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BUSINESS EXCELLENCE PRACTICES AND PERFORMANCE OF FAST MOVING CONSUMER GOODS MANUFACTURING FIRMS IN NAIROBI COUNTY, KENYA

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Abstract

This study's general objective was to establish the influence of business excellence practices on performance of fast moving consumer goods manufacturing firms in Nairobi County Kenya. Specific objectives were to determine the influence of continuous improvement, people focus, strategic management and leadership support on performance of FMCG firms in Nairobi County Kenya. This study will use a descriptive research design. The study unit of analysis was 20 fast-moving consumer goods manufacturers companies while unit of observation was management employees. The study respondents were 154 management level employees in the FMCG manufacturers. The study employed stratified random sampling for the purpose of getting equal representations of respondents. The study sample size was calculated using the Yamane formula. The sample was 111 respondents. Structured questionnaires were used to collect primary data. A pilot test was conducted to determine the validity and reliability of the questionnaire. Descriptive statistics that included mean, standard deviation, variance was used to analyze quantitative data. The information was presented in form of tables, figures and pie charts. The inferential statistics that include correlational and regression analysis was also used in analyzing quantitative data. The study found that continuous improvement was statistically significant to performance FMCG manufacturers. People focus had a significant positive relationship with performance FMCG manufacturers in Nairobi County. Strategic management had a significant positive relationship with performance FMCG manufacturers. leadership support had a significant positive relationship with performance FMCG manufacturers in Nairobi County. The study suggests that the manufacturers should adopt a methodical approach to problem solving to ensure constant improvement inside a company. The study recommends that the FMCG manufacturers must pay attention to whole supply chain, including finding competent suppliers, creating goods that meet consumer expectations, delivering products on time, pricing items competitively, and providing efficient after-sales support. The study recommends that the manufacturers need to adapt its operations to the external business environment and for the internal operations to be readjusted in a way that support the market.

Keywords: Business excellence model, Continuous improvement, Creativity and innovation, Customer loyalty, Customer's voice, Leadership support, Budget approvals, Organization values, People focus, Performance, Process improvement, Product improvement, Financial Perspective,Internal business perspective, Quality of Goods, Strategic management, Strategic direction, Strategic integration, Strategic objective, Strategic plan, Customer perspective.

Background of the Study

Globally, Consultancy Group (2018) report indicated that, fast-moving consumer goods (FMCG) are under stress to attain their projections on revenue and attain operation profits. This has highly been impacted by the varying global political stability, income level variations and market preferences. The report also indicates that increased digital competition and increase in volatility has seen the greatest companies unable to sustain growth. Equally, the Mckinsey Group (2018) indicateas that FMCG sector that has experienced undeniable success recently has since 2015 proved a plateauing in their general performance and failure to improve in value creation

In Africa, however, the Brookings Group (2019) indicates that changing consumer demographics and improving the business environment is expected to foster growth in the FMCG sector. The study notes that changing demographic profiles across Nigeria, Ethiopia, South Africa, Congo, Egypt, Tanzania, and Kenya are expected to drive demand in the FMCG industry, leading to the attainment of a $2.5 trillion value by 2030. Similarly, KPMG (2017) reveals that Africa's FMCG sector is expected to improve significantly due to the large market available on the continent and increasing household incomes. The report reveals that the continent remains relatively under-served by FMCG companies; hence there is room for improvement by individual firms in the sector

Kenya is one of Sub-Saharan Africa's leading exporters of manufactured goods (KPMG, 2014). This is due to the Kenyan government's aggressive development goals, which aim to boost economic growth in the FMCG industry. Despite the efforts of the Kenyan government to set up policies that seek to improve the consumer goods firms in manufacturing industry, the sector which is the pillar of vision 2030 has stagnated (World Bank, 2014). Further, although the sector contributed 9.6% of the nation's gross domestic product in 2011, it only contributed 9.2% in 2012, and its growth rate dropped from 3.4% to 3.14% (Kenya National Bureau of Statistics, 2018).

Business Excellence practices have become vital for manufacturing companies so that to compete in local and global markets, giving a pathway for globalisation (Mohammad, 2016). Additionally, the execution of business excellence practices has assitsed manufacturing companies in that the organisation's external image was improved as a result of increased quality, cost savings, customer happiness, staff motivation, and employee engagement (Karapetrovic, Simon & Casadesús, 2016). This business movement has gained traction, with countries such as Sweden, the Netherlands, Denmark, and Australia creating or planning to develop business excellence standards (Jørgensen, Remmen & Mellado, 2016).

In order to grow, every company strives to attain organizational success. An organisation's success and competitiveness within marketplaces that it competes are measured by this milestone (Mathai, 2014). Organisational management and culture are necessary for manufacturing businesses to achieve business excellence. This leads in sustainable competitiveness and success (Latham, 2012). An organisation's managers and executives may enhance quality, satisfy stakeholders, and satisfy customers by implementing excellence practices (Kanji, 2018). Organisational financial performance has also been shown to be improved by achieving high levels of business efficiency. Organizations that embraced business excellence methods and earned the award showed an increase in financial performance, both in terms of sales revenues and in terms of the company's share value (Dahlgaard, 2013).

In order to obtain quality management awards and enjoy the profits of achieving business excellence, organizations must have excellent management systems as a foundation, as well as cultural reforms (Gómez, Costa & Lorente, 2017). To attain business excellence, a company must adopt a comprehensive approach to culture and management systems (Wilkinson & Dale, 2019). Companies may design, develop, and execute management systems that contribute to business excellence intrinsically through time by recognizing systemic as well as cultural elements.

According to Graham and Frankenberger (2015), Competition, recessions, and image issues have all plagued FMCG businesses during the previous two decades. Due to established home markets with little future development prospects, several FMCG companies have expanded their businesses abroad. Organizations that produce fast-moving commodities have been pushed to embrace business excellence strategies to survive and expand in today's fast-paced marketplace. Aiming to shed light on these issues, the project aimed to examine the influence of business excellence practices on performance of fast-moving consumer goods manufacturers in Nairobi County Kenya

Statement of the Problem

Statistics by Consumer Insight (2017) indicated that In Africa, Kenya has the second-largest structured retail sector, behind South Africa. According to a poll, 30% of Kenyans buy at retail shops, which is good news for fast-moving consumer goods. Kenya's FMCG producers have a lot of promise. Cadbury Kenya shuttered its Nairobi factory owing to poor results (RoK, 2014), whereas Eveready struggled on the Kenyan market and saw company net profit decline by 58.7% (Kandie, 2017). According to the Kenya Association of Manufacturers (2019), the return on assets of FMCG reduced by 8% in 2019 while market share reduced to 78.9% in 2019 as compared to 2018 where it was at 86.9%. Further, there was a decline in productivity between 2018 and 2019 by 14%. From the indicated statistics on profit, return on assets and market share, it is evident that there is a problem on performance of FMCGs in Kenya.

Empirical studies include; Zdrilić and Dulčić (2016) researched on business excellence as a success factor for the performance of large Croatian enterprises. Nonetheless, this study was based in large Croatian enterprises hence a contextual gap. Using Kanji and Sá's Leadership Excellence Model as a measure of business excellence maturity in commercial and public sector companies, Oakland and Tanner (2017) explore the connection between business excellence and organizational performance. The study sought to fill the theoretical gap by adopting the European Foundation for Quality Management model. The study aimed to fill the identified gaps by researching on the effect of business excellence practices on performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya.

Objective of the Study

The general objective of the study was to establish the effect of business excellence practices on performance of fast-moving consumer goods manufacturers in Nairobi City County Kenya

The study was guided by the following objectives

i. To determine the effect of continuous improvement on performance of FMCG manufacturers in Nairobi City County Kenya
ii. To establish the effect of people focus on performance of FMCG manufacturers in Nairobi City County Kenya
iii. To assess the effect of strategic management on performance of FMCG manufacturers in Nairobi City County Kenya
iv. To find out the effect of leadership support on performance of FMCG manufacturers in Nairobi City County Kenya

Significance of the Study

The study findings would be important to the Government's Big 4 Agenda designed to develop the manufacturing sector. This is because the study would provide an understanding on the effect of business excellence practices on performance. Therefore, the government will be able to encourage the manufacturing firms to adopt the business excellence practices. This would help the manufacturing firms to strengthen their management systems and processes to improve performance and create value for stakeholders.

The study findings would be important to the management of fast-moving consumer goods manufacturers. It would enhance their understanding on the influence of business excellence practices on performance. The management would be able to use the business excellence practices to improve performance in their organizations.

The study findings would also be important to government and policy makers. It would provide insights on the influence of business excellence practices on performance of fast-moving consumer goods. The policy makers can come up with strategies to encourage the use of business excellence practices to enhance the performance of fast-moving consumer goods.

The study findings would be important to researchers and academicians. It would enhance their understanding on the influence of business excellence practices on performance of fast-moving consumer goods. Additionally, the study would add to the current body of evidence on the performance impact of business excellence methods already in existence. Reference material for future studies in the field may be gotten from the study.

Theoretical Literature Review

Business Excellence Models

This will be the main theory of the study since it explains the variable used in the study in the different business excellence models. Success in a company is a wide notion that encompasses customer happiness, employee satisfaction, social impact, supplier as well as partnership success, and business outcomes (Williams, 2008). The balanced scorecard, lean production, six sigma, statistical tools, process management, and project management are among of the instruments that are continuously employed in the quest of BE. For lengthy organizational success, excellence models are built upon fundamental concepts or values (Talwar, 2010). In the Baldrige criteria for quality improvement and the EFQM (European Foundation for Quality Management) model, these values and concepts are described to as core values and concepts (Mann, 2010). This study adopted the EFQM Excellence Model because it can be used to measure performance using determinants such as leadership, people, policy and strategy, partnership and resource, processes, people results, customer results, society results and key performance results. These determinants were used in this current study to see how they affect results of FMCGs in Kenya.

Resource Based View Theory

The resource-based view (RBV) of the firm was developed by (Barney, 1991, Conner, 1991; Peteraf, 1993; Wernerfelt, 1984). Why businesses thrive or struggle in the economy is examined from a firm-specific viewpoint in the RBV. Enterprises may build and sustain competitive advantages by utilizing valuable, uncommon, distinctive, and non-substitutable assets. As a result of this, RBV posits that an organization may be viewed as a collection of physical assets, human assets, but also organizational assets A durable competitive edge is a result of an organization's highly valued, uncommon, and difficult to imitate and replace resources (Barney, 1991). For such study, this resource-based theory says a firm's greatest bet for long-term success is to have uncommon and precious assets that are difficult to copy and can't be replaced. A firm's ability to achieve exceptional performance may be built on these strategic resources over time. Therefore, manufacturers can use unique resources to produce products that are people focused and continuously improve the existing products. This theory helped in explaining the influence of people focus and continuous improvement on performance of FMCG manufacturers in Nairobi County Kenya.

Ansoff Strategic Success Theory

Ansoff (1984) suggested the Ansoff strategic success formula, which he and Mcdonnel developed (1990). Operational success, according to the Ansoff formula, is ensured when a firm's strategy is reactive to the environment's volatility as well as its capabilities meet its aggression. When three conditions are met, according to the theory, an organization's performance potential is maximized. These conditions include: an aggressive approach which really meets the turmoil of its environment; an adaptive capability that matches its aggressive strategy; and components of an institution's capacity that complement each other. The theory shows the overarching strategy the business should use to grow and improve its performance. It's a methodical method for assessing the adjustments that must be done in an organization's strategy and internal capabilities in order to ensure its success in its future, as well. This theory supported the objective the influence strategic management on performance of FMCG manufacturers in Nairobi County Kenya.

Stakeholder Theory

In 1983 Edward Freeman introduced the concept of stakeholder theory. According to the dictionary, stakeholder is anybody who is either impacted by or affects the operation of a firm. Investors, workers, consumers, as well as suppliers are most significant people of a normal business. One can also include the community and government as part of the stakeholders. In accordance with stakeholder theory, main aim of a company is to maximize the value it creates for its stakeholders. Customers, suppliers, workers, community, and stakeholders must all be unified and going in that direction if a firm is to succeed and last (Freeman, 1983). The stakeholder theory relates to this research because the research looked at how leaders support the activities in the organization because they are trying different ways to increase their financial performance so that they can continue keeping the best interest of the stakeholders in mind. This theory helped in explaining the effect of leadership support on performance of FMCG manufacturers in Nairobi County Kenya

Balance Score Card Theory

This Kaplan and Norton's Balanced Scorecard model was created in early 90’s as it tries measuring performance of organization using different financial and non-financial measures. This model mainly focused on aligning organizational activities with its vision and strategies for the purpose of improving communication both external and internal and monitoring performances of organizations against its strategic goals. There are four dimensions in this model; the perspective of customer, innovation and learning, internal business processes and financial. Leading performance measures are provided by the first three measures while the final measure provides lagging performance measure.

Conceptual Framework

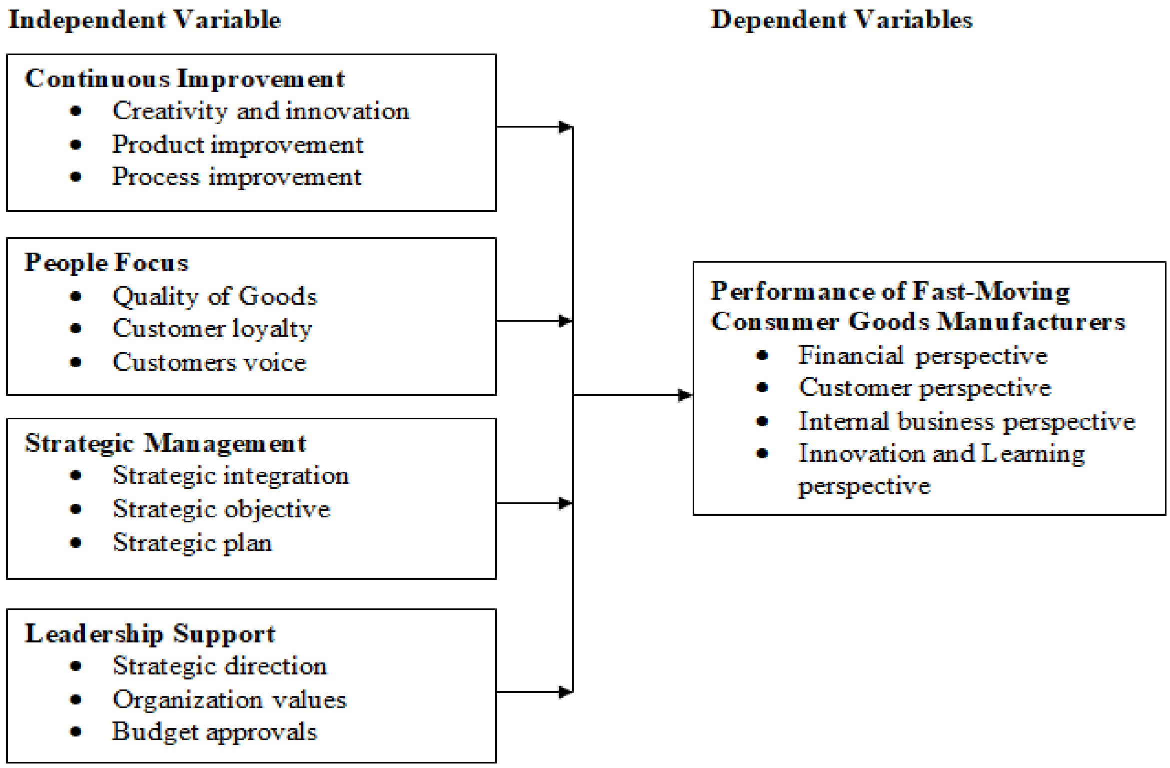

Figure 1: Conceptual Framework

Research Methodology

A descriptive research design was used for this investigation. Descriptive research is a way of gathering interview or surveying a group of people. This technique was used in the study since it allowed for the clear collection of data, summarizing, presenting, and analyzing of quantitative and qualitative data.

The study focused on 20 fast-moving consumer goods manufacturing firms in Nairobi County Kenya (Appendix V). The study respondents were the management level employees in the fast-moving consumer goods companies. They were targeted because they are involved in the management activities in the organization and they were in a position to give information about business excellence practices. The unit of analysis was companies while the unit observation was management level employees in the companies. The population distribution was as demonstrated in Table 1

Table 1: Target Population

Category	Frequency	Percent
Top level management	16	10
Middle level management	42	27
Entry level management	96	63
Total	**154**	**100**

The research sample size was determined using stratified random sampling in order to ensure that all respondents are represented equally. A stratified random sample is a population sample that divides the population into smaller groupings known as strata. After that, random samples are taken from each stratum or group. This approach was appropriate since it aids in the creation of a sample population that represents the total population. In addition, stratification minimizes sample error and assures a higher degree of representation.

The sample size for this study was determined using Yamane formula:

The formula is; n = N / 1 + N (e) 2

Where;

Where; N= Size of the population

n= Size of the sample

e= Accept error (e= 0.05)

n = 154/1+ 154(0.05)2

= 111

The study's sample size was 111 participants, orwhich represents 72.1 percent of the target population.

Using questionnaires, the researcher gathered primary data. A questionnaire is a kind of stduy tool that comprises a set of questions that are utilized to gather information from respondents. Open-ended and closed-ended questions were included in the survey. Piloting is critical for determining the reliability of the instrument and the study's validity, according to Sekaran (2010). The researcher aimed to make the study questionnaire uniform, straightforward, and intelligible to everyone. A pilot research was done to ensure that the questionnaires were valid and reliable in collecting the data needed for the investigation.

Table 2: Reliability Results

Scale	Cronbach's Alpha	Number of Items
Continuous Improvement	0.847	7
People Focus	0.804	7
Strategic Management	0.868	7
Leadership Support	0.819	6

Source: (Author, 2022)

The outcomes in Table 2 show that strategic management has an alpha of 0.868, continuous improvement has an alpha of 0.847, leadership support has an alpha of 0.819 and people focus has an alpha of 0.804. This infers that all the variables were reliable.

The researcher conducted the questionnaire himself. This research used the drop and pick later approach as well as emailing. Any queries that the responders may had were answered by the research.

To evaluate quantitative data, descriptive statistics like mean, standard deviations, and percentages were employed. Tables, figures, and pie charts was used to show the data. The narrative analysis approach was used to evaluate qualitative data. This technique entailed reformulating tales provided by participants, taking into consideration the setting of each instance and each participant's unique experiences.

The data was also analyzed utilizing inferential statistics. The link amid the research variables was examined via correlational analysis. The effect of quality management practices on performance of FMCG firms, was investigated using a multiple regression analysis approach.

The following was the regression model:

$$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where

Y is the dependent variable (Performance),

$\beta 0$ is the regression constant,

β_1, β_2, β_3 and $\beta 4$ are the coefficients of independent variables,

X_1 is continuous improvement, X_2 is people focus, X_3 is strategic management and

X_4 is leadership support

Data Analysis, Presentation And Discussion

The study had a target sample size of 111 respondents, with 102 filling out and returning surveys, leading to a 92.0 percent response rate. This rate was adequate for making conclusions.

Descriptive Statistics

Using the scale 1-strongly disagree, 2-disagree, 3-Somewhat agree, 4-agree, 5- strongly agree. The respondents were required to indicate their level of agreement with the statements.

Continuous Improvement

The respondents were asked to indicate their agreement level on the following statements about the effect of continuous improvement on performance of FMCG manufacturers. The results were as shown in Table 3.

Table 3: Continuous Improvement

Statements on Continuous Improvement	**1**	**2**	**3**	**4**	**5**	**Mean**	**Std. Dev**
The company encourages creativity to meet new market needs	4	6	8	51	33	4.010	0.932
In the organization new innovations are adopted to create products to meet the changing customer needs	3	3	9	60	27	4.029	1.014
In the organization existing products are continuously improved to meet market demands	3	5	7	46	41	4.147	0.988
In the organization new products are developed to meet emerging needs in the market	5	6	6	54	31	3.980	0.958
The organization enhances its process to reduce production costs	2	4	10	61	25	4.010	1.013
In the organization processes are improved to ensure efficiency in the organization	4	7	9	49	33	3.980	0.899
In the organization improving processes helps to improve the quality of products	6	6	8	70	12	3.745	1.135
Aggregate						**3.986**	**0.991**

From the outcomes in Table 3, the participants agreed that in the firm existing products are continuously improved to meet market demands (m = 4.147), in the organization new innovations are adopted to create products to meet the changing customer needs (m= 4.029), the firm encourages creativity to meet new market needs (m = 4.010), the company enhances its process to reduce production costs (m = 4.010), in the organization new products are developed to meet emerging needs in the market (m = 3.980), in the firm processes are improved to ensure efficiency in the organization (m = 3.980) and in the organization improving processes helps to enahnce the quality of products (m = 3.745). The aggegrate mean was 3.986, this implies that on average the respondents agreed with the statements on the effect of continuous improvement on performance of FMCG manufacturers. The results agree with those of Khan, Ali, and Hongqi (2018) that incorporating continual development into product design, production, employee participation as well as quality management system, companies may gain competitive edge over their competitors.

People Focus

The respondents were required to indicate their level of agreement on the statements about the effect of people focus on performance of fast-moving consumer goods manufacturers. The results were as indicated in Table 4.

Table 4.: People Focus

Statements on people focus	**1**	**2**	**3**	**4**	**5**	**Mean**	**Std. Dev**
The firm improves its employees by training and coaching them	6	7	8	61	20	3.804	0.983
In the organization training equips employees with skills which facilitates the production of quality products	4	6	10	55	27	3.931	0.924
In the organization customer opinions are considered in decision making	7	9	12	41	33	3.824	0.781
In the organisation customers complaints are solved on time	6	7	10	49	30	3.882	0.859
In the organization the needs of customers are put in consideration and met	4	8	9	58	23	3.863	0.943
In the organization focusing on customers enhances customer loyalty	3	5	9	51	34	4.059	0.944
In the organization focusing on customers helps to know whether customers are satisfied with the products provided	7	8	11	44	32	3.843	0.809
Aggregate						**3.887**	**0.892**

From the outcomes in Table 4, the respondents agreed that in the firm focusing on customers enhances customer loyalty (m = 4.059), in the organization training equips staff with skills which facilitates the production of quality products (m = 3.931), in the organisation customers complaints are solved on time (m = 3.882), in the organization the needs of customers are put in consideration and met (m = 3.863), in the organization focusing on customers assists to know whether customers are satisfied with the products provided (m = 3.843), in the organization customer opinions are considered in making decisions (m = 3.824) and the organization improves its employees by training and coaching them (m = 3.804). The average mean score was 3.887, this implies that on average the respondents agreed with the statements on the effect of people focus on performance of FMCG manufacturers. The findings are in agreemet with those of Salau (2018) that companies' enhanced performance may be predicted by employee value proposition (EVP) based on career progression and reward flexibility.

Strategic management

The resondents were required to indicate their level of agreement on the following statements about the effect strategic management on performance of fast-moving consumer goods manufacturers. The results were as demonstrated in Table 5.

Table 5: Strategic management

Statements on Strategic management	1	2	3	4	5	Mean	Std. Dev
In the firm departments work together to achieve the set goals	3	6	11	71	11	3.794	1.149
In the organization employees connect their strategic efforts to the firm goals	2	5	9	63	23	3.980	1.035
In the organization team strategic efforts are integrated with organization objectives	4	7	10	57	24	3.882	0.932
In the organization employees are involved in strategy development, decision making and implementation	1	4	13	51	33	4.088	0.926
In the organization strategic management is ensured by communicating of the strategy at all levels of the organization	5	8	8	60	21	3.824	0.969
In the organization strategic plan is ensured by linking individual performance goals to strategy	5	9	10	48	30	3.873	0.841
In the organization strategic plan is achieved by ensuring human resource management reflects in the strategy	6	8	11	42	35	3.902	0.828
Aggregate						**3.906**	**0.954**

The respondents agreed that in the organization employees are involved in strategy development, making decisions and execution (m = 4.088), in the organization employees connect their strategic efforts to the firm goals (m = 3.980), in the organization strategic plan is achieved by ensuring human resource management reflects in the strategy (m = 3.902), in the organization team strategic efforts are integrated with organization objectives (m = 3.882), in the organization strategic plan is ensured by linking individual performance goals to strategy (m = 3.873), in the organization strategic management is ensured by communicating of the strategy at all levels of the organization (m = 3.824) and in the firm departments work together to achieve the set goals (m = 3.794). The aggregate mean score was 3.906, this implies that on average the respondents agreed with the statements on the effect of strategic management on performance of FMCG manufacturers. The results agreee with those of Al Khalifa (2016) who found that strategic management has a favorable influence on public-sector organizational effectiveness. Also suggesting that acceptance of IT acceptance and previous success in IS has a significant impact on strategic management in public organizations.

Leadership Support

Indicate your agreement level on statements about the effect of leadership support on performance of FMCG manufacturers. The results were as demonstrated in Table 6.

Table 6: Leadership Support

Statements on leadership support	1	2	3	4	5	Mean	Std. Dev
In the company leaders ensure that employees understand the firm mission and vision	5	7	7	54	29	3.931	0.932
In the organization leaders ensure that all individuals in the firm work towards a simialr goal	6	8	9	61	18	3.755	0.972
The frim leaders make sure that employees work together as a team	2	9	12	49	30	3.941	0.852
The company leaders make sure that staff understand and adhere to firm values	5	6	10	58	23	3.863	0.944
In the organization leaders approve budget on time to ensure smooth operations in the organization	4	7	9	50	32	3.971	0.900
In the organization leaders ensure that approved budget are followed to ensure smooth operations	3	5	8	66	20	3.931	1.076
Aggregate						**3.899**	**0.946**

The respondents agreed that in the organization leaders approve budget on time to ensure smooth operations in the organization (m = 3.971), the company leaders ensure that employees work together as a team (m = 3.941), in the firm leaders ensure that employees understand the firm mission and vision (m = 3.931), in the organization leaders ensure that approved budget are followed to ensure smooth operations (m = 3.931), the organization leaders ensure that employees understand and adhere to firm values (m = 3.863) and in the organization leaders ensure that all individuals in the firm work towards the same goal (m = 3.755). The aggregate mean was 3.899, this implies that on average the respondents agreed with the statements on the effect of leadership support on performance of FMCG manufacturers. The results concur with those of Eustace and Martins (2014) who found a relationship between organizations and leadership environment, and also the relationship between organizational climate and its different aspects.

Performance

The respondents were required to indicate your level of agreement on the following statements about performance of FMCG manufacturers. The results were as shown in Table 7.

Table 7: Performance

Statements on performance	1	2	3	4	5	Mean	Std. Dev
Adoption of business excellence model has enhanced efficiency in our organization	2	5	8	69	18	3.941	1.125
Adoption of business excellence model has enhanced productivity in our organization	1	3	6	72	20	4.049	1.193
Adoption of business excellence model has enhanced profitability in our organization	4	6	8	52	32	4.000	0.934
Adopting business excellence model has enhanced the organization market share	3	3	12	61	22	3.912	0.994
The organization has been able to serve its customers better through adoption of business excellence model	4	7	9	58	24	3.892	0.951
Aggregate						**3.959**	**1.039**

The respondents agreed that Adoption of business excellence model has enhanced productivity in our organization as shown by a mean of 4.049, Adoption of business excellence model has enhanced profitability in our organization as shown by a mean of 4.000, Adoption of business excellence model has enhanced efficiency in our organization as shown by a mean of 3.941, Adopting business excellence model has enhanced the organization market share as demonstrated by a mean of 3.912 and The organization has been able to serve its customers better through adoption of business excellence model as shown by a mean of 3.892. The average mean was 3.959, this means that on average the respondents agreed with the statements on performance of FMCG manufacturers.

Inferential Statistics

Correlation analysis and multiple regression analysis were addressed in this section.

Correlation Analysis

The relationship of independent and dependent variables is investigated using correlation analysis. In this study, Pearson Moment Correlation analysis was used. Table 8 displays the findings.

Table 8: Correlation Results

		Performance of FMCG	**Continuous Improvement**	**People Focus**	**Strategic Management**	**Leadership support**
Performance of FMCG	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	102				
Continuous Improvement	Pearson Correlation	.863**	1			
	Sig. (2-tailed)	.001				
	N	102	102			
People Focus	Pearson Correlation	.811**	.471**	1		
	Sig. (2-tailed)	.001	.042			
	N	102	102	102		
Strategic Management	Pearson Correlation	.845**	.469**	.354**	1	
	Sig. (2-tailed)	.001	.037	.042		
	N	102	102	102	102	
Leadership support	Pearson Correlation	.816**	.426**	.398**	.326**	1
	Sig. (2-tailed)	.001	.034	.047	.051	
	N	102	102	102	102	102

**. Correlation is significant at the 0.01 level (2-tailed).

The study outcomes demonstrate a strong positive correlation amid continuous improvement and peformamce of FMCG manufacturers in Kenya demonstrated by ($r = 0.863$, $p = 0.001<0.01$). Also, there was strong positive correlation amid people focus and peformamce of FMCG manufacturers in Kenya demonstrated by ($r = 0.811$, $p = 0.001<0.01$). Strategic management had a strong positive correlation with peformamce of FMCG manufacturers in Kenya demonstrated by (r = 0.845, p = 0.001<0.01) and there was strong positive correlation between leadership support and peformamce of FMCG manufacturers in Kenya demonstrated by (r = 0.816, p = 0.001<0.01). The fidnings concur with those of Zdrilic and Duli (2016) who found a favorable link between the use of quality improvement concepts and effective firm performance.

Model Summary

The model summary was used to look at how the dependent variable varies as the independent factors change. This study sough to determine the disparities of pefromance of FMCG manufacturers due to changes of continuous improvement, people focus, strategic management and leadership support. The outcomes were as in Table 9.

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897[a]	.805	.801	.03181

The results show that R^2 is 0.801 meaning that there was 80.1% variation in performance FMCG manufacturers due to changes in continuous improvement, people focus, strategic management and leadership support. The remaining 19.9% infer that there are other factors that affect performance FMCG manufacturers that were not covered in the study. The findings are in agreement with those of Paraschi, Georgopoulos and Kaldis (2019) who found that key performance indicates the most crucial success element for airport excellence is employee outcomes, followed by management as well as operating results.

Analysis of Variance

The ANOVA test was used to see if the data in the study is significant.

Table 10: ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.508	4	5.377	48.749	.001[b]
	Residual	10.699	97	0.110		
	Total	**32.207**	**101**			

The processed data had a significance level of 0.001 according to the ANOVA results in Table 10. As the value of significance (p-value) is below 5%, the data is excellent for drawing inferences about the population's parameter. The F calculated was higher than F critical (48.749 > 2.239). This implies that the model was fit for the data.

Beta Coefficients of the study Variables

The regression equation was

$Y = 0.169 + 0.429X_1 + 0.402\ X_2 + 0.433\ X_3 + 0.396\ X_3 + \epsilon$

The equation above reveals that holding continuous improvement, people focus, strategic management and leadership support at a constant, the variables will significantly affect performance FMCG manufacturers as shown by a constant value of 0.169 as shown in Table 11.

Table 11: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.169	.072		2.347	.008
	Continuous Improvement	.429	.103	.379	4.165	.001
	People Focus	.402	.109	.365	3.688	.002
	Strategic Management	.433	.104	.390	4.163	.001
	Leadership Support	.396	.101	.327	3.921	.002

The first research hypothesis was $\mathbf{H_{01}}$ continuous improvement has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

The findings established that continuous improvement had significant effect on performance of FMCG manufacturers since the p-value obtained (0.001) was below the selected level of significance (0.05). The finding further indicated that the effect of continuous improvement on performance of FMCG manufacturers was positive (β=0.429). This infers that we reject the null hypothesis and conclude that continuous improvement has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

The second research hypothesis was $\mathbf{H_{02}}$ people focus has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

The results show that people focus had significant effect on performance of fast-moving consumer goods manufacturers since the p-value obtained (0.002) was less than the selected level of significance (0.05). The finding further indicated that the effect of people focus on performance of FMCG manufacturers was positive (β=0.402). This implies that we reject the null hypothesis and conclude that people focus has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

The third research hypothesis was $\mathbf{H_{03}}$ strategic management has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

The results revealed that strategic management had significant effect on performance of FMCG manufacturers since the p-value obtained (0.001) was below the selected level of significance (0.05). The finding further indicated that the effect of strategic management on performance of FMCG manufacturers was positive (β=0.433). This implies that we reject the null hypothesis and conclude that strategic management has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

The fourth research hypothesis was $\mathbf{H_{04}}$ leadership support has no significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

The results show that leadership support had significant effect on performance of FMCG manufacturers since the p-value obtained (0.002) was less than the selected level of significance (0.05). The finding further showed that the effect of leadership support on performance of FMCG manufacturers was positive (β=0.396). This implies that we reject the null hypothesis and conclude that leadership support has a significant effect on performance of FMCG manufacturers in Nairobi City County Kenya.

Conclusion

The study found that continuous improvement was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that continuous improvement had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that an increase in continuous improvement will cause upsurg in performance FMCG manufacturers in Nairobi County.

The study established that people focus was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that people focus had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that people focus positively affects performance FMCG manufacturers in Nairobi County.

The study reveale that strategic management was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that strategic management had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that an increase in strategic management will result to upsurg in performance FMCG manufacturers in Nairobi County.

The study found that leadership support was statistically significant to performance FMCG manufacturers in Nairobi County. This infers that leadership support had a significant positive link with performance FMCG manufacturers in Nairobi County. The study concludes that leadership support positively affects ormance FMCG manufacturers in Nairobi County.

Recommendations

The study found a significant link amid continuous improvement and performance. The study therefore, suggests that the manufacturers ought to adopt a methodical approach to problem solving to ensure constant improvement inside a company. The study also suggests that there should be constant evaluation and process improvement. Members of the organization should be continually guided to seek for development and learning through an organizational infrastructure and atmosphere.

The study established that people focus had a significant effect on performance. The study suggests that the FMCG manufacturers must pay attention to whole supply chain, including finding competent suppliers, creating goods that meet consumer expectations, delivering products on time, pricing items competitively, and providing efficient after-sales support. Apart from concentrating on consumers, organizations are required to continually improve all of their operations.

The study indiacted that strategic management significantly effected performance. The study suggested that the manufacturers need to adapt its operations to the external business environment and for the internal operations to be readjusted in a way that support the market. In addition, a firm’s functional integration should be extended to all functional departments since business strategies keep on changing continuously and this requires that policies and processes change in tandem.

The study revealed leadership support significantly effected performance. The study suggest that leaders in the firm ought to act as examples or advocates for business initiatives, encouraging managers and workers to promote the company's efforts through a supportive work environment, and allocating the appropriate resources to the firm's efforts. The leaders should provide strategic direction and budget approvals, manner of communication like consideration for individual employees, provision of clarity in goals and role and supporting firm values. This would be helpful to increase firm performance.

The study objective was to establish the effect of business excellence practices on performance of FMCG manufacturers in Nairobi City County Kenya. The study recommends that another study should be conducted to cover 19.5% of the variables that were not used in this study. It is also recommended that a study should be conducted to find out the effect of business excellence practices on organizational strategy.

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