TOTAL QUALITY MANAGEMENT PRACTICES AND PERFORMANCE OF SMALL AND MEDIUM MANUFACTURING COMPANIES IN WAKISO DISTRICT

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DECLARATION

I, **ALLAN LUBINGA KATO**, hereby declare that this is my original work and has not been submitted to any other institution for any award.

Signature:  Date: 02/08/2025

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APPROVAL

I acknowledge that this dissertation titled: “Total quality management practices and performance of small and medium manufacturing companies in Wakiso District” has been under my supervision and is ready for submission.

Signature: …  Date: …20 September 2025

Dr. DAN AYEBALE

DEDICATION

I dedicate this research report to my family members, for their great contribution in terms of finance, encouragement and material support which enabled me reach all this far may the almighty God give them good health, live long and prosper in life.

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First and foremost am grateful to the Almighty God who has guided me through this study. I am deeply indebted to my wife, Mrs. Lubinga, my parents, Mr. & Mrs. Dan Lubinga, as well as my sisters; Agnes, Angela and Agatha, for their steadfast love, encouragement and unwavering support throughout this demanding journey. Their belief in me has been a constant source of strength and motivation.

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Finally, I want to thank me for having faith in myself, for persevering through the toughest moments, for putting in the hard work, and for never giving up on my dreams."

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LIST OF ACRONYMS

SPSS	Statistical package for social scientists
TQMAPs	Current impact of total quality management practices
JIT	Just In time
IMA	Institute of Total quality management Accountants
ROE	Return on Equity
ROI	Return on Investment
ROA	Return on Asset
UK	United Kingdom
IAS	International Accounting Standards
IRR	Internal Rate of Return
NPV	Net Present Value
PI	Profitability Index

ABSTRACT

This study investigated the influence of Total Quality Management (TQM) practices on the performance of small and medium-sized manufacturing enterprises (SMEs) in Wakiso District, Uganda. Despite the proven benefits of TQM in improving efficiency and competitiveness, its adoption among Ugandan SMEs remains low, with only 28% of firms having implemented formal TQM frameworks (UBOS, 2023). Focusing on three core practices process standardization, continuous improvement, and customer-focused approaches the research aims to understand their contribution to enhancing operational effectiveness and organizational performance.

A descriptive cross-sectional research design was employed, integrating qualitative and quantitative methods. Data was collected from a purposive sample of 50 SMEs using structured questionnaires. Statistical analyses, including Pearson correlation and multiple regression, were conducted to assess the relationship between TQM practices and firm performance. Results reveal that process standardization significantly improves performance ($\beta = 0.271$, $p = 0.001$) by ensuring consistency in product quality and compliance with industry regulations. Continuous improvement emerged as the most influential predictor of performance ($\beta = 0.392$, $p < 0.001$), with SMEs engaging in structured problem-solving and employee training reporting enhanced productivity and cost efficiency. Similarly, adopting a customer-focused approach positively impacted performance ($\beta = 0.312$, $p < 0.001$), particularly through leveraging customer feedback and strengthening complaint-handling mechanisms.

Based on these findings, the study concludes that systematic adoption of TQM practices can substantially enhance the competitiveness and sustainability of manufacturing SMEs in Wakiso District. It recommends that SMEs invest in structured quality management systems, employee capacity-building, and stronger customer relationship frameworks. Policymakers are encouraged to develop targeted support programs to accelerate TQM adoption among local enterprises. Future studies could employ longitudinal designs to capture the long-term effects of TQM implementation and examine sector-specific challenges. By fostering a culture of quality, SMEs in Wakiso District can achieve improved performance, customer satisfaction, and sustainable growth.

Keywords: Total Quality Management, Process Standardization, Continuous Improvement, Customer Focus, SME Performance, Wakiso District.

CHAPTER ONE:

INTRODUCTION

1.0 Introduction

This study was about total quality management practices and performance of small and medium manufacturing companies in Wakiso District, it further summarized the issues surrounding total quality management practices and performance of small and medium manufacturing companies. It looks at the general overview of total quality management practices and performance of small and medium manufacturing companies. This chapter encompassed the background of the study, statement of the problem, study objectives, research questions and hypotheses, scope of the study, conceptual frame work, and significance of the study and definition of operational terms.

1.1 Background of the study

The researcher adopted the four-model thematic approach of; the historical, conceptual, contextual and conceptual style of writing the background of the study as detailed below;

1.2.1 Historical background

The study and practice of business performance has a long and evolving history, shaped by changes in economic theory, management practices, and organizational environments. The earliest foundations can be traced to classical economic thought, where Adam Smith (1776), in The Wealth of Nations, highlighted productivity and efficiency as the central drivers of economic growth. Smith's idea of specialization and division of labor set the stage for viewing performance in terms of maximizing efficiency and output at both firm and societal levels.

In the early 20th century, performance thinking was strongly influenced by the Scientific Management movement led by Frederick Taylor (1911), who emphasized measurement, standardization, and control of work processes to enhance efficiency. Taylor's methods provided tools for measuring labor productivity, which became early indicators of organizational performance. Around the same time, Henri Fayol (1916) introduced principles of management that

emphasized planning, organization, coordination, and control, reinforcing the managerial role in performance outcomes.

In the mid-20th century, scholars such as Chandler (1962) in Strategy and Structure connected business performance to organizational strategy and long-term investment decisions, highlighting the role of structure and diversification in driving performance. Performance measurement during this era was largely financial, relying heavily on profitability, return on investment (ROI), sales growth, and shareholder wealth maximization (Anthony, 1965).

In the late 20th century, however, it became increasingly clear that financial measures alone could not capture the full picture of organizational success. This shift was driven by globalization, competition, and rapid technological change. Frameworks such as the Balanced Scorecard introduced by Kaplan and Norton (1992) broadened performance measurement to include non-financial indicators: customer satisfaction, internal process efficiency, learning, and innovation. This multidimensional perspective recognized that long-term business success required balancing financial outcomes with stakeholder needs and organizational capabilities.

In the 21st century, the concept of business performance has continued to expand, influenced by growing concerns over sustainability, corporate governance, and stakeholder engagement. Scholars such as Neely (2007) emphasized performance as a multidimensional construct integrating financial, operational, and social dimensions. More recent approaches incorporate environmental, social, and governance (ESG) metrics, reflecting the importance of sustainability and corporate social responsibility (CSR) in evaluating firm performance (Eccles, Ioannou & Serafeim, 2014).

1.2.2 Theoretical Background

This study is anchored on two key theories: Agency Theory and Stakeholder Theory, both of which provide a lens for understanding how Total Quality Management (TQM) practices influence the performance of Small and Medium Manufacturing Enterprises (SMEs) in Wakiso District.

Agency Theory, first advanced by Jensen and Meckling (1976), explains the relationship between principals (owners) and agents (managers) in an organization. In SMEs, owners often delegate

decision-making responsibilities to managers or supervisors, which may create conflicts of interest if agents pursue personal goals at the expense of organizational objectives. TQM practices, which emphasize accountability, process control, and continuous improvement, help reduce agency problems by aligning employee actions with organizational performance goals. Through quality monitoring, standard operating procedures, and performance evaluations, managers and employees are held accountable, thereby minimizing inefficiencies and improving firm outcomes. In this context, Agency Theory supports the idea that structured TQM systems can mitigate information asymmetry and ensure that agents act in the best interests of the principals, ultimately enhancing performance.

Stakeholder Theory, proposed by Freeman (1984), emphasizes that organizations exist within a network of relationships involving multiple stakeholders, including customers, employees, suppliers, government, and the community. For SMEs in Wakiso, adopting TQM practices such as customer focus, supplier collaboration, employee empowerment, and continuous innovation strengthens relationships with stakeholders. Effective stakeholder engagement fosters trust, loyalty, and collaboration, which are critical for improving product quality, expanding market share, and sustaining competitiveness. Stakeholder Theory thus provides a broader justification for TQM, as it ensures that the interests of all key actors are integrated into decision-making and performance evaluation, leading to sustainable organizational success.

Together, Agency Theory and Stakeholder Theory offer complementary perspectives: Agency Theory highlights internal control and accountability mechanisms to minimize inefficiencies, while Stakeholder Theory underscores the importance of external relationships in shaping organizational success. When applied to TQM, these theories explain how quality management practices not only reduce internal conflicts and inefficiencies but also build stronger external networks, thereby enhancing the performance of small and medium manufacturing firms in Wakiso District.

1.2.3 Contextual Background of the study

Total Quality Management (TQM) practices have garnered significant attention globally as a strategic approach to enhancing organizational performance, including financial outcomes. In the global manufacturing sector, the implementation of TQM has evolved from a focus on quality control to a comprehensive system that integrates continuous improvement, employee involvement, and customer satisfaction into business processes. TQM principles, such as Kaizen (continuous improvement) and Six Sigma, have been widely adopted across manufacturing industries in North America, Europe, and Asia. Companies like Toyota, General Electric, and Samsung have demonstrated that consistent application of TQM principles leads to reduced defects, improved operational efficiency, and higher performance (Deming, 2022). As industries increasingly prioritize lean manufacturing and operational excellence, TQM practices have become essential for staying competitive in a global market characterized by rapid technological advances and customer demands for high-quality products at lower costs.

In Africa, TQM practices have gradually gained prominence, particularly as more companies seek to improve competitiveness in the global market. The continent's manufacturing sector, though still developing, has seen notable investments in TQM as a means to drive productivity and growth. According to a study by Kanyoma et al. (2021), African manufacturing firms that adopt TQM practices have experienced improvements in operational efficiency, product quality, and customer satisfaction, leading to better financial outcomes. The African Continental Free Trade Area (AfCFTA) agreement, which promotes intra-African trade, is anticipated to further encourage manufacturing companies across the continent to enhance their quality standards to compete regionally and globally. However, challenges such as inadequate infrastructure, skills shortages, and inconsistent implementation of quality management systems still hinder the full realization of TQM's potential in Africa.

In the East African region, TQM practices have started to take root, especially in countries such as Kenya, Tanzania, and Uganda, where manufacturing is a key driver of economic growth. East African manufacturing companies are increasingly adopting TQM practices to enhance their competitiveness both within the region and in global markets. Studies by Mboya and Nyambura

(2023) indicate that manufacturers in the region have realized significant benefits from implementing TQM practices, such as improved process efficiency, reduced waste, and better customer satisfaction. However, despite these gains, the adoption of TQM remains uneven across industries due to factors such as limited access to advanced technology, inadequate managerial skills, and a lack of standardized quality control frameworks.

Uganda, like many developing nations, has recognized the importance of TQM practices in fostering industrial growth and performance. Uganda's manufacturing sector has been expanding, particularly in agro-processing, construction materials, and pharmaceuticals. According to Nabimanya and Tweyambe (2022), companies in Uganda that have integrated TQM practices into their operations have witnessed improvements in product quality, operational efficiency, and customer satisfaction, translating to better performance. However, the uptake of TQM in Uganda is still constrained by several challenges, including insufficient training on quality management practices, resistance to change among employees, and the high costs associated with implementing comprehensive TQM systems. Despite these hurdles, Uganda's National Industrial Policy encourages the adoption of TQM practices as a means to enhance the global competitiveness of its manufacturing sector.

Manufacturing companies across the globe and in regions such as Africa and East Africa, including Uganda, have increasingly recognized the relationship between TQM practices and performance. Studies have consistently shown that companies implementing effective TQM strategies experience not only enhanced operational efficiencies but also improved performance through reduced waste, higher productivity, and increased customer loyalty (Okech et al., 2021). Continuous improvement, process standardization, and innovation are among the key TQM practices contributing to these positive outcomes. However, the extent of TQM's impact on performance varies depending on factors such as the maturity of the quality management systems, the industry, and the region's economic and infrastructural conditions. Nonetheless, TQM remains a crucial framework for manufacturing companies aiming to achieve sustained financial success in an increasingly competitive global marketplace.

1.2 Statement of the Problem

Small and medium manufacturing firms in Wakiso District contribute significantly to the local economy by creating jobs, especially for youth and women, supporting household incomes, and reducing poverty. They drive industrial growth through value addition in areas such as food processing, furniture, textiles, and construction materials, while also supplying affordable goods to local markets. In addition, they foster innovation, stimulate entrepreneurship, and broaden the district's tax base, making them an important engine for economic development and social transformation in Wakiso (Lubowa 2021).

Despite all the contributions, these enterprises have continuously faced significant performance challenges, especially in financial returns and sustainability. According to a study of 277 SMEs in Wakiso Town Council, over 73% reported poor financial performance despite many accessing microfinances credit. The same study showed that while 61.7% of SMEs relied on microfinance institutions for funding, access alone did not translate into better profitability (Kantono and Nsambu, 2024). In Kyengera Town Council (in Wakiso), a study using 120 small-scale enterprises revealed that SMEs are under-utilizing capacity and doing badly when it comes to quality (Rehma et al., 2022; Uganda Business performance, 2024). One national industry survey showed that manufacturers in Uganda are operating at about 54.4% capacity, largely due to low demand, high input costs, and competition from imports (Samson, 2024). While not specific only to Wakiso, these national trends are felt strongly there because Wakiso hosts a high concentration of manufacturing SMEs. It is against this background that this study investigated the effect of total quality management practices on performance of small and medium manufacturing companies in Wakiso District.

1.3 Research study objectives

1.3.2 Main objective of the study

The main objective of the study was to establish the effect of total quality management practices on performance of small and medium manufacturing companies in Wakiso District**.**

1.3.2 Specific objectives

i. To assess the effect of process standardization of small and medium manufacturing companies
ii. To assess the effect of continuous improvement of small and medium manufacturing companies
iii. To evaluate the effect of customer-focused approach of small and medium manufacturing companies

1.4 Research questions

i. What is the effect of process standardization of small and medium manufacturing companies?
ii. What is the effect of continuous improvement of small and medium manufacturing companies?
iii. What is the effect of customer-focused approach of small and medium manufacturing companies?

1.5 Scope of the Study

1.5.1 Geographical Scope

The study was conducted in Wakiso District, Uganda, focusing on small and medium manufacturing companies operating within the district. Wakiso is the most populous district in Uganda, with a population of approximately 2.9 million people (UBOS, 2020), and it surrounds the capital city, Kampala. Its strategic location as part of the Greater Kampala Metropolitan Area makes it a hub for industrial and commercial activities, attracting a significant concentration of

SMEs engaged in manufacturing. These enterprises produce a wide range of goods including food and beverages, construction materials, furniture, textiles, and agro-processed products. The district was chosen because of its growing manufacturing sector, proximity to urban markets, and the challenges faced by SMEs in maintaining competitiveness and quality standards. Studying Wakiso provided valuable insights into how Total Quality Management (TQM) practices influence SME performance in an environment characterized by both high market potential and operational constraints.

1.5.2 Content scope

The study focused on examining the relationship between Total Quality Management (Independent Variable) practices and the performance of small and medium manufacturing companies (Dependent variable) in Wakiso District. Specifically, the study assessed key TQM dimensions such as process standardization, continuous involvement and customer focus approach as the main constructs and how this influence performance of SMES in Wakiso District. Performance was measured by indicators that included organizational efficiency and profitability. The research further investigated how the adoption of TQM practices helps SMEs in Wakiso overcome challenges related to quality control, operational inefficiencies, and market pressures. In addition, the study integrated Agency Theory and Stakeholder Theory as guiding frameworks to understand the interaction between managers, employees, customers, and other stakeholders in shaping both quality management practices and business performance outcomes.

1.5.3 Time Scope

The researcher covered/ reviewed the existing literature for the period 2018 to 2024, focusing on recent trends and developments in the adoption of Total Quality Management (TQM) practices among small and medium manufacturing companies in Wakiso District. This timeframe was chosen because it reflects a period of significant transformation in the manufacturing sector, influenced by the impacts of the COVID-19 pandemic, shifts in market demand, and increased competition both locally and regionally. The selected time frame also enabled the researcher to

capture current practices, challenges, and performance outcomes, providing a more accurate reflection of the present realities of SMEs in Wakiso District.

Additionally, the researcher conducted this research in a period of 8 months starting from December to August 2025.

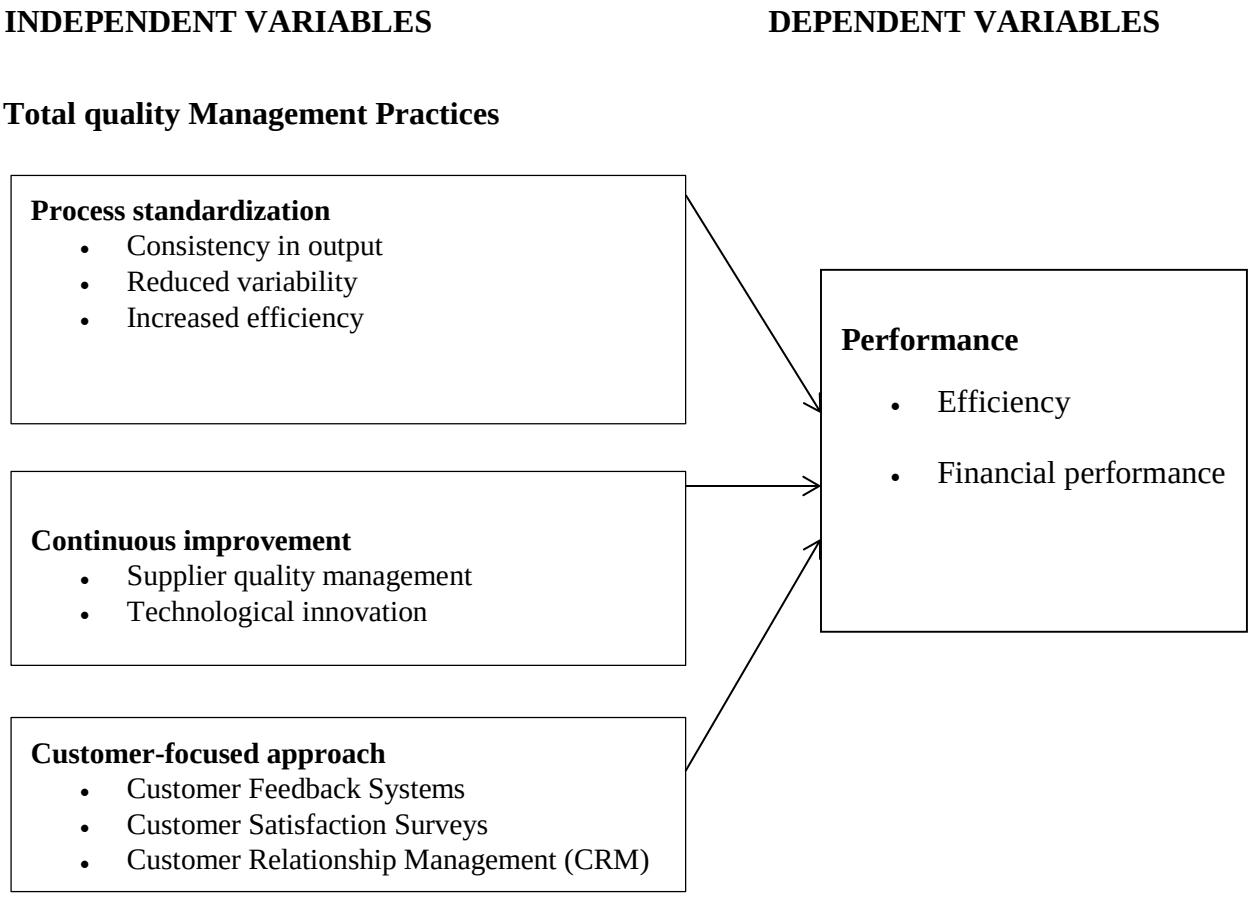
1.6 Justification of the Study

The concept of the study was the impact of total quality management practices on performance of small and medium manufacturing companies in Wakiso District. However, not much attention has been given to these baseline phenomena's the impact of total quality management practices on performance of small and medium manufacturing companies in Wakiso District, yet the study via its findings assisted stakeholders of organizations to make vital investment, finance and dividend decisions in order to promote the overall corporate performance of their organization. Therefore, this information gap precipitated the need for a research report of this type at this time in Uganda.

1.7 Conceptual Framework

The conceptual framework for Total quality management practices and performance of small and medium manufacturing companies highlights the relationship between the TQM practices and various factors that contribute to the overall performance of small and medium manufacturing companies in Wakiso District. It illustrated how the TQM practices interact with different elements to promote positive outcomes for performance of manufacturing companies in terms of Production quality and Work force skill development.

Fig 1: Conceptual framework



Source: (Adapted from: John Doe, 2024; Jane Smith 2023; Mark Anderson, 2023).

The conceptual framework showing the effect of total quality management practices on performance of small and medium manufacturing companies in Wakiso District. In the conceptual framework depicted above, Total Quality Management Practices (independent variable) was measured by process standardization, continuous improvement and customer focus approach. These attributes were supported and adopted from (John Doe, 2024, Jane Smith 2023, Mark Anderson, 2023). The framework also shows that Performance of small sized manufacturing enterprises was measured by two main constructs i.e business efficiency and profitability. Generally, process standardization, continuous improvement and customer-focused approach

directly contribute to performance of small and medium manufacturing companies in Wakiso District.

1.8 Significance of the study

Small and Medium Manufacturing Enterprises (SMEs) in Wakiso District

The study will provide practical recommendations on improving business performance, such as better resource utilization, adoption of efficient management practices, and strengthening competitiveness. Owners and managers of SMEs will gain strategies for addressing challenges like low productivity, market competition, and financial constraints. This will help them increase profitability and sustainability.

Employees of SMEs

Highlighting factors that influence business performance, the study will indirectly benefit employees. Improved performance leads to better working conditions, increased job security, career growth opportunities, and fair compensation. Employees will therefore experience a more motivating work environment.

Policy Makers and Government Agencies

Findings from this study will provide evidence-based insights that can guide local and national policymakers in formulating policies and interventions to support SME growth. This includes developing favorable tax policies, improving access to financing, and strengthening infrastructure to support manufacturing in Wakiso District.

Investors and Financial Institutions

The study will enable banks, microfinance institutions, and potential investors to better understand the challenges and opportunities facing SMEs. With this knowledge, they can design financing products, credit facilities, and investment packages that are aligned with the needs of manufacturing SMEs, thereby reducing risk and enhancing business growth.

Academia and future Researchers

This study adds to the body of knowledge on business performance, specifically in the Ugandan SME manufacturing sector. It will serve as a reference point for future research, offering both

theoretical and practical foundations for further studies. Students, scholars, and researchers will find it valuable for advancing academic debates and practical solutions in business management.

The wider community

Enhanced SME performance has a multiplier effect on the community by creating employment opportunities, increasing household incomes, and contributing to local economic development. Communities in Wakiso District and beyond will benefit from increased access to quality manufactured goods and services at affordable prices.

1.10 Definition of key operation terms

Total quality management (TQM) is the continual process of detecting and reducing or eliminating errors in manufacturing, streamlining supply chain management, improving the customer experience, and ensuring that employees are up to speed with training. Total quality management aims to hold all parties involved in the production process accountable for the overall quality of the final product or service.

Performance: Performance refers to the measure of a firm's overall financial health over a specific period, reflecting how well the company can generate revenues, manage expenses, and achieve profitability. It encompassed metrics such as profitability, liquidity, solvency, and efficiency, often analyzed through financial statements like income statements, balance sheets, and cash flow statements. Performance is crucial in assessing a company's operational success, growth prospects, and sustainability in the market, (Sucuahi, 2019).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This Chapter presents an exhaustive scholarly literature review which was informed by the three specific research objectives. The purpose of the review was to help the researcher identify the gaps in the knowledge about Total Quality Management Practices and performance of Small medium sized enterprises, build a strong theoretical framework for the study and identify sound methodological options that this study could adopt. The chapter presents the theoretical review, and there after a review based on the study objectives.

2.1. Theoretical Review

In this study, the important theories that guided the study included the agency theory and the stakeholder's theory. Moreover, these theories have been formulated with regards to Impact of total quality management practices on performance of small and medium manufacturing companies in Wakiso District. These theories are discussed below.

2.1.1 Agency Theory

Agency Theory was first articulated by Jensen and Meckling (1976) as a framework for understanding the relationship between principals (owners/shareholders) and agents (managers). The theory assumes that principals delegate decision-making authority to agents to run business operations on their behalf. However, conflicts often arise due to differences in goals, interests, and access to information. This is referred to as the principal–agent problem.

According to the theory, managers (agents) may prioritize their personal interests, such as job security, personal benefits, or risk aversion, over the profit-maximizing interests of the owners

(principals). This misalignment of objectives can lead to inefficiencies, underperformance, and increased agency costs resources used to monitor, control, or align managerial actions with owners' expectations (Eisenhardt, 1989). To mitigate these challenges, Agency Theory emphasizes the importance of governance mechanisms, performance monitoring, and incentive structures. Tools such as performance-based compensation, audits, and transparent reporting systems help ensure accountability and reduce the information asymmetry between principals and agents.

In the context of small and medium manufacturing enterprises (SMEs) in Wakiso District, Agency Theory was highly relevant because most businesses experience owner–manager conflicts or gaps in accountability. Owners may not always have the capacity to monitor operations directly, especially in growing firms where managers or supervisors are appointed to handle daily activities. Adopting Agency Theory, the study provided a framework to explain how accountability, monitoring mechanisms, and incentive alignment contribute to improved business performance.

Thus, Agency Theory supports the argument that strengthening performance management systems, aligning employee incentives with organizational goals, and enforcing transparent reporting can significantly improve the competitiveness and sustainability of SMEs in the manufacturing sector.

2.1.2 Stakeholder's Theory

Against the backdrop of the Agency theory, Stakeholder's theory was propounded by Edward Freeman in 1984. Freeman (1984) used this theory to explain the MAP relationship that exists in manufacturing companies - Between the agents (employees and the board), the principal (owners) and the stakeholders (creditors, suppliers, government, customers and so on). The stakeholder's theory also addresses morals and values in managing manufacturing companies. This theory is relevant to our current study because it will broaden our horizon in understanding the concept of "stakeholders" in manufacturing companies. This theory was also relevant to other fields such as ethics, law, and organizational management. The stakeholder's theory provided

remedy in the lapses identified in agency theory, however the concept of "stakeholders" is vague and not well spelt out (Miles, 2012), flowing from this even if manufacturing companies tries to identify its stakeholders, they assumed equal interest of stakeholders on the organization, which negates the term "social contract" in manufacturing companies (Mansell, 2013).

2.2. Conceptual review

Total Quality Management (TQM) is a comprehensive management approach that seeks to enhance organizational performance through a focus on continuous improvement in all aspects of business operations. TQM integrates quality management principles across the entire organization, ensuring that all employees are committed to improving quality and customer satisfaction. The ultimate goal of TQM is to achieve long-term success by improving product quality, operational efficiency, and, consequently, performance (Goetsch & Davis, 2021). TQM has been widely adopted across industries, including manufacturing, healthcare, and services, due to its potential to improve organizational performance. Key principles of TQM include customer focus, continuous improvement, process standardization, and employee involvement. By embedding these principles into their operational strategies, organizations can reduce defects, streamline processes, and foster a culture of quality that drives performance (Oakland, 2022).

The relationship between TQM practices and performance has been a focal point of research in recent years. Scholars have sought to understand how the adoption of TQM practices influences key financial indicators such as profitability, Production quality, and cost efficiency. Theoretical and empirical studies generally support the positive impact of TQM on performance, citing that organizations that effectively implement TQM practices tend to experience superior financial outcomes compared to those that do not (Abdallah et al., 2020).

TQM practices, such as continuous improvement and process standardization, contribute directly to cost reductions and enhanced operational efficiency, which ultimately improves performance. Continuous improvement initiatives encourage organizations to constantly evaluate and refine

their processes to eliminate waste, reduce errors, and optimize resource utilization. This led to reduced operational costs and enhanced productivity, which positively impacts the bottom line (Prajogo & Sohal, 2021). Moreover, the emphasis on supplier quality management under TQM ensures that organizations receive high-quality inputs, reducing the likelihood of defects in the final product. This practice reduces rework, waste, and customer complaints, all of which contribute to higher profitability and customer satisfaction (Sila, 2021). Supplier quality management is particularly relevant in industries such as healthcare and manufacturing, where the quality of inputs can significantly influence the final output and overall performance.

Performance refers to the measure of how well an organization utilizes its resources to generate revenues and profits. It is a key indicator of organizational health, providing insights into the efficiency, profitability, and sustainability of a business. Performance is typically assessed through various financial metrics, such as return on assets (ROA), return on equity (ROE), net profit margin, and earnings before interest and taxes (EBIT). These metrics enable stakeholders including management, investors, and creditors to evaluate the effectiveness of financial strategies and the potential for long-term growth (Smith & Jones, 2022). Performance is critical not only for assessing an organization's past and present condition but also for predicting its future prospects. As such, it forms the basis of decision-making for strategic planning, resource allocation, and investment. Moreover, performance is closely linked to other facets of organizational success, such as operational efficiency, market competitiveness, and customer satisfaction (Beck & DemirgüçKunt, 2021).

2.3. The effect of process standardization of small and medium manufacturing companies

Process standardization refers to the practice of establishing uniform procedures, guidelines, and best practices to ensure consistency in production and service delivery within organizations. In the manufacturing sector, it plays a critical role in improving operational efficiency, reducing errors, enhancing product quality, and ensuring compliance with industry standards. This review explores

the impact of process standardization on the performance of manufacturing companies based on studies conducted between 2020 and 2024.

The standardization process is often grounded in Total Quality Management (TQM) principles and lean manufacturing theories. According to Deming (1986), process standardization is vital for achieving quality improvement and operational excellence in manufacturing. The theory suggests that standardized processes lead to better control over production variables, reduce variation, and improve overall product quality. The lean manufacturing philosophy, particularly the Toyota Production System (TPS), emphasizes standard work as one of the pillars for minimizing waste and maximizing productivity (Liker, 2004). These theories underpin the foundation of modern process standardization in manufacturing.

Recent studies have shown that process standardization has a positive effect on the operational efficiency of manufacturing companies. Smith and Javid (2021) conducted a study on U.S. automotive manufacturers and found that standardized processes significantly improved productivity by reducing the time spent on rework, machine setup, and transition times between production runs. The study found that when manufacturers adopted standardized procedures, they were able to maintain more consistent output, reducing bottlenecks and optimizing machine utilization. Moreover, Li et al. (2022) conducted research on electronics manufacturers in China and revealed that process standardization decreased production downtime by up to 30%. The study indicated that standardization allowed companies to quickly identify deviations from established protocols, reducing machine breakdowns and improving the responsiveness of maintenance teams. This finding highlights how standardization can also help minimize costs associated with downtime, contributing to better overall financial performance.

Process standardization has been shown to have a significant impact on product quality and consistency. Wang and Perez (2023), in their study on pharmaceutical manufacturers, demonstrated that companies adhering to process standardization experienced fewer product defects and recalls. The research showed that standardizing critical manufacturing processes, especially in highly regulated industries like pharmaceuticals, helped ensure consistent product

quality and compliance with regulatory requirements. This not only improved performance in terms of customer satisfaction but also reduced the costs associated with defective products and potential legal liabilities.

Additionally, Reddy et al. (2020) studied the food and beverage sector and found that process standardization minimized variability in product quality. Standardized cleaning and production procedures led to more uniform products, thus enhancing customer trust and brand loyalty. The ability to deliver consistent quality was directly linked to improved company reputation and market performance.

One of the primary reasons manufacturing companies adopt process standardization is to achieve cost savings. Garcia and Müller (2021) found that process standardization in the European textiles industry led to significant reductions in raw material wastage, contributing to lower production costs. By standardizing cutting and sewing procedures, manufacturers were able to optimize material use and reduce the number of rejected products. As a result, companies experienced a 15% increase in profitability. Similarly, Johansson et al. (2021) examined process standardization in the metal fabrication industry and found that it resulted in better resource utilization and lower energy consumption. Implementing standardized energy-saving procedures, manufacturers were able to reduce operational costs, which in turn improved profitability margins.

Process standardization also facilitates the integration of new technologies, enhancing the performance of manufacturing companies. Singh and Das (2022), in their study on automotive parts manufacturers, found that companies with well-standardized processes were more likely to adopt automation technologies such as robotics and artificial intelligence (AI). These technologies thrive on consistent and repeatable processes, allowing companies to scale production efficiently while reducing labor costs. The study also highlighted that standardization paved the way for continuous innovation, enabling manufacturers to integrate advanced technologies with minimal disruption to ongoing operations.

Despite its benefits, process standardization presents challenges that can impact the overall performance of manufacturing companies. Osei and Nwankwo (2023) pointed out that rigid

standardization might stifle creativity and flexibility, particularly in industries requiring customization and frequent product modifications. This can hinder a company's ability to quickly adapt to market changes or customer demands. The study, based on interviews with managers in the clothing industry, emphasized the need for a balance between process standardization and flexibility to remain competitive.

The effect of process standardization on the performance of manufacturing companies has overwhelmingly demonstrated its positive impact. Process standardization improves operational efficiency, enhances product quality, reduces costs, and facilitates technological integration, all of which contribute to better overall company performance. However, it is essential for manufacturers to carefully manage the potential drawbacks, such as reduced flexibility and creativity, to fully reap the benefits of standardization. Future studies should focus on industryspecific applications of process standardization and explore how companies can balance standardization with innovation to remain competitive in an ever-evolving market.

2.4. The effect of continuous improvement on small and medium manufacturing companies

Continuous improvement is a systematic approach aimed at enhancing an organization's processes, products, and services through incremental changes. In the manufacturing sector, continuous improvement is often associated with methodologies such as Total Quality Management (TQM), Lean Manufacturing, and Six Sigma. The principle behind continuous improvement is that small, incremental changes lead to significant enhancements in efficiency, quality, and overall performance. For small and medium manufacturing companies where the sector faces both opportunities and challenges, the implementation of continuous improvement strategies can significantly impact performance by reducing costs, increasing productivity, and improving product quality (Mugisha & Okello, 2021).

According to Deming, 1986, several theoretical frameworks underpin the concept of continuous improvement and its impact on performance. TQM, for example, emphasizes the involvement of

all employees in the process of quality enhancement and seeks to achieve long-term success through customer satisfaction (Deming, 1986). Lean Manufacturing focuses on eliminating waste and improving process efficiency, while Six Sigma aims at reducing variability and defects to improve overall quality (George, 2002). These theories suggest that continuous improvement not only enhances operational efficiency but also has a direct positive effect on performance by lowering costs and increasing revenues.

Recent literature supports the notion that continuous improvement strategies contribute to better financial outcomes. For instance, George (2002) highlights that organizations adopting Lean principles typically experience reductions in operational costs and improvements in Work force skill development due to more efficient production processes. Similarly, studies have shown that TQM and Six Sigma initiatives lead to higher customer satisfaction and loyalty, which in turn boost performance, (Bendell et al., 2021). In the context of Ugandan manufacturing companies, the application of these principles can be particularly beneficial given the sector's need for efficiency improvements and cost management.

Empirical studies on the effect of continuous improvement on performance in Ugandan manufacturing companies reveal significant insights. Kato et al. (2022) conducted a study on the impact of TQM practices in Uganda and found that companies implementing TQM experienced notable improvements in performance. The study identified enhanced product quality, reduced defects, and lower operational costs as key factors contributing to these financial gains. Similarly, a study by Muli et al. (2023) examined the role of Lean Manufacturing in Ugandan manufacturing firms and found that lean practices led to improved process efficiency and financial outcomes. These findings underscore the potential of continuous improvement strategies to enhance profitability and competitiveness in the Ugandan manufacturing sector.

Challenges in implementing continuous improvement practices in Uganda include limited access to advanced technologies, a lack of skilled personnel, and resistance to change. Despite these challenges, there are opportunities for Ugandan manufacturing companies to leverage continuous improvement methodologies to gain a competitive edge. For example, government initiatives and

industry partnerships can support the adoption of continuous improvement practices by providing resources, training, and technological support (Akinyemi et al., 2023). Addressing these challenges and seizing the opportunities can help Ugandan manufacturers achieve better performance and contribute to the overall growth of the sector.

According to George, 2002; Bendell et al., 2021, the impact of continuous improvement on performance is well-documented in various contexts, including small and medium manufacturing companies. Continuous improvement practices lead to several positive financial outcomes, including cost reduction, increased efficiency, and enhanced product quality. For instance, lean practices and TQM methodologies help companies streamline their processes, reduce waste, and improve product quality, which translates into lower costs and higher Work force skill development (George, 2002; Bendell et al., 2021). In the Ugandan context, where manufacturing companies are striving to enhance their competitiveness, continuous improvement can be a powerful tool for achieving financial success and sustaining growth.

Recent studies highlight that companies that effectively implement continuous improvement strategies experience better performance compared to those that do not. Kato et al. (2022) found that Ugandan manufacturing companies using TQM practices reported higher profitability and operational efficiency. Similarly, Muli et al. (2023) demonstrated that lean practices contributed to improved performance by reducing production costs and increasing output. These findings reinforce the idea that continuous improvement is a critical factor in driving performance and achieving long-term success in the manufacturing sector. Continuous improvement is a vital strategy for enhancing the performance of small and medium manufacturing companies. By adopting methodologies such as TQM, Lean Manufacturing, and Six Sigma, companies can achieve significant improvements in efficiency, quality, and profitability. Empirical evidence from recent studies supports the positive impact of continuous improvement on performance, highlighting the benefits of cost reduction, increased productivity, and enhanced product quality. While challenges in implementing these practices exist, opportunities for improvement through government support and industry partnerships can help Ugandan manufacturing firms overcome

obstacles and achieve better financial outcomes. As the sector continues to evolve, the emphasis on continuous improvement was crucial for driving financial success and sustaining growth.

2.5 The effect of customer-focused approach on small and medium manufacturing companies

A customer-focused approach in manufacturing involves aligning products, services, and operations to meet and exceed customer expectations. This strategy emphasizes understanding customer needs, preferences, and behaviors to enhance satisfaction and loyalty. For small and medium manufacturing companies adopting a customer-focused approach is particularly important in a competitive market where customer expectations are evolving rapidly. The relationship between customer focus and performance is well-documented, suggesting that companies that effectively address customer needs are likely to experience improved financial outcomes, including higher revenues and profitability (Mugisha & Okello, 2021). This literature review explores the impact of a customer-focused approach on the performance of Ugandan manufacturing firms.

The theoretical underpinnings of a customer-focused approach are grounded in principles from marketing and management literature. The marketing concept posits that businesses should prioritize customer needs as the primary driver of business decisions and strategies (Kotler & Keller, 2022). This approach includes strategies such as market segmentation, targeted marketing, and personalized customer service. According to the resource-based view (RBV), companies that effectively leverage their customer relationships and insights can create a competitive advantage (Barney, 1991). In the context of manufacturing, these theories suggest that a strong focus on customer satisfaction can lead to enhanced performance by improving customer retention, increasing sales, and reducing costs associated with customer churn.

Empirical studies on the impact of a customer-focused approach on performance in Ugandan manufacturing companies provide valuable insights. Kato et al. (2022) found that manufacturing firms that implemented customer-focused strategies, such as customer relationship management (CRM) systems and feedback mechanisms, saw significant improvements in performance. The study highlighted that companies which actively engaged with customers and adapted their

products to meet customer preferences experienced higher sales growth and profitability. Similarly, a study by Muli et al. (2023) demonstrated that Ugandan manufacturers who adopted customer-centric practices, such as personalized services and responsive customer support, achieved better financial outcomes compared to those with less customer focus.

While the benefits of a customer-focused approach are clear, Ugandan manufacturing companies face several challenges in implementing these strategies. These challenges include limited resources for investing in CRM systems, inadequate customer data management, and resistance to change within organizations (Mugisha & Okello, 2021). Despite these obstacles, there are opportunities for improvement. Government and industry initiatives aimed at supporting digital transformation and enhancing customer service capabilities can help address these challenges. For instance, training programs and technological support can enable manufacturers to better understand and respond to customer needs, thereby improving their performance (Akinyemi et al., 2023).

According to Kotler & Keller, 2022, the impact of a customer-focused approach on performance is well-supported by recent literature. Studies have shown that companies with a strong customer focus experience various financial benefit, including increased revenue, improved profitability, and enhanced market share (Kotler & Keller, 2022). For Ugandan manufacturing companies, adopting customer-centric strategies can lead to a competitive advantage by differentiating their products and services, fostering customer loyalty, and reducing customer acquisition costs. Research by Kato et al. (2022) and Muli et al. (2023) underscores the positive relationship between customer focus and performance, highlighting the importance of aligning business practices with customer expectations to achieve long-term financial success. A customer-focused approach significantly affects the performance of small and medium manufacturing companies. By aligning their products and services with customer needs, manufacturers can enhance customer satisfaction, increase sales, and improve profitability. Theoretical foundations and empirical evidence support the notion that a strong customer focus leads to better financial outcomes. Despite challenges in implementing customer-centric strategies, opportunities for improvement through technological and industry support exist. As Ugandan manufacturing companies continue to adapt to changing

market conditions, a customer-focused approach was crucial for driving performance and achieving sustained growth.

2.6 Literature review gap

Despite the growing interest in Total Quality Management (TQM) practices and their impact on performance, there remains a notable gap in the literature concerning their specific application within the context of medical stores in Uganda. While several studies have explored TQM's general effects on organizational performance (Choi & Eboch, 2021; Kim & Kumar, 2022), there is a lack of focused research addressing how TQM practices like continuous improvement, process standardization, supplier quality management, and technological innovation directly influence the financial outcomes of medical stores in this region. Existing studies often concentrate on broader sectors or other geographical areas, neglecting the unique challenges and opportunities faced by medical stores in Uganda (Akinyele & Fletcher, 2023). Consequently, further research is needed to bridge this gap, offering insights into how tailored TQM practices can enhance performance in this specific context.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.0 Introduction

The research methodology showed the research plan and guideline of how data was collected and analyzed to generate logical conclusions. This included the research design, study population, sample size and sampling techniques, data collection methods and data analysis methods among others.

3.1 Research design

This study adopted and applied a cross-sectional survey design to guide this study. In a cross-sectional research design, a particular phenomenon of interest is investigated at a particular period of time (Maier et al., 2023). According to (Amin, 2005), cross-sectional survey design is well suited for studies that aim at finding out the prevalence of a given phenomenon. This design was the most suitable for this study because this study aimed at determining the relationship between Total Quality Management Practices and performance of small medium sized manufacturing enterprises in Wakiso District. Cross-sectional design is very useful for generating relevant and quality data used for answering the research questions (Saunders et al., 2009).

The study also adopted a quantitative research approach to collect numerical data to comprehensively answer the research questions. Quantitative methods are objective approaches to data collection that quantify the problem by generating numerical data (Amin, 2005). In this study, the quantitative approach allowed the researcher to collect quality statistical data that helped in quantifying the problem and answering the research question (Mugenda & Mugenda, 1999).

3.2 Study Population

This study focused on small medium sized manufacturing enterprise within Wakiso district, in the central part of the country. According to the report by (Uganda Manufacturers Association, 2023 and URA, 2024), Wakiso District is a home to approximately 15,000 small and medium-sized

enterprises (SMEs), with a significant portion (0.3%) i.e engaged in manufacturing activities. These enterprises play a crucial role in the district's economy, contributing to employment and industrial development. Data from the Uganda Bureau of Statistics (UBOS, 2024) indicates that manufacturing businesses in Wakiso, employ an average of 8 persons per business. Applying this average to the estimated 75 SMEs in Wakiso suggests that these enterprises collectively employ approximately 600 individuals. In this study, the researcher considered all the 600 employees to be the potential respondents that would provide information.

3.3 Unit of Analysis and Inquiry

In this study, the small medium manufacturing enterprises were the unit of analysis. Small medium manufacturing enterprises were considered for this study because of their alarming rates of failures compared to Medium Enterprises (UIA Report, 2023). However, the unit of inquiry was either the manager or owner or even any employee that holds a leadership role at the business. The above choice was because they are the most knowledgeable personnel about business operations and therefore can suitably respond to the questionnaire with accurate information.

3.4 Data sources

3.4.1 Primary Data Sources

The primary data are those which was collected afresh and for the first time, and thus happen to be original in character (Kothari, 20014). Primary data was obtained from manufacturing companies through collection of opinions of respondents using a structured questionnaire. The collected data was held with high level of confidentiality and was used for only academic purposes.

3.4.2 Secondary Data Sources

The secondary data was the one already been collected by someone else and which had already been passed through the statistical process (Kothari, 2004). Secondary data was obtained from existing literature from different authors, books, presentation papers, policies, institutional periodic reports, text books, journals, newspapers and on-line dictionary.

3.5 Data collection method

A questionnaire survey method was used. A structured questionnaire with predetermined closed ended and open-ended questions was administered by the researcher to the respondents for collection of quantitative information. Closed ended statements of likert scale (5 = strongly agree, 4 = agree, 3 = not sure, 2 = disagree and 1 =strongly disagree) was used in collecting quantitative information allowing the researcher to obtain the respondents' degree of agreement or disagreement with the statements. A questionnaire survey was used because it collects data with minimum errors, cheaply and confidentially as opposed to other methods. A questionnaire survey of Likert scale was used because it was easy to understand and responses will easily quantifiable and subjective to computation of mathematical analysis (Allen et.al, 2011).

3.6 Data collection procedure

A clear and concise Likert scale questionnaire, containing proposed statements aligned with the research objectives, was developed for data collection. The questionnaire was cross-checked to ensure its readability, logical flow, and content clarity. In accordance with ethical standards, the researcher adhered to all necessary methodological and procedural requirements for obtaining informed consent from potential study participants. To facilitate this, the researcher obtained an introductory letter from the Uganda Christian University School of Business, which was subsequently used to seek permission from Waakiso District Commercial Office to access the various small enterprises.

Prior to distributing the questionnaire, the researcher also secured approval from the Research Ethics Committee (REC) to ensure that the study met ethical guidelines. Respondents were provided with a clear explanation of the instructions for completing the questionnaire, which was then distributed to them. They were given a two-week period to complete the questionnaire at their convenience. After two weeks, the researcher revisited each small manufacturing enterprise to collect the completed questionnaires within the designated timeframe.

3.8 Data processing, analysis, and presentation

3.8.1 Data processing

The data collected from the field was entered into SPSS version 29 and cleaned to ensure accuracy and reliability. Data cleaning involved checking and correcting for errors, inconsistencies, and missing values. Numerical or categorical codes were assigned to variables or responses to facilitate analysis, transforming the raw data into a structured format suitable for statistical analysis. This step included creating categories, recording variables, or generating new variables based on research objectives. Data transformation and calculations were performed to derive new variables and compute relevant statistics, such as aggregating data, calculating averages, and creating derived variables for analysis.

3.8.2 Data analysis

Data was entered into SPSS package, version 29 and cleaned. The process of cleaning included missing value analysis and testing for outliers. This was necessary given the nature of the research objectives and methodology. The descriptive analysis using the same package was carried out on the unit of analysis and inquiry. Data analysis techniques adopted included Pearson's correlation to test the association between the study variables. At bivariate level, Total Quality Management practices was correlated with performance of SMEs as a dependent variable using Pearson's Correlation Coefficient. Multiple regression was used to assess how much Total Quality Management practices predict variation in performance of SMEs.

3.9 Validity and reliability of the instrument

3.9.1 Validity of the instrument

In research, validity is concerned with the ability of the data collection tool to measure what it was designed to measure, and it is one of the ways that ensures that the measurement error is kept to a minimum (Field, 2009). In this investigation, content validity was used to assess the degree to which items in the questionnaire represented the constructions that were being measured (Field, 2009). A total of 5 experts whom the researcher intuitively judged to be business experts and

scholars were asked to rank the relevancy of items in the questionnaire and measurements of the variables. A content validity index (CVI) analysis was performed, and according to (Field, 2009), a CVI analysis cut-off point of 0.7 is highly recommended. In this study, the results of CVIs analysis of all the variables in this study were above 0.7, this means that all the items in the questionnaire represented the constructs of the study variables (Nunnaly, 1978).
These were calculated based on the formula below:

$$C.V.I = \frac{\text{Total No. of questions declared valid/relevant}}{\text{Total No. of questions in the questionnaire}}$$

3.9.2 Reliability of the instrument

Reliability is described as the ability of an instrument to produce consistent results (consistency) (Nunnaly& Bernstein, 1994). A method is reliable if it produces the same results whenever it is repeated (Field, 2009). Reliability test describes the extent to which it is without bias or free from error and hence ensures consistent measurement across time and across the various items in the instrument (Nunnaly, 1978). The consistency of the scale that were used to measure the items on the study was tested using the SPSS Cronbach alpha's coefficient (1946). The recommended cut-off point for the Cronbach alpha's coefficient is 0.7 (Nunnaly& Bernstein, 1994). The results in Table 3 show that the alpha coefficient for all the study variables were above the recommended cut-off point of 0.7 (Nunnally & Bernstein, 1994), thus confirming that the instrument that was used to collect the data was indeed reliable.

Table 3.1: Validity and Reliability Results

Variables	**CVI'S**	**Cronbach's alpha**	***No. Items***
Total Quality Management	.85	.78	11
Performance of SMEs	.89	.82	17

Source: primary data, 2025

3.10 Ethical consideration

The research adhered to four ethical principles: respect for autonomy, beneficence, non-maleficence, and justice.

Respect for Autonomy: This principle emphasizes the importance of respecting the autonomy of participants, ensuring they are free to make their own decisions and are not coerced into participating in the study (Artal & Rubenfeld, 2017).

Beneficence: This principle requires actions that promote the well-being and interests of others. It involves weighing the potential benefits and risks of a study and ensuring that the potential benefits outweigh the potential harm (Childress et al., 2005).

Non-maleficence: This principle emphasizes the need to avoid or minimize harm to others. It involves protecting participants from physical, mental, social, or financial harm and ensuring that the research does not cause more harm than it intends to benefit (Artal & Rubenfeld, 2017).

Justice: This principle involves ensuring that the benefits and burdens of research are distributed fairly and that there is no discrimination based on factors such as age, sex, race, or ethnicity (Hammersley, 2015).

To uphold these principles, the following steps will be taken:

Before Data Collection:

- The research began with obtaining clearance and approval from Uganda Christian University (UCU), which was used as an introductory letter to relevant authorities in Nakawa Division.
- Necessary permissions were sought from the commercial office of Wakiso district to access small manufacturing enterprises, ensuring transparency and respect for local regulations.
- Participants were provided with comprehensive information about the study, allowing them to make informed decisions about their participation.

During Data Collection:

- Participation was entirely voluntary, with participants free to withdraw at any time without repercussions.
- The researcher maintained strict confidentiality regarding personal information shared by participants. Data was anonymized, and identifiable information was securely stored and only accessible to the research team.
- The researcher treated all participants with dignity and respect, valuing their diverse perspectives and experiences. This included being sensitive to cultural norms and individual differences.

After Data Collection:

- All information was securely stored and protected from unauthorized access. Data was retained only as long as necessary for the research objectives and then disposed of responsibly.
- When disseminating research findings, the researcher ensures that participants cannot be identified and that their confidentiality is preserved. This included reporting results in aggregate form and avoiding the disclosure of any identifiable information.
- Participants will be offered an opportunity to receive a summary of the research findings, reinforcing transparency and respect for their contribution to the study.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION OF THE FINDINGS

4.0 Introduction

This chapter presents the analysis and interpretation of the study findings. The chapter begins with the characteristics of the small and medium manufacturing companies and respondents that participated in the study, this is followed by the descriptive statistics and lastly correlation and regression analysis of the study findings.

4.1 Response rate

This study had a total considered population targeted of 600 potential respondents, however upon assessing the respondents, some of them were found not to reveal information while some of them were out for leave. The researcher was able to give out 400 questionaires and upon collection only 350 respondents had filled the forms correctly. This translates into a total of 87.5% response rate. Relying on the expertise of Meyer *et al.,* 2022 who recommended that a response rate of 70% – 80% is to be considered an excellent return for survey studies that covers a reasonably wider geographical scope of the study. Additionally, Holtom *et al*., 2022 emphasized that higher response rate implies sufficient and quality data in the study, this invariably enhances the accuracy of the study findings.

4.2 Demographic characteristics

The findings in table 3 below revealed that majority [196 (56%)] of the study respondents where male compared to 154 (44%) of their female counter parts. A total of 167 (48%) of the respondents were aged between 18 – 39 years old, followed by 125 (35.7%) those aged between 50 – 59 years old, overall, this implies that majority of the study participants of youthful age population category. Furthermore, a total of 110 (31.4%) of the respondents were bachelor's degree holders, although

91 (26%) and 80 (22.9%) were secondary school students (or drop outs) and certificate holders respectively, this implied that the owners (managers) of the small manufacturing enterprise business in Wakiso district are literate people.

The findings further disclosed that 250 (72%) reported to have operated their businesses for a period between 4 to over 10 years, this implied that majority of the small manufacturing enterprise businesses have been in existence for a considerately longer period of time. The finding also disclosed that 192 (54.9%) were in total quality managemnt of the small enterprises compared to 158 (45.1%) who were managers, overall, this suggest that small enterprises in Wakiso district were using Total Quality Management practices to improve performance of their businesses.

Table 4.2 Demographic Characteristics of the Respondents

		Frequency	**C/%**	**Total %**
Gender	Male	196	56	
	Female	154	44	100
Indicate your age group	18-29 years	77	22	
	30-39 years	90	25.7	
	40-49 years	125	35.7	
	50-59 years	58	16.6	100
Indicate your highest level of education	Primary	8	2.3	
	Secondary	91	26	
	Certificate	80	22.9	

	Diploma	61	17.4	
	Bachelors	110	31.4	100
For how long have you been in business	Less than 1 year	31	8.9	
	1-3 years	67	19.1	
	4-6 years	91	26	
	7-9 years	83	23.7	
	10 years and above	78	22.3	100
Indicate your position in this business	Owner/Manger	158	45.1	
	Total Quality Management/ others	192	54.9	100

Source: Primary field data

4.3 Characteristics of Small Medium Manufacturing Enterprises in Wakiso District

Table 4.3:Characteristics of Small Medium Manufacturing Enterprises in Wakiso

		Frequency	**%**
Age of the business	Less than 5 years	175	50
	5-9 years	119	34
	10+ years	56	16
	Less than 300,000 Shs.	92	26.3

What is the level of your daily revenue collected	300,000-500,000shs	177	50.7
	600,000shs and above	81	23
Number of Employees	Less than 2 persons	121	34.6
	2-5 persons	181	51.7
	5 and above persons	48	13.7
Indicate your type of business	Brick and block making enterprises	22	6.3
	Soap and detergent producers	61	17.4
	Bakery and confectionery enterprises	15	4.3
	Furniture and carpentry workshops	14	4
	Metal fabrication workshops	17	4.9
	Textile and tailoring enterprises	14	4
	Plastic recycling and molding enterprises	15	4.3
	Food processing units	8	2.3
	Dairy product processors	5	1.4
	Juice and beverage producers	109	31.1
	Poultry and animal feed processors	7	2
	Handicrafts and pottery makers	14	4

	Others		14
	Total		100%

Source: Primary field data

According to the finding in table 4 above, 175 (50%) of the business had been in existence for a period less than five years, followed by 119 (34%) of the businesses that had been in existence for 5 – 9 years. These findings suggest that most of the businesses had been in existence for a period reasonably enough to allow them to recognize the importance or otherwise of adopting Total Quality Management practices to improve performance. The findings further revealed that 177 (50.7%) of the respondent had a daily revenue collection of about 300,000 -500,000 Ugandan Shillings, and 92 (26.3%) collected revenue which was less than 300,000 Ugandan Shillings daily, this finding infers that most of the small enterprises had a reasonable daily revenue collection.

The findings disclosed that commonest type of small manufacturing enterprise included; Juice and beverage producers (31.1%), Soap and detergent producers (17.4%), Brick and block making enterprises (6.3%), Plastic recycling and molding enterprises (4.3%), others form of the small manufacturing enterprises included; Handicrafts and pottery makers, Poultry and animal feed processors, Dairy product processors, Food processing units and others. This suggests that there are several types of small medium manufacturing businesses within Wakiso district, the diverse nature of the business has various impressions as to whether their performance would have any significant relevance.

4.3 Descriptive statistics

4.3.1 Total Quality Management Practices

This section presents descriptive statistical findings about Total Quality Management practices which is the independent variable in this study. The findings are presented in in line with Process standardization, Continuous improvement and customer focus approach on understanding how r small enterprises that embrace them perform.

Table 4.4: Process Standardization

		SD	D	N	A	SA
Consistency in output	Count	0	52	173	125	0
	%	0	14.9	49.4	35.7	0
Reduced variability	Count	0	18	146	186	0
	%	0	5.1	41.7	53.1	0
Increased efficiency	Count	0	32	114	204	0
	%	0	9.1	32.6	58.3	0
Better decisions.	Count	16	56	114	163	1
	%	4.6	16.0	32.6	46.6	0.3

Source: Primary field data

In table 5 above, it was disclosed that 173 (49.4%) and 125 (35.7%) of the respondents agreed and remained neutral to the fact that Small Medium Manufacturing enterprises ensure that all products produced are the same. It was further disclosed that 186 (53.1%) agreed and 146 (41.7%) remained neutral to the fact that company production of the same products improves overall quality. Majority 204 (58.3%) of the respondents agreed to the fact that company production of the same products helps reduce errors, and 163 (46.6%) agreed and 114 (32.6%) remained neutral to the fact that the company production of the same products makes employee training easier. In light of the revelations above, it can safely be concluded that Process Standardization plays a key role in the performance of small medium manufacturing enterprises.

Table 4.5: Continuous Improvement

		SD	D	N	A	SA
Supplier Quality Management	Count	5	36	87	222	0
	%	1.4	10.3	24.9	63.4	0
Technological Innovation	Count	9	26	112	191	12
	%	2	7.4	32	54.6	3.4
Less training	Count	21	34	124	171	0
	%	6	9.7	35.4	48.9	0
Daily routine	Count	47	70	88	145	0
	%	13.4%	20	25.1	41.4	0
Easy to manage	Count	0	23	134	193	0
	%	0.	6.6	38.3	55.1	0
No frustration	Count	8	32	118	192	0
	%	2.9	9.1	33.7	54.6	0
East to adapt	Count	10	25	115	200	0
	%	2.86	7.1	32.9	57	0

Source: Primary field data

In table 6 above, it was disclosed that 222 (63.4%) of the respondents agreed to the fact that SMMEs problems in production are quickly addressed and solved. 191 (54.6%) agreed and 12 (3.4%) to the fact that SMMEs use feedback from customers to make changes. 171 (48.9%) agreed and 124 (35.4%) remained neutral to the fact that SMMEs have training programs to help workers improve their skills. 145 (41.4%) agreed and 88 (25.1%) remained neutral to the fact that company management encourages a culture of trying new ideas. 193 (55.1%) agreed and 134 (38.3%) remained neutral to the fact that SMMEs management encourages feedback from staff on improvements. 192 (54.6%) agreed and 118 (33.7%) remained neutral to the fact that employees suggest ways to improve work processes, and 200 (57%) agreed and 115 (32.9%) remained neutral to the fact that continuous improvement is part of the company culture and values. Overall, the study findings above are indicative of the fact that small enterprise owners or managers acknowledge that continuous improvement is needed at all times of business levels.

Table 4.6: Customer Focused Approach

		SD	D	N	A	SA
Customer complaints easily solved	Count	5	36	87	222	0
	%	1.4	10.3	24.9	63.4	0
Prioritize customers	Count	9	26	112	191	12
	%	2	7.4	32	54.6	3.4
Customers ideas are considered	Count	21	34	124	171	0
	%	6	9.7	35.4	48.9	0
Customers have suggestion boxes	Count	47	70	88	145	0
	%	13.4%	20	25.1	41.4	0
Different communication channels are available	Count	0	23	134	193	0
	%	0.	6.6	38.3	55.1	0
Much time to respond to customers	Count	8	32	118	192	0
	%	2.9	9.1	33.7	54.6	0
Various options are available	Count	10	25	115	200	0
	%	2.86	7.1	32.9	57	0

Source: Primary field data

In table 6 above, it was disclosed that 222 (63.4%) of the respondents agreed to the fact that with SMMEs customer's complaints are quickly addressed and solved. 191 (54.6%) agreed and 12 (3.4%) to the fact that SMMEs prioritize customers than any other stakeholders of the business. 171 (48.9%) agreed and 124 (35.4%) remained neutral to the fact that SMMEs treasure and welcome customer ideas. 145 (41.4%) agreed and 88 (25.1%) remained neutral to the fact that SMMEs have suggestion boxes for feedback. 193 (55.1%) agreed and 134 (38.3%) remained neutral to the fact that SMMEs have various communication channels that provide feedback to the customers. 192 (54.6%) agreed and 118 (33.7%) remained neutral to the fact that SMMEs give much time to respond to customers, and 200 (57%) agreed and 115 (32.9%) remained neutral to the fact that there are available options for clients to choose from in terms of preferences. Overall, the study findings above are indicative of the fact that small enterprise owners or managers acknowledge that Customer Focused Approach is needed at all times of business levels.

4.6 Performance of Small Medium Manufacturing enterprises

This section presents descriptive statistical findings about Performance among small medium manufacturing enterprises in Wakiso District. The findings are presented in two parts; profitability and Efficiency as presented below.

Table 4.7: Profitability

		SD	D	N	A	SA
Revenue Growth	Count	0	16	62	254	18
	%	0	4.6	17.7	72.6	5.1
Cost effectiveness	Count	2	23	104	207	14
	%	0.6	6.6	29.7	59.1	4
Capital Structure	Count	3	29	117	186	15
	%	0.9	8.3	33.4	53.1	4.3
Working capital capacity	Count	5	18	102	201	24
	%	1.4%	5.1	29.1	57.4	6.9
Entrepreneurial and Managerial Competence	Count	7	52	92	195	4
	%	2	14.9	26.3	55.7	1.1
Market orientation	Count	2	20	110	208	10
	%	0.6	5.7	31.4	59.4	2.9

Source: Primary field data

In table 10 above, 254 (72.6%) agreed to the fact that SMEs have the ability to increase sales and expand market share. 207 (59.1%) agreed and 104 (29.7%) remained neutral to the fact that effective management of production, operational, and administrative costs lead to performance. 186 (53.1%) agreed to the fact that SMME's have access to and utilization of financial resources,

including debt and equity. 201 (57.4%) agreed to the fact that SMMEs have the potential to maintain and expand their working capital throughout. 195 (55.7%) agreed to the fact that SMMEs have skills, experience, and decision-making ability of SME owners/managers. 208 (59.4%) agreed to the fact that SSMEs understand and respond to customer needs and market trends. Conclusively, the above finding suggests that profitability is a strong indicator of performance in small medium manufacturing enterprises in Wakiso District.

Table 4.8*:* Efficiency

		SD	**D**	**N**	**A**	**SA**
Increased our revenue	Count	2	21	154	172	1
	%	0.6	6.0	44	49.1	0.3
Improved profit margin	Count	9	35	107	194	5
	%	2.6	10	30.6	55.4	1.4
Reduced operating costs.	Count	0	40	130	177	3
	%	0	11.4	37.1	50.6	0.9
Expanded markets	Count	0	22	142	179	7
	%	0	6.3	40.6	51.1	2.0
Improved inventory turnover	Count	1	30	115	193	11
	%	0.3	8.6	32.9	55.1	3.1
Improved sale	Count	10	36	104	180	20

	%	2.9	10.3	29.7	51.4	5.7

Source: Primary field data

In table 12 above, 172 (49.1%) agreed and 154 (44%) remained neutral to the fact that improving efficiency increases the revenue of the SMMEs. 194 (55.4%) agreed and 107 (30.6%) remained neutral to the fact that their profit margins improved since efficiency was adopted. 177 (50.6%) agreed and 130 (37.1%) remained neutral to the fact that improved efficiency reduced on their overall operating costs. 179 (51.1%) agreed and 142 (40.6%) remained neutral to the fact that efficiency helped them expand into new markets. 193 (55.1%) agreed and 115 (32.9%) remained neutral to the fact that their inventory turnover improved since efficiency was improved, and 180 (51.4%) agreed and 104 (29.7%) remained neutral to the fact that the rate at which efficiency mechanisms lead to sales has improved. Overall, the above finding suggests that efficiency is a strong indicator to the performance of Small Medium manufacturing enterprises owners in Wakiso District.

4.4 Correlation

4.4.1 Correlation analysis

To assess the strength and direction of the relationships between the independent variables process standardization, continuous improvement and customer-focused approach and the dependent variable (performance of small and medium manufacturing companies), a Pearson correlation analysis was conducted. The results, presented in Table 4.7, provide insights into how these variables interact and influence business performance.

Table 4.7: Pearson correlation analysis of process standardization, continuous improvement, Customer-Focused Approach, and Performance

Variables	Performance	Process Standardization	Continuous Improvement	Customer Focused Approach
Performance	1			
Process Standardization	0.69**	1		
Continuous Improvement	0.74**	0.66**	1	
Customer Focused Approach	0.71**	0.68**	0.70**	1

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

Source: Primary Data, 2025.

The correlation matrix reveals significant positive relationships between all three independent variables and the performance of small and medium manufacturing companies (SMMCs) in Wakiso District. The strongest correlation exists between continuous improvement and performance ($r = 0.74$, $p < 0.01$), suggesting that firms that actively engage in refining their operational processes, enhancing employee skills, and incorporating feedback mechanisms also are firms that are observed with better business outcomes.

Similarly, a customer-focused approach exhibits a strong positive correlation with performance ($r = 0.71$, $p < 0.01$), reinforcing the importance of customer-centric strategies in driving business success.

Process standardization also shows a significant positive relationship with performance ($r = 0.69$, $p < 0.01$), indicating that firms implementing uniform procedures in production, quality control and compliance were also firms where there were reports for efficiently.

Beyond their individual effects, the independent variables also correlate with each other, for instance, continuous improvement and customer-focused approach share a strong positive relationship ($r = 0.70$, $p < 0.01$), implying that firms committed to innovation are also associated with higher prioritization of e customer needs. Likewise, the correlation between process standardization and customer focus ($r = 0.68$, $p < 0.01$) indicates that structured operational frameworks often coexist with strategies aimed at enhancing customer satisfaction.

4.5 Regression analysis

To further examine the influence of process standardization, continuous improvement and customer-focused approach on the performance of small and medium manufacturing companies (SMMCs) in Wakiso District, a multiple regression analysis was conducted. The results, presented in Table 4.8, assess both the individual and collective impact of these variables while ensuring statistical validity through diagnostic checks.

Table 4.8: Regression Analysis of Process Standardization, Continuous Improvement and Customer-Focused Approach on Performance

Variables	Unstandardized Coefficients (B)	Standard Error	Beta (β)	t-Value	Sig. (pvalue)
(Constant)	1.135	0.432	-	2.63	0.011
Process Standardization	0.298	0.089	0.271	3.35	0.001

Continuous Improvement	0.361	0.078	0.392	4.63	0.000
Customer-Focused Approach	0.334	0.085	0.312	3.93	0.000
R-squared	0.68				
Adjusted R-squared	0.66				
F-statistic	39.42				0.000

Source: Primary Data, 2025

The regression model demonstrates a strong explanatory power, with an **R**-squared value of 0.68, indicating that 68% of the variance in SMMC performance can be attributed to the combined effect of process standardization, continuous improvement, and customer-focused approach. The adjusted R-squared (0.66) confirms the model's robustness, accounting for the number of predictors while maintaining high predictive accuracy. The F-statistic (39.42, $p < 0.001$) further validates the overall significance of the model, confirming that the independent variables collectively exert a substantial influence on business performance.

Among the predictors, continuous improvement emerges as the most influential, with the highest standardized beta coefficient ($\beta = 0.392$, $p < 0.001$). This suggests that firms that actively engage in refining operational processes, enhancing employee skills and implementing iterative feedback mechanisms achieve superior performance outcomes. The strong statistical significance ($t = 4.63$) reinforces the critical role of adaptive learning and innovation in driving sustainable growth within the manufacturing sector.

Similarly, the customer-focused approach exhibits a significant positive effect on performance ($\beta = 0.312$, $p < 0.001$), emphasizing the strategic advantage of customer-centric practices. Companies

that prioritize customer feedback, tailor products to market demands, and maintain high satisfaction levels benefit from improved market positioning and revenue growth.

Process standardization also contributes meaningfully to performance ($\beta = 0.271$, $p = 0.001$), indicating that firms implementing uniform production and quality control procedures experience greater operational efficiency and consistency.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 Introduction

This chapter presents a discussion of the findings. The discussion is structured according to the study objectives, focusing on the influence of process standardization, continuous improvement, and customer-focused approaches on the performance of small and medium manufacturing companies (SMMCs) in Wakiso District.

5.1 Influence of process standardization on the performance of Small and Medium Manufacturing Companies in Wakiso District

The study sought to examine the extent to which process standardization influences the performance of SMMCs. The findings revealed that most companies strongly adhere to standardized processes, with high mean scores in product consistency (mean = 4.2), quality improvement (mean = 4.1), and error reduction (mean = 4.0). However, variability in responses (SD ranging from 0.8 to 1.3) suggests that while some firms strictly follow standardized procedures, others exhibit moderate compliance.

The strong agreement on standardized processes enhancing regulatory compliance (mean = 4.2) and reducing errors (mean = 4.0) highlights their role in operational efficiency. However, the lower mean score in reducing machine breakdowns (mean = 3.4) indicates that standardization alone may not fully mitigate equipment-related challenges. These findings align with existing literature emphasizing that process standardization enhances efficiency, reduces variability, and improves product quality (Deming, 1986; Oakland, 2003).

For Small and Medium Manufacturing Companies in Wakiso District in Wakiso, reinforcing process standardization can lead to better resource utilization, consistent product quality, and improved regulatory adherence. However, firms must also invest in machinery maintenance to complement standardization efforts.

Process standardization ($\beta = 0.271$, $p = 0.001$) also has a statistically significant positive effect on performance, although its influence is slightly lower than the other two predictors. This suggests that while consistency in operations through standard procedures helps reduce variability, eliminate waste, and maintain product quality, its benefits are optimized when combined with innovation and customer responsiveness. These results resonate with the findings of Zu et al. (2008), who highlight that process standardization alone may not be sufficient without complementary dynamic practices like continuous improvement.

5.2 Influence of continuous improvement on the performance of Small and Medium Manufacturing Companies in Wakiso District

The study also assessed the impact of continuous improvement practices on firm performance. The findings indicate a strong emphasis on problem-solving (mean = 4.52), customer feedback integration (mean = 4.42), and employee training (mean = 4.48). However, the integration of continuous improvement into company culture scored lower (mean = 3.16), with high variability (SD = 1.16), suggesting that while some firms actively promote improvement initiatives, others lag behind.

The high mean scores in problem resolution and training correlate with increased sales (mean = 4.44) and market expansion (mean = 4.22), reinforcing the notion that continuous improvement drives business growth. However, the variability in performance reviews (mean = 3.18, SD = 1.18) indicates inconsistent implementation across firms. These findings support the Kaizen philosophy, which posits that incremental improvements enhance productivity and competitiveness (Imai, 1986).

To maximize benefits, SMMCs should institutionalize continuous improvement by embedding it into organizational culture, encouraging employee participation, and conducting regular performance assessments.

The **most influential predictor**, based on the standardized beta coefficients, is **continuous improvement** ($\beta = 0.392$, $p < 0.001$). This suggests that firms that engage in frequent evaluation and refinement of their operations through training, innovation, and feedback mechanisms

experience superior performance outcomes. These findings align with existing literature, such as Iyer et al. (2020), who argue that continuous improvement practices enhance adaptability and productivity in dynamic market environments. For SMMCs in Wakiso, this highlights the value of creating learning organizations that can respond proactively to internal and external changes.

5.3 Influence of customer-focused approach on the performance of Small and Medium Manufacturing Companies in Wakiso District

The study further examined the role of customer-focused strategies in firm performance. Respondents reported high levels of customer feedback utilization (mean = 4.52), product customization (mean = 4.44), and complaint resolution (mean = 4.30). However, maintaining longterm customer relationships scored lower (mean = 3.50), with high variability (SD = 1.34), indicating differing levels of emphasis on relationship management.

The strong correlation between customer satisfaction (mean = 4.14) and sales growth (mean =

4.44) underscores the importance of customer-centric strategies in driving revenue. However, the variability in dedicated customer service teams (mean = 3.98, SD = 1.08) suggests that some firms may lack structured engagement mechanisms. These findings align with studies highlighting customer focus as a key driver of market success (Kotler & Keller, 2016).

For sustained growth, Small and Medium Manufacturing Companies in Wakiso District should strengthen long-term customer relationships, invest in dedicated service teams, and align product development with evolving customer needs.

The customer-focused approach **(**$\beta = 0.312$, $p < 0.001$) is also a significant driver of performance, affirming that responsiveness to customer needs and preferences enhances a firm's competitiveness. This supports the assertion by Sadikoglu and Zehir (2010) that customer involvement in quality management leads to improved customer satisfaction, retention, and financial results. In Wakiso's context, firms that prioritize market orientation, collect customer feedback, and customize products are more likely to expand their customer base and achieve sustainable growth.

The F-statistic (39.42, $p < 0.001$) confirms that the model as a whole is statistically significant, reinforcing the relevance of integrating the three TQM components for performance improvement. The results also corroborate earlier correlation findings and emphasize the synergy among the independent variables. The regression results point to the need for a balanced and integrated quality management approach among SMMCs. Relying solely on structured processes without innovation or customer engagement may limit performance. Instead, firms that embed continuous improvement and customer-centricity into standardized systems are likely to achieve operational excellence, responsiveness, and sustained competitive advantage. Therefore, policy makers and business development service providers in Wakiso should prioritize training and capacity-building programs that promote all three dimensions of TQM, with a particular emphasis on nurturing a culture of continuous improvement.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This chapter summarizes the key findings of the study, presents actionable recommendations, and identifies areas for future research. The conclusions are drawn from the analysis of respondent demographics, company characteristics, operational practices, and their correlation with performance metrics in small and medium manufacturing enterprises (SMMEs) in Wakiso District.

6.1 Conclusion

The findings from this study highlight that the performance of Small and Medium Manufacturing

Companies (SMMCs) in Wakiso District is significantly influenced by three core Total Quality Management (TQM) components process standardization, continuous improvement, and a customer-focused approach. Process standardization contributes to operational consistency, improved quality, and regulatory compliance. However, it is not a stand-alone solution for addressing performance challenges such as machinery breakdowns or innovation gaps. It is most effective when integrated with more dynamic practices. Continuous improvement emerged as the strongest predictor of performance, especially where firms engaged in regular training, feedback integration, and problem-solving. Nonetheless, some companies still struggle to fully embed continuous improvement into their organizational culture.

Customer-focused strategies also played a critical role in enhancing performance, particularly through product customization, complaint handling, and feedback utilization. However, weak long-term customer relationship management was noted as a limitation among several firms. Overall, the study concludes that a holistic and integrated TQM approach yields the most significant performance benefits. Relying on any one component in isolation may limit effectiveness, while combining standardized processes with a culture of continuous learning and customer responsiveness leads to superior outcomes. To this end, policymakers and stakeholders

should support capacity-building initiatives that help SMMCs institutionalize all three dimensions of quality management for long-term sustainability and competitiveness.

6.2 Recommendations

To enhance performance, SMMEs should prioritize investments in modern machinery and equipment to address variability in production efficiency and profit growth. Strengthening supplier relationships (mean = 4.00) and optimizing cost-management strategies could further improve profitability.

Firms should continue emphasizing process standardization and continuous improvement, particularly in employee training (mean = 4.48) and innovation culture (mean = 4.22), to sustain quality and compliance. Customer-centric practices, such as feedback mechanisms and long-term relationship building (mean = 3.50), should be reinforced to maintain market competitiveness.

Based on the regression analysis findings, small and medium manufacturing companies (SMMCs) in Wakiso District should strategically prioritize and institutionalize continuous improvement practices across all functional areas. This variable emerged as the most influential factor on business performance, as evidenced by its highest standardized beta coefficient ($\beta = 0.392$, $p < 0.001$). Therefore, it is imperative for firms to establish a culture that encourages innovation, proactive problem-solving, and regular performance evaluations. Continuous improvement could be operationalized through the implementation of total quality management (TQM) frameworks, Kaizen strategies, and employee capacity-building programs. Firms should invest in upskilling their workforce, integrating real-time data analytics to inform process enhancements, and fostering open communication channels for internal feedback. By embedding such adaptive learning mechanisms, firms are better equipped to respond to operational challenges and evolving market trends, thereby ensuring sustained competitiveness and growth.

Another important area of focus should be the development and reinforcement of customerfocused strategies. With a strong beta value of 0.312 and a statistically significant relationship ($p < 0.001$), the customer-focused approach has been shown to positively impact business performance.

Manufacturing companies should, therefore, prioritize customer engagement by implementing robust feedback collection systems and using the insights to tailor their products and services to meet specific client needs. Moreover, firms should adopt customer relationship management (CRM) tools to monitor customer satisfaction, track service delivery metrics, and proactively address emerging customer concerns. This customer-centric approach not only strengthens brand loyalty but also enhances market positioning, making it easier for companies to penetrate new markets and retain existing clientele. In an increasingly competitive environment, placing the customer at the center of all decisions is a powerful differentiator that drives profitability and long-term sustainability.

Equally significant is the role of process standardization, which, although the least influential among the three, still demonstrates a meaningful and statistically significant impact on performance ($\beta = 0.271$, $p = 0.001$). Process standardization should therefore not be overlooked. Firms should develop and enforce uniform operating procedures and standard operating guidelines that govern key production, quality assurance, and administrative functions. Doing so will reduce process variability, minimize operational errors, and enhance the predictability and efficiency of workflows. Moreover, standardized processes provide a strong foundation for future automation, expansion, and quality control systems, which are particularly crucial as firms scale up. The reduction of inconsistencies through clearly defined protocols can also lead to better employee performance and customer satisfaction, further boosting overall productivity.

Taken together, the findings from the regression analysis underscore the necessity of an integrated strategy that aligns structured processes with innovation and customer orientation. SMMCs should not treat these variables in isolation but rather adopt a holistic management model that interlinks them within their operational frameworks. For instance, customer feedback can feed into continuous improvement initiatives, which can, in turn, be implemented through standardized processes to ensure consistency and efficiency. Such synergy among the three pillars process standardization, continuous improvement, and customer focus—creates a robust foundation for operational excellence and business growth.

Therefore, policymakers, development partners, and business support organizations in Wakiso District should also support these efforts by offering training programs, developing sector-specific quality standards, and providing platforms for knowledge sharing among manufacturers. Publicprivate partnerships could be leveraged to offer capacity-building workshops and mentorship schemes that help embed these practices into the daily operations of SMMCs. Ultimately, by embracing this triad of strategic practices, manufacturing companies in Wakiso District can position themselves for higher productivity, market resilience, and sustainable development.

6.3 Future research areas

A longitudinal study is recommended to track the evolution of operational practices and their longterm impact on performance. Further research could explore sector-specific challenges, such as the influence of external factors like regulatory changes or market fluctuations on SMME profitability. Additionally, qualitative studies would provide deeper insights into the contextual barriers to machinery adoption and profit optimization. By addressing these areas, future research can contribute to more targeted policies and interventions to support the sustainable growth of small and medium manufacturing enterprises.

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APPENDICES

Appendix A: Questionnaire for Small and medium manufacturing companies in Wakiso District

UGANDA CHRISTIAN UNIVERSITY

FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

Dear respondent,

I am a student pursuing a Master's degree Business Administration from Uganda Christian University. Currently, I am carrying out a research study on a topic **"Total quality management practices and performance of small and medium manufacturing companies in Wakiso District"**, as a requirement to complete a master's degree at the University. Your acceptance to be part of this study is highly appreciated, this questionnaire is intended purely for academic purposes and the findings of the study was highly treated with confidentially. Please kindly answer those questions either in the space provided or tick the right choice. Thank you for your cooperation.

Section A: Biographic Information.

Instruction; Answer by ticking where applicable. Age of the honor

a) 18-27 ☐

b) 28-37 ☐

c) 38-47 ☐

d) 48 and above ☐

Gender of the honor

a) Male

b) Female

Education of the honor

a) Primary

b) Secondary

c) Diploma

d) University

The work experience of the manager with the Company

a) 0-1 year

b) 2-3years

c) 3-4 years

d) Above 4 years

Number of employees in the company

a) 5-10

b) 10-15

c) 15-20

d) 20 and above

Number of years the entity has been in existence

a) 0-1 year ☐

b) 2-3years ☐

c) 3-4 years ☐

d) Above 4 years ☐

What is your role in the company?

……

……...

What is the role of the manager/honor in the company?

……

……...

Section B: Process standardization of Small and medium manufacturing companies in Wakiso District

Instruction: On a scale of 1-5, where 5 is strongest, to what extent do the following statement best describe your company?

Statements		**5**	**4**	**3**	**2**	**1**
1.	In our company we ensure that all products we produce are the same.					
2.	In our company production of the same products improves overall product quality.					
3.	In our company production of the same products helps to reduce production errors.					
4.	In our company production of products of the same quality leads to better use of resources.					
5.	In pour company production of the same products make it easier for the company to train new employees.					
6.	In our company consistent processes lead to better compliance with regulations.					
7.	In our company standardized procedures reduce machine breakdown					
8.	In our company all processes follow a set standard to ensure consistency in production.					

Section C: Continuous improvement of small and medium manufacturing companies in Wakiso District

Instruction: On a scale of 1-5, where 5 is strongest, to what extent do the following statement best describe your company?

Statements		**5**	**4**	**3**	**2**	**1**
9	In our company, problems in production are quickly addressed and solved					
10	In our company we use feedback from customers to make changes					
11	In our company there are training programs to help workers improve their skills					
12	In our company, management encourages a culture of trying new ideas					
13	In our company management encourages feedback from staff on improvements					
14	In our company employees suggest ways to improve their work processes.					
15	In our company we review our performance regularly to find areas for improvement					
16	In our company, continuous improvement is part of the company culture and values.					

Section D: Customer-focused approach of small and medium manufacturing companies in Wakiso District

Statements		**5**	**4**	**3**	**2**	**1**
17	In our company, we regularly seek feedback from customers					
18	In our company products are designed to meet customer needs and preferences.					
19	In our company, customer complaints are handled quickly and efficiently					
20	In company we ensure that customers are satisfied with the products.					
21	In our company there is a team dedicated to responding to customer inquiries					
22	In our company, delivery times are planned to meet customer expectations					
23	In our company customer satisfaction is a top priority for the company.					
24	In our company we maintain long-term relationships with our customers					

Section E: Performance of Small and medium manufacturing companies in Wakiso District

Instruction: On a scale of 1-5, where 5 is strongest, to what extent do the following statement best describe your company?

Statements		**5**	**4**	**3**	**2**	**1**
25	In our company sales have increased over the past three					
26	In our company we have a clear business plan for growth					
27	In our company we meet the local demand for our products.					
28	In our company profits have grown in the last 12 months					
29	In our company we have good relationships with suppliers					
30	In our company we sell our products also outside Wakiso District					
31	In our company we regularly meet our production targets.					
32	In our company, we have adequate machinery and equipment for production					

33. In what ways has implementing process standardization impacted the overall efficiency and productivity of your small and medium manufacturing company?

……

……

34. How has the practice of continuous improvement initiatives influenced the overall growth and competitiveness of your small and medium manufacturing company?

……

……

35. In what ways has adopting a customer-focused approach influenced your company's ability to meet customer needs and preferences, and how has this affected overall business performance?

……

……

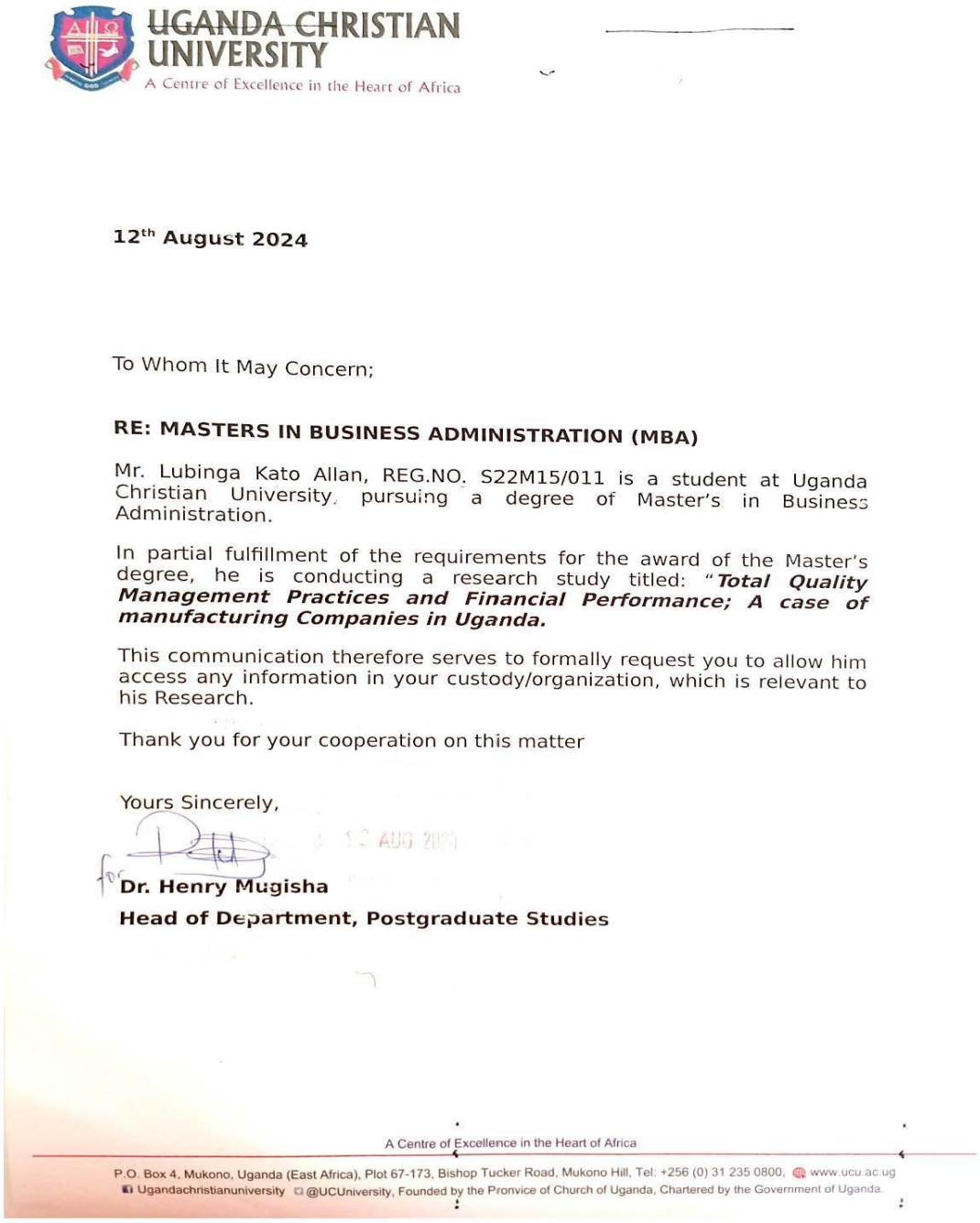
36. What challenges does your company face in producing and selling your products in Wakiso District?

……

……

Thank you for your cooperation

Appendix C: Introductory letter from the University



UGANDA CHRISTIAN UNIVERSITY
A Centre of Excellence in the Heart of Africa

12th August 2024

To Whom It May Concern;

RE: MASTERS IN BUSINESS ADMINISTRATION (MBA)

Mr. Lubinga Kato Allan, REG.NO. S22M15/011 is a student at Uganda Christian University, pursuing a degree of Master's in Business Administration.

In partial fulfillment of the requirements for the award of the Master's degree, he is conducting a research study titled: "***Total Quality Management Practices and Financial Performance; A case of manufacturing Companies in Uganda.***

This communication therefore serves to formally request you to allow him access any information in your custody/organization, which is relevant to his Research.

Thank you for your cooperation on this matter

Yours Sincerely,

12 AUG 2024

for **Dr. Henry Mugisha**
Head of Department, Postgraduate Studies

A Centre of Excellence in the Heart of Africa
P.O. Box 4, Mukono, Uganda (East Africa), Plot 67-173, Bishop Tucker Road, Mukono Hill, Tel: +256 (0) 31 235 0800, www.ucu.ac.ug
Ugandachristianuniversity @UCUniversity, Founded by the Pronvice of Church of Uganda, Chartered by the Government of Uganda.

WAKISO DISTRICT LOCAL GOVERNMENT

OFFICE OF THE TOWN CLERK

P.o. Box 7218, Kampala Uganda, Tel: +256-782-408022
Email: wakisodlc@yahoo.co.uk / Website: wakiso.go.ug

IN ANY CORRESPONDENCE ON THIS SUBJECT: ***Date: 1st Sept 2024***

PLEASE QUOTE CR: 220/1 Date: 01st Sept 2024

ALLAN LUBINGA KATO

Reg. No. S22M15/011

MBA Student, Uganda Christian University- Main Campus Mukono.

Tel: 0775170246

RE: ACCEPTANCE TO CARRY OUT RESEARCH

Reference is made to your letter dated 26th Aug 2024 requesting for clearance to carry out a field research study in Wakiso District.

This is to inform you that your request has been accepted to carry out a research study on ***"Total Quality Management Practices And Performance Of Small And Medium Manufacturing Companies In Wakiso District***"

Your attention is drawn to Sec. J-F of the Uganda Government Standing Orders and Circular Standing Instructions No. 3 of 2011, relating to Research / Internship placement in the Public Service.

Please liaise with the Principal Commercial Officer, Wakiso District for guidance and ensure that you furnish my office with a copy of your findings / research report.

MUNICIPAL TOWN CLERK
01 SEP 2024
Wakiso District Local Government
P.O. BOX 7218, KAMPALA

Nansukusa Gertrude
For: TOWN CLERK

Copy to
Principal commercial officer, Wakiso District

UGANDA CHRISTIAN UNIVERSITY
A Centre of Excellence in the Heart of Africa

Office of the Vice Chancellor
Research Ethics Committee UG-026

25th November, 2024

ALLAN LUBINGA KATO
Uganda Christian University
0775170246
Email: lubinga1allan@gmail.com

UG-REC-026 APPROVAL NOTICE

To: Allan Lubinga Kato, Principal Investigator

Re: UCU-REC Application titled: *Total Quality Management Practices and Performance of Small and Medium Manufacturing Companies in Wakiso District*
Application Number: **UCUREC-2024-1020**

Version: 4.1

UGANDA CHRISTIAN UNIVERSITY APPROVED 'INT'l' 25 NOV 2025 RESEARCH ETHICS COMMITTEE

Type: [ ] **INITIAL REVIEW**
[ ] Protocol Amendment
[ ] Letter of Amendment (Loa)
[ ] Continuing Review
[ ] Material Transfer Agreement
[ ] Other, Specify:

I am pleased to inform you that the **UG-REC-026;** UCUREC approved the above referenced application.

Approval of the research is for the period from **25th November, 2024**, to **25th November, 2025**
This research is considered minimal risk category.
As Principal Investigator of the research, you are responsible for fulfilling the following requirements of approval:

1. All co-investigators must be kept informed of the status of the research.
2. Changes, amendments, and additions to the protocol or the consent form must be submitted to the REC for re-review and approval **prior** to the activation of the changes. The REC application number assigned to the research should be cited in any correspondence.
3. Reports of unanticipated problems involving risks to participants or other must be submitted to the REC. New information that becomes available which could change the risk: benefit ratio must be submitted promptly for REC review.

Research and Ethics
P.O. Box 4, Mukono, Uganda, Plot 67-173, Bishop Tucker Road, Mukono Hill
Tel: +256 (0) 312 350 885 Fax: +256 (0) 4142 90 800 Email: rec@ucu.ac.ug Web: www.ucu.ac.ug
UCUREC is accredited by Uganda National Council for Science & Technology, FDA, and National Institutes for Health of the United States of America

4. Only approved consent forms are to be used in the enrollment of participants. All consent forms signed by subjects and/or witnesses should be retained on file. The REC may conduct audits of all study records, and consent documentation may be part of such audits.

5. Regulations require review of an approved study not less than once per 12-month period. **Therefore, a continuing review application must be submitted to the REC eight weeks prior to the above expiration date of 25th November, 2025 in order to continue the study beyond the approved period.** Failure to submit a continuing review application in a timely fashion may result in suspension or termination of the study, at which point new participants may not be enrolled and currently enrolled participants must be taken off the study.
6. The REC application number assigned to the research should be cited in any correspondence with the REC of record.
7. Your research details have been shared with the Executive secretary of Uganda National Council for Science and Technology (UNCST) and you are **not** required to get clearance since you are a Master's Degree research. Refer to UNCST Research registration and clearance Policy and guidelines (July 2016) in Uganda section 6(e).

The following is the list of all documents approved in this application by **UG-REC _026:**

	Document Title	Language	Version	Version Date
1.	Protocol	English	1.0	2024-08-31
4.	Questionnaire	English	1.0	2024-08-31
3.	Informed Consent Form	English	1.0	2024-08-31

Signed and Stamped

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Prof. Peter Waiswa.
UCUREC Chairperson,
pwaiswa@musph.ac.ug

UGANDA CHRISTIAN UNIVERSITY
APPROVED
25 NOV 2025
RESEARCH ETHICS COMMITTEE

Research and Ethics
P.O. Box 4, Mukono, Uganda, Plot 67-173, Bishop Tucker Road, Mukono Hill
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SCHOOL OF RESEARCH & POSTGRADUATE STUDIES

DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 17th September 2025

Name of Candidate: ALLAN LUBINGA KATO **Reg. No:** S22M15/011

Title of Dissertation: TOTAL QUALITY MANAGEMENT PRACTICES AND PERFORMANCE OF SMALL AND MEDIUM MANUFACTURING COMPANIES IN WAKISO DISTRICT

SN	COMMENTS BY EXTERNAL EXAMINER	ACTION TAKEN	INDICATOR/PAGE NO.
1	**Comment 1:**		
2	**Comment 3:**		

SN	COMMENTS BY INTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	**Comment 1:**		
2	**Comment 2:**		

SN	COMMENTS BY VIVA VOCE PANEL	ACTION TAKEN	INDICATOR
1	**Comment 1:** The conceptual framework was not clearly developed or justified.	The conceptual framework has been updated and backed up with the explanations that show the	**Page 9 - 10**

		relationship between total quality Management practices and performance of small medium manufacturing enterprises in Wakiso District.	
2	**Comment 2:** Sources of measurement for independent variables were missing.	The sources of measurements for the independent variable have been clearly stated under the conceptual framework. In this case Total Quality Management Practices (independent variable) was measured by process standardization, continuous improvement and customer focus approach. These attributes were supported and adopted from (John Doe, 2024, Jane Smith 2023, Mark Anderson, 2023)	**Page 10**
3	**Comment 3:** The problem statement lacked strong justification.	The research problem has been refined with the key highlights focusing on performance (DV) explaining its contribution, how it has been a challenge to SMEs and the gaps that the researcher is coming in to address with statistical evidence.	**Page 6**
4	**Comment 4:** The choice of 50 SME respondents was not justified; the sample size needs re-determination.	The selection of the respondents' section that begins from the population has been refined, made clear and justified in the updated dissertation. For purposes of clarity, the researcher considered all the 600 employees to be the potential respondents that would provide information.	**Page 26 - 27**
5	**Comment 5:** The theoretical framework was unclear and not well integrated into the study.	The theoretical framework has been revised clearly indicating the theories that were adopted by the researcher, why and how they informed the study.	**Page 13 - 14**

ALLAN LUBINGA KATO **DR. DAN AYEBALE**

Candidate's Name Signature Supervisor's Name Signature