ROLE OF STRATEGIC SUPPLY CHAIN PRACTICES IN ORGANIZATIONAL PERFORMANCE IN STATE CORPORATIONS IN KENYA: A CASE OF KENYA POWER

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Abstract

Organizations have striven to cut down cost, in order to increase profits so as to gain competitive advantage this is realized through strategic supply chain practices which helps an organization gain a competitive advantage through its contribution to the strategic goals of an organization and its ability to significantly increase performance and productivity, the purpose of this study was to determine the role of strategic supply chain practices on organizational performance in Kenya power. The specific objectives were to determine the role of CRM on organizational performance in Kenya Power, to establish the role of strategic alliance on organizational performance in Kenya Power, to determine the role of e-procurement on organizational performance in Kenya Power and to establish the role of supplier relationship management on organizational performance in Kenya Power. The study was undertaken at Kenya power Office in Nairobi located along Ngara. A sample size of 52 people constituting all level of workers in Kenya Power Headquarters was used; the study used stratified random sampling. The study used both open and close ended questionnaire. Pilot testing was done to ensure the reliability and validity of the instrument. The findings indicated that all the variables, that is, customer relationship management, Distribution Management, E-procurement and supplier relationship management affect organizational Performance with e-procurement having the greatest role. The study recommends the state-owned organizations need to be more proactive when it comes to supplier relationship management. State owned organizations also need to continue working closely with their customers. The study identified further areas of research which include other strategic supply chain practices and a comparative study on private organizations.

Keywords: Customer relationship management, Distribution Management, E-procurement, Supplier relationship management and organization performance
1.1 Introduction

Supply chain has become an important focus of competitive advantage for organization business. The management of supply chain study emphasizes how to maximize the overall value of the firm by better using and deployment of resources across the whole of the firm. A supply chain is the set of value adding activities connecting the enterprise’s suppliers and its customers. The principle of supply chain activity is receiving input from firm’s suppliers – add value – deliver to customers (Levi et al., 2004). Developing a supply chain’s competitive edge through the utilization of innovations often involves pooling together capabilities and resources that reconfigure, adapt and coordinate supply chain offerings in new and more satisfying ways for customers, thus creating flexibility and efficiencies in supply chain operations (Storer and Hyland, 2011).

Supply chain management practices encompasses set of approaches and practices that effectively integrate with suppliers, manufactures, distributors, and customers to improve the long-term business performance and their supply chain (Chopra & Meindl, 2007; Tseng 2010). Strategic supplier partnerships need better coordination between the organization and its suppliers; companies tend to have a long-term relationship with suppliers that create value. In this study, a strategic supplier partnership is defined as the long term relationship between the organization and its suppliers which influences the strategic and operational capabilities of individual participating companies to help them achieve significant on-going benefits (Li et al., 2005; Li et al., 2006; Monczka et al., 1998).

Countries such as the UK, US and Canada have long employed SCM in the management of their procurement and logistics. For instance, Gangster et al., (2004) acknowledged that the Department of Defence (DOD) in the US has minimized cost through lead time in the management of its logistics by employing SCM practices. Kenya the strongest economy in Eastern Africa region has taken a strong development path by institutionalizing research institutes in various aspects in a bid to meet its growing population demands (USDS, 2010). One of the major areas that have been identified as having great potential to improve efficiencies and reduce costs is in the supply chain Burgress et al., (2006). Since independence, the Kenyan economy has remained predominantly agriculture, with industrialization remaining an integral part of the country’s development strategies. The industrial sector’s share of monetary GDP has remained about 15-16% while that of manufacturing sector has remained at a little more than 10% over the last two decades. Manufacturing activities account for the greatest share of industrial production output and form the core of industry (ROK, 2012).

Kenya Power

Kenya Power traces its past from 1875 when Seyyied Barghash, the Sultan of Zanzibar, acquired a generator to light his palace and nearby streets. The Kenya Power Company was to be managed by the East African Power and Lighting Company. On June 22, 2011 Kenya Power & Lighting Company (KPLC), the Kenyan electricity
provider, was rebranded by shortening its name to Kenya Power and introducing a new corporate identity. The rebranding is part of a larger strategy which includes increasing population access to electricity and making the company better in all sorts of ways.

The organization is mandated with the task of transmission and distribution of energy so as to enhance customer connectivity, improve delivery of customer services, achieve financial stability and sustainability, improve transmission and distribution efficiency and modernizes operations through automation in order to enhance efficiency. The organization has a Procurement function with its headquarters in Nairobi. The Procurement function in this organization is charged with the responsibility of conducting the procurement activities strategically with a view to enhance the Company’s business growth in terms of connecting new customers with electricity, revenue collection and ensuring quality of supply of electricity. Most of the materials that the organization procures for construction of its power lines are overseas sourced and this particular procurement is centrally based. Materials that are locally available are decentralized to regions but to limited quantity.

1.2 Statement of the problem

From studies done before, it implies that little research has been done on strategic supply chain practices on organizational performance since majority of research focus on supply chain practices only, with this knowledge this study is mandated to fill this gap, by looking at the role of strategic supply chain practices on organizational performance, by looking specifically Kenya Power.

1.3 General Objectives

To determine the role of strategic supply chain management practices in organizational performance in Kenya Power.

1.3.1 Specific Objectives


2. To establish the role of distribution management in organizational performance in Kenya Power.

3. To evaluate the role of procurement in organizational performance in Kenya Power.

4. To establish the role of supplier relationship management in organizational performance in Kenya Power.

1.4 Scope of the Study

This research project will be limited to the employees of Kenya Power. The study took place in Kenya Power headquarters in Nairobi. The target population was the employees of Kenya power specifically the procurement personnel ranging from senior management to junior management.
Variables of the study includes: customer relationship management, strategic alliances, e-procurement and supplier relationship management.

2.0 LITERATURE REVIEW

This study was guided by three theories: Diffusion of innovation, Network Governance Theory and Partner Selection Theory

2.1 Conceptual Framework

![Conceptual Framework Diagram]

2.2 Critique of existing Literature

Existing literature has found colossal constraints in strategic supply chain practices. For instance, Mwale (2014) on supply chain management practices and organizational performance of large manufacturing firms. In Nairobi, Kenya there is a significant relationship between supply chain management practices and organizational performance explained by the seven independent variables strategic supplier partnership, customer relationship, level of information sharing, quality of information, extent of outsourcing, lean practices and postponement. The study only focused on the large manufacturing companies in Nairobi. Therefore, the researcher recommends further research on other firms that are not located in Nairobi and are not in the manufacturing industry. The researcher has also recommended that future research to expand on the domain of SCM practices by considering additional dimensions and also seek to utilize multiple respondents to enhance research findings.
Oyuke and Shale (2014) on role of strategic procurement practices on organizational performance; a case study of Kenya national audit office found out that practice like cost management, information technology and records management have a direct positive relationship with organizational performance. This study is only limited to strategic procurement practices and not the entire chain.

Related studies on strategic supply chain practices have been done. Rao et.al (2004) did a study on the impact of supply chain management practices on competitive advantage and organizational performance, where they concluded that higher levels of SCM practice can lead to enhanced competitive advantage and improved organizational performance. Also, competitive advantage can have a direct, positive impact on organizational performance. Makena and Iravo (2014) on impact of supply chain management practices on organizational performance: A Case Study of Haco Industries Limited (Kenya), found out that there is a high level of practical implementation of SCM practices in Haco Industries ltd and that they all had a positive effect on organization’s performance that is, they improved the organization’s performance in terms of lowering its operational costs, reduction of lead time, high customer service levels, product quality, fast response to changes in the market and expanding its market share and sales. A combination of all the four practices studied had a stronger effect on organization performance other than the effect of one which further shows the need to embrace a good combination of SCM practices. With this studies it implies that no research has been done on strategic supply chain practices on organizational performance but rather it has been done on supply chain practices only, with this knowledge this study is mandated to fill this gap, by looking at the role of strategic supply chain practices on organizational performance, by looking specifically Kenya Power.

3.0 RESEARCH METHODOLOGY

The study adopted a case study design to justify the relationship between the independent and dependent variables. The target population of this study was undertaken at Kenya Power and my respondents was 170 procurement personnel working under the supply chain department. Sample frame was supply chain department, where the target was 52 procurement personnel from different business levels in the supply chain department. (HR registry). Out of a target population of 170 a sample size of 52 respondents was selected from 3 categories: top level managers, middle level managers and procurement officers. This study adopted a stratified random sampling technique.

4.0 RESEARCH FINDINGS AND DISCUSSION

Descriptive Analysis of Study Variables

4.1 Customer Relationship Management

The study sought to determine the extent to which customer relationship management affects organization performance in Kenya Power.
Table 1. Customer Relationship Management

<table>
<thead>
<tr>
<th>Customer Relationship Management</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Undecided (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization manages customer within the shortest period and hence enhance efficiency</td>
<td>47</td>
<td>50</td>
<td>0</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>There is exchange of information between our organization and the customers hence clear visibility and hence efficiency</td>
<td>26</td>
<td>59</td>
<td>6</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Information sharing with our customers can be said to be resulting in effectiveness in our organization</td>
<td>31</td>
<td>53</td>
<td>6</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>We can say that we are effective as a result of managing customer complaints</td>
<td>34</td>
<td>50</td>
<td>13</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

The study sought to examine the respondent’s level to the extent with the variable concerning customer relationship management and organizational performance within the organization. From the findings in table 1, majority of the respondents (50%) agreed that the organization manages customers within the shortest period and hence enhance efficiency. 59% of the respondent agreed that there is exchange of information between the organization and the customers hence clear visibility and hence efficiency 53% of the respondent agreed that there is information sharing with the organization customers hence resulting in effectiveness in the organization. 50% of the respondents agreed that the organization effectively manages customer complaints. This finding is supported by Devinney & Midgley (2010) who found out that there is positive and significant path between a superior CRM capability and the firm’s performance. In turn, superior CRM capability is positively associated with human analytics and business architecture. They also concluded that CRM initiatives jointly emphasizing customer intimacy and cost reduction out-perform those taking a less balanced approach.

4.2 Distribution Management

The study sought to determine the extent to which distribution management affects organization performance in Kenya Power and Lightning Company.
Table 2 Distribution Management

<table>
<thead>
<tr>
<th>Distribution Management</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Undecided (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>We venture jointly with our customers and hence efficiency in our organization</td>
<td>38</td>
<td>38</td>
<td>21</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Prompt delivery can be said to be resulting in effectives in our organization</td>
<td>44</td>
<td>34</td>
<td>16</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Our organization integrate with our customers hence efficiency is enhanced</td>
<td>41</td>
<td>44</td>
<td>6</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Prompt delivery to our organization results in effectiveness in operations</td>
<td>43</td>
<td>38</td>
<td>16</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

The study sought to examine the respondent’s level to the extent with the variable concerning distribution management and organizational performance within the organization. From the findings in table 2, majority of the respondents (38%) strongly agreed that the organization venture jointly with their customers and hence efficiency in the organization. 44% of the respondents strongly agreed that prompt delivery results in effectives in the organization. 44% agreed that the organization integrates with its customers and hence enhancing efficiency. 44% strongly agreed that prompt delivery to the organization results in effectiveness in operations. This findings is supported by Abdul et al., (2012) on Impact of distribution channel innovation on the performance of small and medium enterprises who found that distribution channel effectiveness mediated the relationship between innovation in assortment and transportation coordination and firm performance.

4.3 E-Procurement

The study sought to determine the extent to which E-procurement affects organization performance in Kenya Power.
Table 3 E-Procurement

<table>
<thead>
<tr>
<th>E-Procurement</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Undecided (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-payments makes it more efficient to handle supplier and buyer payments</td>
<td>53</td>
<td>28</td>
<td>16</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>E-payments can be said to enhance effectiveness of the payment procedures</td>
<td>38</td>
<td>44</td>
<td>18</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Integrated information and communication technologies enhances efficiency in our organization</td>
<td>53</td>
<td>47</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Integrated information and communication technologies can be attributed to effectiveness in our organization</td>
<td>47</td>
<td>34</td>
<td>16</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

The study sought to examine the respondent’s level to the extent with the variable concerning E-procurement and organizational performance within the organization. From the findings in table 3, majority of the respondents (53%) strongly agreed that e-payments makes it more efficient to handle supplier and buyer payments. 44% agreed that E-payments can be said to enhance effectiveness of the payment procedures. 47% agreed that Integrated information and communication technologies enhances efficiency in the organization. 47% strongly agreed that Integrated information and communication technologies can be attributed to effectiveness in the organization. The findings are supported by Rotich & Okello (2015) who concluded that e-procurement is positively related with performance of supply chain function of County Governments in Kenya, therefore recommending that, the Government come up with policies on adoption of e-procurement practices and provide critical resources and leadership in adoption of e-procurement.

4.4 Supplier Relationship Management

The study sought to determine the extent to which supplier relationship management affects organization performance in Kenya Power.
Table 4 Supplier Relationship Management

<table>
<thead>
<tr>
<th>Supplier Relationship Management</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Undecided (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involving suppliers at new product development enhances efficiency</td>
<td>59</td>
<td>31</td>
<td>7</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Our organization is effective due to involving suppliers early in the supply chain process</td>
<td>31</td>
<td>47</td>
<td>16</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Supplier development enhances efficiency in our organization</td>
<td>35</td>
<td>59</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Effectiveness is enhanced as a result of developing our suppliers</td>
<td>27</td>
<td>47</td>
<td>26</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

From the findings in table 4, majority of the respondents (59%) strongly agreed that Involving suppliers at new product development enhances efficiency. 47% agreed that the organization is effective due to involving suppliers early in the supply chain process. 59% agreed that Supplier development enhances efficiency in our organization. 47% agreed that effectiveness is enhanced as a result of developing their suppliers. The findings is supported by Kibet and Iravo (2015) who identified that lack of supplier relationship management strategies lowers the effectiveness of supply chain management functions, thus recommending application of supplier collaboration strategies.

4.5 Organization Performance

The study sought to examine respondent’s level of extent to statements concerning organization performance in Kenya Power.

Table 5 Organizational Performance

<table>
<thead>
<tr>
<th>Organizational Performance</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Undecided (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer relationship management can be said to be resulting in improved performance</td>
<td>53</td>
<td>38</td>
<td>6</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>
Distribution Management enhances organizational performance 48 38 14 0 3
E-procurement can be said to be attributing to improved performance 34 44 19 3 0
Supplier relationship management enhances organizational performance 56 34 7 0 3

The study sought to examine respondent’s level of extent to the statements concerning organization performance in Kenya Power. From the findings in table 5, majority of the respondents (53%) strongly agree that Customer relationship management can be said to be resulting in improved performance. 47% strongly agreed that Distribution Management enhances organizational performance. 44% agreed that E-procurement can be said to be attributed to improved performance and 56% strongly agreed that Supplier relationship management enhances organizational performance.

4.6 Inferential Statistics

4.6.1 Reliability Analysis

Scale reliability for study variables was determined by computing the overall Cronbach’s alpha reliability coefficient for the items of Customer Relationship Management, Distribution Management, E-Procurement, Supplier Relationship Management and Organizational Performance. The reliability was demonstrated since the overall Cronbach’s alpha statistic for Customer Relationship Management, Distribution Management, E-Procurement, Supplier Relationship Management and Organizational Performance were 0.720, 0.701, 0.732, 0.796 and 0.708 respectively which were greater than the threshold value of 0.7 as indicated in table 6.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Relationship Management</td>
<td>0.720</td>
</tr>
<tr>
<td>Distribution Management</td>
<td>0.701</td>
</tr>
<tr>
<td>E-Procurement</td>
<td>0.732</td>
</tr>
<tr>
<td>Supplier Relationship Management</td>
<td>0.796</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>0.708</td>
</tr>
</tbody>
</table>
4.6.2 Correlation

Customer relationship management was found to be positive and significantly related to Organization performance in Kenya Power ($r = 0.524$, $p$-value = 0.002$<0.005$). Distribution management was found to be positive and significantly related to Organization performance in Kenya Power ($r = 0.456$, $p$-value = 0.009$<0.005$). E-procurement was found to be positive and significantly related to Organization performance at Kenya Power ($r = 0.645$, $p$-value = 0.000$<0.005$). Supplier relationship management was found to be positive and significantly related to Organization performance in Kenya Power ($r = 0.587$, $p$-value = 0.001$<0.005$). as indicated in table 7.

Table 7 Correlation.

<table>
<thead>
<tr>
<th></th>
<th>Customer Relationship Management</th>
<th>Distribution Management</th>
<th>E-Procurement</th>
<th>Supplier Relationship Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>.524**</td>
<td>.456**</td>
<td>.645**</td>
<td>.587**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.002</td>
<td>.009</td>
<td>.000</td>
<td>.001</td>
</tr>
<tr>
<td>N</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>30</td>
</tr>
</tbody>
</table>

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

*. Correlation is significant at the 0.05 level (2-tailed).

From the table above, all variables were seen to be positively correlated to organizational performance.

4.6.3 Regression Analysis

Table 8 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.878a</td>
<td>.770</td>
<td>.732</td>
<td>.31202</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer Relationship Management, Distribution Management, E-Procurement, Supplier Relationship Management

b. Dependent Variable: Organization Performance
The $R^2$ square value in this case is 0.770 which clearly suggests that there is a strong relationship between Customer Relationship Management, Distribution Management, E-Procurement, Supplier Relationship Management and Organization Performance within Kenya Power as indicated in table 8. This indicates that Customer Relationship Management, Distribution Management, E-Procurement, Supplier Relationship Management share a variation of 77% of Organization Performance within Kenya Power.

The Anova table in table 9 indicates that the overall model was a good fit since ($F$-value=20.121 and $p$-value=0.000<0.05).

The model becomes

$$
\text{Organization Performance} = 0.625 + 0.397_{\text{CRM}} + 0.317_{\text{DM}} + 0.666_{\text{EPRO}} + 0.360_{\text{SRM}} + \epsilon
$$

Customer Relationship Management was found to have a positive linearly significant influence on Organization Performance in Kenya Power ($\beta$=0.397, $p$=0.011<0.05). Here one unit change in Customer Relationship Management results in 0.397 unit increase in Organization Performance in Kenya Power.
Distribution Management was found to have a positive linearly significant influence on Organization Performance in Kenya Power and Lighting Company ($\beta=0.317$, $p=0.036<0.05$). Here one unit change in Distribution Management results in 0.317 unit increase in Organization Performance in Kenya Power and Lighting Company.

E-Procurement was found to have a positive linearly significant influence on Organization Performance in Kenya Power ($\beta=0.666$, $p=0.000<0.05$). Here one unit change in E-Procurement results in 0.666 unit increase in Organization Performance in Kenya Power.

Supplier Relationship Management was found to have a positive linearly significant influence on Organization Performance in Kenya Power ($\beta=0.360$, $p=0.003<0.05$). Here one unit change in Supplier Relationship Management results in 0.360 unit increase in Organization Performance in Kenya Power.

The beta coefficient indicate the relative importance of each independent variable (Customer Relationship Management, Distribution Management, E-Procurement, Supplier Relationship Management) in influencing the dependent variable (Organization performance).

E-Procurement is the most important in influencing Organization performance ($\beta=0.625$) followed by Customer Relationship Management ($\beta=0.386$) then Distribution Management ($\beta=0.324$) and the least is Supplier Relationship Management ($\beta=0.290$).

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the findings

This study sought to ascertain the role of supply chain management practices on organizational performance of state owned organizations in Kenya. The specific objectives that guided the study were to determine the effect of customer relationship management on organizational performance in Kenya power, to assess the role of distribution management on organizational performance of Kenya power, to determine the role of E- procurement on organizational performance of Kenya Power and to determine the effect of supplier relationship management on organizational performance of Kenya Power.

The study population comprised 52 top level managers, middle managers, junior level Managers and procurement officers of Kenya Power. A semi structured questionnaire with both open ended and closed ended questions was used to collect primary data. The questionnaires were distributed through a drop and pick later method. Pilot test was done on two institutions who did not take part in the main study. Data collected was analysed through descriptive inferential and content analysis. A multiple linear regression was used to analyse the effect of customer Relationship Management, Distribution Management, E-Procurement and Supplier relationship on Organization performance of State owned corporations in Kenya. SPSS version 23 was used to aid in data analysis. Data results were presented through using charts and tables.
Customer Relationship Management

The study sought to determine the extent to which customer relationship management affects organization performance in Kenya Power. Majority of the respondents (53%) strongly agreed that, Customer relationship management can be said to be resulting in improved performance

Distribution Management

Majority of the Respondents, 47%, strongly agreed that Distribution Management enhances organizational performance

E-Procurement

Majority of the respondents 44% agreed that E-procurement can be said to be attributing to improved performance in Kenya Power.

Supplier Relationship Management

Majority of the respondents 56% strongly agreed that Supplier relationship management enhances organizational performance.

5.2 Conclusion

The study concluded that all the four variables that is, Customer relationship Management, Distribution Management, E-Procurement and supplier Relationship Management significantly and positively affect procurement performance. Relationship Management is the most important in Procurement performance of state owned corporations in Kenya.

The beta coefficients indicate the relative importance of each independent variable (Customer Relationship Management, Distribution Management, E-Procurement and supplier Relationship Management) in influencing the dependent variable (Organization performance)

E-Procurement is the most important in influencing organization performance \((\beta = 0.625)\) followed by customer relationship management \((\beta = 0.386)\) then distribution management \((\beta = 0.324)\) and the least is supplier relationship management \((\beta = 0.290)\)

The study further concludes that proper distribution management with the distributers is essential in ensuring that organizations products reach the customers at the right time and place, empowering them with organizational information so that they are able to answer and give information to the customers as and when needed.

E-Procurement is also seen to be becoming the core and an essential element; organizations are embracing the tool to enable efficiency within procurement function. Having been the most influencing factor, the study recommends proper implementation and coordination of the responsible departments including user training and creation of its awareness throughout the organization.
5.3 Recommendations

The study recommends that state owned institutions should put in place mechanisms to ensure that future chains are successful. Suppliers/contractors need to be evaluated based on their performance and including environmental and implementation of technologies that enhance e-Procurement for future contracts.

State owned organizations need also to involve various stakeholders when introducing and implementing E-procurement, this would enhance acceptability and hence smooth implementation.

The study also recommends that, state owned institutions maintain the spirit of customer relationship management that was seen in most institutions to be of great importance. This could be done by introducing tools that ensure faster, easier and efficient feedback from the customers.

It was noted that Kenya Power has gone a notch higher by providing a toll free number where customers are able to reach the organization and give feedback on the services offered.

The study finally recommends more aggressive and a proactive approach towards supplier relationship management. Suppliers are seen to be taking the center stage in most organizations hence state owned organizations need to be more aggressive in terms of supplier relationship management in order to be at a competitive edge in the changing environment

5.4 Areas for further research

Further research should include private institutions to ascertain the role of supply chain practices on organizational performance. This study focused on the role of supply chain practices on organizational performance and specifically customer relationship management, distribution management, e-procurement and supplier relationship management, to this end further studies should look at other supply chain practices and their role on procurement performance.

REFERENCES


