



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
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THE EFFECT OF QUALITY MANAGEMENT PRACTICE ON
ORGANIZATIONAL PERFORMANCE:
THE CASE OF AWASH WINE SHARE COMPANY.

BY
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ADDIS ABAB, ETHIOPIA

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DECLARATION

I, the undersigned declare that this thesis is my original work. All material used for this thesis has been properly acknowledged, as well, I confirm that this has not submitted either in part or in full to other higher education institution for the purpose of earning any degree.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of graduate studies for Examination with my approval as university advisor

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ACRONYMS

AWSC	Awash Wine share company
CF	Customer focus
CI	Continuous improvement
ISO	International organization for standardization
OP	Organizational Performance
QA	Quality assurance
QC	Quality control
QM	Quality management
QMP	Quality management practices
SPSS	Statistical package for social sciences
TMC	Top management commitment
TQM	Total quality management

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ABSTRACT

Organizational performance reveals how well be the firms accomplish their goal in terms of customer satisfaction, operational improvement, employees' satisfaction and delivery quality product. The main aim of conducting this research was to study the effects of quality management practices in the organizational performance the case of Awash wine S.C. Top management commitments, customer focus and continuous improvement has been used as independent variable to determine the relationship and effects on the organization performance that has considered as independent variable. the study used primary data which was collected by self-administered research questionnaire sampled from 171 respondents and 133 respondents were filled correctly and returned, thus the overall response rate was 77.7% and also the researcher reviewed the relevant documents regarding to quality management practice records that the company had. the data was analyzed using descriptive statistic by applying SPSS and the result presented in the tables form. the findings based on the fact, that the research analysis results showed a positive significant association between customer focus and organizational performance in Awash Wine S.C. The continuous improvement also had a significant relationship with the organizational performance in Awash wine S.C and the continuous improvement allover the company leads the increase of organizational performance. The other findings indicated that top management commitment variation was the factors that affects performance and has the positive significate relationship with organizational performance in Awash wine S.C. The study recommended that the top management to consider how much their commitments are important in improvement of organizational performance through provide employees with the required resources and permit them to participate and engaged in making decisions on quality issues and provide opportunity to act with responsibility and accountability. The study also recommended that the organization focus on identifying customer needs and expectations as a critical factor for their organizational performance enhancement and attempt to meet them. The research study also recommends that, as a manufacturing firm, the company focuses on continuous improvement of the system and process in order to gain benefits from the quality management practices through delivering trainings to employees based on the gap assessment, focused on the technological improvement to enhance the qualities of products and service and improving management systems as per needs and expectation of customers and employee's satisfaction in AWSC .Finally, the study recommends that similar research to be conducted focusing on the additional variables that may affects organizational performance of AWSC was not addressed in this research and it could be addressed by the future research.

Key Words: Awash wine Share Company, Quality management practices, organization performance.

CHAPTER ONE: INTRODUCTION

1.1.Introduction

This chapter serves as an introduction to the entire study, providing essential background information. It includes the statement of the problem, research questions, objectives, significance, limitations, definition of key terms, scope, and organization of the study.

1.2.Background of the study

The interference of quality management practices has brought excellent impact on the general organizational endeavors. When quality management practices are applied, positive effects within the organizational networking can show to its establishment. Quality management is a process that produces better products while decreasing cost and increasing consumer satisfaction levels. Customer satisfaction is usually defined as post purchase of product comparison in between performance expected and expectation before purchase (Jun & Cai, 2010).

Quality managements improves operational results since organizations can reduce costs and waste, improve the processes and product/service quality, and increase employee fulfillment (Grandzol and Gershon 1998; Addis, Dvivedi, and Beshah 2019; Kotsiopoulos, Got Zamani, and Skalko's 2019). Therefore, intervention of quality management practices within the organizations is basic as increase of human Resource practices lead to an upgraded organizational performance.

Within the late Nineteen Thirties particularly after the World War II, the quality management idea was recognized in Japan. And after, that a few firms within the manufacturing division were focused on improving quality and utilizing apparatuses that specifically point to control quality at these firms (Demir bag et al., 2006; Talib et al., 2010). Other than, both USA and UK acknowledged the thought of quality management particularly in manufacturing segment in those countries. Afterward, quality management has been recognized broadly in a few worldwide guidelines such as within the ISO 9000 and the thought of quality management was generally acknowledged these benchmarks (Sachdeva et al., 2007).

Universally, manufacturing firms apply quality management practices primarily for meeting clients "satisfaction. According to Fassoula (2006), all manufacturing firms seek to adopt and implement a set of quality practices that have been effective elsewhere which will help them to recognize changes in their environment and to respond proactively through continuous

improvement so as to enhance performance. The expected results of quality management are superior organizational performance, improved efficiency, productive processes and competitive products and services that fulfill the customer needs and improves the organizational completeness.

Organizational performance stands out as the foremost basic variable within the management see into and without a question the foremost basic pointer of progressive achievement. The essential condition that's critical to enhance and fulfill perfection in business is making and executing a system for measuring performance of the manufacturing. The Quality management process, has picked up noticeable quality within the recent past because it specifically impacts on the overall performance of manufacturing organizations. Quality has been noted to affect the entire organization and comes with a dramatic cost suggestion. Poor quality gets to be a huge issue when it leads to disappointed customers and in the long run leads to loss of customers (Hoyle, 2007). From a scholastic point of view, quality management has been received by firms intense on leveraging their generally performance.

According to Jaafreh and Al-abadallat (2013), the most common quality management practices utilized by organizations include; best management commitment, employee involvement, process management and customer center. The implementation of these practices creates improved products and services, more satisfied customers and employees, reduced costs, improved money related performance, enhanced competitiveness, and increased productivities (Kaynak, 2003). Thus, as per the above listed quality practice, the key decision makers inside a given organization ought to incline their operational inclinations towards quality management practices for improved organizational performance.

Factors such as employee satisfaction, firm performance, product quality, productivity, and sales are connected to the firms' performance measures (Madu et al., 1999; Feng et al., 2007). Therefore, Organizational performance tells how well an organization accomplishes its goals in terms of quality of product's, operations, improvement, employees' satisfaction, customers' satisfaction, sales, productivity and total organization's vision and mission. For the purpose of this study, performance measures of the organization are considered as; productivity, employees' satisfaction, customer satisfaction, quality products, customer compliant handing and process improvement.

Craig and Douglas (2012), idealized that when quality management is effectively adopted and implemented in organizations, there exists chances for improved benefit and productivity.

This research was basically centered on the effect Quality Management Practices on the organizational Performance in the case of Awash wine share company.

1.3.Statement of the Problem

Quality management is an act that monitor all activities that required to preserve and support high quality output, continuous improvement of process and product to a desire level of excellence in order to make customer satisfaction (Flynn, Schroeder, & Sakakibara, 1994, p. 342). The increase of competition had forced companies to focus on the concept of quality in their business and find that successful quality management practices can increase their competitive advantage within the worldwide market (Anderson, Rungtusanatham, & Schroeder, 1994).

A number of studies have been carried out that attempt to relate the effect of quality management practices over organizational performance. The larger part of these studies concludes that there's a positive relationship between the implementation of quality management practices, and organizational performance enhancement (Lee et al., 2001; Singels et al., 2001; Boulter and Bendell, 2002; Dick et al., 2002; Ozgur et al., 2002). As a few experimental studies show, implementing QM effectively influences firm performance positively (Powell, 1995; Samson & Terziovski, 1999; Huarng & Chen, 2002; Kaynak 2003; Parast, Adams & Jones, 2011; Shahin & Dabestani, 2011). Firms that implement QM practices focus on giving more value for their customers and moving forward the efficiency of processes. Continuous improvement of processes and product quality leads to increased incomes (through product reliability) and decreased costs (through process efficiency).

In turn, customer satisfaction leads to increased incomes since it enables the firm to gain a market advantage (Kaynak, 2003; York & Miree, 2004).in one study, QM has made a significant achievement and has realized concerning the institutionalization of quality processes, work environment, documentation and record management, customer satisfaction, infrastructure and facilities (Moturi & Mbithi, 2015). In spite of the fact that the larger part of the studies carried out state that there's a positive relationship between quality management practices on performance, as was just specified, there's also a group of authors that did not find enough evidence to support such a relationship (Terziovski et al., 1997; Quazi et al., 2002; Conca et al., 2004 Lamport et al. (2014)

expressed that, despite the incredible evidence about the benefits of quality management practices, it is still far from being obviously true as to whether or not the quality management practices improve performance and productivity of the organization. In addition to that, Quanzi and Padibjo (1998) in their study concluded that statistically, there was no remarkable relationship between quality management practices and firm performance.

As referred to different literature, there have been a number of studies which concerned the quality management practices and the effects that have on organizational performance, but the findings contradict each other's. Some research results show the positive effects of quality management practice on organizational performance and some research outcomes conclude insignificant relationships, that as a manufacturing firm. Awash Wine S.C has adopted quality management practices like; customer focus, continuous process improvement, conformance product quality specification, employee's involvement, top level managers commitment, through establishment and implementation of both quality management systems; ISO 9001; 2015 and the food safety management system ISO 22000; 2018.

Therefore, this research studied the quality management practices adapted in the firm and the effects that have on the organizational performance.

1.4. Research questions

As discussed in this paper organization background part, Awash wine S.C has introduced the quality management system ISO 9001:2015 in 2020 and continues in the implementation and maintaining of quality management practices. The company in this QMS determines quality policy, creating and implementing quality planning and assurance, quality control and quality improvement process. As has seen in the implementation phase, top level manager's commitment and employees' involvement were the most important factors in the quality management practices. The challenge that the company faced during the quality management implementation was to change the bad working cultures, like: a manager's lack to follow core values, low employee engagement, high turnover and high rate of absenteeism. The adherence to quality management practice and facing the challenges during the implementation phase, helps to modernize the production and ensure the company's exacting standards are met throughout the product improvement, new product development, manufacturing delivery processes and confirm the customer satisfaction through customer satisfaction survey.

Based on the research problem identified and discussed, this study aims to answer the following questions:

1. How Does Customer Focus affect Organizational Performance at Awash Wine S.C.?
2. How do the commitments of top managers in Quality Management (QM) practices affect the overall performance of Awash Wine S.C
3. What relationship continuous process improvement and organizational performance have at Awash Wine S.C.?

1.5.Objective of the study

1.5.1. General objective of the study

The purpose of this research is to study the effects of quality management practices on the organizational performance in the Awash wine share company.

1.5.2. Specific Objective of the study

The specific objectives of the study include;

- ✓ To determine the relationship between customer focus and organizational performance in Awash wine S.C.
- ✓ To determine the extent to which top management commitment effects on the organizational performance in Awash wine S.C
- ✓ To determine effect of the continuous improvement on the organizational performance in Awash wine S.C

1.6.Significance of the study

This study was established some valued information that determined the recent situation of case organization in their general understanding of quality management practice and the organizational performance. From the managerial perspective, this research findings might be benefitting the organization in developing written strategies, standards, policies and standard production procedures based on the requirements of international standards that can assist the firm to increase its competitive advantage. This study will be very important for Awash wine S.C as well as other beverage industries in Ethiopia because, elements of quality management practices was discussed and evaluated their potential benefits in this research. This research was valued managers in the firm because, they will get insights on how to implement and maintain the QM practices for

strengthening competitive position. This research findings have been useful for consultants and advisors in the area of quality management practices and their applicability in the beverage companies of Ethiopia. This research will also contribute the literature on the QM practice on the organizational performance that may be focus on the scholars and interested parties.

1.7.Scope / Delimitation of the study

The scope of the study is limited to Awash winery S.C from supply chain and logistic to full goods warehouses. It does not consider the other beverage companies.

1.8.Limitation of the study

The focus of the study was merely on the effects of quality management practices of Awash wine S.C on its organizational performance. It is important to note that because this study was conducted on a single manufacturing company, the generalizability of the findings to all beverages may be limited. To gather primary data, a questionnaire was utilized. However, it is worth mentioning that using a questionnaire assumes that participants will provide honest and accurate responses. Unfortunately, this is not always the case, as participants may feel inclined to give responses, they believe to be desirable. In order to reduce this issue, the researcher made efforts to influence participants not to provide responses they believed to be desirable. Overall, this study aimed to explore the relationship between quality management practices and performance in Awash Wine S.C. While the findings may not be universally applicable to all beverages industries, they provide valuable insights into the specific context of Awash Wines S.C.

1.9. Organization of the paper

This paper consists of five chapters. The first chapter serves as an introduction to the study, providing an explanation of the study's background, statement of the problem, research questions, study objectives, significance of the study, scope of the study, and limitations. Moving on to the second chapter reflects into a comprehensive review of the related literature on the subject matter. Chapter three presents the research methodologies employed in this study. Chapter four incorporates the research findings and discussion, offering a detailed analysis of descriptive statistics and inferential statistics. Lastly, chapter five concludes the paper by providing a summary, drawing conclusions, offering recommendations, and suggesting areas for further studies. By restructuring the content and using more precise language, this revised version enhances the professionalism and clarity of the writing.

1.10. Definition of terms and concepts

Quality: The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs (ISO 9001:2015)

Quality Inspection: an activity of checking, measuring, or testing one or more product or service characteristics and comparing the results with the specific requirements to confirm compliance.

Quality Control: the operational techniques and activities that are used to satisfy quality requirements (ISO 9001: 2015)

Quality Assurance: The assembly of all planned and systematic actions necessary to provide adequate confidence that a product, process, or service will satisfy given quality requirements (ISO 9001: 2015)

Employee: someone who gets paid to work for a person or company (LIO)

Strategies: A plan of action designed to achieve a long-term or overall aim of the organization.

(Management study.com)

Performance: It refers to the measurable results that activities, processes, products, services, systems and organizations are able to achieve. (According to ISO).

Department: A department is a separate functional area within an entity that has its own organizational structure. (Articles Accounting customer premises Equipment courses and book)

Quality Management: The act of overseeing all activities and tasks that must be carried out to maintain a desired levels of organizational performance. (Advanced quality management book)

CHAPTER TWO: LITRATURE REVIEW

2.1. Introduction

This chapter was an outline of literature related to quality management practices and performance of the manufacturing company. The theories supporting the study was to be highlighted. Moreover, the chapter talked about quality management practices applied in manufacturing firms and effects on the organizational performance.

In this study, the researcher focused on the Awash Wine share company quality management practices with respect to the litratures as reviewed below. Awash wine share company is the most popular wine making company established in 1936 in Ethiopia, which organized by a board of directors and run by a general manager, directly reporting to the board of directors. The company has two operational units; the grape-based wine operational unit and the raisin-based wine operational unit. The Factory; both of which are managed by qualified factory managers capable of rich experience, and geared up for future growth. In order to facilitate the operational effectiveness of the company, the organization has placed different functions and Procedures into practice., which is; human resources management's approach and Procedure Manual, Financial management system and Strategy Manual, quality assurance and system management and quality policy, Materials Management system and policy Manual, Organizational Structure, Collective Agreement, Security management Approach and Procedure Manual and Education Policy.

Awash winery produces and sells different types of high-quality wines, like the Awash, Gouder, Kamila, Gebeta, Rose and Dankira products for local and international markets. The company modernized the production process and technology to be competent and to satisfy both the local and international customers and to enhance organizational performance. For this purpose, besides improving the operational process and technologies, the company has continuously developed from the quality inspection of the product to quality control and assurance and, since 2020, Awash wine organizations has established, implement and maintain the quality management system to understand the needs and expectations of customers in order to stratify them and, finally, to enhance organizational performance. At last, the summary and conceptual framework is additionally highlighted.

2.2. Quality management principle and practices

Quality management has defined as a philosophy or approach to managements, which constituted from inter dependably strengthening principles, each of principles in quality management is supported by a set of practices and techniques (Dean and Bowen, 1994).it represents one of the most important research themes in operational management. QM represents one of the most significant research subjects in operations management. Nowadays QM can be a broadly recognized organizational objective for a few companies (Nair, 2006). With the immense improvement of writing in both academic and professional arranged outlets, the term QM has been weakened to unfeeling particular things and the scope of activities crucial QM require agreement (Watson and Koru Konda, 1995).

The reason around conducted by Sousa and Voss, (2002), commenting on the validity of quality management, conclude that, “QM as grasped by its authors, can be dependably recognized from other techniques for organizational alter and there's considerable assentation. Inside the composing as to which improves drop underneath the QM umbrella”. The quality practices of an organization (which take put within a quality culture or context) are characterized as the activities and procedures attempted by a company or organization to guarantee the delivery of a high-quality benefit or product.

As specified that “practices are the observable aspect of QM, and it is through them that managers work to realize organizational improvements Sousa and Voss, (2002). There are many different ways of applying these quality management principles. The nature of the organization and the particular challenges it faces will decide how to actualize them. Some of the conflicting comes about detailed within the literature ought to do with different levels of analysis of QM. as examined within the literature , a few studies operationalized QM as a multi-dimensional construct (Anderson et al., 1995; Flynn et al., 1995; Mohrman et al., 1995; Powell, 1995; Adam et al., 1997; Grandzol and Gershon, 1997; Ahire and O’Shaughnessy, 1998; Forza and Flippin, 1998; Rungtusanatham et al., 1998; Dow et al., 1999; Samson and Terziovski, 1999; Das et al., 2000; Wilson and Collier, 2000; Ho et al., 2001; Kaynak, 2003) whereas others conceptualized it as a single develop (Hendricks and Singhal, 1996, 1997; Chen hall, 1997, Choi and Eboch, 1998; Easton and Jarrell, 1998; Douglas and Judge, 2001). Based on the literature review carried out, we have recognized the most common and the most implemented quality management standards and

practices. It is critical to refer that this determination was based on two sectors which is able to be target of our study: manufacturing and service. Consequently, it is accepted, in truth, that these quality management practices and standards are wide-ranging since they:

- The highest frequency of uses of the word in different research, service industries and also it identified as a key aspect in quality management practice implementation in both of manufacturing and service industries (Saraph et al., 1989; Antony et al., 2002; Zhang et al., 2000; Khamalah and Lingaraj, 2007)
- It represented the hard and soft aspects of quality management
- Include the most prestigious quality award and guidelines criteria broadly accepted by quality management researchers and practitioners
- Have been considered as basic practices in quality management (Sila and Ebrahimpour, 2002);
- Altogether related in services and within the advancement of benefit quality (Behara and Gunderson, 2001).

As explained in the literature, interview has been conducted to do validation of quality management practices and principles as well as quality performance indicators through interview with national and international quality leaders like, academics, specialists in this area, managers and consultants as per eight generic quality principles and quality management practices like, quality tools and business excellence. Therefore, the analysis from the interview result, in the literature, the three quality management principles are identified as extremely important such as; leadership, customer focus and process management; as very important; Employee involvement, and commitment, HR management, strategic planning management, process management, supply chain management, continuous involvement and innovation. The quality tools and business excellences also included in the literatures from the interview in the validation of QM, result as very important.

As referred from the literature, the quality performance parameters are identified and mentioned: Product/service quality level; customer focus ; continuous improvement and innovation, durability, conformance to specification; number of non-conforming products and number of complaints, thus based on the analysis of interview result on the literature ;product /service quality level, customer relationship, conformance to specification has distinguished as extremely

important quality parameters and reliability, productivity, durability, number of non-conformance product and number of compliant has also distinguished as very important quality performance parameters.

2.2.1. Quality management

Quality management could be a set of activities for guaranteeing quality within the processes by which products or services are created. It may be a managerial approach adapted towards participating inherent managerial tendencies of planning, control and enhancement. It depends on the going with benchmarks: quality integration, quality first, consumer devotion, consistent change, continuous enhancement, factual-based decision and workforce involvement. QM aims to prevent defects with a focus on the process used to make the product. It is a proactive quality process. The goal of QM is to improve development and test processes so that defects do not arise when the product is being developed, it is also Prevention of quality problems through planned and systematic activities including documentation, quality assurance also focus on Establish a good quality management system and the assessment of its adequacy including Periodic conformance audits of the operations of the system.

Defining quality can be an awkward issue considering that quality offer is special to individuals. The role of the people defining quality also plays a major role in its definition. Clients or customers might have a difficult time defining quality but when they see it, they can tell what it is. To illustrate this, the definition of quality of wine may get a difference in opinion between two people even though the required standards and parameters fulfill as per Ethiopian standard. One person might test the same types of wine as quality while another might feel them as of low quality. The difficulty in the definition of quality exists regardless of product while at the same time, regardless of manufacturing or service industry.

The evolution of quality management from its early beginnings reveals that the foundations were laid centuries ago but its development was through different strands (Mawby, 2005). From the initial focus of quality management being the checking of the final product against standards, the quest has been to eliminate product failure. In the recent past, quality management thinking has moved up from the work place to other disciplines, it became apparent that every function of a business contributes to outcome thus needs to be subjected to some quality standard (Gitlow, 2000). Additionally, the terminology of quality management from the time it was known as

inspection evolved to quality control, which evolved to quality assurance. As if not complete in maturity and evolution still continues up to date (Hoyle, 2007).

2.2.2. Organizational performance

Organizational performance may be a subjective recognition of reality, which clarifies the large number of basic reflections on the concept and its measuring instruments (LeBas, 1995; Wholey J., 1996). At show, there are a variety of definitions attributed to the concept of organizational performance due to its subjective nature. Hence, the concept of organizational performance has picked up expanding consideration in recent decades, is widespread in nearly all circles of human movement. Organizations perform different activities to realize their organizational goals. Measured repeatable exercises help to utilize processes for the organization to be effective in order to find out the level of performance and management to form informed decisions on where, in the event that required, inside the processes to activities to improve performance (Georgopoulos, 1957; Robbins, 1987). Therefore, it is possible to claim that there is a close relationship between the organizational objective and the concept of organizational performance. Nevertheless, organizational performance is one of the most argued concepts about which there has never been an agreement among various researchers and theorists (Selden, S.C., and Sowa, 2004). Also, Cameron (1986) mentions an absence of adequate understanding or explanation in the definition of the concept of performance.

In the lack of any operational definition of performance upon which the majority of the relevant scholars agree, there would naturally be different clarifications and inferences opined by various people according to their perceptions. As a result, a commonly acknowledged definition of the concept looks various difficulties, which means that the possibility of any definitions and originating some standards to arrive at the desired definition is still questionable. Moreover, organizational performance has always had a significant influence on the actions of companies (Crook JR, Bratton VK, Street VL, 2006). One of the concerns of this effect is the increase in the number and variety of means and methods to measure the performance accurately and, gradually establishing a vital research field for both companies and academics. Unluckily, there is no agreement in the literature on how to measure organizational performance, and the problem is multilevel (Lust Haus, C., Adrien, M.-H., Anderson, G., Carden, F. and Montalván, 2002). Hence, both academic scholars and managers continuously examined performance. Although

prescriptions for improving and managing organizational performance are widely available, the issues of terminology, levels of analysis (e.g., individual, work unit, or organization as a whole), and conceptual bases for assessment of performance preoccupied the academic community (Venkatraman, N. and Ramanujam, 1986).

2.2.3. Quality management and organizational performance

Degree of performance could be a key in all management process. Estimation of performance is additionally considered as a basic component at all managerial approaches. Cost and quality are the two fundamental measurements of organizational performance which straightforwardly influenced by the whole quality management practices. Sadikoglu (2009) and Brun (2010), both agreed that applying different TQM practices such as training, process management, client management, etc. impact employee's performance which at that point specifically influence the complete organization performance. Gharakhani moreover shown that TQM significantly impact the organizational performance particularly in their financial performance (Gharakhani et al., 2013). In common, research studies have contended a direct relationship between quality management standards and practices and organizational performance. Sampaio, 2009 mentioned that the larger part of the studies that attempt to relate the effect of quality management standards and activities over organizational performance that have been carried out, conclude that there's a positive relationship between the implementation of quality management practices and organizational performance enhancement (Mann and Kehoe, 1994; Maani et al., 1989; Adam et al., 1997; Curkovic and Pagell, 2000; Terziovski and Samson, 1999; Gupta, 2000; Romano, 2000; Dick et al., 2002; Ozgur et al., 2002; Tari and Molina, 2002; Tari and Sabater, 2004; Quazi and Jacobs, 2004). However, others later investigate on this interface finds conflicting results. That's, quality methods may not dependably result in a positive or favorable organizational result (Develop, 2007; Kaynak 2003; Montes et al., 2003; Zu, 2008). As talked about within the literature, analysts who establishes that the practice of QM may not progress organizational performance indeed in spite of the fact that appears that contribute to predominant quality result Dow et al. (1999) and the examined relationship between Quality management standards and practices and organizational performance in Australia and New Zealand and gotten mixed comes about, appeared that a typical manufacturing organization is more likely to realize superior performance with QMPPs than without QMPPs.

Agreeing to the increasing demands to attain a high-quality products and services, organizations have realized the significance of applying add up to quality management activities to the production processes in order to play down costs and to make products with high quality characteristics' is recognized as a methodology that considered customers as the most concern, in which it specifically points to supply them with a high quality services and products through including continuous enhancements within the continuous processes (Harmon & Peterson, 1990). Wen et al. (2009) and Letica (2007) clarified the impact of QM practices on the level of customer satisfaction especially in the sector of public services and from the managers' perspective. The focus was planning in strategic way, management of processes and employees, leadership, customer concern, and measuring on both internal and external customers' satisfaction level for the quality of perceived products and services.

2.2.4. Article review findings

As reviewed the literatures which may help to strengthening the researcher argument in this research, the researcher summarized the following points as a finding from the above reviewed literatures:

- As look in the literatures, the three quality management practices and principles are identified as extremely important such as; leadership commitment, customer focus and continuous improvement and innovation.
- organizational performance has always had a significant influence on the actions of companies (Crook JR, Bratton VK, Street VL, 2006).
- Unluckily, there is no agreement in the literature on how to measure organizational performance, and the problem is multilevel (Lust Haus, C., Adrien, M.-H., Anderson, G., Carden, F. and Montalván, 2002). Hence, both academic scholars and managers continuously examined performance.
- As cited Sadikoglw (2009) and Brun (2010), both agreed that applying different QM practices such as training, process management, client management, etc. impact employee's performance which at that point specifically influence the complete organization performance.

- As conclude from the litratures that there's a positive relationship between the implementation of quality management practices and organizational performance enhancement

2.3. Conceptual framework

This literature review conclusion allows to identify important quality management practices which are directly affects the organizational quality performance and to develop conceptual frame work for the study in this research topic as follow:

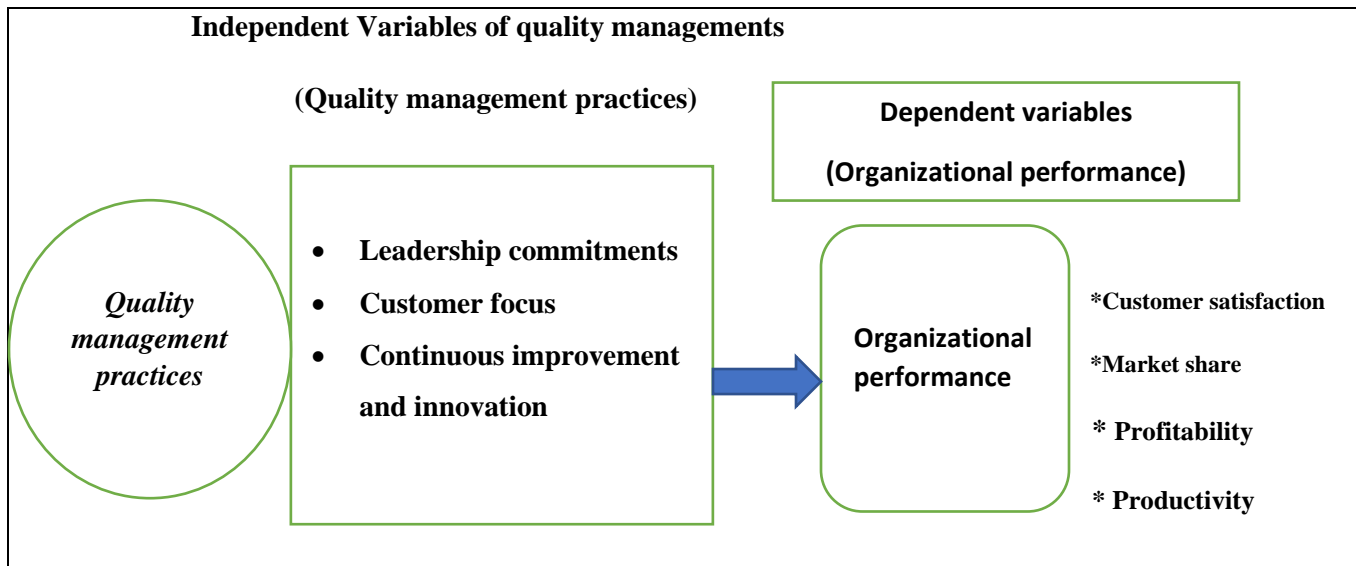


Figure .1: conceptual framework: the relationship between quality management practices and organizational performance

(Source; owned from reviewed article)

2.4. Conclusion

As reviewed from the literature, the literature also recommended that further study to confirm more the doubt in the relationship between quality management practices and organizational performance.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This chapter explained the research methodology that was applied to carry out the research. This research methodology presented the brief explanation on how the study conducted basically it includes; the study approach, the study design, sample size, sampling techniques, data collection methods and data analysis.

3.2. Research Approach

This research tried to investigate the effects quality management practice on the organizational performance in the case of Awash wine S.C. Therefore, the researcher applied quantitative descriptive approach for this study. This was because of its ease and economical method of obtaining information through different mechanism, it can be through questioners, observation and document review. This method was upon values of reason, truths and validity and there would be a focused absolutely on truths measuring on observationally on the factors using quantitative methods study, and statistical analysis of the data (Thorpe & Jackson, 2008).

3.3. Research Design

The study was adopted a quantitative descriptive approach which involved the collection of data so that the data would be quantified and subjected to statistical treatment in order to support or contradict “alternate knowledge claims” (Creswell, 2003). A quantitative descriptive study was applied in this research due to the nature of the study, which needs an accurate representation of the characteristics without any intervention. Designing a study made a difference for the researcher to plan and actualize the study in a way that helps the analyst to get expected results, hence increasing the chances of getting data that can be related with the real situation (Creswell, 2003). According to Cooper & Schindler (2008), a descriptive research design looks to explain how variables are connected and explains whether there is a relationship between factors.

3.4. Target population

As previously mentioned, Awash Wine S.C. has implemented a wine production operation aimed at delivering premium-quality wine to consumers. This is achieved through the application of comprehensive quality management practices throughout the entire company. By integrating various functions within the organization, the company strives to promote and enhance its overall performance.

To conduct this research, a fair sampling technique was employed, encompassing all employees of Awash Wine S.C. They were considered the target population and thoroughly examined as part of the study.

3.5. Source of Data

The study used primary information that was collected through a self-administered questionnaire and secondary data from company documents. Saunders et al. (2009) expressed that there are two major approaches used by researchers, specifically primary and secondary information. This research used primary information as the principal source of data and the secondary data by reviewing the company's important documents, like the company HR policy, company overall performance recorded documents, collective agreement and records in relevant departments for this research purpose. As the unit of analysis was the person, the analyst interested in collecting original data from a population and measuring the recognition of individuals. A questionnaire considered the most appropriated design to achieve the goals of this research.

3.6. Sampling Techniques

In the Descriptive research design, generally employs random probability sampling while selecting sampling groups. In this case, the randomness may be because of the large number of populations of the sample group. This study ensured that the sample would be a representative of the Awash wine company. This was crucial as it allowed for the making of valid inferences such that the conclusions that has been drawn reflected the entire population. So, 200 employees of the company had taken as a population and random sampling techniques applied in order to participated all in equal chance included customers and suppliers of the Awash wine S.C on the supply chain.

The ideal number of employees in the target group calculated from the total population of 200 employees in the company using the Slovin's formula:

$$n = \frac{N}{1 + Ne^2}$$

Where; n-the sample size

N-the population size

E-margin of error

And the total number of target group in the sampling size will be:

$$n=200/ (1+200(0.05)^2)$$
$$=133$$

3.7. Data Collection techniques

The data included primary data in quantitative descriptive approach. As a means of creating measures for the study was fit toward an investigation of the research topic as well as the objectives, in this study the researcher used a self-administered structured close-ended questionnaire as the main tool for collecting data. In this research, the questionnaire divided in to three sections

Section A; it contained background data

Section B; contained quality management practices

Section C: had organizational performance indicators

The content of expected structured questionnaire developed in this research, ranged from open ended to closed ended questions. The Quality assurance manager and the quality management team members including top level managers of the Awash wine S.C had considered appropriate respondents. The questionnaire was managed through drop and pick later method. It also emailed to the respondents who was not available immediately to fill the questionnaire.

3.8. Validity and Reliability Instrument

3.8.1. Validity

In this study the researcher tried to develop a content-valid constructs by extensive search of literature to select carefully all the QMP and OP variables and their measurements from prominent sources (Ahire, 1996; Bosh off & Allen, 2000; Antony, 2002; Ooi, 2008; Fotopoulos & Psomas, 2010; Rod and Ashili, 2010; Irfan & Kee, 2013; Al Sabi et al., 2017). Content validity is a crucial method for testing the accuracy of research questionnaire. It involves assessing whether the content of the questionnaire accurately measures the latent concept (QMP, OP) that the researcher is attempting to evaluate.

This process ensures that the data collected is reliable and relevant to the research question at hand. As Muijs (2010) notes, content validity is an essential tool for researchers seeking to produce high-quality research outcomes. Additionally, the measurements were validated by quality assurance

manager, commercial manager and quality and food safety team leader of Awash Wine S.C. Also, the measurement was validated by other senior lecturer of Department of quality and productivity Management, in addition to my advisor comments and ensure the statement represent the entire range of possible items to be measure in the study. The questionnaire was modified according to their suggestions.

3.8.2. Reliability

In order to ensure the reliability of the instrument, the researcher conducted a pilot study with various groups who were randomly selected 12 managers, 2 quality heads ,1 quality and food security group leaders and 25 employees from different departments in Awash Wine S.C.'s both Lideta and Mekanisa branches. The developed construct was distributed to the selected respondents and retested with other groups in the same company. To guarantee the reliability of the study, the Cronbach's alpha coefficient of internal consistency was utilized. This coefficient provides a unique quantitative estimate of the scale's internal consistency (Zikmund, 2009). According to Cooper and Schindler (2007), a coefficient of over 0.7 is necessary for the instrument to be considered reliable.

Table 3.1. Reliability Analysis

Variables	Cronbach’s Alpha coefficient score	No. of Items	Comments
Top management commitment	0.836	10	Reliable
Customer focus	0.912	12	Reliable
Continuous improvement	0.752	12	Reliable
Organizational performance	0.775	8	Reliable

3.9. Methods of Data Analysis

The study involves both quantitative data analysis and document review. Data analysis refers to the computation of certain measures along with searching for designs of relationship that exist among data-groups (Kothari, 2004). It will test the data that collect to make interpretations; editing to eliminate restatements, inconsistent and for grouping. When the data checking complete it will prepare for analysis. Descriptive statistics such as frequencies, percentages, means and standard deviations was used to analyze the measures of dispersion for quantitative data. Regression

analysis was also applied to analyses the relationship between quality management practices and performance of this selected wine making company.

3.10. Ethical consideration

In this research, I confirmed earlier that the research participant is not to be subjected to any harm in any ways whatsoever and that respect for the dignity of the research participant is prioritized. in this research, the full agreement obtained from the observant prior to the study need also give confidence to the participants regarding the protection of privacy.

CHAPTER FOUR: DATA ANALYSIS AND DISUSSION

4.1. Introduction

This chapter presented the primary findings that were analyzed by the researcher. The results were analyzed in relation to the research objectives and research questions in chapter one. The chapter provides a comprehensive summary of the study's findings, beginning with descriptive statistics. The researcher conducted data analysis for descriptive statistics using the Statistical Package for Social Science (SPSS-26) software.

4.2. Response rate and demographic description of respondent

A total of 171 questionnaires were distributed to selected employees Awash wine S.C in both branches and to some of Agents which have a direct contact with customers. Out of 171 questionnaires 135 returned, of which 133 were correctly filled and usable, while 2 questionnaires were incomplete and disqualified. Rog Elberg and Stanton (2007) and Saunders et al. (2007) have established that a response rate of 50% is acceptable, while a rate of 60% is commendable, and a response rate of 70% or higher is exceptional. As such, the response rate was 77.7% achieved in this study is considered to be very good.

Demographic information relates to an individual's profile, which encompasses various aspects such as specialization, level of education, and years of experience. This information is crucial in understanding the characteristics and qualifications of a particular individual. Therefore, it is essential to gather accurate and comprehensive demographic information to ensure the success of any endeavor and here in the table below demographic data which describes the profile of respondents who participated in this study including the discussion.

Regarding to sex distribution, as shown in Table 4.1 below, 68.4% of the Awash Wine share company respondents were male and the rest 31.6% were female. From this able to be deduced majority of the respondents were male. The demographic composition of the company showed an imbalance in the selected sample units. This can be attributed to the nature of the work, which is primarily hands-on and may not be conducive to female employees. To address this issue, it may be necessary to explore ways to make the work environment more accommodating to women. This could include implementing policies that promote gender diversity and inclusivity, providing training and support for female employees, and creating a culture that values and

respects the contributions of all team members. By taking these steps, breweries can create a more balanced and productive workforce that reflects the diversity of the communities they serve.

Table 4.1 displays the age distribution of the respondents, revealing that the majority of the sampled individuals fall within the age range of 31 to 40, accounting for 64.7% of the total number of respondents. Additionally, 35.3% of the respondents are between the ages of 21 and 30. These findings suggest that the study primarily attracted well matured participants, potentially indicating a need for further research targeting older age groups.

As also shown in table 4.1, it appeared clearly larger part of respondents had first degree (54.9%) and second degree and above (43.6%). Respondents with level of college recognition were of 1.5%. Hence, all respondents were well educated and had the capacity to get it the questions they were displayed with.

Table 4.1 has contained a respondent's work experience in the selected organization and a large number of respondents work experience lied between 3 to 5 years (53.4%), followed 6 to 10 years (24.8%) and over 10 years (12.0%). As it were few respondents work involvement is less than 2 years (9.8%). Subsequently, since larger part of respondents lied 3 to 5 years of work encounter, this appears that the respondents were well knowledgeable about overall exercises of their company and its organizational performance.

As indicated in table 4.1, respondents' specialization part, the larger number of them (30.1%) was specialized in production and 18.8% of respondents were specialized in marketing. The remaining 15.8% were other departments like safety Health and environment and quality assurance department, 12.8 % were finance and again 12.8% were Engineering and maintenance and 9.8% were human resource.

Table 4.1: Response rate and demographic description of respondent

Response rate and demographic description of respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	91	68.4	68.4	68.4
	Female	42	31.6	31.6	100.0
	Total	133	100.0	100.0	
Age of respondent	21-30	47	35.3	35.3	35.3
	31-40	86	64.7	64.7	100.0
	Total	133	100.0	100.0	
Educational background	College diploma	2	1.5	1.5	1.5
	First degree	73	54.9	54.9	56.4
	Second degree and above	58	43.6	43.6	100.0
	Total	133	100.0	100.0	
Year of work experience in this company	<2 year	13	9.8	9.8	9.8
	3-5 year	71	53.4	53.4	63.2
	6-10 year	33	24.8	24.8	88.0
	>10 year	16	12.0	12.0	100.0
	Total	133	100.0	100.0	
Specialization of the respondent	Finance	17	12.8	12.8	12.8
	Human resource	13	9.8	9.8	22.6
	Marketing	25	18.8	18.8	41.4
	Engineering and maintenance	17	12.8	12.8	54.1
	Production	40	30.1	30.1	84.2
	Other	21	15.8	15.8	100.0
	Total	133	100.0	100.0	

4.3. Descriptive statistics

4.3.1. Top management commitment

To ensure the success of any organization, it is crucial for top management to demonstrate a strong commitment to quality management practice. This commitment can be measured through various indicators, including the organization's quality vision, resource allocation, quality leadership, engagement and participative of the employees and quality policies. By analyzing these indicators, we can gain valuable insights into the level of top management commitment within an organization. The descriptive statistics for the top-level management commitment presented below as follow.

The data presented in Table 4.3 reveals some interesting insights into the quality management practices at Awash wine S.C. The overall mean score of 3.639 and standard deviation of 0.9 indicate a generally positive perception of the firm's top management commitment. Specifically, respondents had the highest level of agreement for the communication of quality policy and procedure to the employees in the company wide (mean score=4.195, SD=0.7) that these policies and procedures are well-documented and communicated to all employees. This suggests that most respondents recognize the importance of these policies and procedures for effective quality management practices that can enhance the firm's performance.

However, the lowest score was noted in this top management commitment parts, the area of employee participation in top level managers quality management decision-making (mean score=2.8, SD=1.1). Respondents less likely agreed with this statement, it highlights an area where the firm could improve its practices to further involve employees in quality management initiatives. Looking at the data in more detail, it is clear that the majority of respondents agreed with several key statements related to top management's leadership commitment in quality management practices. Specifically, respondents agreed that top management to show their commitment through focus on employees to motivated towards the organization's goals and objectives; provides critical resources for quality initiatives ; top management to reviews the organization's quality management system at planned intervals to ensure continuity, adequacy and effectiveness; top management to take a leading position on guiding quality teams ; top managements to establish trust and commitment to quality improvement by eliminating fear and review the quality policy regularly to meet the needs of the organization.

Overall, the data suggested that there was a strong commitment to quality management practices included in the vision of Awash Wine S.C, particularly from top management. However, there is opportunity for improvement in participating employees in quality management decision-making. By addressing this area, Awash Wine S.C can further enhance its quality management practices and improve its overall performance.

Table 4.3: descriptive statistics for top management commitment

Description	N	Mean	Std. Deviation
Quality management practice included in the vision of the company	133	4.16	0.65
Top management reviews the organization’s quality management system at planned intervals to ensure continuity, adequacy and effectiveness.	133	3.83	1.17
Employees are motivated towards the organization’s goals and objectives	133	4.01	1.08
The top management allocates enough resources to the achievement of quality management practices	133	3.90	0.89
Quality policies and procedures are documented and communicated to all employees	133	4.20	0.73
Quality policies are reviewed regularly to meet the needs of the organization	133	3.32	0.98
Management takes leading positions on guiding quality teams	133	3.41	0.73
Top management establish trust and commitment to quality improvement by eliminating fear	133	3.24	0.85
The management allows participative and engagement of employees in making decisions on quality issues	133	2.80	1.13
Authorities and responsibilities are defined and communicated throughout the firms by management	133	3.53	0.88
Top management commitment		3.64	0.91

(Source; survey data 2023)

4.3.2. Customer focus

The variable "Customer Focus" was assessed through various indicators, including the mechanism for handling of customer complaints, mechanism to communicate customer expectation to all departments, customer feedback systems and customer feedback survey frequency basis, customer retention methods, customer care departments and market-based research.

Descriptive statistics for each of these indicators have been presented and discussed in detail. To ensure that our business is customer oriented, we have implemented various approaches to measure our customer focus. These approaches include handling customer complaints in a timely and effective manner, implementing customer feedback systems to gather valuable insights, utilizing customer retention methods to keep our customers satisfied, and conducting market-based research to stay ahead of the competition. The data presented in Table 4.5 below, provides understanding into the level of customer focus within the company. The overall mean score for the items used to measure customer focus was 3.70, with a standard deviation of 0.9. To assess the company's customer-oriented practices, respondents were asked a series of questions. Twelve questions were used to rate the company's customer focus practices through the questions like; handling of customer complaints, customer retention, determination of the level of customer feedback, and to assess the extent of market-based research conducted by the company.

The results of the survey indicated above (mean score 3.73 and standard deviation 0.86) that the company performs well in all areas of customer focus. The mean score for the Company stresses to the importance of obtaining feedback on its quality control systems from customers were (mean score 4.05 and SD=0.7), the bench marking with other companies to get information of the performance progress (mean score 4.03 and SD=0.48) and the mechanism exists through that to communicate the customer expectation to all departments (mean score 3.99 and SD=0.7).The mean score regarding to the annual market based research related to the quality issue that the company annual market-based research related to quality issues and the information that the company collects, analysis and disseminates regarding to market decision making by management were (3.26 and SD=1.1). Although overall, these findings suggest that the company is committed to providing excellent customer service and is actively seeking ways to improve its customer focused practices, the company has need continuous improvement through market-based research and to disseminate information regarding to market issue which obtained and analyzed. By

prioritizing customer satisfaction, the company is likely to see increased customer loyalty and improved business performance. The employees of Awash Wine S.C have agreed, and the results are in with an overall mean score of 3.74, it's clear that they less likely agree that customer focus has a positive impact on performance within the company. This is great news for Awash Wine S.C, as it means they can continue to create products and services of superior value, leading to greater customer satisfaction and ultimately, superior firm performance. The survey results also suggest that Awash Wine S.C is a customer-focused company, with respondents' mean score above 3.74 and a low disparity of standard deviation from customers (SD 0.86). This is a testament to the company's commitment to putting the customer first.

Table 4.4: descriptive statistics for continuous improvement

Descriptive	N	Mean	Std. Deviation
Mechanism exists for customer complaints handling	133	3.76	.74
The company has a well-trained customer care department/employee	133	3.74	.87
The company has consistent tracking of complaints and procedures for all cases of complaints	133	3.73	.91
The company is committed to customer retention by ensuring quality products	133	3.87	.91
Customer needs are reviewed regularly to meet changing customer preferences and expectations	133	3.74	.95
The company has a mechanism through customer expectations are communicated to all departments	133	3.99	.7
The company does customer feedback survey on frequent basis	133	3.82	.94
The company does customer feedback survey on frequent basis	133	4.05	.83
The customer complaints are dedicatedly addressed by the firm	133	3.41	.87
The company undertakes market-based research annually on quality issues	133	3.26	1.10
The company collects, analysis and disseminates information for market decision making by management	133	3.44	1.06
Benchmarking with other company helps the company to measure performance progress.	133	4.03	.48
Overall mean score for customer focus		3.74	0.86

(Source; survey data 2023)

4.3.3. Continuous improvement and innovation

Continuous Improvement was measured using indicators comprising like; employee training, systems improvement and integration, continuous quality reviews and benchmarking. The descriptive statistics for each of these indicators are presented and discussed in Table 4.5.

Table 4.5: descriptive statistics for continuous improvement

Descriptive	N	Mean	Std. Deviation
The company has training policies for employees	133	4.38	.63
Training is offered to employees on regular basis in order to enhance their skills and expertise	133	4.46	.90
Employees are continuously trained to enhance internal quality performance	133	3.70	.62
The company has continuous improvement of quality systems leading to increased revenues	133	4.0	.94
There is continuous monitoring and improvement of quality systems and procedures to enhance performance	133	4.0	.67
The quality systems contribute to zero defect of quality objectives	133	3.78	1.4
The company benchmark its quality against other quality management practices best practices	133	3.78	1.0
The company has set time limit to meet efficiency of products delivery	133	4.0	.9
There are set benchmarks for internal quality realization and conformity	133	3.90	.75
Quality audits are carried out continuously as per the known audit schedule	133	4.42	.60
There are continuous improvement reviews through internal quality audits	133	4.10	.61
There is a policy for making continuous improvement of products quality for every individual in the company	133	3.77	.99
Overall mean score for continuous improvement		4.03	0.99

(Source: survey data 2023)

The data presented in Table 4.5 reveals an overall mean score of 4.03 and a standard deviation of 0.99. It is noteworthy that the highest level of agreement (mean score=4.46, SD=0.90) was observed in the area of company training policy that given to employee's regular basis to enhance their skill and expertise. This indicates that most respondents recognize the importance of these training policy in effectively managing quality management practices and enhancing firm performance. On the other hand, the lowest score (mean score=3.77, SD= 0.99) was recorded in the area of the quality systems that contribute to zero defect of quality objectives. The respondents moderately agreed with this statement, there is continuous monitoring and improvement of quality systems and procedures to enhance organizational performance a mean score of 3.85 and a standard deviation of 0.64. It is crucial for management to recognize the significance of set time limit to meet efficiency of products delivery (mean score =2.96, SD=0.88) in quality management practices.

In conclusion, the data presented in Table 4.5 highlights the importance of continuous improvement in the effective quality management practices.

4.3.4. Organizational performance

The measurement of organizational performance was conducted through the use of indicators that encompassed employee satisfaction, the level of product defect and waste reduction, and productivity. In order to provide a comprehensive analysis, descriptive statistics for each of these indicators have been presented and thoroughly presented in the table 4.6 below and discussed as follow:

The data presented in Table 4.6 reveals an overall mean score of 3.71 and a standard deviation of 1.05. This section of the survey asked respondents to rate the level of organizational performance using eight questions like: Employee Satisfaction, Effectiveness, and Productivity. The results indicate that the majority of respondents agreed that there in the company well trained employees on quality matter to enhance the organizational performance. This was reflected in the mean score of 4.43 and standard deviation of 0.52. Additionally, respondents agreed that the company maximizes the use of physical facilities to improve performance, with a mean score of 4.37. Finally, with a mean score of 4.25, respondents agreed that their firm delivers products to customers on time, which contributes to superior firm performance.

Overall, these results suggest that the company is performing well in terms of employee satisfaction, facility utilization, and timely delivery of products. These factors are crucial for achieving high levels of organizational performance and can lead to increased profitability and success. It is important for the company to continue to prioritize these areas and seek out opportunities for improvement in other areas as well. By doing so, the company can maintain its competitive edge and continue to thrive in the marketplace.

Table 4.6: descriptive statistic for organizational performance

Descriptive	N	Mean	Std. Deviation
The management involve employees on decision making on all quality matters	133	3.70	1.07
The company offers employees opportunity for career growth through training and development	133	3.60	1.07
There is improved information flow between top management and employees within the company	133	3.80	1.09
Employee are well trained on quality matters to enhance efficiency	133	4.07	.85
High quality management practices are in place to support the efficiency of the company	133	3.47	.93
There is improved lead time up to delivery	133	3.41	1.27
The company has fewer product defects and less wastage	133	3.84	1.05
There is high production cost reduction	133	3.77	1.09
Overall mean score and SD for organizational performance		3.71	1.05

(Source: survey data 2023)

In conclusion, the measurement of organizational performance through the use of indicators such as employee training and awareness, satisfaction, effectiveness, and productivity are crucial for the success of any organization. The presentation and discussion of descriptive statistics for these indicators provided valuable insights and aid in the development of strategies to improve overall performance.

4.4. Correlation Analysis

The study of the relationship between two or more quantitative variables is a crucial aspect of statistical analysis. When examining the relationship between two variables, we use simple regression or simple correlation. However, when dealing with more than two variables, we may use partial correlation, multiple correlation, or multiple regression, depending on the nature of the study and the variables involved (Sthapit, Yadav, Khanal, & Dangol, 2017).

Table 4.8: correlation analysis result for quality management practice

Spearman's rho Correlations					
		TMC	CF	CI	OP
TMC	Correlation Coefficient	1.000			
	P- value	.			
CF	Correlation Coefficient	.512**	1.000		
	P-value	.000	.		
CI	Correlation Coefficient	.142	.536**	1.000	
	P-value	.000	.000	.	
OP	Correlation Coefficient	0.684	.376**	.653**	1.000
	P-value	.000	.000	.000	.
**. Correlation is significant at the 0.01 level (2-tailed).					

(Source; survey data 2023)

Where;

TMC - Top management commitment

CF – Customer focus

CI – Continuous improvement

OP – Organizational performance

The correlation coefficient is a valuable tool for quantifying the strength of the linear relationship between two variables. According to Cohen and Holliday (1982), as cited in Bryman and Cramer (1999), the range of correlation coefficients can be categorized as follows:

0.19 and below is considered very low, 0.20 to 0.39 is low, 0.40 to 0.69 is modest, 0.70 to 0.89 is high, and 0.90 to 1 is very high. This range makes it easy for researchers to categorize the strength of the relationship between variables.

In this study, the researcher used the correlation coefficient range proposed by Cohen and Holliday to analyze the relationship between selected quality management practices and organizational

performance. The results, as shown in Table 4.6, indicate that all independent variables had a positive correlation with the dependent variable such as organizational performance. Specifically, the researcher found that top management commitment and continuous improvement had a modest correlation with organizational performance, with results of $r=0.68$, $P<0.01$ and $r=0.653$, $P<0.01$, respectively. Bashed on the analysis result, $r=0.376$, $P<0.01$, customer focus had a low correlation with organizational performance. These independent variables were found to have a positive and significant relation with organizational performance in the case of awash wine S.C.

Therefore, this study suggests that increasing top management commitment, customer focus, and continuous improvement can lead to improved organizational performance.

4.5. Regression Analysis

Before conducting the statistical analysis, it is crucial to ensure that the assumptions necessary for the accurate application of regression analysis have been checked (Hair et al., 2009). In this section, we have tested two critical assumptions: multicollinearity, which refers to the degree of correlation between independent variables, and normality, which pertains to the distribution of residuals. To determine the validity and reliability of the analyzed results, we have conducted tests on the overall data to verify whether it adheres to the assumptions of linear regression. This step is essential in ensuring that the results obtained are both trustworthy and meaningful.

4.6. Multicollinearity Test

Table 4.9. Table for multicollinearity test

Independent variables	VIF values	1/VIF=tolerance
Top management commitment	1.270	0.787
Customer focus	2.384	0.42
Continuous improvement	2.011	0.497
Mean of VIF	1.88	

The present of correlation among independent variable was assessed through variance inflation factor (VIF). VIF determines the strength of the correlation between the independent variables. It is predicted by taking a variable and regressing it against every other variable.

The value of $VIF = 1$ shows that the independent variables are not correlated to each other.

If the value of VIF is $1 < \text{VIF} < 5$, it indicates that the variables are moderately correlated to each other. The challenging value of VIF is between 5 to 10 because it indicates the highly correlated variables. If $\text{VIF} \geq 5$ to 10, there will be multicollinearity among the predictors in the regression model and $\text{VIF} > 10$ indicate the regression coefficients are weakly evaluated with the presence of multicollinearity (Belsley, D.A., Conditioning diagnostics, New York 1991.).

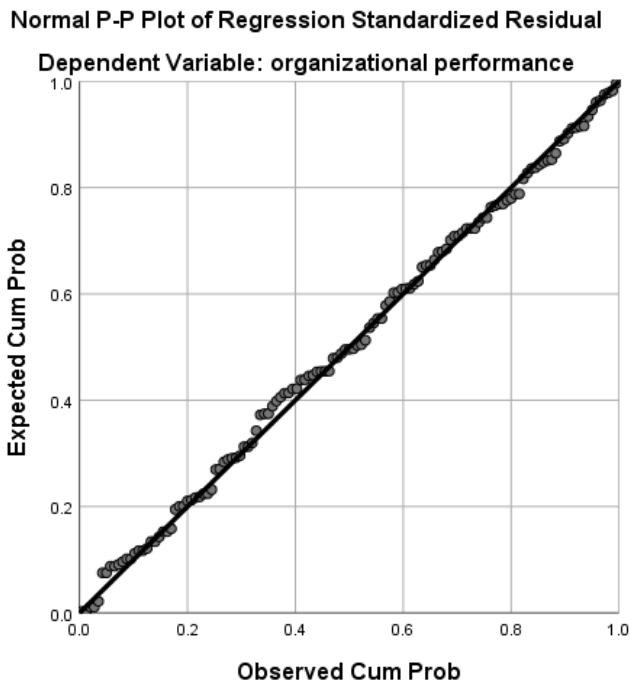
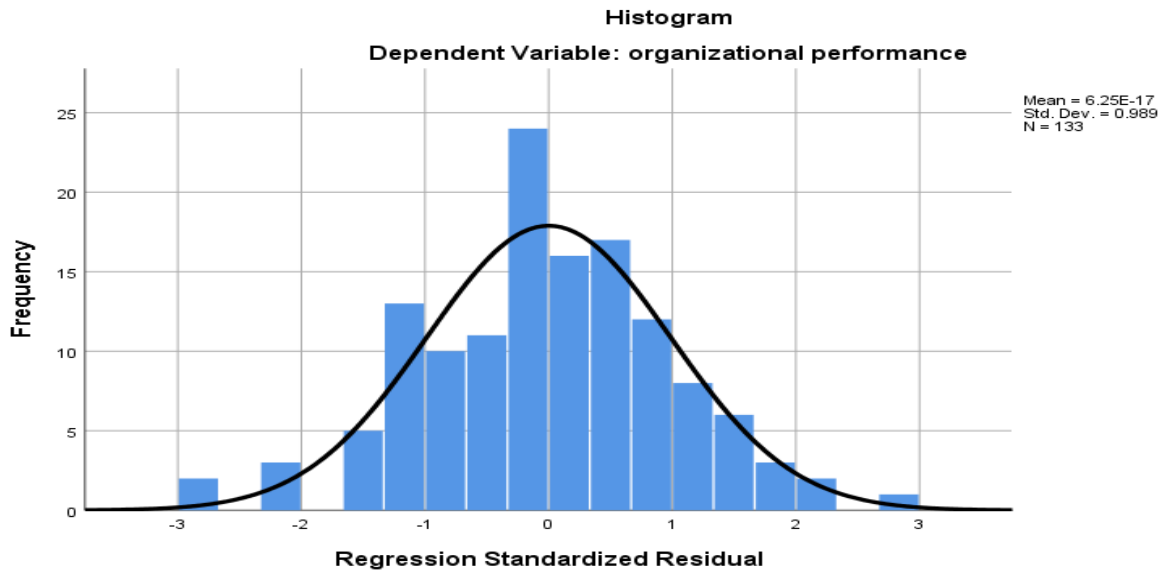
As stated in the variance inflation factor (VIF), values reveal, if the VIF values between 1 and 5 specifies that the independent variables are moderately correlated. Therefore, independent variables were in this research moderately correlated variables.

4.7. Normality test

This assumption is used to determine whether the residuals are normally distributed. This can be tested by looking at the Histogram and P-P plot for the model. To say the Normality assumption of this study is met, the Histogram should be symmetric along the center 3.5 and the dots at the P-P Plot should be closer to the diagonal line; Normal P-P plot –points should lie in reasonably straight diagonal line from bottom left to top right. In this case as seen below figure 4.1 and figure 4.2, the Histogram is symmetric and the P-P plot the dots are drawn closer to the diagonal line, indicating that assumption of normality is met.

Figure: 4.1. Showing the distribution of mean

(Source: survey data 2023)



(Source; survey data, 2023)

Figure: 4.2. Normal P-P plot showing correlation between expected cumulative probability and observed cumulative probability

4.8. Multiple Regression Analysis

Multiple regression analysis is a powerful statistical tool that allows researchers to analyze and measure the relationship between two or more variables (Saunders et al., 2009, p.461). this technique is particularly useful for exploring complex interrelationships among variables, such as identifying which quality management practice element is the best predictor of organizational performance and how much variance can be explained by all QM practices. By using multiple regression analysis, researchers can make stronger causal inferences from observed interrelationships among variables and predict a dependent variable based on the values of several independent variables. This method is essential for understanding the complex relationships that exist within organizations and can help managers make informed decisions about how to improve performance.

Overall, multiple regression analysis is a valuable tool for researchers and managers alike, providing a deeper understanding of the complex interrelationships that drive organizational performance.

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.815 ^a	.665	.657	3.71208	1.201
a. Predictors: (Constant), continuous improvement, top management commitment, customer focus					
b. Dependent Variable: organizational performance					

Table: 4.8. The regression model statistics for Quality management practice and organizational performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3524.962	3	1174.987	85.270	.000 ^b
	Residual	1777.564	129	13.780		
	Total	5302.526	132			
a. Dependent Variable: organizational performance						
b. Predictors: (Constant), continuous improvement, top management commitment, customer focus						

Table: 4.9. The regression model statistics for quality management practice and organizational performance

According to Riya and Priya Chetty (Sept 24, 2019), R-value represents the correlation between the dependent and independent variables (top management commitment, customer focus and continuous improvement with organizational performance). if the value is greater than 0.4 taken for further analysis. In this case the R-value is 0.815, which is good. As stated in the Riya and Priya Chetty articles, the R-square value shows the total variation for dependent variables that could be explained by the independent variables and if the value greater than 0.5 shows that the model is effective enough to determine the relationship. Thus, in this case the value is 0.665, which is good.

The P-value/sig value, the 95% confidence interval of significance level was chosen for the study. Therefore, the P-value should be less than 0.05. As have seen in the table 4.8, it was .000.

Thus, the result is significant. And the F-ratio value in the table 4.9 was 85.27, which was good.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

In this chapter, the researcher had dig into the research findings presented in chapter four to extract important experiences. The researcher too explored the conclusions and suggestions that were drawn from these findings. Moreover, the researcher provided suggestions for future research in this area. The researcher aimed to reveal the underlying data and implications of the research, and to provide valuable insights for further study.

5.2. Summary

As referred from different literatures, earlier studies have been done on QMP and organization performance across the world. Studies on the topic in Ethiopia did not concentrate on the relationship between effective quality management practices and the effectiveness of organizations. The purpose of this research was to determine the relationship between Awash wine S.C performance and quality management practices. As a result, a conceptual framework was developed and put to the test with the following goals in mind:

- It was to determine the relationship between customer focus and organizational performance in Awash wine S.C;
- It was to determine the extent to which top management commitment effect on the organizational performance in Awash wine S.C.
- And it was to ascertain the relationship between continuous improvement and organizational performance Awash wine S.C.

The research design used in the study was descriptive. Through the use of a structured questionnaire, primary data was gathered and the case organization system documents, standards procedures and records were reviewed. Statistics that are both descriptive and inferential were used to analyses the data. The data were summarized and described using descriptive statistics. The strength and direction of the relationship between the variables were measured using inferential statistics, specifically Spearman's rank correlation.

Finding the relation between customer focus and organizational performance in Awash wine S.C was the study's initial goal. The researcher evaluated the association between the two variables in order to determine the relationship between customer focus and organizational performance. Based

on the fact, that the research analysis results showed a positive significant association between customer focus and organizational performance in Awash Wine S.C. This suggested that a focus on the consumer drives business performance. The study's second objective was to determine the extent to which top management commitment effect on the organizational performance in Awash wine S.C. The study's conclusions showed that the outcomes were favorable and considerable that top management commitment was a factor in the performance variation and affects the organizational performance positively when as the top management commitment increases.

The third objectives required to ascertain the relationship between continuous improvement and organizational performance Awash wine S.C. In order to find out the relationship continuous improvement and organizational performance, the researcher tested the relationship between the two variables such as continuous improvement the independent variable and organizational performance. The findings indicated from the test result positive significant relationship between continuous improvement in the organization and performance in Awash wine S.C. therefore, the analysis result implied that the improvement allover the company continuously would lead to higher organizational performance in Awash wine S.C.

5.3. Conclusion

The general objective of this study was to reflect the effects of quality management practices implementation in Awash wine S.C and their relationship with organizational performance. Based on findings of this study, it was sensible to conclude that quality management practices contributed to organizational performance at Awash wine S.C. There was a positive and critical relationship between customer focus, top management commitment, and continuous improvement on the management system. Customer focus has been recognized as significant to organizations success and prevalent performance, because the study findings showed Customer focus was found to positively influence quality management practice on performance at Awash wine S.C. The study findings recognized that best management commitment was statistically significant on company performance. The finding showed that Applied resources allocations by top management can provide improving performance within the organization. Top management commitment contributes to organizational performance by defining the vision, and developing policies that promote quality culture and establish a set of shared values. Even though top management commitment influences positively on performance, there is a need for the management to allow participation and engagement of employees in making decisions on quality issues to improve

performance. Based on findings in this study Continuous improvement was found to be statistically critical in prompting the organization performance. Company managers should search for ways of monitoring and maintaining performance through training, bench-marking and by ensuring continuous quality surveys and system integration of the organization.

5.4. Recommendation

The research findings show that Top management commitment was found to be basic and positively influence performance at Awash wine S.C. This finding recommends that to improve performance of the company, top managements should provide employees with the required resources and they should allow participate and engagement of employees in making decisions on quality issues and give opportunity to act with responsibility and accountability. Top management should establish a clear vision for the organization and thus be able to make approaches to improve performance.

Based on the study findings, it was confirmed that there was strong need to maintain the implemented quality management practices in Awash Wine S.C and enhancing organizational performance. Since Customer focus was found to positively influence quality management practice on performance of Awash wine. the company should guarantee that its objectives are linked to customer needs and desire because as introduced in the organization background section, the company produce wine to both local and worldwide market as per desires of the customer. Hence, company existence depends on the customers and it should be seriously on understanding current and future customer needs, should seek for to meet customer requirements and endeavor to exceed customer expectations to move forward performance. The study results propose that focusing on customers is an important approach for Awash Wine S.C to move forward the organizational performance. To achieve optimal performance, it is imperative that the company places a strong emphasis on continuous enhancement and invests in quality management practices. Research has shown that continuous improvement is a key feature of quality management practices that significantly contributes to organizational performance. Therefore, the company should prioritize internal quality review as a means of achieving desired results. This involves assessing whether the desired results align with customer needs and other interested parties, and evaluating the effectiveness of processes in achieving these results. By focusing on quality reviewing, the company can continuously improve its performance and reap the benefits of having a robust quality management system in place.

5.5. References

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ST. MERY's UNIVERSITY
Institute of Quality and Productivity Management
Research Questionnaires

Dear respondents, I am a quality and productivity management masters of science student at ST. Merry's university and I have formulated the questions in the following questionnaire with respect to the topic of study. This questionnaire has been designed for gathering data on the effects of quality management practices on the organizational performance in the case of Awash Wine S.C. the data collection shall absolutely be for academic purpose only and thus not affects you in any case. So, your genuine, frank and convenient response is crucial for successfulness of the study. Your response will be kept absolutely confidential. To this conclusion; name, phone number or e-mail address is not required on this questionnaire. Hence, kindly request you to reply to each item of the question very carefully.

Part I. Demographic Profile

Please tick (√) in the appropriate space.

1. Gender

Male Female

2. Please indicate your age

Between 21-30 years Between 31-40 years Between 41-50 years above 50 years

3. What is your highest level of education?

College diploma First degree second degree and above

4. What is your departement?

Finance Human Resource Marketing engineering and maintenances
 production other (please indicate) _____

5. The years you have worked for this company

Under 2 years 3 to 5 years 6 to 10 years over 10 years

Part II. Quality management and organizational performance questionnaire

The following statements on quality management Practices and organizational performance adopted in order to address the questions and objectives in this research. Please indicate your rate of agreement as per your company case by ticking appropriately on a scale of 1-5, where 1=strongly disagree, 2=disagree, 3=neutral, 4= agree, 5=strongly agree

A. TOP MANAGEMENT COMMITMENT		1	2	3	4	5
1.	Quality management practices included in the vision of the company					
2.	Top management reviews the organization's quality management system at planned intervals to ensure continuity, adequacy and effectiveness.					
3.	Employees are motivated towards the organization's goals and objectives					
4.	The top management allocates enough resources to the achievement of quality management practices					
5.	Quality policies and procedures are documented and communicated to all employees					
6.	Quality policies are reviewed regularly to meet the needs of the organization					
7.	Management takes leading positions on guiding quality teams					
8.	Top management establish trust and commitment to quality improvement by eliminating fear					
9.	The management allows participative and engagement of employees in making decisions on quality issues					
10.	Authorities and responsibilities are defined and communicated throughout the firms by management					
B. CUSTOMER FOCUS		1	2	3	4	5
1.	Mechanism exists for customer complaints handling					
2.	The company has a well-trained customer care department/employee					
3.	The company has consistent tracking of complaints and procedures for all cases of complaints					
4.	The company is committed to customer retention by ensuring quality products					
5.	Customer needs are reviewed regularly to meet changing customer preferences and expectations					
6.	The company has a mechanism through customer expectations are communicated to all departments					
7.	The company does customer feedback survey on frequent basis					
8.	The company stresses the importance of obtaining feedback on its quality control systems from customers					

9.	The customer complaints are dedicatedly addressed by the firm					
10.	The company undertakes market-based research annually on quality issues					
11.	The company collects, analysis and disseminates information for market decision making by management					
12.	Benchmarking with other company helps the company to measure performance progress.					
C. CONTINUOUS IMPROVEMENT		1	2	3	4	5
1.	The company has training policies for employees					
2.	Training is offered to employees on regular basis in order to enhance their skills and expertise					
3.	Employees are continuously trained to enhance internal quality performance					
4.	The company has continuous improvement of quality systems leading to increased revenues					
5.	There is continuous monitoring and improvement of quality systems and procedures to enhance performance					
6.	The quality systems contribute to zero defect of quality objectives					
7.	The company benchmark its quality against other quality management practices best practices					
8.	The company has set time limit to meet efficiency of products delivery					
9.	There are set benchmarks for internal quality realization and conformity					
10.	Quality audits are carried out continuously as per the known audit schedule					
11.	There are continuous improvement reviews through internal quality audits					
12.	There is a policy for making continuous improvement of products quality for every individual in the company					

D. ORGANIZATIONAL PERFORMANCE		1	2	3	4	5
1.	The management involve employees on decision making on all quality matters					
2.	The company offers employees opportunity for career growth through training and development					
3.	There is improved information flow between top management and employees within the company					
4.	Employee are well trained on quality matters to enhance efficiency					
5.	High quality management practices are in place to support the efficiency of the company					
6.	There is improved lead time up to delivery					
7.	The company has fewer product defects and less wastage					
8.	There is high production cost reduction					