

Effect of Supplier Relationship Management Practices on Organizational Performance of Supermarkets in Kenya: A Case of Naivas Supermarkets in Nakuru County

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ABSTRACT

Supplier relationship management is managing suppliers and vendors and enhancing strategic partnerships. The study's goal was to establish the effect of supplier relationship management on organizational performance of Naivas supermarkets, Nakuru County. For companies to be established, they must focus on creating closer connections with other organizations to attain competitive advantage. This has made organizations develop the urgency to have lasting relationships with suppliers with intentions of increasing SC performance. This research sought to understand whether information sharing, buyer-supplier trust, supplier collaboration and supplier commitment positively contribute to organizational success and performance. SRM practices make organizational performance better however, there's limited empirical evidence on their impact within supermarkets in Kenya, which presents a research deficiency that the research desired to fill. The investigation's objectives included; to examine the effect of information sharing on the organizational performance of Naivas supermarket, to determine the effect of buyer-supplier trust on the performance of Naivas Supermarket, to determine the effect of supplier collaboration on the organizational performance of Naivas Supermarket. The theories were; social exchange theory, commitment trust theory of relationship marketing and resource-based theory. Descriptive research design was employed. The target population was 82 respondents working at the seven Naivas supermarket branches in Nakuru County. A census was employed in this study. The study used questionnaires and interviews. Questionnaires were issued to 82 respondents but only 70 were filled and returned. Interviews were conducted with top employees. Descriptive statistics and inferential statistics were employed for results interpretation. Data analysis was done through Microsoft excel Data analysis tool and SPSS. Results were displayed through tables. The first objective results showed that there's a positive relationship between information sharing and organizational performance ($r = .373$, p value=0.001). The second objective results, imply a positive correlation between buyer-supplier trust and organizational performance ($r = .369$, p value= 0.001). Third objective indicated a significant positive relationship between supplier collaboration and organizational performance ($r = .455$, p value=0.000). The fourth objective's results showed strong positive correlation between supplier commitment and organizational performance ($r = .489$, p value= 0.000). The study concluded that Naivas supermarkets in Nakuru consider practicing the objectives as this will lead to increased performance. The study recommends that it is important to have training programs for all involved and the service users have to be informed about the decisions that are related to supplier management. This study recommends that the supermarkets should work collaboratively with logistics providers.

Keywords: Buyer-Supplier Trust, Information Sharing, Supplier Relationship Management, Supplier Collaboration, Supplier Commitment

I. INTRODUCTION

Global competition has driven and led companies to prioritize more on supplier relationship management. Supplier relationship management is a structured technique in which vendors and suppliers are evaluated and organizations are making efforts to partner with them. These suppliers supply goods, materials and services to organizations. Supplier relationship management assesses each supplier's role in formulating and developing strategies to enhance organizational performance and success (Kosgei & Gitau, 2016). Therefore, the sourcing procedures that relate to supplier relationship management are most likely different from one organization to another. A study conducted globally found that "when organizations form working relationships with suppliers, they are more likely to gain a competitive edge in the supply chain environment which has proved to be very competitive in the recent years", (Lii & Kuo, 2016). SRM is relevant in a global context as seen through the various global trends that have been noted throughout the years. Some of these global trends include; digital transformation, sustainability, risk management and innovation. Globally, many business organizations are adopting these trends due to the various benefits they provide. Companies are adopting digital tools for SRM in order to boost efficiency and collaboration,

(Alfaro & Chor, 2023). Sustainable practices in the SRM context have been emphasized among members of the SC globally and this involves ethical sourcing and reducing carbon footprints, (IBM, 2024)

SRM has also been adopted in various regions over the past few years. In a regional context, economic conditions, cultural factors, regulatory environment and technological adoption are considered. It has been noted that various regions have differing economic conditions that affect SRM practices. These can include market demands, cost considerations and suppliers' availability (Nelson *et al.*, 2012). Differences in culture also affect how companies interact with suppliers through communication styles, negotiation practices and relationship building approaches. It is also important to mention that legal and regulatory structures that control SC activities can be different across regions and therefore impact SRM. The rate at which different regions adopt technology in SRM also varies and this affects the effectiveness of SRM. SRM in a local perspective involves; market dynamics which discuss how local market conditions e.g. competition among supermarkets influence SRM. Another local perspective is supplier capabilities which involve the capabilities and challenges of local suppliers. Cultural practices also affect buyer-supplier relationships as well as regulatory framework which looks into how local regulations affect procurement processes and SRM, (Roehrich *et al.*, 2024).

Over the past few years, businesses have had to accept the various constant changes that have been taking place and they have to adapt to these changes because the business environment has been very competitive and globalization of markets has become the new norm. "Therefore, it is very essential to understand supply chain management in order to maintain competitiveness in today's rapidly growing market and profitability" (Stefan *et al.*, 2010). Supply chain management has been described as the systematic and structured coordination of business operations and the strategies both inside a company and throughout the entire SC, aimed at improving individual performance and overall long-term efficiency. Supply chain management is a fundamental and core aspect of business strategies. Therefore, the plans of supplier relationship management should be highly considered when an organization comes up with its business strategy from the beginning. Supplier relationship management has also been discovered to be a way of interacting with suppliers and other third parties (Calvianto *et al.*, 2019). Hence this leads to development of better relationships and closer ties among everyone involved because communication is also made easier and a smooth process.

Buyer and supplier relationships involve commercial transactions from one organization to another for purchasing as well as supplying goods and services. While transactions between organizations have long been significant in purchasing and marketing, recent engagement in buyer-supplier relationships has expanded across various fields of management. This shows the changes in ways of production and work organization during the late 20th century emphasizing the importance of managing external relationships to comprehend modern organizational practices and performance. Organizations that partner in businesses are more likely to share resources, market their products and services together and also conduct technical trainings jointly, (Zhang & Cao, 2018). Supplier relationship management practices help establish a shared understanding, facilitating effective communication between an organization and its suppliers, even when they have different business practices and terminologies, (Mwangi and Mwangangi, 2018).

1.1 Statement of the Problem

The impact of supplier relationship management on organizational performance is a very important and critical topic in today's business landscape globally and in Kenya as well. Organizations today focus strongly on creating closer relationships with other organizations in order to become successful and attain competitive advantage. This has led organizations have the urge to develop closer ties with their suppliers so as to improve supply chain performance. Supermarkets in Kenya strive to be as efficient as possible, increase their market share, gain competitive advantage and build their brand image in order to make profit and stay in business, (Kanja and Mwangangi, 2017). Many supermarkets struggle to build a strong brand reputation and gain significant market share over the years. This has led to the loss of customers to competitors and they also struggle to get competent and reputable suppliers.

Nakumatt Holdings was one of the largest and most successful supermarkets with branches all over East Africa until February 2017. One important thing to note is that Nakumatt was operating on debts such as bank loans, short term borrowings and letters of credit to its numerous suppliers. This clearly led to major losses to the point of the supermarket's demise, (Nandonde, 2020). Uchumi supermarket on the other hand was experiencing major issues with paying its suppliers on a timely basis. According to Shajema *et al.* (2018), the issue has been due to their lack of supplier development which led to the inability to meet company obligations due to high competition. If organizations do not practice effective SRM, problems will arise in the supply chain. These problems include; poor quality products, late deliveries, duplication of products, late payments which might lead to suppliers taking legal action against the purchasing organization. Another study conducted by Gelagay (2018) on Supply Chain Integration and challenges facing it, conducted in Ethiopia in the soap and detergent manufacturing companies. A total of 25 companies were

involved in the study and 75 respondents filled the questionnaires. Simple descriptive statistics was also employed in this study. The findings indicated that there are major issues in the company such as lack of trust between members, lack of flexibility in the organization, commitment issues as well as resistance to change by the members. The study's conclusions, based solely on the manufacturer's perspective should not be broadly applied to assess overall SC network performance. Studies conducted by past researchers might not have sufficiently examined the long-term effects of SRM on organizational performance and how these relationships evolve over time. There is also a lack of insight into how robust SRM strategies contribute to organizational resilience and performance during crises, such as economic downturns or pandemics. SRM practices are known for their potential to make organizational performance better however, there's limited empirical evidence on their specific impact within supermarkets in Kenya (Gelagay, 2018).

This research aimed to address existing gaps by examining how supplier relationship management practices affect the organizational performance of Naivas supermarket in Nakuru County. The research focused on determining and also sought to understand whether information sharing, buyer-supplier trust, supplier collaboration and supplier commitment positively contribute to organizational success.

1.2 Research Objective

The research was aimed at investigating how supplier relationship management practices impact the organizational performance of Naivas supermarket in Nakuru County

- i. To examine the effect of information sharing on the organizational performance
- ii. To determine the effect of buyer-supplier trust on the organizational performance
- iii. To determine the effect of supplier collaboration on the organizational performance

II. LITERATURE REVIEW

2.1 Theoretical Review

2.1.2 Social Exchange Theory

The theory of social exchange was initially formulated and identified by Homans (1958). He examined the behavior of societies, communities and groups. He concluded that the three were best regarded as a social system. The theory is grounded on the belief that community behavior is as a result of the process of change. The theory has been adopted widely by people in their social relationships in order to gauge the potential risks and benefits of the said relationships. When the benefits are fewer than the risks the relationship is more likely to end. This particular theory of social exchange is connected directly to supplier relationships hence the importance of the supplier network within a business context is seen. A business network is an example of an exchange network as explained in the social exchange theory. In the context of supply chain partnerships, a supplier can form a working relationship with the people in charge of distribution and contribute. It is expected that the distributor will have a sense of obligation to reciprocate to the supplier appropriately (Van & Ackerman, 2007). A similar theory identified as market exchange theory was developed and it relies on the concept of organized behavioral system. This theory applies to information sharing in SRM by positing that the parties engage in information exchange with the expectations of reciprocal benefits. In SRM buyers and suppliers share information with the hope that this will lead to trust, long-term relationships and mutual gains like improved efficiency, innovation and competitive advantage (Bagozzi, 1975)

2.1.2 Commitment Trust Theory

For a relationship to be effective and successful there is need for trust and commitment to be present. Morgan and Hunt (1994), coined the commitment trust theory. In the context of business relationships, bonds are formed between buyers and suppliers by ensuring that customers meet their needs and suppliers perform as expected. By meeting the needs of customers and honoring commitments buyers form bonds with customers, this is known as relationship marketing. Business organizations must ensure that they fulfill their promises in order to nurture trust and gain trust from suppliers. Commitment on the other hand requires businesses to maintain long term partnership with suppliers in order to attain their goals. Commitment trust theory of relationship marketing also postulates that relationships between buyers and suppliers happen with multiple partners for a lengthy period of time. These relationships ensure that products of better quality are produced and they are delivered on time. Communication, trust and cooperation are very crucial when organizations are working together because they help organizations develop trust for each other. According to Doyle and Roth (2022), commitment trust model implies that in order for business relationships to work effectively trust must exist and there should not be any uncertainties or opportunistic behavior from both parties. One of the emphases of this study is commitment and trust which are found to be very important in supplier relationship management and how they affect an organization and its performance. This particular theory

applies to the supplier development variable in this study by emphasizing that trust between buyers and suppliers fosters a willingness to invest in each other's capabilities. This leads to supplier development initiatives such as training, knowledge sharing and process improvements which will in turn lead to the growth of commitment and trust between the suppliers and the buyers.

2.1.3 Resource Based Theory

The resource-based theory became dominant in the 90s as it was further developed and popularized by Barney (1991). This theory is used as a basis of evaluating factors that can be deployed to lead to comparative advantage. The resource-based theory states that not all resources are of equal importance and they also do not have potential to be a source of competitive edge. In the context of SCM, supplier collaboration can improve and enhance an organization's resource base. When organizations collaborate, they gain access to unique resources and this leads to improved performance. The main idea of RBV is that the management of an organization should understand and organize resources in order to gain a sustainable competitive advantage. The resources include finances, information, human resources and many others. The resources of an organization need to be valuable, rare, Inimitable and Not substitutable in order to achieve sustainable competitive advantage. Sustainability depends on how much these resources are sustainable and imitable. Organizations that have the capability to combine resources in a different way from the others have the benefit of achieving a competitive edge over other organizations. Both internal and external capabilities are important in enhancing performance. This theory applies to this study as it will show the capabilities that suppliers have on organizational performance. Both buyers and suppliers in the supply chain benefit from collaboration since it gives them access to superior resources. Organizations can achieve a sustainable competitive advantage by identifying, developing and deploying important resources through partnerships. This theory applies to the supplier base optimization variable by advocating for the strategic selection and management of suppliers based on the unique resources and capabilities that they bring to the buyer. By optimizing the supplier base, firms can focus on partnerships that offer the most strategic value such as quality and innovation (Cousins *et. al*, 2008)

2.2 Empirical Review Based on the Research Objectives

2.2.1 Information Sharing

Information sharing is referred to as the exchange of data and information between different organizations and firms throughout the supply chain. Sharing crucial information and data in the right way among buyers and suppliers will likely lead to benefits such as reduction of costs and better service delivery which will in turn boost customer satisfaction. Members of the supply chain share information regarding; purchases and sales, inventory levels, future plans, the costs of production, sales and marketing plans, product development, order tracking and technological processes that are involved. Cooper (2009), coined the definition of information sharing as the process in which information is updated frequently among all associates of the supply chain for effective and efficient supply chain management. Previous studies conducted by various researchers regarding the importance of information sharing while carrying out business activities has proven that proper sharing of information reduces uncertainty and greatly improves visibility. Sharing information efficiently and effectively enables organizations have access to important information and thus allows them to form close ties and partner up in various supply chain activities. According to Krause and Ellram, (2007), communication between organizations is regarded to be effective if it involves regular physical contact between the buyer and supplier, if the communication is genuine and if it happens from time to time.

Suppliers and supplier management are very important in the supply chain and in any organization. Organizations cannot operate without people or other organizations that supply them with their needs, they therefore need suppliers and they need to know how to manage the suppliers properly. Tasnia & Ramachandran (2019), undertook a study on Information sharing in SCM where they focused on cooperate partners in the manufacturing industry. This particular study sought to understand the extent to which information sharing between the SC cooperative members enhances performance within the business. The paper's findings were presented from a systematic literature review that examines the link between information sharing among the cooperative partners in the supply chain, business performance and product quality in the production industry in Malaysia. Three hundred companies were sampled where 200 out of those gave out responses. The data collection methods used were Pearson's correlation analysis, cluster analysis and structural equation modelling. The data collection instrument that was used in this research was a structured survey questionnaire, which was structured to assess the companies in terms of the described dimensions. The study's findings emphasize the critical role of information sharing among cooperative SC partners. Specifically, effective information exchange significantly impacts both product quality performance and the overall performance of the business. This underscores the importance of implementing robust information sharing practices within the Malaysian manufacturing industry to enhance organizational performance.

Baihaqi and Sohal (2013), conducted research on the impact of information sharing in supply chain on organizational performance, looked through various factors that influenced the degree of information sharing in the supply chain. The factors that were discovered by this study included; information quality, information technology (IT), cost benefits sharing and internal integration. The study conducted a test on the relationship between the extent of information sharing and organizational performance. Data was acquired from 150 manufacturing organizations. The method that was used to collect data was structural equation modelling. The results of the study found that the information quality and information technologies positively influence the strength of information sharing. The study also discovered that there was no correlation between the degree of information sharing and internal integration or cost benefit sharing. Information sharing and organizational effectiveness are not directly correlated according to the study's findings. The supply chain participants' partnerships mediate the interaction. This demonstrates that, although being extremely vital and significant, knowledge exchange does not significantly boost performance. Nevertheless, trust, commitment, and teamwork are examples of qualities that this study neglected to examine and impact organizational performance.

2.2.2 Buyer-Supplier Trust

Trust is a situation where both partners believe in each other's full commitment to shared goals. In the context of supplier relationships, trust plays a very important role. For buyers and suppliers to collaborate in any business venture, they are required to develop trust between each other. When buyers and suppliers trust each other, they collaborate effectively, leading to better performance and mutual benefits and this will eventually lead to an efficient and effective supply chain. In buyer-supplier relationships, trust is cultivated through effective communication, mutual respect, being direct and honest, practicing loyalty between the parties, fairness and demonstrating expertise and reliability. Over the years trust has been known to be a crucial predictor of positive procurement performance in business relationships. Trust can be beneficial to the procurement performance in that it leads to things being done in an efficient and effective way. It was also noted that significantly influences effective cooperation and positively predicts performance outcomes. Akhilesh (2016), conducted a study on the "effects of trust, satisfaction and other relationship dimensions on supplier relationship management". This paper aimed to focus on how trust and satisfaction will impact supplier relationship management. Other dimensions like benevolence, communication and commitment were studied. In this study, a questionnaire was prepared and then a survey was conducted among 28 organizations in India to determine the effects of these relationship dimensions. The study's findings indicate that despite the intense global competition, a sense of contentment with their supplier's overall performance, which leads them to cultivate long-term relationships.

Locally, Tangu (2015) conducted a study on the effects of supplier relationship management practices on the performance of manufacturing firms in Kisumu County. A comprehensive survey aimed at supply chain professionals was employed in the study. The results of the study suggested that trust should be mutual in all the supply chain partners and organizations. The study's findings indicated that in order to develop commitment among members of the supply chain, trust is crucial. The study also noted that in order to improve and have a successful supply chain, trust needs to be present. When the members of the supply chain don't have trust for each other, supply chain performance will not be as efficient and effective. The study however failed to make clear how trust and commitment relate.

The studies mentioned above primarily focus on trust in buyer-supplier relationships and they fail to look at other factors that may affect the relationship between suppliers and buyers such as collaboration and information sharing.

2.2.3 Supplier Collaboration

In the scheme of supply chain management, supplier collaboration, also referred to as cooperative strategy is regarded as two or more firms partnering in order to collaborate to achieve supply chain goals. Collaboration has been adopted over the years as it has proven to be advantageous to the partners. When two or more supply chain participants collaborate to make choices, share successes and exchange information, they are creating a competitive advantage. This will contribute to the achievement of profit and customers' needs will be achieved. It is very evident that the most successful organizations in the world practice teamwork and collaboration and this has made them achieve major milestones rather than working by themselves. It is also important to note that the success of any organization is brought about by how it maintains long-lasting good relationships with buyers and suppliers.

Chin et al. (2015) carried out a study about green SCM practices and sustainability performance. The study included literature about environmental collaboration and found that manufacturers opt to collaborate with suppliers in order to enhance sustainability in the environment. When manufacturers and suppliers collaborate in the environment, organizations will support the environmental prowess of their supply chain partners. A study conducted locally by Nyamasege and Biraori (2015), analyzed the factors that "affect supply chain management effectiveness at the Central



bank of the Kenyan government”. A descriptive case study method was used in this study. Data was gathered from a total of 60 managers in the ministry. The research’s findings implied that there was lack of SRM practices in the ministry. The ministry should therefore have a strategy that will help them put SRM into practice. The study recommended that the ministry should put programs in place that promote collaboration among their suppliers. It’s evident that supplier collaboration indeed positively affects organizational performance and procurement performance as seen in the studies above. The studies however, did not delve into other factors such as information sharing, trust and commitment among the members of the supply chain.

III. METHODOLOGY

This study utilized descriptive research design which aimed to provide a systematic and accurate portrayal of a population, situation, or phenomenon. The study took place in Nakuru County targeting all branches of Naivas supermarket in the county. The branches are 7 total and they include; Naivas safari center, Naivas Nakuru midtown, Naivas westside, Naivas downtown, Naivas supercenter, Naivas Naivasha ndogo and Naivas Naivasha Kubwa. The target population was 82 respondents working at the seven Naivas supermarket branches in Nakuru County. A census was employed in this study. Data collection instruments involved questionnaires and interviews. The questionnaires were distributed to the employees in the procurement departments and the interviews were conducted with the managers and heads of procurement department in the supermarkets. The validity of the questionnaire was assessed using construct validity. Test-retest was used to determine correlation in this study. By conducting a pilot test, the questionnaires’ reliability was tested and evaluated. The pilot study was conducted at Naivas supermarket in Kapsabet Town. This study also employed both qualitative and quantitative analysis so as to achieve the objectives of the study. Descriptive statistics was employed in this study. The general information and demographic profiles of the respondents was examined using descriptive statistics and the results were presents in tables and figures. Data analysis was done using Microsoft Excel data analysis tool as well as the SPSS software. The relationship between the dependent variables and the independent variables was determined using a Pearson’s correlation analysis in order to determine the findings. The results were then presented by the use of tables and figures. Ethical considerations which included an introductory letter and a research permit from NACOSTI (National Commission for Science, Technology & Innovation) were implemented and questionnaires did not have names nor contacts of respondents to maintain confidentiality.

IV. FINDINGS & DISCUSSIONS

4.1 Response Rate

A sum of 82 questionnaires was issued to the respondents across all the Naivas Supermarket branches in Nakuru County. Out of 82 questionnaires, 70 of them were filled and returned. This resulted in an 85% response rate which is deemed sufficient for data analysis. According to Mugenda & Mugenda (2003), a response rate of 50% is considered appropriate, while a rate of more than 70% is considered excellent.

Table 1

Response Rate

Variable	Frequency	Percentage
Filled and returned	70	85%
Not Filled	12	15%
Total	82	100

4.2 Background Information of the Respondents

4.2.1 Level of Education of the Respondents

This study sought to find out the levels of education of the respondents. The results established that the employees with university (undergraduate) level education were the majority representing 47%. This was followed by employees with college level education at 30%, and those with high school level education at 14% then finally the employees with postgraduate education level at 9%. This implies that a significant number of the employees in the organization held impressive educational credentials.

Table 2*Level of Education of Respondents*

Level of Education	Frequencies	Percentages
Primary level	0	0
Highschool level	10	14%
College level	21	30%
University (undergraduate)	33	47%
Postgraduate level	6	9%
Total	70	100%

4.3 Organizational Performance of Naivas Supermarkets in Nakuru County

Table 3 below shows the mean and standard deviation of the extent at which organizational performance is affected by supplier relationship management. The results indicate that Supplier relationship management indeed affects the organizational performance of the supermarket. At a mean of 4.3 and standard deviation of 3.82, it was concluded that there's an overall reduction in costs incurred, at 4.23 mean and standard deviation 3.77, there's increased performance and finally at a mean of 4.04 and standard deviation of 3.58, there's increased organizational growth.

Table 3*Organizational Performance of Naivas Supermarkets in Nakuru County*

Variables	N	Mean	SD
There's increased performance	70	4.23	3.77
There has been an overall reduction in costs incurred	70	4.3	3.82
There's increased organizational growth	70	4.04	3.58

4.4 Information Sharing and Organizational Performance**4.4.1 Descriptive statistics for Information Sharing**

The respondents were required to fill a Likert scale ranging from 5-1 where 5= Strongly Agree, 4= Agree, 3= Neutral and 1=Strongly Disagree. The mean and standard deviation are shown in the table below. According to the results, it is apparent that a large number of the participants agreed that sharing information with suppliers will lead to increased performance with a mean of 4.39 and standard deviation of 3.892. This greatly supports the objective and indicates that sharing information will lead to increased performance. It was also noted that most of the respondents agreed that the supermarkets communicate their organization's future strategic plans to suppliers (mean= 4.21, standard deviation= 3.762). This supports the objective and information sharing is regarded as important and is practiced which therefore leads to better organizational performance. The participants somewhat agreed on the sentiment that integrated information technologies and the quality of information positively influence the intensity of information sharing investment in information sharing (mean= 3.71, standard deviation= 3.394). This supports the objective by showing how technological integration subtly enhances performance through better information sharing. There was also a bit of uncertainty on whether investment in information sharing will lead to inventory and cost reductions (mean= 3.56, standard deviation= 3.207). The uncertainty here shows that even though information sharing is essential for positive organizational performance, inventory and cost management might require further investigation.

Table 4*Descriptive statistics for Information Sharing*

Variable	N	Mean	SD
We usually communicate our organization's future strategic plans to suppliers	70	4.21	3.762
Sharing Information with suppliers will lead to increased performance	70	4.39	3.892
Investment in information sharing will lead to inventory and cost reductions	70	3.56	3.207
Integrated information technologies and information quality have positive influence on the intensity of information sharing.	70	3.71	3.394

4.4.2 Correlation Analysis for Information Sharing and Organization Performance

To ascertain whether a relationship exists or not between variables, statisticians utilize the correlation analysis technique. The study used a Pearson's correlation analysis in order to demonstrate the connection between the organization performance of Naivas supermarkets in Nakuru Count and the first objective which is information



sharing. Information sharing and organizational performance were found to have a moderately positive correlation ($r=.373$, p value = 0.001). The results on information sharing prove that sharing of information is important in supplier relationship management on organizational performance just as shown in previous studies conducted by Krause & Ellram (2007), Tasnia & Ramachandran (2019). Table 9 below displays these results.

Table 5
Correlation Analysis for Information Sharing and Organizational Performance

		Organizational Performance	Information Sharing
Information sharing	Pearson Correlation	.373**	1
	Sig. (2-tailed)	.001	
	N	70	70

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

4.5 Buyer-supplier Trust and Organizational Performance

4.5.1 Descriptive Statistics for Buyer-supplier Trust

The findings determined that most of the respondents, (mean= 4.30, standard deviation= 3.8) agreed that supplier integration is practiced. This supports the objective as integration is a key part of trust and likely contributes to the positive organizational outcomes. The respondents also concurred that there's better communication with suppliers (mean= 4.13, standard deviation= 3.6). Better communication is an indication that trust occurs and is important for working together smoothly; this therefore aligns with the objective by enhancing organizational performance. The respondents also concurred that the supermarkets trust the information that their major suppliers provide them (mean= 4.06, standard deviation=3.5). Trusting the information relied by major suppliers is important for making decisions and performance and therefore this supports the objective. It appeared that the respondents somewhat agreed or were uncertain that the supermarket trust their major suppliers to keep their best interests in mind (mean= 3.60, standard deviation= 3.3). The uncertainty shows that trust might be weaker at some point and therefore highlights areas of improvement and potential risks which is crucial for organizational performance.

Table 6
Descriptive Statistics for Buyer- Supplier trust and Organizational Performance

Variable	N	Mean	SD
There's better communication with suppliers	70	4.13	3.6
Supplier integration is practiced	70	4.30	3.8
We trust the information that our major suppliers provide to us	70	4.06	3.5
We trust our major suppliers to keep our best interests in mind	70	3.60	3.3

4.5.2 Correlation Analysis for Buyer-Supplier Trust and Organizational Performance

For this specific objective, a Pearson's correlation analysis was carried out to ascertain the association between relationship between buyer-supplier trust and organizational performance of Naivas Supermarkets in Nakuru County. The findings of this study imitate past studies that provide evidence that buyer-supplier trust leads to better organizational performance and supplier relationship management despite global competition, Akhilesh (2016). A study by Tangus (2015) also proved this point. As presented in the table below, the correlation between buyer-supplier trust and organizational performance was shown to be positive ($r= .369$, p value= .001).

Table 7
Correlation between Buyer-Supplier Trust and Organizational Performance

		Organizational Performance	Buyer-Supplier Trust
Buyer-Supplier Trust	Pearson Correlation	.369**	1
	Sig. (2-tailed)	.001	
	N	70	70

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

4.6 Supplier Collaboration and Organizational Performance

4.6.1 Descriptive Statistics for Supplier Collaboration

It is clear that majority of the participants agreed that information is shared among suppliers with a mean of 4.3 and a standard deviation of 3.82. This indicates that sharing information is key in supplier collaboration which improves organizational performance. The participants were split on whether coordination of contracts takes place



(mean= 3.9, standard deviation= 3.45). This shows that even though collaboration exists, it may not be applied consistently across all contracts. Coordinating contracts can help reduce issues and therefore increase organizational performance. The respondents were also split on whether joint quality management takes place (mean= 3.89, standard deviation= 3.42). This indicates that collaboration can be improved. Joint quality management ensures that the suppliers and supermarkets are lined up with standards that can lead to better organizational performance. The respondents were also split on whether they communicate the organization’s future strategic plans to suppliers (mean= 3.87, standard deviation= 3.45). This implies that strategic communication is practiced, but it’s not as vigorous. Consistent information sharing among suppliers is more likely to lead to better organizational performance.

Table 8
Descriptive Statistics for Supplier Collaboration

Variable	N	Mean	SD
Joint decision-making is practiced	70	3.87	3.45
Coordination of contracts takes place	70	3.90	3.45
Joint quality management takes place	70	3.89	3.42
Information is shared among suppliers	70	4.30	3.82

4.6.2 Correlation Analysis for Supplier Collaboration and Organizational Performance

The relationship between supplier collaboration and organizational performance of Naivas supermarkets in Nakuru county was investigated using a Pearson’s correlation analysis ($r = .455$, p value= 0.000). The study’s results on supplier collaboration indicate that collaborating with suppliers is important for organizational performance and supplier relationship management. This has been showed through past studies carried out by Chin *et al.*, (2015) & Nyamasege and Biraori (2015). This demonstrates that supplier collaboration and organizational performance have a significant positive relationship. The outcomes are shown in table 19 below.

Table 9
Correlation Analysis for Supplier Collaboration and Organizational Performance

		Organizational Performance	Supplier Collaboration
Supplier collaboration	Pearson Correlation	.455**	1
	Sig. (2-tailed)	.000	
	N	70	70

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

V. CONCLUSIONS & RECOMMENDATIONS

5.1 Conclusions

The findings of this study showed that there appears to be a positive connection between information sharing and organizational performance. It is therefore evident that information sharing highly influences organizational performance. The findings also indicated that there’s a positive correlation between buyer-supplier trust and organizational performance and this shows that trust between buyers and suppliers is very important. The findings demonstrate that there’s a strong positive correlation between supplier collaboration and organizational performance. Supply chain collaboration is among the leading factors for future supply chains.

5.2 Recommendations

The study recommends the following; authorities should enforce SRM guidelines as well as develop them. Some of these guidelines include; communication, how to resolve disputes, and performance metrics in order to make sure that the relationship between the supermarkets and the suppliers is reliable and consistent. The study also recommends that it is important to put in place training programs for all members involved, i.e. the staff, the suppliers and the supermarket as well. The training programs should emphasize on joint quality management, joint decision making as well as effective communication. This study recommends that customers need to actively participate in providing feedback so as to enable the supermarkets identify the areas for improvement. The study also recommends that the service users/ beneficiaries have to be informed about the practices and decisions that are related to supplier management. The research recommends that Naivas supermarkets in Nakuru County should ensure that better communication should be maintained and shared with suppliers and vendors in order to have an improvement in the performance of the supermarkets. This study recommends that the supermarkets should work more collaboratively

with logistics providers as this will help in the smooth running of operations and can as well implement SRM practices.

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