which consist of the Product, Process, system, People and leadership.

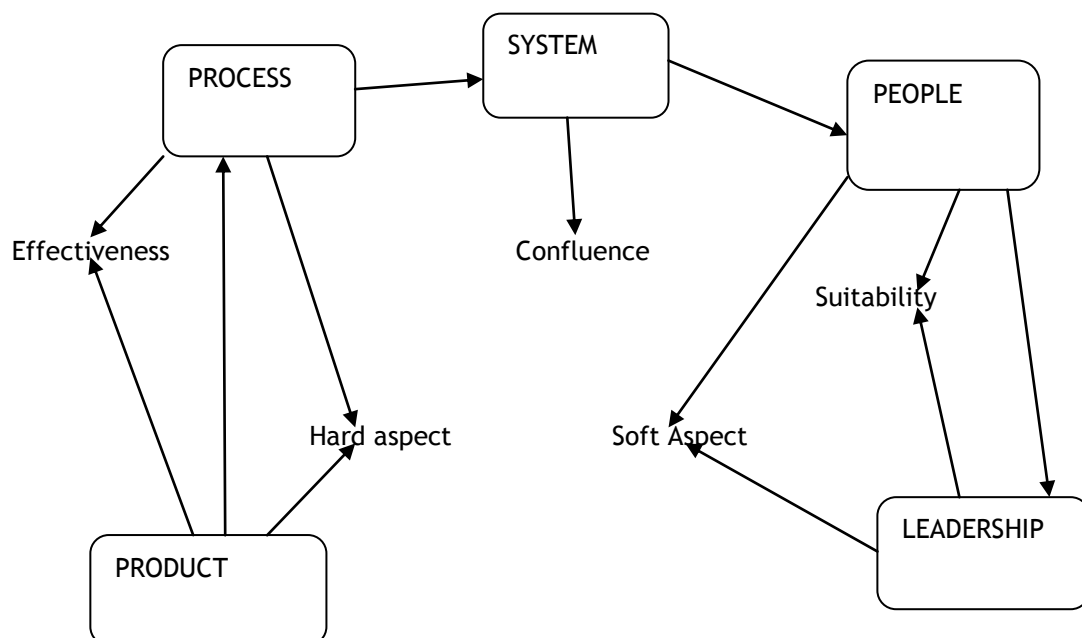


Fig 4

The five pillars it shows that TQM fosters continuous improvement in an organization which involves everyone and everything, it is a journey that never ends but ensures customer satisfaction both internally and externally. Charatimath, 7 (2006) suggest that the use of TQM increases market the competitiveness of a business while also ensuring that the organization survives and succeeds.

4 Methodologies

4.1 Research purpose

Looking at the methodologies applied in the research, the first point that needs to consider is the purpose and the reason for doing it. A scientific research can either be pure scientific research or applied scientific research, Shuttle worth, Martyn (2008) states that both of these two types of research follows the same structures and protocols for propagating and testing

hypotheses and predictions but they mainly differ in their *purpose* which demonstrates a clear difference between the two.

While pure scientific research also known as 'pure science' is conducted in order to explain natural phenomena and to try to understand how the universe operates, applied scientific research looks for an answer to a specific question or problem in order to expand human knowledge. An example of this research type is medical or environmental research.

The main purpose of doing research is to test theories generated by pure science and applying them in real-life situations.

The purpose of research always depicts the type of study which is carried out. There are several categories of research purposes descriptive, explanatory, correlation research and evaluation researches. According to Catane (2000), descriptive method of research is concerned with describing the characteristic of a population or phenomena and finding out the relationship of certain characteristic of a phenomena or population. Explanatory research is the type of research which focuses on studying a situation or a problem in order to explain the cause and effect relationship between given variables. Correlation research is concerned with determining the degree of the relationship that exists between two or more variables. Evaluation research is a method which judges the value, the merit or worth of an existing program or process.

This thesis is mainly evaluative, and its purpose is to demonstrate the importance of TQM. Explanatory research method was also used in order to provide a convincing reason for using TQM as a tool for strategic development. Also, the thesis can be categorized as a descriptive research since it includes the case study of Nyayo Tea Zones Development Corporation which involves the qualitative research approach.

4.2 Research Approach and procedure

4.2.1 Research Approach

According to Alzheimer Europe (2009), there are four main approaches of research i.e. quantitative approach, Qualitative approach, pragmatic approach and advocacy approach.

The quantitative approach is generally associated with positivity paradigm which involves collection and conversation of data into numerical form so that statistical calculation could be made and the conclusion could be drawn from particular research.

The qualitative approach is usually associated with the social constructivist paradigm which emphasizes the socially constructed nature of reality. It involves recording, analyzing and attempting to uncover the deeper meaning and significance of human behavior and experience, including contradictory beliefs, behaviors and emotions Alzheimer Europe (2009).

The pragmatic approach to science involves using the method which appears best suited to the research problem and not getting caught up in philosophical debates about which is the best approach, Alzheimer Europe (2009), therefore it can consist of both the quantitative and qualitative approach.

The advocacy approach suggests that approaches to research described so far do not respond to the needs or situation of people from marginalized or vulnerable groups.

The research carried out was mainly descriptive generally applying the qualitative approach. In this particular study a case study was done in order to examine Nyayo Tea Zones Development Corporation's business activity, thereby answering' the research question which was to find out if TQM can be used as a tool for strategic development in business.

4.2.2 Research Procedure

Since the research involves a case study on a company located in Kenya, questionnaires had to be used in order to obtain the data. Ten questions prepared mainly focus on the company's work, its strategies, objectives and targets. Telephone was used to conduct an interview based on the prepared questionnaire. The interview is between the author of this thesis and Mr. Martin Imbusi one of the Tea zones managers. After the interview the answers were used as part of the collected data that complements the findings. The empirical findings are mostly based on the interview and the author's personal experience.

NB: The questionnaires and the interview about the NTZ are attached at the end of this thesis.

4.3 Research Strategies

Research strategies need to be established, evaluated and then executing before doing any research work. The research question becomes an important element in deciding the research approach and strategies used in the all work. There are different forms of research strategies which one may decide to use depending on the research question. History, survey, experiment or even a case study can be used.

In case of this thesis, a case study was used because this method always tries to answer the questions of how and why something is done and also focuses on current events. Yin, xi (2003) wrote that a case study is an appropriate method when the researchers are desired or forced by circumstances to:

- a) To define the research topics broadly and not narrowly.
- b) To cover contextual or complex multivariate conditions and not just isolated variables.
- c) To rely on multiple and not singular source of evidence.

With Nyayo Tea Zone being a company in a competitive business environment, for one to do a good research on the organization, a case study is the best approach. It not only answers the question of how and why TQM can be used as a tool for strategic development but also defines the research topic broadly, covers complex multivariate conditions and also relies on multiple sources of evidence. By using the case study method, a clear picture of NTZ business activities was presented.

4.4 Data collection

Data collection can be done for a case study using six different means. Sapsford R, Jupp V, 1-15 (1996) tries to explain the six ways of data collection i.e.

4.4.1 Validating evidence

At this stage, the data collection itself is generally preceded with the questions of what case should be selected and how the study should be carried out. The main concern of this method of data collection is the validity of the research design; it should provide a credible conclusion with evidence to support its interpretation. Every research leads to argument so the conclusion has to be based on evidence.

4.4.2 Survey sampling

At this stage of data collection, samples are taken and are used for research rather than using the all population for research. Sapsford R, Jupp V, 5 (1996) defines samples as “A set of elements selected in some way from the all population”. The main aim of sampling is to save time and effort but also to obtain consistent and unbiased result.

4.4.3 Observation research

Data can also be collected by observation. In everyday life we use observation in everything we do. According to Sapsford R, Jupp V, 1-15 (1996) we constantly observe the environment around us and the behavior of people living in the environment. The information from observation is gathered by seeing’ i.e. touching, smelling, hearing and tasting, the information collected through these senses is usually combined and compressed in a complex way to form our observation.

4.4.4 Asking questions (use of questionnaires)

While collecting data through observation, the researcher may ask questions which come up naturally, but not as part of explicit researcher’s role. According to Sapsford R, Jupp V, 1-15 (1996) a researcher may employ more organized way of interviewing and using questionnaires. There are several ways of employing these methods of organized data collection i.e.

Techniques	Characteristics
Face-to-face interview using a schedule	<ul style="list-style-type: none"> -standard schedule is used for each respondent. -the same questions and the order of asking are used - Limited variation in wording or the order of questions.
Telephone interview	<ul style="list-style-type: none"> -Conducted using a schedule, but conducted on the phone -It is a fast and way of conducting an interview - It is similar to face-to-face interview but lacking non-verbal cues.
Postal Questionnaires	<ul style="list-style-type: none"> -It is widespread used way of collecting market information. -Questionnaires are posted respondents. They may reply by making a phone, ticking one of answering boxes or writing a response.
Face to face interview using free format	<ul style="list-style-type: none"> -conducted freely like a natural conversation between two people - The interview is tape-recorded in full for later analysis.

Fig 5. The use of question

4.4.5 Statistical sources and data bases

Data collection is done by analyzing information obtained from statistical materials and the database of a particular organization. The information is more precise and quantitative when it is obtained from records.

4.4.6 Using documents (documentations)

Data is obtained from documents. This method of data collection is more reliable because documents have precise references and details as well as a long lifespan. A document can also be reviewed most of the time so the information is up-to-date

The data for this thesis on NTZ, which is mainly a case study, was collected using different methods. One of the methods is the author's quick observation while he was working for the organization. Questionnaires were also used in order to obtain the information needed for the research. The interview questions were answered mainly by telephone.

4.5 Data Analysis

It is necessary to decide whether to use quantitative or qualitative approach before starting to analyze the data.

The data should be analyzed in a way that answers the research question. According to Hardy, M.A and Bryman, A 1-3 (2004) once you have the data at hand, the evidence that you may need to answer the research question is limited to interpretation, reconfiguration and creative combination of the collected information, and this is why data has to be analyzed properly.

According to Bryman, A 1-3 (2004), there is deference between measuring amounts and distinguishing categories referred to as deference between quantitative and qualitative variables and it is a point where quantity and quality are at balance or equilibrium. Another difference is that quantitative approach involves the use of statistical methods while in the qualitative use approach it can be eschewed.

The thesis was written using qualitative data. According to Taylor, C and Gibbs R (2010), qualitative data is a type of information gathered in non-numeric form. Examples of such data include interviews, images, field notes and documentation. The data for this thesis was obtained from an interview, documents, images and personal experience. The application of these approaches led to qualitative data analysis.

According to Taylor, C and Gibbs, R (2010) qualitative data analysis (QDA) includes a range of processes and procedures whereby it is moved from the qualitative data that have been col-

lected to some form of explanation, understanding or interpretation of the people and situations which are being investigated. Data about NTZ was qualitatively collected in nonnumeric form and analyzed in a way that makes it easy for readers to interpret and understand the research.

4.6 Quality standards

Obrien, 1 (2005), states that Quality Standards are statements outlining the key elements of a quality programs. They can also be described as elements of good practice. In this thesis, the case study mostly describes NTZ's business activities as well as the use of TQM a management method for achieving high quality results in its work.

When looking at quality standards of qualitative research work, one looks at two major elements the validity and reliability.

Sue, 67-68 (2008) define **Validity as-** the extent to which a test or procedure actually performs the function it was designed to perform while **reliability is** the degree to which a procedure or test (such as an evaluation tool or classification scheme) yields the same result repeatedly under same circumstances.

The case study has actually demonstrated the way NTZ has managed to apply TQM a management tool for achieving positive development, which was the main purpose of the research. The use of the questionnaire, documentations, descriptions and observation shows that the research can be repeated with same result. This gives an element of reliability to the research.

5 Findings

5.1 Findings from empirical data

When we look at tea production in Kenya, because of the favorable weather conditions for tea growing, there are many organizations and companies which are in the tea production business. From small-scale to large-scale farmers who own thousands of hectares of land planted with tea, all of them compete to produce high quality tea so as to earn good profit on the market.

Agriculture business is the backbone of the Kenyan economy, and one of the major companies and in agriculture business, Nyayo Tea zone has taken this opportunity to maximize their profit with the help of high-quality production of tea and also wood fuel The data collected for the research shows that there many players in this line of business. As a result, companies who compete for available customers have to implement elements of creativity and innova-

tion in order to control the biggest market share and survive in such business environment. Consequently, Nyayo Tea Zones decided to employ TQM as a way of management

The use of TQM has proved to be more effective and prosperous; the company has achieved a lot in terms of production of both green leaf tea and forest trees. The company has doubled the amount of green leaf tea delivered to the factory for processing in a very short period of time. The organization has also increased the area planted with tea and trees, by establishing new blocks and plantations around the regions where tea and trees can be planted around the forest areas.

Apart from tea and tree development, NTZ has also achieved some other positive developments. In June 2009 they attained the international quality management system - ISO 9001:2008 CERTIFIED which was achieved thanks to the high quality standard they have implemented in management and organization. In 2008/2009 financial year the organization became the best performing parastatal, because of large-scale production which led to high profit.

Using Total Quality Management as a tool for strategic development has also led to some impact on the company itself. The workers are more motivated because they are involved in the outcome of any development within the company. The customers have more confidence in the organization since they are involved in the production of the product they are going to buy and the suppliers are more comfortable dealing with the organization because they play a role in what is happening in the company in terms of supplying high quality products for large -scale production of the end product.

5.2 Empirical findings from the interview

The outcome of the interview presents a clear picture of how total quality management is applied in NTZ. During the interview between the author of the thesis and manager Mr. Martin Imbusi, the questions concerned the corporation's strategies. The manager replied that the company used specific strategies, with the major ones being development, management and production strategies. There were some questions which focused on management style and application. The manager answered them by saying that NTZ used TQM which applies to all stakeholders and has led to high ranking of the company as well as well as positive development.

Some questions focused on achievement of Tea Zones. It was found that they were possible because the corporation used TQM as its management style which led to the improved relationship between the employer and employees. Stakeholders are more confident of the company thanks to the use of TQM. The interview also showed that NTZ was among the leading

companies in tea production in Kenya. Its advantage over the competitors is its extra land for the expansion of their other plantations around the country's forest area.

Lastly, it is evident that by employing TQM, NTZ has managed to work efficiently in a region where macro environment factors can affect business strategies.

6 Conclusion

6.1 Growth Analysis

Nyayo Tea zone experienced rapid growth during a short period of time,

- Production growth, the corporation has seen increase in both tea and tree production doubled for a short time since the introduction of TQM as a management method. The area of tea plantations has tremendously increased hence production of more tea.
- Labour growth, since the introduction of TQM, there has been increase of skilled workers to the company than before the introduction, this is because more workers are attracted to the company management style. Along with the labour line, most workers have confidence and very happy in the company and are determined to do their best to the company rather than going away to some other one.
- Market growth, the market size has increased very fast because of the high-quality green leaf tea by the company brought about by involvement of every person in management matters including even the tea pickers on the plantation. Apart from having the KTDA as their biggest market, they are now selling their tea to other private companies and an auction in Mombasa.

6.2 Development Analysis

To sum up everything, Nyayo Tea Zone Corporation has come a long way. The organization has experienced many changes during the process of achieving its current position. It has undergone management changes, restructuring of the organization, expansion of plantation, increase in the number of workers and introduction of modern and new technology in all departments of the organization. With all this change and tea zone objective kept in mind, there was a need for a system which would ensure continuity towards the accomplishment of their objective. The company adopts strategies which would act as have a tool which would not only lead to achievement of the objective but also make the company one of the leading tea producing companies in the country. The tool was TQM which was adopted to spearhead this mission.

The purpose of research was to try to answer the question, **“How important is TQM and how can it be used as a part of business strategy?”** The case study findings clearly show that Tea Zones have relied on TQM in order to achieve their management objectives at the shortest possible term. The choice to adopt TQM as a strategic tool led to positive changes in company

operations in all the departments. It has created a better understanding of the organization by all stake holders. With the result of this research, case study and theory about TQM, one can be able to detect the importance of TQM in business development.

I therefore concluded that TQM type of management is very important in quick development of an organization, especially in a competitive business environment. TQM can also be used partly as a strategy since it involves all the stakeholders of the organization, i.e. management, employees, suppliers and customers. In my own opinion, after I had completed my research, I look at TQM management system as one of the best methods which when applied properly as a business strategy, not only ensures that the business organization develops but also survives' harsh business times and competition from other companies doing same kind of business.

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Illustrations

1) Kenyan map - The map show Kenyan major towns and its neighboring countries-

Figures

- 1) Figure 2 - SWOT analysis chart has applied in Nyayo Tea zone development Corporation
- 2) Figure 3, shows the evolution Total Quality Management.
- 3) Figure 4, five pillars of Total Quality Management.
- 4) Figure 5 Shows different ways of using questionnaires to obtain the data.

Tables

- 1) Table 1- Kenya gazzeted forest.
- 2) Table 2 - Nyayo Tea Zone locations

Appendices

Appendix A- Abbreviations

NTZ- Nyayo Tea Zones

ISO 9001:2000- International Standards Organization (9001:2000)

ORG - Organization.

ADB - African development bank

QDA - Qualitative Data Analysis

Appendix B- Questions sheet

1. What are the major business strategies applied by Nyayo tea zone in order to achieve their objectives?
2. Tea Zone has really improved in ranking of Parastatals companies in Kenyan production performance, what are the major contributing factors to these improvements?
3. How do tea zone use Total quality Management to achieve its objective and mission?
4. At what level is Total Quality Management Practiced in Tea Zone, is it at National level only or it is through from the top management to the lowest level at the zone?
5. In your own opinion, have Nyayo Tea Zone been able to succeed in correct application of their strategies?
 - If yes how?
 - If no why?
6. How is the relationship between tea zone management and their suppliers? In terms of acquiring raw materials how is it down?
7. Tea zone have customers who buy their product, what type of response do tea zone get from their customers? is it positive or negative
 - If Positive in which way?
 - Negative why and how?
8. How does Total quality management affects the relationship between the management and the employee's of Nyayo tea zone?
 - Work performance
 - Employee's motivation
9. How do you rate Nyayo tea zone compared to other companies dealing with same product like Tea Zone?
10. Looking at Nyayo tea zone Future what can you say about the following factors influencing the business
 - Political
 - Economic
 - Social
 - Technology
 - Environmental
 - Legal.
11. Where do you see Nyayo Tea Zone in the next 10 years?

Questionnaires and Answer

Answered by: **Mr. Martin Imbusi**

Coordinator Nyayo Tea Zone Development Corporation

Q 1. What are the major business strategies applied by Nyayo tea zone in order to achieve their objectives?

Ans: Tea zone uses mostly deliberate strategy where goals and objective are set and used to determine the strategies that will be used to achieve them. Major ones are management strategy, development strategy and production strategies.

Q 2. Tea Zone has really improved in ranking of Parastatals companies in Kenyan production performance, what are the major contributing factors to these improvements?

Ans: Management style. With the use of TQM every department seems to be working effectively.

Q 3. How do tea zone use Total quality Management to achieve its objective and mission?

Ans: By involving all the players and stake holders in the organization.

Q4. At what level is Total Quality Management Practiced in Tea Zone, is it at National level only or it is through from the top management to the lowest level at the zone?

Ans: Total quality management is practiced in tea zone from the top level of management to the lowest level in the zone where by the work of everyone counts in final product, produced by the organization.

5. In your own opinion, have Nyayo Tea Zone been able to succeed in correct application of their strategies?

Ans: Yes

- If yes how?

Ans: By being best ranked parastatal it clearly show that the strategies were correctly applied for attainment of our tea zone objective.

- If no why?

Q 6. How is the relationship between tea zone management and their suppliers? In terms of acquiring raw materials how is it done?

Ans: Nyayo Tea Zone has a good understanding between them and their suppliers. The company uses competitive tendering to buy all the materials, assets and the equipment they need. The supplier with good price and quality products will win the tender to supply to the company.

Q 7. How does Total quality management affects the relationship between the management and the employee's of Nyayo tea zone?

-Work performance

Ans: most employee's like and do their best while doing their work because they now understand well what is need of him or her, and also being that his opinion also matters they work even harder.

-Employee's motivation

Ans: Most workers are motivated to work because they look at themselves has part of the production.

Q 8. How do you rate Nyayo tea zone compared to other companies dealing with same product like Tea Zone?

Ans: When we look at the country tea zone is among the leading company in tea production and one advantage it has over the rest is having much land to expand the tree and tea plantation.

Q 9. Looking at Nyayo tea zone Future what can you say about the following factors influencing the business?

- Political

Ans: With new laws and stable politics Tea zone production will always be going but if there will be political problem like 2007 disputed presidential election, the production can be badly affected.

- Economic

Ans: Kenyan economics is growing but the Kenyan currency (shilling) is going down, this is good for exporters but bad for the country. Tea zones by sell their tea at the auction or export they earn more.

- Social

Ans: with increase in population around tea growing area, Tea zone will always have enough workers to work in the plantations. Also most Kenyans drink tea this will always ensure that there is a ready local market for the tea produced.

- Technology

Ans: new technology will led high production and expansion of the company.

- Environmental

Ans: Tea zone plantations are located in areas with high rainfall because tea and trees needs a lot of water for high production. But in case of drought the production will affected badly.

- Legal.

Ans: There are no many red tapes and restriction in tea and tree growing so the legal laws which are there help tea zone operation without intimidation from any international company.

Q 10. Where do you see Nyayo Tea Zone in the next 10 years?

Ans: I see tea zone growing into international company where it will self sustaining, have enough factories for tea processing and sell its own tea to international market without the middle men.