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**INFLUENCE OF SUPPLY CHAIN PARTNERSHIPS ON  
ORGANIZATIONAL PERFORMANCE OF TEA  
PROCESSING FIRMS IN KERICHO  
HIGHLANDS, KENYA****Kiprotich Victor & George Wanderi Karanja**School of Entrepreneurship, Procurement and Management  
Jomo Kenyatta University of Agriculture and Technology, Kenya**ABSTRACT**

*Buyer-supplier relationship in Kenya presently is not really to the expected level. Many organizations have not yet realized the need to move from just buyer-supplier relationship with their suppliers to strategic partnerships. The main aim of this study was to establish the influence of buyer-supplier relationship on the performance of tea processing firms in Kericho Highlands, Kenya. Specifically the study sought to determine the influence of supply chain partnerships on the performance of tea processing firms in Kericho Highlands, Kenya. The study was anchored on transactional cost economic theory. A cross-sectional research design was adopted in the study. The targeted population comprised of the factory unit manager, procurement officer, accounting officer, tea extension officer and representative of user departments of the 12 processing firms. A census design was used to select the sample size. The researcher conducted a pilot study in Olunguruane Tea Factory to determine the validity of the questionnaires. Descriptive and inferential statistics were used to analyse data. Descriptive statistics was used to show frequencies, percentages and ratios while inferential statistics were used to show relationship between variables. From the findings the study established that there exists a strong positive and significant relationship ( $r = .817$ ,  $P=0.000$ ) between supply chain partnership and organization performance. The research suggested that further studies should be conducted to assess the factors contributing to the choice of buyer-supplier relationship tea processing firms in other tea highland counties.*

**Keywords:** *Supply chain partnership, Organizational performance*

## 1.0 INTRODUCTION

According to Rouse (2014), buyers relationships with suppliers is viewed as the all-inclusive approach that is used to manage the interrelations between the suppliers and the users of the goods and services that are supplied by these suppliers. Rouse argues that the goal of buyer's relations with selling organization is to align the activities that exist between the organization and its suppliers so as to achieve an effective and efficient process. The relationship between the buyer and supplier is a thought that has not been around for long with different people differing in their views on the same. Those who advocated for it have been able to put forward the benefits of good supplier relationship management. According to Roca (2015), creating friendship with the suppliers and sharing of the most important and strategic information will lead to reduced delivery time, better product and service attributes, making operation schedules flexible and be able to come up with long-term cost reductions, therefore improving value for the final customer.

In Great Britain Dües, Tanand Lim (2013) observed that in buyer- supplier relationship collaborative relationships are best suited where customer faces high risk; the product supplied is technically complex leading to high switching costs; supply of new product/service and new supplier may be required; where supply market for the product is fast changing; in terms of technology and legislation or supply market is restricted, i.e. there are few competent and reliable supplier firms. A collaborative environment requires mutual trust and inter-firm dependency, both formal and informal communication, strong commitment towards same goals, inter-organizational capability and the management creating a network culture. The underlying objective of these long-term relationships is delivery of substantial benefits and advantages to the involved supply chain partners.

Supplier relationship management helps organizations to mitigate risk by; providing timely supplier risk information, this can be financial or suppliers past performance records. Hassan Habib and Khalid (2014) argued that purchasing plays a vital role in acquiring competitive edge for an organization and therefore it needs to strengthen its relationship with its various suppliers for it to achieve long-term reward. Supplier-buyer relationship can help streamline processes that are likely to reduce communication problems. This is usually achieved when the buyers and suppliers work together and are regularly in contact. Supplier costs whether direct or indirect, are normally too high due to poor performance because of poor supplier-buyer cooperation and commitment. Supplier-Buyer Relationship can ensure that cost saving is increased. (Markel, 2013).

According to World Bank (2017), the buyer supplier relationship has deteriorated in manufacturing sectors in Nigeria resulting to a decline in GDP from 9.8% achieved in the year 2009 to 9.6% achieved in the year 2013. The procurement costs as a percentage of total cost is 50-80% for manufacturing companies that develop, manufacture, trade and/or distribute goods. Buyer supplier relationship and the impact on the supply chain can be substantial from the integration and implementation to the benefits and challenges procurement faces today. One thing is certain, suppliers' relationship will affect the future economy (Knight, & Wakeley, 2016). Together with sustainability, strategic partnering is at the top of the corporate agenda of many global organizations and is seen as one of few remaining procurement topics that can still make a significant difference.

Kamau, (2013) conducted a study on the effects of buyer-supplier relationship on the performance of large manufacturing firms in Kenya. The researcher found out that lack of communication, lack of commitment, lack of trust, lack of co-operation and poor performance are the challenges facing buyer-supplier relationships. Apart from benefits such as cost reduction, with a good relationship you get competitive advantage. Mutual buyer-supplier relationships provide benefits in terms of information exchange and sharing, with the objective on building a satisfactory outcome in various fields and activities carried out (Kros, Kirchoff & Falasca, 2018).

Kericho Highlands region is located to the west of one of the Kenya's most important water towers the Mau forest complex. The region consists of 12 tea processing firms which are; Chelal, Kapkatet, Mogogosiek, Kobel, Kapset, Rorok, Toror, Tegat, Momul, Litein, Kapkoros and Tirgaga tea factories. These factories operate under management of Kenya Tea Development Agency (KTDA) through a management agreement. KTDA provides the following technical services to the factories; Give advice on tea cultivation techniques, gather, measure the weight, manage and make payments to farmers who are the suppliers of the green leaf, process green leaf to made tea, look for market for the processed tea, offer financial services to the factory, develop and provide services in procurement, ICT and HR, Provision of efficient and effective agricultural services in the growing, collection and delivery of green leaf to the factory, processing of high quality tea products and ensuring that consistency is maintained at all times, grading and packing of made tea to acceptable marketed products (KTDA, 2014).

### **Statement of the Problem**

Effective long-term buyer supplier relationship makes supplier and buyers to gain a more complete understanding of their responsibilities in the relationship and the purpose of the relationship. Poor buyer-supplier relationship can lead delayed supply of goods making the involved organization to incur losses in terms of customer goodwill as well as supply of goods and services that are not of the required quality and quantity. This is the current situation in Kericho highland tea processing firms. Over the years the performance of firms in Kericho highland tea is poor compared to other regions such as Kirinyaga and Nyandarua (KTDA, Report, 2017). The tea processing firms in Kericho highlands have incurred losses immensely due to poor buyer supplier relationship which is evident by lack of buyer supplier trust, commitment, cooperation, and communication between the tea processing firms and buyers and suppliers when contracting and during contract management. There have been many customer complaints received on delayed supply processed tea to the market as well as low quality tea and high cost of production. The processing firms are focused on the short terms relationship with their suppliers and buyers where maximizing profit is their main focus (KTDA report 2018). Therefore, the current study sought to determine the influence of supply chain partnerships on the performance of tea processing firms in Kericho Highlands, Kenya.

### **Research Hypothesis**

**H<sub>01</sub>:** There is no significant influence of supply chain partnership on organizational performance of tea processing firms in Kericho Highlands, Kenya.

## **2.0 LITERATURE REVIEW**

### **Theoretical Review**

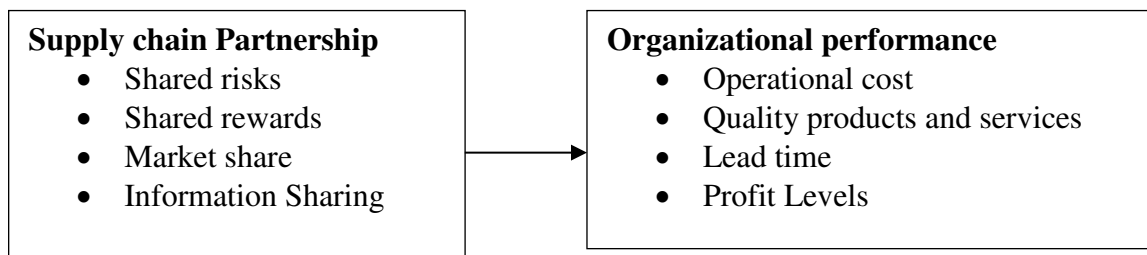
The study was anchored on the concept of network theory.

### **Network theory**

The theory was developed by Estrada in 1993. Network theory deals with the cooperation of firms with various entities, as for instance suppliers, customers or buyers throughout their supply chains. In the current competitive business environment, a single organization by itself cannot be able to wholly accomplish all its goals. With time, customer demands change and become more specific and therefore firms must be able to adopt the ever changing business environment and have the ability to undertake and monitor various activities across the supply chain so as to meet customer needs and reduce cost. Network relations makes information sharing between buyers and sellers possible and are therefore able to access a large pool of resources which are important for them to undertake various activities and meet their targets. This therefore leads to the need for a closer and mutual relationship into the future between supply chain organizations. The interrelation between the suppliers and the buyers create a closer relationship amongst them. It is through closer

relationships that there is increased communication amongst them and sharing of information. This information is vital for both parties as they aim at a common goal. The parties often share resources hence creating a competitive edge. This theory is built on the construct that two or more parties can easily accomplish a task which would have been hard to take time to be accomplished by one party. The interrelation between the pool of buyers and suppliers therefore leads to achievement of effectiveness and efficiency in execution of duties and responsibilities as a result of mutual understanding and mutual goal. This theory is relevant to the study since it gives an insight on advantages accrued to availability of a large pool of suppliers at the buyer's disposal who work together towards achieving a common goal in the supply chain. Thus the theory addresses the benefits of supplier partnership in an organization in order to strengthen longer term relationship.

### Conceptual Framework



**Figure 1: Conceptual Framework**

### Supply Chain Partnership

According to Rezaei, Ortt and Trott (2015), partnership is a business relationship that is characterized by existence of trust between the business parties, sharing of risks and rewards as well as openness among the parties in the relationship that will lead to a greater and better performance which will not be achieved by the individual firms if they do not worked together. Partnership relationship is a long-term relationship which benefits the business parties or organizations involved. With this type of relationship, both the buyer and the supplier benefit from the relationship. It exhibits varying level of trust between the parties. Organizations tend to work together so as to save on cost as well as increase innovation. The reasons as to why organizations should partner are; increased asset and cost effectiveness, increase access to larger market, enhanced customer service and increased profitability. Supportiveness of the environment is measured by facilitators which include; managerial philosophy of the organization, corporate compatibility, symmetry and mutuality.

Srivastava and Rawwas (2017) affirmed that if every part of the production network considers itself to be a financial specialist these results won't show up. He promote demonstrates that working co-operatively with the provider helps an organization to amplify its advantages and contends that the co-operation between the buyer and provider unlocks a limit with regards to development that far exceeds the transient investment funds offered by a safe distance aggressive offering". In this way the point of association sourcing is to accomplish more noteworthy advantages through great provider purchaser connections.

Association sourcing is a component of focused methodology of an association and is produced and actualized with the goal to give benefits (Sadler, 2013). The point of an effective association is reducing stock times, reducing lead times, achieving a more prominent adaptability, enhancing the income and bringing down the managerial costs (Nguyen, Nguyen & Bosch 2017). When the facilitators and the driving factors are strong for a partnership to be created, managers us such components as planning, operations control by both parties, risk and reward to build and manage the partnership. The end result is used to measure how well the partnership is achieving the expected outcome which had been outlined at the beginning of the partnership feedback which is vital in managing and making improvements to the partnership (Han, Huang & Macbeth 2018).

### **Organizational Performance**

Griffin (2010) defines organizational performance as the final result attained by a firm and is characterized by availability of a given target, the timespan to achieve the said targets and realization of effectiveness and efficiency. Organizational performance can also be defined by the ability of an organization to produce goods of superior quality, maximize profit, expand and acquire a large market share and have the best strategies that are applicable during various situations (Koontz and Donnell2003).

According to Inayatullah, (2012), the overall organizational performance can be divided in to operational performance, financial performance and product performance. Operational performance is characterized by high or rather better product and service quality, reduced time used to develop a product and deliver it to the buyer, effective utilization of the available resources and reduced operational cost. Financial performance is characterized by increased market share, high profit margins, and high rate of inventory turnover, productivity and return on investment. Product performance is characterized by the functionality of a given product, operating expense incurred and ease of use of the product.

Organizational performance therefore acts as a unit of measure to evaluate the profitability, quality of the product and the market share possessed by the organization as compared to other organizations. It also reflects the level of satisfaction of employees of the organization by measuring their productivity in terms of growth and expansion, profitability and increased revenue.

Kilonzo (2014) defines organizational performance as the ability of an organization to fulfill its mission through effective and efficient management, the desire to achieve results and good governance .When defining organizational performance it is important to put into consideration the various organizational performance measures. According to Corina, Liviu and Roxana (2011), organizational performances is define as a group of indicators, both financial and non-financial, which give information on the level of achievement of results and objectives. In same spirit, Kaplan and Norton (2015) came up with the Balanced Scorecard which translates an organization's mission and strategy into an all-inclusive aspects performance measure that gives the framework for a strategic management and measurement. It uses four balanced perspectives which are; accounting measures, economic value measures, operational performance measures and market based measures.

The bridge between relationship and performance has been examined by contemporary research and emphasized on the need for organizations to move toward closer, more cooperative relationships. Johnson, Wood, Wardlow and Murphy (2015) demonstrate gains of these relationships such as: increased customer loyalty, delivery of better quality goods and services, improved product and process design, better financial performance, reduced lead time and improved responsiveness to orders and complaints. Business owners and the top management of any organization and starting to realize that successful buyer-supplier relationships can lead to accessing of modern technology and information, increased market share and increase return investment as compared to their competitors who do not engage in such close relationships (Fawcett, 2012).

### **Empirical Review**

Hassan, Habib and Khalid (2014) conducted a research on the role of buyer-supplier relationship on buying firm's performance in chemical sector of Pakistan. The researchers used cross-sectional survey research design to conduct the study. Questionnaires were formulated and distributed to the target population through drop and pick method. The researchers found out that high levels of relationship leads to hidg levels of trust which in turn has a positive impact on the organization's performance. The findings were echoed by Mwangi (2015) who found out that most organization's performance are greatly influenced by high levels of trust between the buyer and the supplier. The study was only limited to the chemical sector in Pakistan. The researchers however failed to give a clear view on the effect of buyer-supplier relationship on buying firms performance since the data collected were only from six organizations out of the 30 who were given the questionnaires.

Mwasamila (2013) conducted a research to assess the challenges of managing buyer supplier relationship in private organizations. A sample size of 30 respondents was selected for the study. Questionnaires, document review and interviews were used to collect data. The researcher found out that late payments, win-win relations, unfavorable prices and long procedures of approving the documents were some of the challenges of managing buyer-supplier relationships. This was confirmed by Crujisen and Rossi (2012). The research was also limited to private organizations. The researcher was faced with the challenge of failure of some respondents to answer the questionnaires.

Frank (2015) conducted a research to assess the effect of effectiveness and impact of buyer-supplier relationship on performance of small and medium enterprises in Kumasi metropolis, South Africa. The researcher used simple random sampling to select 100 respondents for the study. He found out that SMEs have a positive perception of buyer-supplier relationship and that it has improved their performance. The study was limited to Kumasi metropolis. The researcher was faced with resource constraints as well as failure of some respondents to respond to the questionnaires.

Otieno (2016) carried out a study on buyer supplier relationship in Kenya's public universities. The researcher employed a cross-sectional survey of 22 chartered public universities in Kenya. Primary data was collected using questionnaires. The study found out that buyer-supplier relationships are very significant in enhancing the performance of any given organization. These findings were echoed by Kamau (2013) who did a research on buyer-supplier relationship and organizational performance among large manufacturing firms in Kenya and concluded that buyer supplier relationship has assisted large manufacturing companies enhance performance. However, the study only focused on Kenya' public universities. The researcher was faces with challenge of accessing some crucial information as well as non-commitment by respondents.

Mutio (2015) carried out a study on buyer-supplier relationship and organizational performance of pharmaceutical manufacturing firms in Kenya. He used a cross-sectional survey of 30 pharmaceutical manufacturing firms in Kenya. Survey was used because the target population was quite small. Mutio found out that buyer supplier relationships have assisted pharmaceutical manufacturing firms enhance performance. These findings were supported by Otieno(2016) who conducted a research on buyer supplier relationship in Kenya's public universities and found out that buyer supplier relationship significantly enhance performance. The study was however limited to pharmaceutical firms in Kenya. The researcher was faced with the challenge of respondents failing to answer the questionnaires which may hinder the accuracy of the findings.

### **Critique of Literature**

Hassan, Habib and Khalid (2014) conducted a research on the role of buyer-supplier relationship on buying firm's performance in chemical sector of Pakistan. The researchers used cross-sectional survey research design to conduct the study. Questionnaires were formulated and distributed to the target population through drop and pick method. However, the study was conducted in Pakistan and adopted a cross-sectional survey research while the study will use descriptive survey.

Mwasamila (2013) conducted a research to assess the challenges of managing buyer supplier relationship in private organizations. A sample size of 30 respondents was selected for the study. However, the study sample size was 30respondents unlike the current study which had a sample size of 60 respondents from 12 tea processing firms.

Frank (2015) conducted a research to assess the effect of effectiveness and impact of buyer-supplier relationship on performance of small and medium enterprises in Kumasi metropolis, South Africa. The researcher used simple random sampling to select 100 respondents for the study. However, the study sample size was 100 respondents unlike the current study which had 60 respondents. Thus the findings of the study may not be applicable as the sample size differs.

### **Research Gap**

Hassan, Habib and Khalid (2014) conducted a research on the role of buyer-supplier relationship on buying firm's performance in chemical sector of Pakistan. Nonetheless the study was conducted in a different geographical location thus the factors influencing buyer-supplier relationship in Pakistan may not be applicable in the Kenyan context. Mwasamila (2013) conducted a research to assess the challenges of managing buyer supplier relationship in private organizations. The study focused on the challenges of managing buyer supplier relationship while the current study focused on the influence of buyer supplier relationship on organizational performance.

Otieno (2016) carried out a study on buyer supplier relationship in Kenya's public universities. The researcher employed a cross-sectional survey of 22 chartered public universities in Kenya. The study was conducted in public universities while the current study was conducted in Tea processing firms. Mutio (2015) carried out a study on buyer-supplier relationship and organizational performance of pharmaceutical manufacturing firms in Kenya. The study was conducted in manufacturing firms targeting 30 firms while the current study targeted 12 tea processing firms.

### **Summary of Reviewed Literature**

The study was anchored on the concept of network theory. The network theory asserts that firms can gain a competitive edge through a well-organized supply chain which leads to efficiency and effectiveness to the parties involved. Network relations makes information sharing between buyers and sellers possible and are therefore able to access a large pool of resources which are important for them to undertake various activities and meet their targets. This therefore leads to the need for a closer and mutual relationship into the future between supply chain organizations. The relationship marketing theory focuses on a relationship that is destined to last long into the future as well as continuously adding value. For organizations to transact there must be a certain relationship between them. Each party must have something that brings them together

## **3.0 RESEARCH METHODOLOGY**

A cross-sectional research design was adopted in the study. It is important and appropriate to use cross-sectional research design where subjects are observed in their natural set ups without manipulating the environment and when collecting information about people's opinions on the same subject from more than one entity.

### **Target Population**

The researcher conducted a study in 12 tea processing firms in Kericho highlands. The targeted population comprised of the Factory Unit Manager, Procurement Officer, Accounting officer, Tea extension officer and Representative of user departments of the 12 processing firms. This made a total of 60 respondents. Due to a manageable target population of 60 respondents from 12 tea processing firms, the researcher needs not to find the sample size. The sample size was all the 60 respondents. The researcher therefore used census to select the sample size.

### **Data Collection Instruments and Procedure**

The research used questionnaires. Documents were prepared with a set of questionnaires that are to be answered by respondents. Data collection began by getting a letter from Jomo Kenyatta University of Agriculture and Technology authorizing the study to be conducted. The researcher sought for a permit from the National Commission for Science, Technology and Innovation (NACOSTI). The primary data was gathered from all sections of the respective firms since they understood better. The data was collected by use of a structured questionnaire, which was administered by "drop and pick" method.

### Pilot Test

The researcher conducted a pilot study at another tea factory, Olenguruane Tea Factory. The reliability of questionnaires were measured through examination of internal consistency of the measures. Reliability was achieved by computing Cronbach's alpha coefficients. Internal consistency was computed on data collected after piloting the developed questionnaire among The Procurement Officer, Accounting officer, Tea extension officer and Representative of user departments in Olenguruane Tea Factory. Expert judgments was used to improve the validity of an instrument

### Data Analysis and Presentation

Descriptive and inferential statistics were used to analyse data. Descriptive statistics was used to show frequencies, percentages and ratios while inferential statistics were used to show relationship between variables. Each questionnaire was coded and data entered in SPSS Version 24.0. The means, maximum, minimum and standard deviations of the various items of the variables under focus will be achieved through the SPSS analysis. Pearson correlation coefficient was determined in the analysis and it enables the establishment of how the independent and dependent variables related to each other. Pearson correlation( $r$ ) establishes if there is a repetitious connection amongst the variables. The following multivariate regression model will be used to show the link between the dependent and independent variables.

$$Y = \beta_0 + \beta_1 x_1 + e.$$

Where:

$Y$  = organizational performance

$\beta_1$  = regression coefficients of the following variables respectively

$\beta_0$  = Constant Term

$x_1$  =Supply Chain partnership

## RESEARCH FINDINGS AND DISCUSSION

The study administered 60 questionnaires for data collection. However, 52 questionnaires were properly filled and returned. This represented 87 percent overall successful response rates.

### Background Information

**Table 1: The duration the respondents have been in their current postion**

	Frequency	Percentage
Less than 5 years	19	36
5-10 years	24	46
11-15 years	6	12
Above 15 Years	3	6
<b>Total</b>	<b>52</b>	<b>100</b>

From the findings 36% of the respondents indicated that they have been in the current position for less than 5years, 46% of the respondents indicated that they have been in the current position for 5-10 years, 12% of the respondents indicated that they have been in the current position for 11- 15 year while 6% of the respondents indicated that they have been in their current position for more than 15 years. This implies that most of the respondents have been in the current postion for 5-10 years.



**Table 2: Duration the Company has been in Existence**

	Frequency	Percentage
1-10 Years	3	6
11- 20 Years	6	12
21-30 Years	24	46
Above 30Years	19	36
<b>Total</b>	<b>52</b>	<b>100</b>

From the findings 6% of the respondents stated that the company has been in existence for 1-10years, 12% stated that the company has been in existence for 11-20 years, 46% stated that the company has been in existence for 21-30years while 36% of the respondents stated that the company has been in existence for more than 30years. This implies that most of the companies have been in existence for 21-30 years.

### Descriptive Findings and Discussions

**Table 3: Influence of supply chain partnership on the performance of tea processing firms**

Supply chain Partnership	SA	A	N	D	SD	N	Mean	Std
Sharing of risks between the buyer and supplier contributes to reduction of lead time	46%	44%	4%	6%	0%	52	4.64	0.314
Sharing of risks between the buyer and supplier enhances the quality of product and services	43%	52%	2%	3%	0%	52	4.52	0.465
When buyer and supplier share the rewards they strive to maintain the quality of product and services	41%	52%	2%	5%	0%	52	4.46	0.567
Sharing of reward between the buyer and supplier encourage both parties to ensure a sustained profit growth	47%	36%	7%	10%	0%	52	4.57	0.341
Frequent information exchange between the buyer and suppliers leads to reduction in lead time	52%	33%	4%	9%	2%	52	4.59	0.343
Maintaining of long-term relationship between the buyers and suppliers result to a reduction in operational cost	56%	34%	4%	6%	0%	52	4.53	0.476
Timely information sharing between the buyer and supplier enhances the quality of product	49%	39%	10%	2%	0%	52	4.35	0.567

The findings indicated that majority of the respondents (90%) agreed that sharing of risks between the buyer and supplier contributes to reduction of lead time, with a mean of 4.64 and std dev of 0.314. In addition majority of the respondents (95%) agreed that sharing of risks between the buyer and supplier enhances the quality of product and services with of a mean of 4.52 and std dev = 0.465. Further majority of the respondents (93%) agreed that when buyer and supplier share the rewards they strive to maintain the quality

of product and services with of a mean of 4.46 and std dev = 0.567. It was also noted that majority of the respondents (80%) agreed that sharing of reward between the buyer and supplier encourage both parties to ensure a sustained profit growth with a mean of 4.57 and std dev = 0.341. In addition majority of the respondents (85%) agreed that frequent information exchange between the buyer and suppliers leads to reduction in lead time with a mean of 4.59 and std dev = 0.343. The study also indicated that majority of the respondents (90%) agreed that maintaining of long-term relationship between the buyers and suppliers result to a reduction in operational cost with a mean of 4.53 and std dev = 0.476.

More so majority of the respondents (88%) agreed that timely information sharing between the buyer and supplier enhances the quality of product with a mean of 4.35 and std dev = 0.567. The study is in line with Rezaei, Ortt and Trott (2015) who observed that partnership relationship is a long-term relationship which benefits the business parties or organizations involved. With this type of relationship, both the buyer and the supplier benefit from the relationship. It exhibits varying level of trust between the parties. Organizations tend to work together so as to save on cost as well as increase innovation.

**Table 4: Performance of the Tea processing Firms**

<b>Performance</b>	<b>SA (%)</b>	<b>A (%)</b>	<b>N (%)</b>	<b>D (%)</b>	<b>SD (%)</b>	<b>Mean</b>	<b>Std</b>
The organization register less operational cost	64	29	2	5	0	4.403	0.478
There are minimal supplier complaints	54	30	8	5	3	4.307	0.438
Products are delivered within the stipulated timelines	38	38	4	11	9	4.145	0.307
Good procured meet the set standards	43	34	7	5	11	4.387	0.469
The organization has been registering a growth in the profitability	60	32	5	3	0	4.489	0.456

The researcher further sought to establish the performance of the tea processing firms. The findings in Table 4 revealed that majority of the participants agreed with a mean of 4.403 and standard deviation of 0.478 that the organization register less operational cost. In addition majority of the respondents strongly agreed with a mean score of 4.307 and standard deviation of 0.438 that there are minimal supplier complaints. Furthermore, the study sought to establish whether products are delivered within the stipulated timelines. The findings revealed that majority of the respondents were in agreement with a mean of 4.145 and standard deviation of 0.307. In addition, the study sought to find out whether goods procured meet the set standards of quality. Majority of the participants were in agreement in their responses with a mean of 4.387 and standard deviation of 0.469. Finally majority of the respondents strongly agreed with a mean score of 4.489 and standard deviation of 0.456 that he organization has been registering a growth in the profitability The standard deviation ranged from 0.731 to 0.869 indicating that the dispersion of the respondents from the mean was minimal. The findings are in line with Kros, Kirchoff & Faliscan (2018) study which noted that supply-buyer relationship has myriad of benefits including cost reduction, a good relationship and competitive advantage. Mutual buyer-supplier relationships provide benefits in terms of information exchange and sharing, with the objective on building a satisfactory outcome in various fields and activities carried out.

**Correlation Between supply chain partnership and organizational performance**

The study conducted a correlation analysis between supply chain partnership and organizational performance

**Table 5: Correlation Between supply chain partnership and organizational performance**

		Supply Chain Partnership
Organizational performance	Pearson Correlation	.817*
	Sig. (2-tailed)	.000
	N	52

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

From the findings the study established that there exists a strong positive and significant relationship ( $r = .817$ ,  $P=0.000$ ) between supply chain partnership and organization performance. Therefore the findings imply that supply chain partnership affects performance of the tea processing firms in Kericho Highlands, Kenya. The findings agree with Kamau, (2013) study which observed that supply chain partnership has a positive relationship with the performance of organization.

**Table 6: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1.007	.205		-4.909	.000
Supply Chain Partnerships	.488	.068	.423	7.177	.001

Dependent Variable: Organizational performance of tea processing firms.

The equation below illustrates the findings of the multiple regression coefficients,

$$Y = \beta_0 + \beta_1 X_1 + \epsilon \text{ Thus, } Y = 2.026 + 0.596X_1 + \epsilon$$

The value of organizational performance of tea processing firms without the influence of the predictor variables is -1.007. This explains that, at any given time, performance of tea processing firms will be -1.007 holding other factors constant at 0. The results also illustrate that, a unit change in supply chain partnerships would result to 0.488 times change in performance of tea processing firms.

**Hypothesis Testing**

The study sought to test the hypothesis that:  $H_{01}$ : Supply chain partnerships do not have any statistically significant relationship with the performance of tea processing firms. From the findings the p-value was 0.001 which was less the 0.01 significant level. Therefore, based on the rule of significance, the study rejects the null hypothesis ( $H_{01}$ ) and concluded that supply chain partnerships have a significant influence on performance of tea processing firms.

## CONCLUSION

From the findings the researcher concluded that sharing of reward between the buyer and supplier encourage both parties to ensure a sustained profit growth. Further the researcher concluded that frequent information exchange between the buyer and suppliers leads to reduction in lead time. The researcher also concluded that maintaining of long-term relationship between the buyers and suppliers result to a reduction in operational cost.

## RECOMMENDATIONS

The study recommends that; the tea processing firms should adopt supply chain partnership as these leads to increased market share, risk reductions, improved delivery service, improved quality, and shorter product development cycles which leads to increased performance of the tea processing firms.

## Suggestions for Further Research

The researcher suggested that further studies should be conducted in a different sector such as the manufacturing form.

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