



**ROLE OF SUPPLIER RELATIONSHIP ON THE PERFORMANCE OF THE MINISTRY OF EAST AFRICAN AFFAIRS,  
COMMERCE AND TOURISM, KENYA**

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**ABSTRACT**

*Procurement is a crucial function of any public or private organization and in an age of globalization with the initiation of entrepreneurial firms, the administration of purchasing and supply has gained more prominence in every sector. Buyer-supplier relationships management has become popular and the process of relationship development has become more vital as organizations create better relationships with their suppliers to achieve their goal. Government ministries play a pivotal role in the country's development through the provision of public services which promote development. The general objective of this study was to evaluate the role of supplier relationship on performance of government ministries in Kenya; A Case of East African Affairs, Commerce, and Tourism. The study was to assist the management of public institutions which had an understanding of improving supplier relationship. The study came up with the negative and the positive sides' effects. This was to assist the managers to plan and even to adopt new ways of doing things regarding building the supplier relationship. In order to bring better performance in the public institutions in Kenya by rationalizing their supplier base, involving their suppliers early and developing their suppliers. A descriptive research design was applicable for the study with the population comprising all staff at Ministry of East African Affairs Commerce and Tourism comprising who were 270 in total. The target population was the department of Supply Chain management in the Ministry of East African Affairs Commerce and Tourism, which had 135 workers. Data was collected using structured questionnaire to ensure consistency. This allowed the researcher to organize relevant detailed questions that would be coded into the questionnaire. Questionnaires were to be subjected to a pilot test. Analysis of data was done using statistical package for social science (SPSS). The findings were presented using pie charts, bar graphs, and tables to ascertain maximum clarity.*

**Key Words:** *Supplier Segmentation, Supplier Development, Supplier Selection, Information Management*

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## INTRODUCTION

The relationship between buyers and suppliers is highly important for every organization, as indicated by an increase in the number of academic publications done on the buyer and supplier relationships in the past 20 years (Terpend, Tyler, Krause and Han field 2008). In the 1980's, academic literature focused primarily on buyer practices like the supplier power and the supply base reduction. They considered the available material scholars had progressed towards a more diverse set of theories, which helped to extract maximum value from this relationship for both parties (Terpend et.al. 2008). Prior to the 1980s, most purchasing relationships were reactive. Interaction between vendor and purchasing resulted in outcomes where one's gain would be the other's loss (Burt Dobler and Starling, 2013)

Various organizations competed on one-on-one battles for market share and position with other establishments in their competitive sets. For competitive environments such as these, buyers often treated suppliers in an adversarial manner given that the relationship existing between buyers and suppliers was viewed as a win lose situation. However, many progressive firms found it more effective to operate collaboratively with their suppliers to assist the ultimate consumer. Terms such as alliances, partnerships, collaborative relationships and boundary less organizations have been used to describe these new buyer supplier relationships (Crotts, Buhalis and March, 2010).

The UK food industry has a resolve to move to the establishment of fewer and more meaningful buyer-supplier relationships. The retailers as well have attempted to gain more control over their supply chains. Through such a process, they would safeguard the integrity of their label products for both quality and safety issues. Besides that, it helps to reduce supply chain costs which enhance their competitiveness in the retailing environment (Fearne

and Hughes 2009). The efforts introduction of Efficient Consumer Response (ECR) improves such efforts by promoting collaborative partnerships between retailers and suppliers which eliminates unnecessary costs from the supply chain and adds value to the finished products (Mitchell 2016, Fiddis 2016).

The degree of partnership development could be influenced by the nature of the products in the market. Spekman and Salmond (2012) suggests that collaborative relationships would be unsuitable for products purchased irrespective of whether in small or large amounts or even on low value-added goods. They further state that the purchase of these kinds of produce establishes linkages in the inventory system, which would not encompass any other aspects of their business. This was echoed by Anderson and Narus (2011) suggesting that for commodity products, long-term contracts, and 'just- in- time' inventory programs are an indication of the potential for future collaborations.

Most governments in Africa have instituted buyer-supplier relationship in public procurement. The objective of the integration is to inspire competition, enhance financial transparency, fairness, and ensure accountability in public institutions (Hunja, 2013). Nevertheless, the improved managerial and structural systems put in place are to improve efficiency in public procurements, these practices would not go without flaws. Indeed, the employment of buyer-supplier relationship practices in Africa has been repressed by cultural insensitivity, the disrespect for countries' environmental structures, political, ethical, and socio-economic development (Hunja, 2003).

The essence of public procurement is to understand how public sector organizations spend the taxpayers' money on the provision for goods and services (Hall, 2009). In developed nations across the world, governments tend to spend between 8% and 25 % of GDP on goods and services (Organization for

Economic Co-operation and Development, 2006); public procurement expenditure is approximately £150 billion in the UK, (Department of trade, tourism, and Rural Affairs, 2007). The execution of public procurement procedures is poorly done in Africa, which influences economic development negatively.

The public procurement segment in growing economies like Kenya often constitutes the largest domestic market. The government, in return, has the obligation of providing quality goods and services to meet the existing citizen needs. Public procurement is a form of a trade within a national and political system, with fairness, integrity, accountability, transparency, competition, and promotion of local industry and economic development as its strengthening pillars.

The above-mentioned ministry has been in existence since independence as the Ministry of Commerce and Industry. Over the years, the Ministry was separated, renamed and finally adopted the name the ministry of Trade in April 2008. The Ministry of trade later merged with other ministries after 4<sup>th</sup> of March 2013 elections to become recognized as the Ministry of East African Affairs Commerce and Tourism. The Ministry comprised two state departments each headed by a Principal Secretary namely: State department for East African Affairs and state department for Commerce and Tourism. The state department of East African Affairs ensures that Kenya benefit from her contribution in the East African Community and other regional resources as per the department's lengthened mandate in the Executive Order. Besides this, it also provides important linkages between the government and other stakeholders both locally and in the East Africa region.

Procurement performance has been drawing great attention from scholars, specialists, and researchers due to the poor performance for days now. The implementation of e-procurement has speedily

increased since 1990s; yet administrations have continuously been confronting challenges associated with its advent and use. Analysis by Wyld (2004) state that in the United States only 30% of firms gauged use e-procurement structures for request for quotations (RFQ), online auctions (25%), and e-markets (33%).

### **Statement of the Problem**

The performance of the ministries in the Kenyan government has lost immeasurably due to lack of assistance from the research and development initiatives led by the suppliers concerning the supplies (Muhia & Afande, 2015). Effective supplier affiliation management entail an enterprise-wide analysis of what actions to participate in with each supplier. The common practice of applying a "one size fits all" tactic to manage suppliers could stretch assets and limit the prospective value derivable from deliberate supplier relationships.

Most companies focus on short-range goals where the expense is the core focus. Bullying suppliers is usual in some establishments. Employees take great egotism in "facing down suppliers" and relationships depend on the amount of money made. However, with increased tendency to outsourcing and unpredictability in commodities, supplier relationship management (SRM) has moved to the lead of organizational strategy. Companies are spending augmented time on their selection benchmarks and determining clear finest practices to achieve partner relationships. However, few companies have understood effective supplier relationship management as expected, an indication that SRM is still at infancy.

Yet SRM play a vital role in the reduction of expenses and the optimization of performance in the industrial initiatives. The short term goals of SRM are chiefly to increase efficiency and moderate inventory and the cycle time. The long term goals are to intensify market share and profits for all affiliates of the supply

chain. SRM ultimately has led to enhanced organisation performance (Kilpatrick, 2012). Many Government Ministries in Kenya lack a proper understanding of SRM techniques. Consequently, many ministries in Kenya experience an extensive range of procurement and overall commercial problems which erode the suppliers' sureness and frustrate business relationships.

There was very inadequate research on the function of SRM on performance of Government Ministries in Kenya. Nyamasege and Biraori (2015) studied the consequence of SRM on the efficacy of Supply Chain Management in Kenya Public Sector – Ministry of Finance. This study therefore sought to fill this gap by establishing role of supplier relationship on performance of Government Ministries in Kenya.

### **Study Objectives**

The general objective of this study was to evaluate the role of supplier relationship on performance of Government Ministries in Kenya. A Case of east African Affairs, Commerce, and Tourism. The specific objectives were:

- To establish the role of supplier segmentation on performance of Government Ministries in Kenya.
- To analyze how supplier development influence performance of Government Ministries in Kenya.
- To determine the role of supplier selection on performance of Government Ministries in Kenya.
- To assess the role of information management on performance of Government Ministries in Kenya.

## **LITERATURE REVIEW**

### **Theoretical Review**

#### **Theory of Strategic Balancing**

The stated theory reinforces the goal on supplier subdivision on the performance of procurement activities. Strategic balancing originates from the principle that the system in use by an organization is almost equivalent to the strategy instituted by an individual. Both personal and group mode of

behavior, and even more based on the attributes of the leader readily influences the general performance of an organization. Further, from an empirical investigation on technical alliances, Aliouat (1997) concluded the principle of strategic balancing as indicated by the manner in which the technological alliance generates paradoxes and choose to live by them. Any alliance is bound to waver between antagonistic ends, which are a representation of competition and cooperation.

This offers room to different designs of alliances, which only vanish if the alliance functions while focusing more on the poles with confrontation (Aliouat and Boualem, 1997). The strategic balancing works based on three models, which are the relational, symbiotic, and rational models of deployment. It very well would be liable to variation between the two antagonistic techniques, the one being transcendently helpful as depicted by the relational model and the other being overwhelmingly competitive as described by the model of deployment. The organization would then alternate in using the two models to ascertain a proper balance within the alliance. This alignes with that of Bengtsson and Kock (2000) who spoke of the nature of competitive relationships that include competition dominated, cooperation dominated and equal relationships. The last resembles the change between the relational and the model of deployment spoken of by Aliouat (1997).

#### **Relationship development phases by Wilson (1995)**

This theory examines the role of supplier development and its impact on the performance of procurement. Wilson (1995) recommends that there exists different stages in the improvement of buyer-seller relationships. In each stage, he recommends that every distinct factor character that the relationships have varying levels of significance. Trust, fulfillment, power, and comparison levels of alternatives are proposed to be critical in partner determination and describing motivation behind the

relationship. Commitment is imperative to the relationship, particularly when the objective is valued and sustains the relationship. There are a number of other constructs strategically that affect the nature of the developed relationship all through its life cycle depending on the nature of business involved. The researcher prescribes more research in comprehension and conceptualizing how buyers and sellers work to enhance their relationship for the benefit of their businesses. He also prescribes further work with the final goal as conceptualizing how a set of buyer-seller relationships could evolve to become a highly competitive network.

### **Relational View Theory**

This theory is in accordance to the objectives that supplier's selection has influenced on the performance of the procurement sector. Unlike the asset-based perspective of the firm, which recommends that the firm's competitive advantage lies on how much more resources it has over other competing firms while emphasizing on internally housed resources (Barney, 2001; Rommel, 2011; Wernerfelt, 2004). The RVT of the firm proposes that the sources of competitive advantage would stretch out past the firm's boundaries (Dyer and Singh, 2008). From conducted research, partners engaged in relation-specific investments and with unmatched methods of combining resources could attain high levels of performance (Asanuma, 2009). Moreover, peculiar inter-firm linkages could be an origin of competitive advantage over firms who could not or are reluctant to construct similar linkages (Dyer and Singh, 2008). With regard to the information available in current studies, we are most concerned with looking at eccentric inter-firm linkages created by means of buyer investments wholesomely based on information connectivity with the suppliers. As indicated by the RVT, such investments ought to establish a competitive advantage for the firm over others in fear of forming similar linkages. While the purchaser is the sole collaborator making the

investment, following the equivalent hypothetical rationale, the vendor ought to encounter similar expanded buyer-specific performance due to the increased improvement of relationship-specific communication channels between the buyer and the supplier (Asanuma, 2009).

### **Ansoff Growth Matrix Theory**

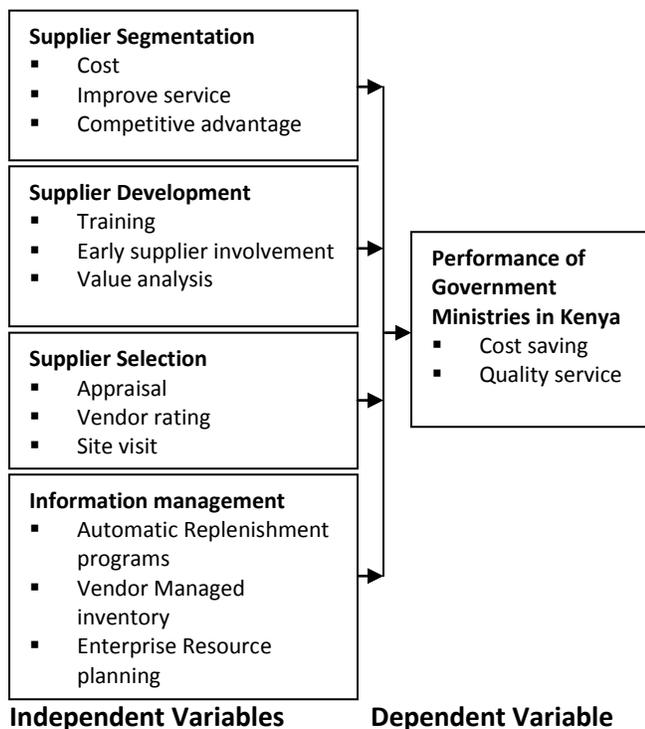
This theory examines and confirms the applicability of information management as having an influence in the performance of procurement. The Ansoff (1957) Product-Market Growth Matrix, a marketing tool formulated by Igor Ansoff, provides managers with the idea to grow businesses depending on both new and existing products and markets. This matrix enables organizations to choose what game plan to use to ensure a company gains competitive advantage. Of the four procedures contained in the tool, market penetration requires that the company should introduce new commodities, which would enable them penetrate the markets effectively and even take a part of the market share of its competitors. Other techniques to drawing non-clients of your item or persuading current customers to utilize a greater amount of your item is the use of advertising and other available methods of product promotion (Hill and Jones, 2001). Product improvement strategies include one where a firm with a product already in the market could use similar means to promote a new product entering into the same market. Every now and again, when a firm makes new items, it is able to gain new clients for the items. New product development could also be an efficient strategy to ascertain high level of competitiveness for a firm (Aliouat and Boualem, 1997).

A legitimate item in the market could focus to an alternate client section, as a procedure to gain more income for the firm. Broadening results in the organization entering new markets where it was absent previously. It ordinarily requires new abilities, methods, and facilities for an organization to operate

successfully. Subsequently, it has more often than not prompted physical and hierarchical changes in the structure of the business, which demonstrates an unmistakable break with past business experience (Postrel and Steven, 2000). The framework illustrates further, that the component of risk builds the further the system moves from known items like the current products or the present nature of the market.

In this way, product development and market augmentation ordinarily includes a more serious risk than 'penetration' of the existing item and existing business sector and diversification of the developed product for the new market. For this reason, many marketing roles revolve around penetration. Grant (2000) contends that the Ansoff Matrix, notwithstanding its popularity, is as often as possible of restricted esteem - despite the fact that it constantly offers a helpful reminder of the open options.

### Conceptual Framework



**Figure 1: Conceptual framework**

Source: Author (2019)

### Empirical Review

In view of a research conducted by David (2011), the relationship between the buyer and vendor has been precisely considered for quite a long time. Since man found that something could be exchanged for something different, it has been contemplated. This included addressing what makes a man need to purchase something. What response occurs in the cerebrum when a man sees an item and has a need to get it. We have all experienced how the existence of an advertisement or similar product could influence the desire to purchase a commodity. When you purchase something, you get it to address an existing need, which differs in definition from one person to another.

Douglas and Lambert, (2004) argues that supplier segmentation is the vital piece of supply relationship administration which includes separating providers, organizing supplier subdivision groups, exploring supplier segments, recognizing openings with suppliers and producing supplier/cost profitability reports.

Supplier Development is the way towards teaming up with suppliers which enhances their performance and capacity to meet the purchasers in both short-term and long-term supply needs (Lysons and Farrington 2012). Krause (2009) recommends that the desire for relationship coherence or at the end of the day, a long-term relationship is vital for spurring coordinated effort in between hierarchical connections. Simatupang and Sridharan (2005) notices that joint data sharing, joint decision-making processes, and proper incentive alignment are factors that encourage collaborative activities. This is in accordance with Bowersox et al (2000) who state that data sharing is perceived as a key necessity for collaborative interorganizational relationships, and further proposes that fruitful buyer-supplier relations rely on large amounts of data sharing. This is additionally upheld by Mohr et al. (2006) who perceive the significance of correspondence in

between authoritative connections, and expanded levels of correspondence which have been observed to be related with relationship congruity (Morgan and Hunt, 2004).

As indicated by Benton and Prahinski (2004), inter-firm communal-based conduct expands participation, shared critical thinking, duty activities, dependability, and relationship consistency. The desire for congruity is a noteworthy forerunner for effective buyer-supplier joint effort (Krause, 2009). In the event that there is no dedication for the more drawn out term (as shown by regular turnover in clients and providers), at that point firms would have a tendency to embrace an absolutely value-based methodology and not esteem interest in cooperation.

Supplier determination: Bailey, Jessop and Jonacs (2008) point out that provider choice is before each purchasing circumstance. The most intriguing purchasing circumstance is the point at which a product is purchased for the first time. The provider's mastery in such a circumstance would be utilized in illustration up the detail and numerous offices could take an interest. Source determination begins with deciding every potential supplier and keeps disposing of them. Data administration is a type of vertical coordinated effort between inventory network accomplices in which the producer includes the supplier at a beginning time of the item improvement process (Van Weele, 2010). Gadde (2010) mentions high contribution connections as the direct inverse of low association connections. Expanding contribution prompts an expanding level of association among buyer and supplier. The advantages of expanded association are possibly lower generation costs, enhanced administration levels and creation adaptability because of better coordination, adaption, and associations. The drawback of an abnormal state of association is that it builds relationship-taking care of expenses.

Since the advantages of high inclusion connections are in all probability not accessible on the first day of communication, the choice about the level of association is a vital speculation choice since relationship takes care of costs increment from the onset. Accordingly, high involvement relations appears to be even more long-term because of the venture choice basic the relationship. The improvement of high contribution needs business adaptations on both the purchasers' and the providers' side. When these adaptations were made, the two gatherings had a tendency to keep up the relationship to receive the potential rewards. Life spans additionally increments on the grounds that the gatherings need to become more acquainted with one another and assemble trust to cultivate the relationship. In this way, most high-inclusion connections are likewise customary. Low-inclusion connections could be short-or long haul and customary or sporadic, however the low-association high-recurrence mix has a tendency to happen frequently. (Gadde, 2010)

## **METHODOLOGY**

The study used descriptive design. Descriptive research design is a method of collecting information by administering questionnaires to a sample of individuals as mentioned by Orodho (2003). The unit of analysis of this study was the procurement staff at Ministry of East African Affairs, Commerce, and Tourism containing of 270 staff. Thus, supplier relationship and its application were relevant at this level prompting the choice of the departments. The research was undertaken using primary data. Quantitative data was analyzed by employing descriptive statistics and inferential analysis using statistical package for social science (SPSS).

## RESULTS

**Table 1: Descriptive statistics for supplier segmentation**

Statement	mean	Standard deviation
We support our suppliers through	3.73	1.096
Our suppliers are strengthen and competitive	3.90	1.024
We involve our suppliers at early stages when choosing the goods	3.81	1.009
We give financial support to our suppliers	3.32	1.256
We train our supplies on our expectation	3.23	1.133
We recognize and awards the outstanding suppliers	3.20	1.071

A mean response of 3.73 indicated that majority of the respondents were in agreement with the statement that they support they suppliers. A mean response of 3.90 indicated that majority of the respondents were in agreement with the statement that their suppliers are strengthen and competitive. A mean response of 3.81 indicated that majority of the respondents were in agreement with the statement that they involve their suppliers at early stages when choosing the goods. A mean response of 3.32

indicated that majority of the respondents were in agreement with the statement that they give financial support to their suppliers. A mean response of 3.23 indicated that majority of the respondents were in agreement with the statement that they train their supplies on our expectation. A mean response of 3.20 indicated that majority of the respondents were in agreement with the statement that they recognize and awards the outstanding suppliers

**Table 2: Descriptive statistics on supplier development**

Statement	mean	Standard deviation
It reduced operation Cost	3.44	1.163
It Improved service delivery	3.40	.971
It created competitive advantage	4.15	.664
Quality service was enhanced	3.47	1.190
Cost for sourcing was minimized	3.49	1.112

A mean response of 3.44 indicated that majority of the respondents were in agreement with the statement that supplier development reduced operation cost. A mean response of 3.44 indicated that majority of the respondents were in agreement with the statement that supplier development had improved service delivery. A mean response of 3.40 indicated that majority of the respondents were in

agreement with the statement that supplier development created competitive advantage. A mean response of 4.15 indicated that majority of the respondents were in agreement with the statement that quality service was enhanced. A mean response of 3.47 indicated that majority of the respondents were in agreement with the statement that the cost for sourcing was minimized.

**Table 3: Descriptive statistics on supplier selection**

Statement	mean	Standard deviation
Our organization do supplier selection and this resulted to	3.54	1.049
We recognized and awarded the outstanding suppliers,	3.30	1.059
We considered quality and reliability when selecting a supplier	3.52	1.050

We practiced supplier evaluation	3.48	1.043
We practiced Supplier appraisal	3.46	1.091
Supplier training and supported our suppliers	2.95	1.074
Keeping the updated data for our suppliers helped in	3.13	1.084

A mean response of 3.54 indicated that majority of the respondents were in agreement with the statement that their organization performs supplier selection. A mean response of 3.30 indicated that majority of the respondents were in agreement with the statement that they recognized and awarded the outstanding suppliers. A mean response of 3.52 indicated that majority of the respondents were in agreement with the statement that they considered quality and reliability when selecting a suppliers. A mean response of 3.48 indicated that majority of the respondents were in agreement with the statement

that they practiced supplier evaluation. A mean response of 3.46 indicated that majority of the respondents were in agreement with the statement that they practiced supplier appraisal. A mean response of 2.95 indicated that majority of the respondents were in agreement with the statement that supplier training had supported their suppliers. A mean response of 3.13 indicated that majority of the respondents were in agreement with the statement that keeping the updated data for their suppliers was of great help.

**Table 4: Descriptive statistics on information management**

Statement	mean	Standard deviation
The ICT enabled information sharing within the organizations	1.96	1.036
The organization had integrated and automated all its operation	4.13	.937
The ICT had provided exchange of key information with its customers and suppliers in the entire procurement system	3.58	1.301
The IT had linked the user materials management system with supplier systems.	2.52	1.145
The ICT enabled organizations to decentralize the procurement processes	2.81	1.367
The IT had changed the way the suppliers are sourced.	2.47	1.245
Our organization had enough procurement strategy which encouraged proper buyer-suppliers relationship	2.67	1.337
Our Organization had a control measure, which ensured there was good Buyer-supplier relationship management.	3.37	.903

A mean response of 1.96 indicated that majority of the respondents were in agreement with the statement that ICT enabled information sharing within the organizations. A mean response of 4.13 indicated that majority of the respondents were in agreement with the statement that their organization had integrated and automated all its operation. A mean response of 3.58 indicated that majority of the respondents were in agreement with the statement that ICT had provided exchange of key information with its customers and suppliers in the entire procurement system. A mean response of 2.52 indicated that majority of the respondents were in

agreement with the statement that IT had linked the user materials management system with supplier systems. A mean response of 2.81 indicated that majority of the respondents were in agreement with the statement that ICT enabled organizations to decentralize the procurement processes. A mean response of 2.47 indicated that majority of the respondents were in agreement with the statement that IT had changed the way the suppliers are sourced. A mean response of 2.67 indicated that majority of the respondents were in agreement with the statement that their organization had enough procurement strategy which encouraged proper

buyer-suppliers relationship. A mean response of 3.37 indicated that majority of the respondents were in agreement with the statement that their organization

had a control measure, which ensured there was good Buyer-supplier relationship management.

**Table 5: Correlation analysis of the variables under study**

		P	SS	SD	SL	IM
P	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	135				
SS	Pearson Correlation	.286**	1			
	Sig. (2-tailed)	.001				
	N	135	135			
SD	Pearson Correlation	.541**	.076	1		
	Sig. (2-tailed)	.000	.378			
	N	135	135	135		
SL	Pearson Correlation	.518**	.374**	.232**	1	
	Sig. (2-tailed)	.000	.000	.007		
	N	135	135	135	135	
IM	Pearson Correlation	.477**	.234**	.188*	.511**	1
	Sig. (2-tailed)	.000	.006	.029	.000	
	N	135	135	135	135	135

Correlation between supplier selection and performance of government ministries was found to be significant (r=0.286,p=0.001).Correlation between supplier development and performance of government ministries was found to be significant (r=0.541,p=0.00)Correlation between supplier segmentation and performance of government ministries was found to be significant (r=0.518,p=0.00)Correlation between information management and performance of government

ministries was found to be significant (r=0.477, p=0.000)

**Inferential analysis for the variables of the study**

**Regression analysis of Supplier segmentation on performance of government ministries**

**Objective 1:** To establish the influence of Supplier segmentation on performance of government ministries. The regression results were as shown in table 6.

**Table 6: Regression analysis - Supplier segmentation**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
	.286	.082	.075	.306		
ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1.110	1	1.110	11.869	.001
	Residual	12.432	133	.093		
	Total	13.542	134			
Coefficients						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	3.088	.292		10.573	.000

SS	.249	.072	.286	3.445	.001
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Dependent Variable: P

The regression results in table 6 showed the association between Supplier segmentation on performance of government ministries. With  $R=0.286$  and  $R^2=0.082$ , the model implied that about 28.6% of performance of government ministries were accounted for by Supplier segmentation, while a variation of 8.2% in performance of government ministries were brought about by Supplier segmentation. The F test was significant with a p value =0.001 which was less than the standard p value of 0.05 and this meant that the model was significant. From ANOVA, since p value  $p=0.001$  and was lower than  $p=0.05$  (p value  $0.001<0.05$ ), then the

contribution of Supplier segmentation was significant. The coefficient for ( $\beta$ ) was also significant ( $\beta = 0.249$ ,  $t = 3.445$ ,  $p = 0.001<0.05$ ) indicating that Supplier segmentation increased by about 0.249 units.

**Regression analysis of Supplier Development on performance of government ministries**

**Objective 2:** To establish the influence of Supplier development on performance of government ministries

The regression results were as shown in table 7.

**Table 7: Regression analysis - Supplier Development**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.541	.293	.287	.268		
<b>ANOVA</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	3.964	1	3.964	55.042	.000
1	Residual	9.578	133	.072		
	Total	13.542	134			
<b>Coefficients</b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.166	.260		8.320	.000
1	SD	.466	.063	.541	7.419	.000

The regression results showed the association between Supplier developments on performance of government ministries. With  $R=0.541$  and  $R^2=0.293$ , the model implied that about 54.1% of performance of government ministries were accounted for by Supplier development, while a variation of 29.3% in performance of government ministries were brought about by Supplier development. The F test was significant with a p value =0.000 which was less than the standard p value of 0.05 and this meant that the model was significant. From ANOVA, since p value

$p=0.000$  and was lower than  $p=0.05$  (p value  $0.000<0.05$ ), then the contribution of Supplier development was significant. The coefficient for ( $\beta$ ) was also significant ( $\beta = 0.466$ ,  $t = 7.419$ ,  $p = 0.000<0.05$ ) indicating that Supplier development increased by about 0.466 units.

**Regression analysis of Supplier selection on performance of government ministries**

**Objective 3:** To establish the influence of Supplier selection on performance of government ministries.

The regression results were as shown in table 8.

**Table 8: Regression analysis - Supplier Selection**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.518	.269	.263	.273		
<b>ANOVA</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.640	1	3.640	48.895	.000
	Residual	9.902	133	.074		
	Total	13.542	134			
<b>Coefficients</b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.517	.226		11.131	.000
	SL	.391	.056	.518	6.993	.000

The regression results in table 8 showed the association between Supplier selection and performance of government ministries. With R=0.518 and R<sup>2</sup>= 0.269, the model implied that about 51.8% of performance of government ministries were accounted for by Supplier selection, while a variation of 26.9% in performance of government ministries were brought about by Supplier selection. The F test was significant with a p value =0.000 which was less than the standard p value of 0.05 and this meant that the model was significant. From ANOVA, since p value p=0.000 and was lower than p=0.05 (p value

0.000<0.05), then the contribution of Supplier selection was significant. The coefficient for (β) was also significant (β = 0.391, t = 6.993, p = 0.000<0.05) indicating that Supplier selection increased by about 0.391 units.

**Regression analysis of Information management on performance of government ministries**

**Objective 4:** To establish the influence of information management on performance of government ministries. The regression results were as shown in table 9.

**Table 9: Regression analysis - Information Management**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.477	.227	.221	.281		
<b>ANOVA</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.075	1	3.075	39.075	.000
	Residual	10.467	133	.079		
	Total	13.542	134			
<b>Coefficients</b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.199	.303		7.251	.000
	IM	.457	.073	.477	6.251	.000

The regression results in table 9 showed the association between information management and

performance of government ministries. With R =0.477 and R<sup>2</sup>= 0.227, the model implied that about 47.7% of

performance of government ministries were accounted for by information management, while a variation of 22.7% in performance of government ministries were brought about by information management. The F test was significant with a p value =0.000 which was less than the standard p value of 0.05 and this meant that the model was significant. From ANOVA, since p value p=0.000 and was lower than p=0.05 (p value 0.000<0.05), then the contribution of information management was significant. The coefficient for ( $\beta$ ) was also significant ( $\beta = 0.457$ ,  $t = 6.251$ ,  $p = 0.000 < 0.05$ ) indicating that information management increased by about 0.457 units.

**Regression analysis for the joint effect of Supplier segmentation, supplier development, supplier selection and information management on performance of government ministries**

**Objective 5:** To establish the influence of the joint effect of Supplier segmentation, supplier development, supplier selection and information management on performance of government ministries. The regression results were as shown in table 10.

**Table 10: Regression analysis - (Supplier Segmentation, Supplier Development, Supplier Selection and Information Management)**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.714	.509	.494	.226		
<b>ANOVA</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.895	4	1.724	33.711	.000
	Residual	6.647	130	.051		
	Total	13.542	134			
<b>Coefficients</b>						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.477	.339		1.405	.012
	SS	.087	.058	.100	1.513	.033
	SD	.369	.055	.428	6.753	.000
	SL	.195	.057	.259	3.406	.001
	IM	.230	.069	.240	3.348	.001

The regression results in table 10 showed the association for the joint effect of Supplier segmentation, supplier development, and supplier selection and information management on performance of government ministries. With  $R = 0.714$  and  $R^2 = 0.509$ , the model implied that about 71.4% of performance of government ministries were accounted for by joint effect of Supplier segmentation, supplier development, supplier selection and information management, while a variation of 50.9% in performance of government

ministries were brought about joint effect of Supplier segmentation, supplier development, supplier selection and information management. The F test was significant with a p value =0.000 which was less than the standard p value of 0.05 and this meant that the model was significant. From ANOVA, since p value p=0.000 and was lower than p=0.05 (p value 0.000<0.05), then the contribution of joint effect of Supplier segmentation, supplier development, supplier selection and information management was significant.

## SUMMARY AND CONCLUSIONS

On the first objective which was to find out how supplier segmentation influences performance of government ministries, Most of the respondents were aware of supplier segmentation and its influence on performance of government ministries.

On the second objective which was to find out how supplier development influences performance of government ministries, Most of the respondents were aware of supplier development and its influence on performance of government ministries. Based on the findings, it's clear that investing more on training of supplier has a very direct impact on their performance of government ministries in Kenya.

On the third objective which was to find out how supplier selection influences performance of government ministries, Most of the respondents were aware of supplier selection and its influence on performance of government ministries. Based on the study is quite evident that selection as a process of identifying the supplier is very key to the ultimate performance of the government ministries.

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On the fourth objective which was to find out how information management influences performance of government ministries, Most of the respondents were aware of information management and its influence on performance of government ministries. Based on the study information management has a direct impact on the performance of government ministry because information on supplier gives a proper judgment on the individual performance.

From the researcher objectives and the research questions the underlying objectives of the study were well achieved.

## RECOMMENDATIONS

It was clear that there exists a strong correlation between supplier relationship and performance of government ministries. Therefore a lot of efforts should be put in supplier development, supplier selection, segmentation, and information management to enhance the performance of Government ministries in Kenya.

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