EFFECT OF SUPPLIER RELATIONSHIP MANAGEMENT ON HUMANITARIAN SUPPLY CHAIN PERFORMANCE AT THE WORLD FOOD PROGRAMME IN SOMALIA

BY

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DECLARATION

This research project is my original work and has never been presented for any academic award in any other university or learning institution.

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This research project has been submitted for examination purposes with my approval as the University Supervisor.

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DEDICATION

This project is dedicated to the dearest figures in my life: My husband, Said Twaha and our two amazing God given children, a very special thank you for your practical and emotional support. Without your love and support this project would not have been made possible. Finally, this project is dedicated to all those who believe in the power of research for the betterment of life on Earth.

ABSTRACT

Supplier Relationship Management is understood as the sourcing policy-based design of strategic and operational procurement processes as well as the configuration of the supplier management. Coordination in humanitarian organizations is often difficult because of the many groups involved (military, government, Non-governmental Organizations), and often inadequate infrastructure. Moreover, in humanitarian supply chain, the "customer" is usually the donor or supplier of goods, rather than the recipient of the aid the programme is designed to help. These donors must be sold by showing the donation is being used properly. Although aid effectiveness as an operational goal of humanitarian organizations is often criticized since it overlooks other goals such as equity, this does not mean that efficiency should be discarded. This is because beneficiaries require humanitarian agencies to demonstrate operational efficiency especially when disasters strike since this can save lives. This means that an organization that does not have a supplier relationship management strategy may fail to attain operational efficiency hence failing to achieve their main objective (saving lives) due to delayed delivery, high costs and poor quality. This therefore calls for supply relationship management on the part of humanitarian agencies. No local study has focused on supply chain relationship among humanitarian organizations; despite the challenges they get in getting supplies on time due to financing and other constraints, a gap that the present study aimed to fill by studying supplier relationship management in humanitarian supply chain at the World Food Programme in Somalia. The study aimed to answer the following question; what is the effect of supplier relationship management on the service performance of World Food Programme in Somalia? This study adopted a survey design. The population of this study was WFP employees in these three categories: all senior managers in both the regional and the liaison office; all procurement staff in both the regional and the liaison office. The study also targeted WFP food suppliers based in Nairobi. The study targeted 7 food suppliers in Nairobi because WFP places a priority on procuring food supplies from the local community. This gave us a sample size of 87. The study collected primary data. Data from WFP employees was collected using self-completion questionnaires. For the suppliers, the CEO/Managing Director/Owner manager or the available senior most employee was be interviewed. The data was analyzed using the IBM Statistical Program for Social Sciences ((SPSS) version 21. Descriptive statistics was used to summarize the data. the organization always shares information with suppliers. The results show that WFP has multiple tier suppliers. It was also revealed that WFP continuously trains employees from then procurement department and that WFP has mechanisms to ensure suppliers conform to quality standards and is keen on suppliers of critical commodities like food. It was also found that IT is used in the execution and management of purchase orders and that the organization's humanitarian supply chain performance, results indicated that WFP Somalia delivers defect free food supplies to beneficiaries. The study makes the following recommendations; WFP's management should begin rewarding suppliers who share information and that the organization should not only have multiple supply tiers but should also well understand each tiers risk profile to enable the organization mitigate any unforeseen events that may affect delivery of supplies especially during emergencies.

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LIST OF ABBRVIATIONS AND ACRONYMS

CSCMP	Council of Supply Chain Management Professionals
FAO	Food and Agriculture Organization
HSC	Humanitarian Supply Chain
HSCM	Humanitarian Supply Chain Management
IBM	International Business Machines
IFAD	International Fund for Agricultural Development
NGO	Non-Governmental Organization
RDT	Resource Dependency Theory
SCM	Supply Chain Management
SET	Social Exchange Theory
TDE	Theory of Dual Economies
UN	United Nations
WFP	World Food Programme

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Supplier Relationship Management (SRM) is a comprehensive approach to managing an organization's interactions with the firms that supply the products and services it uses (Lamming, 2005). SRM plays an important role in the reduction of costs and the optimization of performance in organizations. SRM is understood as the sourcing policy-based design of strategic and operational procurement processes as well as the configuration of the supplier management (Appelfeller & Buchholz, 2005). SRM includes both business practices and software and is part of the information flow component of supply chain management (SCM). SRM practices create a common frame of reference to enable effective communication between an enterprise and suppliers who may use quite different business practices and terminology. As a result, SRM increases the efficiency of processes associated with acquiring goods and services, managing inventory, and processing materials (McLachlin & Larson, 2011).).

Theories underpinning this study are Social Exchange Theory (SET), Resource Dependency Theory (RDT) and Theory of Dual Economies (TDE). SET attempts to study inter-organizational relationships from the dyadic perspective, concentrating on the social structure of the relationship rather than the transaction (Homans, 1958). SET posits that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. As a result actors will remain in a relationship as long as there is value to be had (Cropanzano & Mitchell, 2005). The Resource Dependency Theory (RDT) posits that no single firm has all the resources and functions needed to

operate successful. This therefore means that organizations have to enter into exchange relationships with other organizations. Theory of Dual Economies posits that the dual economy would help large firms survive in world of uncertainty and flux through shifting most of the production and therefore certain risks to the secondary actor. Because small suppliers want to come out of the periphery, this has triggered new buyer-supplier relationships (Berger & Piore, 1980).

World Food Programme (WFP) is providing school meals to relieve hunger and boost enrolment rates, particular of girls by providing take-home family rations for girls attending schools to incentivize parents (WFP, 2015). According to Clarke and Herbst (1997), WFP started operating in Somalia in 1967, focusing on rural agricultural development and school feeding projects. The onset of conflict escalated humanitarian needs and WFP expanded its programmes. WFP Somalia aims to address basic food needs, strengthen coping mechanisms and support the efforts to achieve food security of vulnerable Somalis so they can cope more effectively with hardships. This study aims to investigate how WFP manages the relationship with its suppliers and the effect this has on its performance.

1.1.1 Supplier Relationship Management (SRM)

In today's economies, many organizations get a large majority of their product value from their supply base. Over the past century, outsourcing of services, materials, and manufacturing has grown tremendously as companies have implemented more cost-effective and leaner operating models (Cannon & Homburg, 2001). According to Cox, (2004), purchased items represent approximately 60% of the total cost of goods sold. This trend is expected to continue as companies have realized the necessity of focusing

their resources on their core businesses and competencies and on outsourcing auxiliary functions in which they do not have a competitive advantage. This will allow companies to reduce costs and enhance customer responsiveness as well as optimize resource utilization. As a result of this, many organizations will come to rely heavily on, not only securing the correct supply base, but also on maintaining strategic relationships with suppliers. This is especially important in the procurement of direct, strategic materials, which are procured from a small number of trusted vendors (Lascelles & Dale, 1989).

SRM allows for the development and maintenance of these strategic relationships with key suppliers and forces enterprises to adopt a new way of thinking about the supply chain and supply chain transparency. Rather than seeking the greatest short-term advantage in each transaction, suppliers and their customer organizations seek to work together in close collaboration for long-term mutual advantage (Shin, Collier & Wilson, 2000). These relationships require a new level of trust and commitment that, in past the absent. The trust and commitment mentioned above, motivates suppliers to share their manufacturing, engineering, transport expertise with the organization. By gaining access to this intellectual capital, the organization will be able to design better products and implement leaner and more efficient manufacturing processes. Supplier expertise on transport economics can also be employed by the organization to cut distribution costs and get to market quicker. Cost reductions can be passed onto consumers as decreased prices and this, together with increased speed to market, increases the organizations profitability and strategic competitive position (Shin, Collier & Wilson, 2000).

1.1.2 Humanitarian Supply Chain (HSC)

Humanitarian supply chain is the process of getting aid in the form of goods and services to the beneficiaries requiring the goods. Fritz Institute (2006) defines the term humanitarian supply chain as a process that integrates coordinates and controls the movement of materials, goods and related information from suppliers and donors to meet beneficiary requirements in a timely manner. Humanitarian supply chain covers disaster relief as well as continuous support for developing regions. Thomas (2004) explains that humanitarian supply chain entails the processes of planning, implementing and controlling the efficient, cost effective flow and storage of goods and materials as well as related information from the point of origin to the point of consumption for the purpose of alleviating the suffering of vulnerable people. The function encompasses a range of activities, including preparedness, planning, procurement, transport, warehousing tracking and tracing, customs and clearance.

Humanitarian supply chain shares some common aspects with their commercial supply chain in that in both sides the most must be obtained out of scarce resources and limited budgets. Additionally in HSC, it is important to reach more beneficiaries in need and serve them more quickly. Also, donors increasingly demand accountability, transparency and value for money in return for their sponsorship. Meeting these higher challenging performance and accountability standards requires humanitarian organizations to be more professional in their approach to managing their operations (Thomas & Kopczak, 2005) as 80 percent of humanitarian aid operations comprise supply chain management (Van Wassenhove, 2006).

There exist two types of risk that affect the effectiveness and the efficiency of humanitarian supply chains: the disruption risk and the coordination risk. Whereas the disruption risk relates to complexity and geographical dispersion, the coordination risk refers to ensuring both demand and supply match with each other, despite the pressures of cost-conscious lean and leaner designs. In order to eliminate the coordination risk and achieve economies of scale Schulz and Blecken (2010) suggest the use of collaboration amongst key actors, such as between service providers and humanitarian relief organizations.

1.1.3 World Food Programme (WFP)

The World Food Programme is the world's largest humanitarian agency fighting hunger worldwide. In emergencies, the agency gets food to where it is needed, saving the lives of victims of war, civil conflict and natural disasters. After the cause of an emergency has passed, WFP uses food to help communities rebuild their shattered lives (WFP, 2015). WFP is part of the United Nations system and is voluntarily funded. Created in 1961, WFP pursues a vision of the world in which every man, woman and child has access at all times to the food needed for an active and healthy life. WFP works towards that vision with sister UN agencies; the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD) as well as other government, UN and NGO partners. WFP reaches more than 80 million people with food assistance in 75 countries each year (WFP, 2015).

In Somalia, a country ravaged by unending conflicts, WFP provides school meals to relieve hunger and boost enrolment rates, particular of girls by providing take-home family rations for girls attending schools to incentivize parents (WFP, 2015). According

to Clarke and Herbst (1997), WFP started operating in Somalia in 1967, focusing on rural agricultural development and school feeding projects. The onset of conflict escalated humanitarian needs and WFP expanded its programmes. WFP Somalia aims to address basic food needs, strengthen coping mechanisms and support the efforts to achieve food security of vulnerable Somalis so they can cope more effectively with hardships.

WFP's programmes range from relief, which is provided during emergencies, to activities designed to strengthen the resilience of households against future shocks, such as droughts and floods (WFP, 2015). WFP is now using a targeted approach to relief assistance for people and communities in crisis, including social safety nets and livelihood support projects, some of which are provided on a seasonal basis when needs are greatest, such as between harvests. The organization is also concentrating on nutritional programming. The nutrition strategy in Somalia focuses on treatment of both chronic and acute malnutrition during the current emergency, as well as implementing activities that concentrate on preventing people from becoming malnourished. During lean or dry seasons in highly food insecure areas, WFP provides family rations to malnourished mothers and young children who are part of our supplementary feeding programmes (WFP, 2015). WFP has regional offices around the world as well as country offices. The regional office overseeing operations within the region is based in Nairobi as well as the Somalia liaison office. For food, WFP operates on three levels: Headquarters, regional and local. WFP's regional and country offices have delegated authorities to carry out their own procurement up to established financial limits. Purchases beyond these limits are conducted by WFP Headquarters Procurement (WFP, 2015).

In WFP, distributing safe and healthy food commodities is a collaborative effort throughout the entire supply chain, which involves suppliers, buyers, and governments at country, regional, and global levels. WFP endorses a comprehensive food safety and quality management system to control and manage the quality of the food delivered, from primary production to food distribution and final consumption. The system promotes adherence to standards in the form of food specifications, monitoring of vendors' performance (food suppliers, laboratories and inspection companies), improving the nutritional value of the food commodities and specialized nutrition products, and capacity building of actors throughout the supply chain. The World Food Programme's (WFP) Purchase for Progress (P4P) pilot program connects smallholder farmers (SHF) to markets using WFP's position as a major staple food buyer. WFP purchases more than 75 percent of its food annually from developing countries (WFP, 2015).

WFP aims to improve integrated supply chain for food commodities by better linking demand forecasting, supply strategies and logistics capacity. The Logistics Development Unit (LDU) supports the Procurement Division in developing an integrated process, an optimal supply and delivery plan and a clear sourcing strategy for each region. LDU is the logistics and supply chain research and innovation division located within WFP's Logistics Division. By bringing together technology, expertise and best practices from humanitarian field, academia, private sector and government partners, LDU works across WFP divisions to develop supply chain strategies and solutions that increase operational efficiency and effectiveness, provide visibility in supply chains, build internal and partner humanitarian response capacity and promote a culture of continuous improvement. The

organization has a supply chain performance management scorecard covering end-to-end operations from sourcing to final delivery of food to beneficiaries (WFP, 2015).

1.1.4 Supply Chain Performance

The primary goal in relief operations is to minimize the response time (to deliver supplies to the areas as they are needed). Moreover, relief efforts generally operate on limited funds, which increase the importance of efficient (low cost) inventory management systems (Beamon & Balcik, 2008). When disasters strike, relief organizations respond by delivering aid to those in need. Their supply chains must be both fast and agile, responding to sudden-onset disasters which may occur in cities such as New Orleans, or on the other side of the globe in places like rural Pakistan. Since 2004, two large-scale natural disasters have captured the attention of the international media: the 2004 tsunami and the 2005 earthquake in South Asia. Disasters of this magnitude cause donors, beneficiaries, and the media to closely monitor how quickly and efficiently relief organizations are able to respond. A disaster response operation involves trade-offs of speed, cost, and accuracy with regard to the type of goods that are delivered and their quantities. Balancing these trade-offs requires a means of measuring supply chain performance; however, the inability to centrally capture time and cost data related to the procurement and distribution of goods has prevented a systematic process of performance measurement from being implemented (Beamon & Balcik, 2008).

Critical operations performance objectives are crucial factors that are strategically important to organizations. Being strategically important means that the performance objectives have to be considered as strategic goals to be achieved and the primary aim of the operations function is to deploy the appropriate resources to support the achievement

of those goals. Typically, the operations performance objectives are specifically related to satisfying customers requirements. In general, the fundamental performance objectives that apply to all types of organization and are closely related to customer satisfaction requirements are speed, dependability, flexibility, quality, and cost (Bhagwat, & Sharma, 2007). Speed means doing things quickly. It is about delivering goods and services to customers as fast as possible. This involves making quick decisions and rapidly moving materials and information inside the operations. Dependability means doing things on time and as promised. It is about developing trustworthiness. Dependability can be achieved through the use of reliable equipments, effective communication, efficient scheduling systems, motivated workforce and transparency of processes (Batista, 2009).

Flexibility is about being able to change the operations to fulfill new requirements. As requirements can change over time, organizations need to develop operations ability to introduce new or modified products and services. Flexibility also involves volume flexibility (the ability to change volume of output over time) and delivery flexibility (the ability to change delivery time). Flexibility can be achieved to the use of more versatile equipments, suppliers with good flexibility performance and multi-skilled workforce among others (Bhagwat, & Sharma, 2007). The quality objective can be achieved by the provision of error-free products or services that fulfill customer requirements. This requires skilled workforce, adequate job specifications, proper technologies, and effective communication. Lower cost of production or service delivery reflects to the customer in form of lower price. Cost reduction can be achieved by developing good relationships with suppliers, good negotiation of supplying contracts, getting the right mix of resources and facilities as inputs (Batista, 2009)..

1.2 Research Problem

Coordination in humanitarian organizations is often difficult because of the many groups involved (military, government, NGO's), and often inadequate infrastructure. Moreover, in humanitarian supply chain, the "customer" is usually the donor or supplier of goods, rather than the recipient of the aid the programme is designed to help. These donors must be sold by showing the donation is being used properly. Although aid effectiveness as an operational goal of humanitarian organizations is often criticized since it overlooks other goals such as equity, this does not mean that efficiency should be discarded. This is because beneficiaries require humanitarian agencies to demonstrate operational efficiency especially when disasters strike since this can save lives. This means that an organization that does not have a supplier relationship management strategy may fail to attain operational efficiency hence failing to achieve their main objective (saving lives) due to delayed delivery, high costs and poor quality. This therefore calls for supply relationship management on the part of humanitarian agencies.

Various studies have been conducted on supplier relationship management. Samuel (2014) conducted an empirical study on the effect of buyer- supplier partnership on better service delivery within non-governmental organizations involved in humanitarian work, taking the case of World Vision International. Results showed that there were long-term supplier relations in sourcing. Paiva, Phonlor and D'avila (2008) analyzed the influence of the buyer-supplier relationship continuity on service performance among companies that are users of international maritime transport belonging to the machinery and food industries. Results showed that traditional performance criteria like delivery, dependability and cost clearly are influenced by the aspects related to the management of

the relationship. This includes information exchange, trust and interaction between the parts.

Mettler and Rohner (2009) studied supplier relationship management taking a case study in the context of health care by illustrating the impact of the implementation of SRM principles in a leading Swiss hospital. The findings from the case study showed that the hospital was applying industrial supply management practices and tools. Locally, Ndambuki (2013) studied the relationship between supply chain integration and supply chain performance of international humanitarian organizations in Kenya. Results showed that information sharing resulted in reduced lead-time in the organizations, improving supply chain performance and easy order processing while integration resulted in increased efficiency.

However, no local study has focused on supply chain relationship among humanitarian organizations; despite the challenges they get in getting supplies on time due to financing and other constraints, a gap that the present study aimed to fill by studying supplier relationship management in humanitarian supply chain at the World Food Programme in Somalia. The study aimed to answer the following question; what is the effect of supplier relationship management on the service performance of World Food Programme in Somalia?

1.3 Research Objective

The objective of this study was to investigate the effect of supplier relationship management on supply chain performance at the World Food Programme in Somalia.

1.4 Value of the Study

The study will benefit regional humanitarian organizations. The study will help the management and especially supply managers have a deeper understanding of supplier relationship management and its importance to service delivery. This will in effect enable them implement better supplier relationship management strategies that will address quality problems, high costs and late delivery among others

To the government, donors and other partners, this study will help ease the pressures that humanitarian managers get from these stakeholders. The stakeholders, who are the main funder of humanitarian organizations, will be able come up with polices that ensure humanitarian organizations achieve short-term goals of accountability and transparency in usage of funds as well as enable them pursue long-term goals like supplier relationship management that will enhance performance

The findings will also be valuable to future researchers and academicians as it will extent the existing knowledge besides acting as a source of reference. In addition, the study would suggest areas for further research that future scholars and academicians can further knowledge on. Academicians can do further research on supplier relationship management on the service performance of other humanitarian organizations in the region in order to generalize of the findings.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter begins by reviewing the three theories underpinning this study. These theories are the social exchange theory, resource dependency theory and the theory of dual economies. Supply relationship management is then discussed in depth, bringing out five attributes i.e. information sharing, value generation for multiple tiers, knowledge management, supplier performance management and the use of information technology in SRM. The chapter also discusses humanitarian supply chain management before reviewing related studies to bring out the research gap.

2.2 Theoretical Review

There are three theories discussed that underpin this study. These include the Social Exchange Theory (SET), Resource Dependency Theory (RDT) and Theory of Dual Economies (TDE).

2.2.1 Social Exchange Theory (SET)

The social exchange theory is one of the major theoretical perspectives on social interaction and social structure. Exchange theory provides a clear mechanism of how relationships are created, maintained and terminated. The exchange theory is a theoretical perspective based on Simmel's (2011) insight that all contacts among men rest on the schema of giving and returning the equivalence (Blau, 1964). The concept of reciprocity is closely related to exchange. Reciprocity is a state or relationship between two parties or things in which there is mutual action, giving and taking. According to exchange

theory, for people to enter into relationships, they must believe that the rewards they will receive will equal (balanced reciprocity) or exceed the costs involved (negative reciprocity). For a relationship to continue to be satisfactory to an individual, the rewards must continue to equal or exceed the costs (Homans, 1958).

SET can be a valuable instrument when analyzing buyer-supplier relationships. SET is specifically applicable for the selection of supplier strategies and for making decisions about how to deal with suppliers (Kingshott, 2006). A purchaser, when engaging in an exchange, should make his company interesting and should, next to the economic exchanges, additionally and especially focus on social norms like trust and commitment. Through a trustful exchange relationship the chance for a continuation of this relationship is higher. A steady continuous exchange relationship ensures supply. Gaining the status of a preferred customer, instead of simply being a regular customer or even an exit customer, is the central objective, as this leads to privileged treatment and an ensured supply, which then leads to reduced uncertainty (Narasimhan, Nair, Griffith, Arlbjørn & Bendoly, 2009).

2.2.3 Resource Dependency Theory (RDT)

Emerson's (1962) power-dependence theory (PDT) is the main of resource dependency theory (RDT). RDT extends the concept of power to relationships between organizations. Resource dependency theory (RDT) posits that no single firm has all the resources and functions needed to operate successful. This therefore means that organizations have to enter into exchange relationships with other organizations. Moreover, organizations will behave differently and anchor their decisions on both internal processes and external negotiations and interactions within their markets. Consequently, organizations are

always involved in different forms of in the process of interacting with one another (Cyert & March, 1963). In their exchange relations, organizations strive for competitive advantage thus becoming partly dependent on the exchange partner.

RDT suggests that some organizations have more power than others due to their interdependency characteristics and their social positions (Pfeffer and Salancik, 1978). Organizations survive based on their effectiveness to manage the demand of partners that they depend on. Thus, organizations survive based on their abilities to acquire and maintain resources. While purchasing power influences the choice of what purchasing strategy to practice, less-powerful buyers should be able to increase their purchasing power by practicing strategies that favorably change the level of sources of power (Pfeffer & Salancik, 2003). Through a well managed supplier relationship, less-powerful buyers will be able to increase their purchasing power. Often, power imbalances rise within the interdependencies occasioned by exchange relations. Due to this, uncertainty arises from the organizations' need to acquire resources from their environments. RDT posits that organizations will develop strategies to manage constraints and uncertainties derived from exchange relations, interdependencies and power imbalances (Krause, Handfield & Tyler, 2007).

2.2.4 Theory of Dual Economies

The essence of a dual economy is that economic sectors located in different segments of the economy are treated unequally, leaving their objective worth out of consideration. Since the 1950s, the theory has been mostly used to describe inequality in labour markets. In the late 60s, after analyzing the dynamics of American industry structure, Averitt (1968) advanced the theory of dual economy. American industrial society was divided

into two distinct but related sectors; the centre and peripheral economy. The peripheral economy composed of small firms has the longest history but is now less important. The centre economy is rooted in key manufacturing and mass retailing where large firms predominate.

Berge and Piore (1980) analyzed the application of the theory of dual economies on large buying and small supplying organizations. They argued that the dual economy would help large firms in a world of uncertainty and flux, though shifting many of the productive processes and therefore risks to the secondary sector. In traditional auto production, the primary sector (normally being an auto maker or final assembler) used to dominate and control many small size component suppliers acting as secondary sectors, mostly with weak engineering ability, where buyer-supplier relationship in the industry seemed to benefit only the primary sector. The final auto assemblers wanted their suppliers to be more flexible especially in the rapidly changing competitive environment (Berge & Piore, 1980). When market demand was booming, suppliers were used extensively but when it contracted, some are pushed out of the market. Obviously, suppliers were not satisfied with this unfair competitive situation and wanted to emerge from this peripheral position. This triggered the development of new buyer-supplier relationships (Cousins, 2002).

2.3 Determinants of Supplier Relationship Management

Supplier Relationship Management (SRM) is a comprehensive approach to managing an organization's interactions with the firms that supply the products and services it uses. SRM plays an important role in the reduction of costs and the optimization of performance in organizations. This part gives a comprehensive insight into the SRM

principles that organizations should practice to reduce costs, avoid supply delays and improve overall performance.

2.3.1 Information Sharing

Organizations are beginning to understand and accept that if they do not open up to suppliers about their entire approach to cost investment return, it will be difficult for suppliers to contribute innovative ways to save money for both sides (Ounnar, Pujo, Mekaouche & Giambiasi, 2007). With strategic information sharing between an organization and its suppliers, innovation is enhanced where suppliers are able to save significant money for an organization and share the cost savings for the benefit of all. One easy way to encourage information sharing by suppliers is to reward them for their behavior. If a supplier contacts the organization about a problem or the possibility of a delay and the response is to impose supplier penalties, it is likely the supplier will not contact the organization again until an actual failure occurs. Organizations should reward the supplier for sharing valuable information about the possible disruption. It is to the benefit of supply managers that suppliers keep them informed about changes in the supply chain (Li, Ragu-Nathan, Ragu-Nathan & Rao, 2006).

According to Bozarth, Handfield (2015), rewarding the right behavior influences the right behavior, which is all part of the relationship factor though many organizations fail to implement this. Organizations have a difficult in developing strategies for interacting and gaining value from suppliers. Most managers lack an effective framework within which to make optimal strategic decisions about how to create more value with and through suppliers or about how to create an organizational environment in which their people consistently operate and interact with suppliers in ways that maximize the value of

interaction with them (Cannon & Homburg, 2001). Without the ability to promote information sharing, either through a reward system or some other strategic framework, it is nearly impossible to create a collaborative process (Ounnar, Pujo, Mekaouche & Giambiasi, 2007).

2.3.2 Multiple Tiers Value Generation

Developing a collaborative relationship with a supplier does not occur overnight. It takes time to strengthen the various levels of communication. However, the same strategies that applied to an organization's first-tier supplier can also be applied to multiple tiers in the supply chain (Choy, Lee & Lo, 2002). As the market of tomorrow may be driven by competing supply chains, the ability to transfer those relationship skills to multiple tiers is a major advantage for organizations. Multi-tier supplier relationships are unique because they provide an opportunity for the organization and its suppliers to discuss mutual or company values (Shin, Collier & Wilson, 2000).

A key ingredient in turning the knowledge gleaned from supplier relationships into something of value for all the tiers is IBM's global strategic sourcing councils. For example, IBM's 31 sourcing councils are singularly responsible for the strategic supplier relationships for a given category of spend. Having a stable and consistent interface to suppliers such as these councils is essential to identify and sustain long-term value. Councils spend time developing, mentoring and working with suppliers to improve their business so organizations can in return gain some benefit. Sourcing councils examine the supply chain and the various relationships that exist. By working with various tiers, the sourcing councils weigh such elements as cost and supply to determine where the best value lies (Shin, Collier & Wilson, 2000). A council may determine that a third-tier

supplier's relationship with another box manufacturer offers more value than one currently in place. In this way, sourcing councils are proactively engaged with suppliers in finding the best value in terms of quality, pricing and overall relationship at all levels within the supply chain (Li, Ragu-Nathan, Ragu-Nathan & Rao, 2006).

2.3.3 Knowledge Management

Knowledge management is a critical part of supplier relationships. It can be a major advantage for a party that knows more about the other (Laudon, & Laudon, 2004). At the same time, the importance of knowledge management can be a disadvantage for organizations that hold one person responsible for collecting and managing all the knowledge for the enterprise. The approach to relationship management must be a team approach, not only to capture knowledge but also to ensure that the organization is not dependent on an individual to make the right decisions, have the right information or manage relationships (Inkpen, & Dinur, 1998).

An important part of knowledge management in supplier relationships is to develop and maintain a repository of contracts and other documents detailing the organization's interaction with suppliers (Laudon, & Laudon, 2004). A document retrieval environment should exist where information is shared freely between all the parties. Technology has become the enabler to take processes that otherwise would be complex and make people adjust their behavior to actually use them because they see the value immediately. As the importance of supplier relationships continues to increase, organizations will give greater attention to the interdependence of their supply chains. Organizations large and small cannot afford to be isolated and forgo the leverage that supplier relationships offer (Inkpen, & Dinur, 1998).

2.3.4 Supplier Performance Management

According to Tan, Kannan and Handfield (1998), measurement of supplier performance is a step in the right direction. Focusing on critical suppliers or suppliers that constitute the largest portion of spending enables a company to identify and manage those performance issues that could have the most immediate and greatest impact on its operations and its perception in the market. However, this narrow focus overlooks lower tier suppliers or suppliers of seemingly non-critical goods and services that can impact an enterprise's cost structure, performance, or customer service (Monczka & Trecha, 1988). Gathering factual, and therefore objective, information about their performance such as lead-times from order, quality standards being met, pricing compliance and whatever else is laid out in the contract. This type of information can usually be obtained from IT systems within the organization in the form of management information. As with all of these aspects, it is good practice to be as consistent as possible in the approach to the performance monitoring (Hervani, Helms, & Sarkis, 2005).

Suppliers should always be asked to continually improve their contract performance Hervani, Helms, & Sarkis, 2005). However, incentives are required for the supplier to reflect improvement in costs or to give more for the same price. Competition and the possible loss of the business may well be an incentive but where the supplier is aware that there is little risk of that (in a genuine sole-source situation for instance) things may be very different. Performance monitoring can be a time-consuming task and so the effort and methods should be proportionate to the value and importance of the contract. Effective methods involve determining the appropriate methods of managing the supply

base and different solutions are appropriate for different situations (Tan, Kannan & Handfield, 1998).

2.3.5 Information Technology and Supplier Relationship Management

Initially, supplier integration was achieved through incomprehensible and complicated integrations of IT environments, i.e. installing the same software and platforms and creating specific shared networks (Bowersox, Closs & Cooper, 2002).). Nowadays, companies can integrate software via the Web and the use of extendable markup language (XML), which has made the technological problems much easier to deal with. Companies can now, quickly and easily, share automated information in real-time without undergoing any complicated IT integration. Web services allow companies to let applications interact in a modular manner where information is shared, as opposed to the integration of code, as was the case with the old electronic data interchange (EDI) system. Faster and better collaboration and communication are made possible by Web Services, which in turn increases the success of the relationship and the effectiveness of SRM (Van Dyk & van Steenderen, 2002). Web services can be used to leverage the collaborative power of supplier relationships and allow organizations and their suppliers to quickly and easily exchange their intellectual capital.

The integration of technology in SRM applications allows co-operating parties to conceptualize and codify best practices into their interaction, as well as enforce compliance across multiple divisions and locations. SRM partners can use technology to allow each other to see information they might have kept secret from one another before, such as real-time changes in prices paid for components or changes in actual shipping costs (Bowersox, Closs & Cooper, 2002). This is made possible due to new information

security protocols and applications that serve to safeguard the information within the partnership. Technology allows for the automation of the three critical areas of supplier relationships. The first is the creation of the supply relationship, where technology tools are used to determine who to buy from and what to buy from them. The second is the execution and management of purchase orders. The final area includes the sustaining of the relationship through the creation of a Web-based catalogue system and the building of a communication bridge between a design team and procurement department for the release of a new product (Van Dyk & van Steenderen, 2002).

2.4 Humanitarian Supply Chain Management (HSCM)

In the recent past, the world has witnessed more disasters than any other time in history (including both natural and manmade disasters) which have affected more than 5 billion people across the globe. According to the Centre for Research on the Epidemiology of the Disasters (CRED), the combined loss of all the disasters have cost more than 150 trillion US dollars and left more than 180 million people homeless. The earthquakes in Iran (2003), Sumatra (2004), Pakistan (2005), China (2008), Haiti (2010), and Japan (2011) were the major earthquakes in the last decade (Van Wassenhove & Pedraza Martinez, 2012) and the recent one in Nepal in 2015 (Klinenberg, 2015). Therefore this calls for the better preparedness of disasters. The preparedness helps to tackle a disaster better, helps in mitigating the risk and alleviating the pain caused by the disaster. Humanitarian aid organizations have also nowadays under strict review of the government/NGO's/donors who pledge millions of dollars worth aids in different forms. The donors expect their aid to reach the beneficiaries and in such cases, demonstrate accountability and transparency (Van Wassenhove, 2006).

According to the Council of Supply Chain Management Professionals (2011), HSCM encompasses the planning and management of all the activities in sourcing and procurement, conversion and logistics management. It also involves coordination and collaboration with actors who can be suppliers, donors, third party service providers, implementing partners and beneficiaries. Importantly, HSCM integrates supply management and needs assessment within and across humanitarian organizations and other actors.

It has becomes important for humanitarian organizations to plan and execute the aid programmes intelligently. In any humanitarian aid programme, the major part (about 80 %) of the relief activities consists of logistics. Hence, managing the flow can be done only by efficient and effective strategies or in other words, managing the supply chain. In any emergency, the logistics management deals with procuring and managing the food, non-food items, and gifts-in-kind (solicited and unsolicited) from appeal. It includes monitoring the commodity and financial information along the relief aid flow. Under such situations, the timely and accurate information becomes a critical factor. Relief managers, depending upon this information, try to mobilize the resources to provide the aid to the beneficiaries and at the same time, make an appeal to their donor (Tomasini & Van Wassenhove, 2009).

2.5 Empirical Review

Numerous studies have been done on SRM. Samuel (2014) conducted an empirical study on the effect of buyer- supplier partnership on better service delivery within non-governmental organizations involved in humanitarian work, taking the case of World Vision International. Cheung (2011) studied relationship management as a strategy for

supply chain engagement in the civil engineering construction industry in Queensland, Australia. Paiva, Phonlor and D'avila (2008) analyzed the influence of the buyer-supplier relationship continuity on service performance among companies that are users of international maritime transport belonging to the machinery and food industries.

Mettler and Rohner (2009) studied supplier relationship management in the context of health care by illustrating the impact of the implementation of SRM principles in a leading Swiss hospital. Locally, Ndambuki (2013) studied the relationship between supply chain integration and supply chain performance of international humanitarian organizations in Kenya. In their study, Ondieki and Oteki (2014) assessed the effect of supplier relationship on the effectiveness of supply chain management practices. However, no local study has focused on supply chain relationship among humanitarian organizations; despite the challenges they get in getting supplies on time due to financing and other constraints, a gap that the present study aims to fill by studying supplier relationship management in humanitarian supply chain at the World Food Programme in Somalia.

2.6 Summary of Literature Review

Organizations that practice SRM end up improving their supply chain performance. Continuous maintenance of a good relationship with your suppliers will protect an organization from the problems of quality, increase efficiency and hence improve performance. This applies to all organizations, whether commercial or humanitarian. Without SRM, operations will slow down or even stop when business is booming because suppliers will tend to prioritize customers who have maintained a good relationship with them. With SRM, the supplier is made part of the organization and will

always keep that particular organization in mind. Organizations should develop and maintain long term relationships with suppliers by sharing information, managing the supplier performance and using information technology in supply chain management.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology that will be used in the study. It comprises of the design to be employed, population of the study, data collection procedure, and data analysis.

3.2 Research Design

Research design refers to the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in the procedure (Yin, 2009). This study adopted a survey design. According to Mugenda and Mugenda (2003), a survey research is often used to assess thoughts, opinions, and feelings. Survey research is one of the most important areas of measurement in applied social research. According to Larson and Poist (2004), survey research is important for research in the field of Supply Chain management and Logistics. The study used the survey design because it is a method capable of collecting data from a large number of respondents and also ask numerous questions about a subject, giving extensive flexibility in data analysis. It is also relatively easy to administer and can be developed in less time compared to other data-collection methods (Cooper & Schindler, 2003).

3.3 Population of the Study

According to Mugenda (2008), the population of study refers to a group of individuals, objects or items from which samples are taken for measurement. The population of this study was WFP employees in these three categories: all senior managers in both the

regional and the liaison office. These are the people in charge of developing strategies and ensuring their implementation; all procurement staff in both the regional and the liaison office. The study also targeted WFP food suppliers based in Nairobi. The study targeted 7 food suppliers in Nairobi because WFP places a priority on procuring food supplies from the local community (see appendix III). The other reason is that it was more convenient to reach suppliers in Nairobi. According to WFP, there are a total of 14 senior managers, 31 procurement employees in the three offices and 35 operations employees in the Regional, County and Liaison offices in Nairobi. The study will use census for the WFP employees are they are few (80). Seven (7) food suppliers who have done business with WFP in the current financial year were randomly selected for the. From each of the companies, the CEO/Managing Director/Owner manager was interviewed.

3.4 Data Collection Method

This study collected primary data. Data from WFP employees was collected using self-completion questionnaires. Self-completion questionnaires are more time saving for the researcher. Use of self-completion questionnaires also reduces interviewer bias unlike the case when the researcher helps in completing questionnaires ending up revealing their own opinions when replying to areas where the respondent needs clarity (Berdie, Anderson & Niebuhr, 1986). It was assumed that all respondents have enough education to understand contents of the questionnaire.

A preliminary structured questionnaire containing closed questions was prepared and presented to the supervisor for evaluation and approval after which it was pre-tested so as to identify and change any ambiguous, awkward, or offensive questions. The study used a

structured questionnaire because every respondent is asked the same question in the same way. The researcher, therefore, was also sure that everyone in the sample answers exactly the same questions, which makes this a very reliable method (Cooper & Schindler, 2003). Structured questionnaires are also relatively quick and easy to create, code and interpret especially if closed questions are used (Berdie, Anderson & Niebuhr, 1986).

Questionnaires were administered using a drop and pick later method. The advantage with this method is that respondents can fill in at their own convenient time so as to reduce interruptions in their work schedules. This also saves time for the researcher as well as enabling him/her to reach as many respondents as possible (Berdie, Anderson & Niebuhr, 1986). For the suppliers interviews were conducted. A total of 80 questionnaires were sent to WFP offices in Nairobi for the sampled employees to fill. For the suppliers, the CEO/Managing Director/Owner manager or the available senior most employee was be interviewed.

3.5 Data Analysis

The data was analyzed using the IBM Statistical Program for Social Sciences ((SPSS) version 21. Descriptive statistics was used to summarize the data. This included percentages and frequencies. Tables, pie charts and other graphs were used to present the data collected for ease of understanding. Measures of central tendency were used (mean, standard deviation median, mode and percentages). Multivariate regression was used to determine the effect of SRM on service performance. The regression model was;

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon}$$

Where: Y = Performance (quality, cost, dependability, flexibility and cost)

X_1= Information Sharing

X_2 = Multiple Tiers for Value Generation

X_3 = Knowledge Management

X4= Supplier Performance Management

X_5= IT and Supplier Relationship Management

ε = Error term/Erroneous variables

β_0 = constant/the minimum change in Y when the rest of the variables are held at a constant zero

β_1 = measures the rate of change in Performance as a result of the rate of change in information sharing

β_2= measures the rate of change in Performance as a result of the rate of change in Multiple Tiers for Value Generation

β_3= measures the rate of change in Performance as a result of the rate of change in Knowledge Management

β_4= measures the rate of change in Performance as a result of the rate of change in Supplier Performance Management

β_5 = measures the rate of change in Performance as a result of the rate of change in IT in Supplier Relationship Management

3.6 Data Reliability

Reliability refers to a measure of the degree to which research instruments yield consistent results (Mugenda & Mugenda, 2003). To measure reliability, the study adopted a Cronbach alpha which has a threshold of 0.6.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The results of the investigation of the effect of supplier relationship management on humanitarian supply chain performance at the World Food Programme Somalia are presented. Primary data was gathered from questionnaires and interviews. Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale.

4.1.1 Response Rate

The study targeted 87 respondents in collecting data with regard the effect of supplier relationship management on humanitarian supply chain performance at the World Food Programme Somalia. Of these, 63 questionnaires were filled and returned while 5 suppliers were interviewed. This gave a response rate of 72% as shown on Figure 4.1.

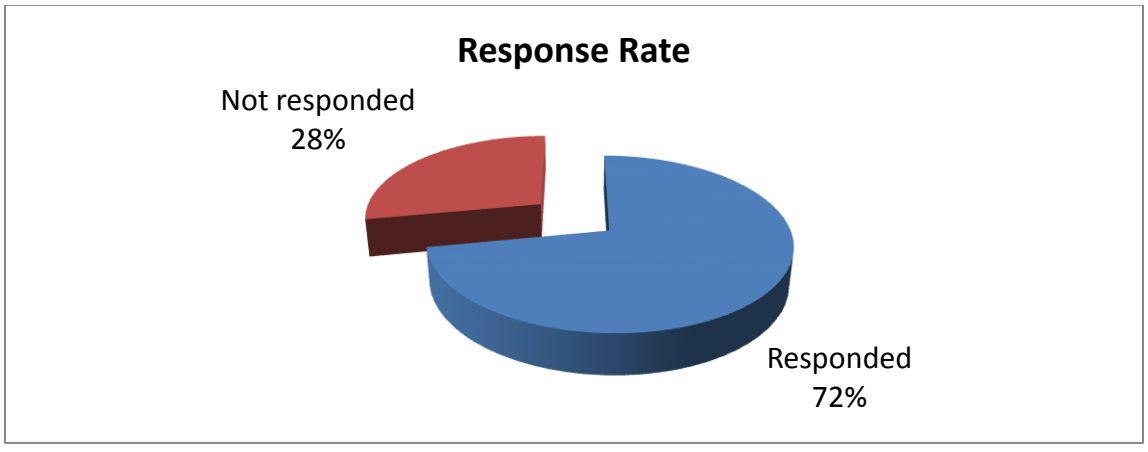

Figure 4.1: Response Rate

Source: Research Data (2015)

4.2 General Information

4.2.1 Gender Composition

The study sought to find out the gender of the respondents. Results are given on Figure 4.2.

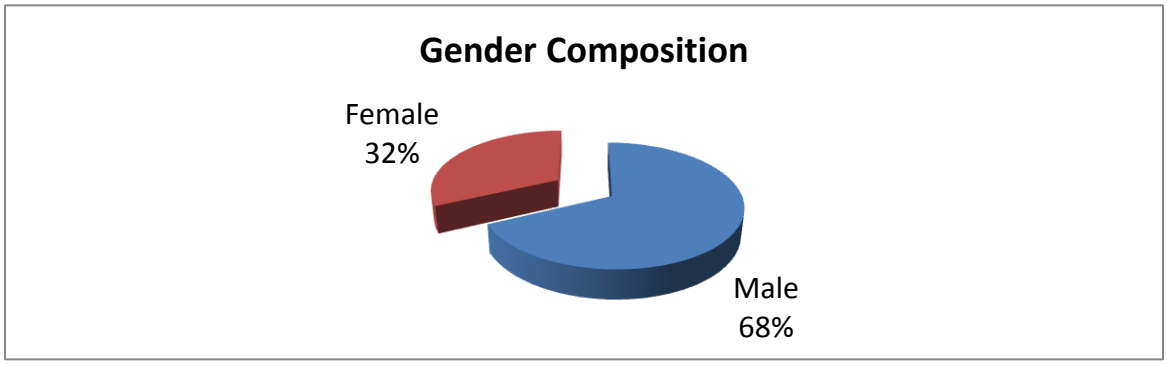

Figure 4.2: Gender Composition

Source: Research Data (2015)

From the findings, 68% of the respondents were male while the rest were female.

4.2.2 Position in the Organization

The study sought to find out the position of the respondents. Results are given on Figure 4.3.

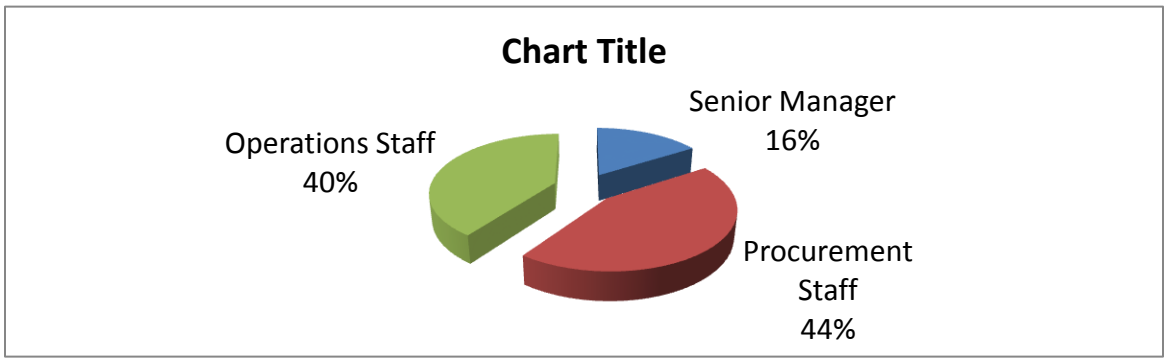

Figure 4.3: Position in the Organization

Source: Research Data (2015)

From the findings, majority of the respondents, 44% are procurement employees followed by operations staff at 40% while senior managers were 16%.

4.2.3 Respondents' Level of Education

The study sought to find out the highest level of education attained by the respondents. Results are given on Table 4.1.

Table 4.1: Respondents' Level of Education

Category	Frequency	Percent
Diploma	15	24
Bachelor's degree	32	51
Masters' degree	12	19
Other	4	6
Total	**63**	**100**

Source: Research Data (2015)

From the findings, majority of the respondents, 51% have a bachelor's degree followed by 24% with a college diploma, 19% with a master's degree while 6% have attained other educational qualifications. This means that most of the employees at the organization had substantial educational qualifications.

4.2.4 Years Worked in the Organization

The study sought to find out the number of years respondents worked in the organization. Results are shown on Table 4.2.

Table 4.2: Respondents'' Work Experience

	Frequency	Percent
0-5 yrs	13	21
6-10 yrs	32	51
11-15 yrs	11	17
15 years and above	7	11
Total	**63**	**100**

Source: Research Data (2015)

From the findings, majority of the respondents, 51%, had worked in the organization for between 6-10 years, 21% had worked for between 0-5 years, 17% had worked for 11-15 years while 7% of the respondents had worked for the longest period, 15 years and above.

4.3 Supplier Relationship Management

4.3.1 Information Sharing

The study sought to find out about information sharing in supplier relationship management. Findings are given on Table 4.3.

Table 4.3: Information Sharing

	Mean	Std. Dev
My organization always shares information with suppliers	4.01	1.11
My organization has put in place measures for effective information sharing with suppliers	3.89	1.45
Our suppliers always inform us in advance when they expect disruptions in supplies	3.02	1.01
My organization rewards suppliers who shares information	2.76	1.12
At WFP, procurement employees freely interact with suppliers	3.24	1.09

Source: Research Data (2015)

From the findings, whether the organization rewards suppliers who shares information had a mean of 2.76, whether our suppliers always inform us in advance when they expect disruptions in supplies had a mean of 3.02, whether at WFP, procurement employees freely interact with suppliers had a mean of 3.24, whether the organization has put in

place measures for effective information sharing with suppliers had a mean of 3.89 while whether the organization always shares information with suppliers had the highest mean of 4.01. According to Ounnar, Pujo, Mekaouche and Giambiasi (2007), organizations are beginning to understand and accept that if they do not open up to suppliers about their entire approach to cost investment return, it will be difficult for suppliers to contribute innovative ways to save money for both sides. With strategic information sharing between an organization and its suppliers, innovation is enhanced where suppliers are able to save significant money for an organization and share the cost savings for the benefit of all.

4.3.2 Extent of Influence of Information Sharing

The study sought to find out the extent to which Information Sharing influences humanitarian supply chain performance. Results are given on Table 4.4.

Table 4.4: Extent of Influence of Information Sharing

Extent	Frequency	Percent
Very great extent	21	33
Great extent	30	48
Moderate extent	9	14
Little extent	3	5
Total	**63**	**100**

Source: Research Data (2015)

From the findings, majority of the respondents, 48% said that information sharing influences humanitarian supply chain performance to a great extent followed by 33% who said that information sharing influences humanitarian supply chain performance to a very great extent.

4.3.3 Multiple Tiers Value Generation

The study sought to find out about multiple tiers in supplier relationship management. Findings are given on Table 4.5

Table 4 5: Multiple Tiers for Value Generation

	Mean	Std. Dev
WFP has multiple tier suppliers	3.95	1.13
My organization ensures efficient exchange of information across the multiple supplier tiers	3.78	0.76
The organization has put in place enough resources to manage multiple tier suppliers to avoid disruptions	3.22	1.23
The organization has trained employees on managing its multiple tier suppliers	3.12	0.67
The organization understands the risk profiles of each supply tier	3.02	1.34
The organization understands the number of up or down-stream layers across the supply chain	3.21	0.56
The organization understands the number of agents present in each tier.	3.56	0.98

Source: Research Data (2015)

From the findings, whether the organization understands the risk profiles of each tier had a mean of 3.02, whether the organization has trained employees on managing its multiple tier suppliers had a mean of 3.12, whether the organization understands the number of up or down-stream layers across the supply chain had a mean of 3.21 while whether the organization has put in place enough resources to manage multiple tier suppliers to avoid disruptions had a mean of 3.22. Whether the organization understands the number of agents present in each tier had a mean of 3.56, whether the organization ensures efficient exchange of information across the tiers had a mean of 3.78 while whether WFP has multiple tier suppliers had the highest mean of 3.95. This means that even though the organization had multiple supplier tiers for value generation, it did not know well the risk profile of each tier.

According to Choy, Lee and Lo (2002), developing a collaborative relationship with a supplier does not occur overnight. It takes time to strengthen the various levels of communication. However, the same strategies that applied to an organization's first-tier supplier can also be applied to multiple tiers in the supply chain. As the market of tomorrow may be driven by competing supply chains, the ability to transfer those relationship skills to multiple tiers is a major advantage for organizations. Multi-tier supplier relationships are unique because they provide an opportunity for the organization and its suppliers to discuss mutual or company values (Shin, Collier & Wilson, 2000).

4.3.4 Extent of Influence of Multiple Tiers

The study sought the respondents' opinion about the extent to which Multiple Tiers influence humanitarian supply chain performance. Findings are given on Table 4.6.

Table 4.6: Extent of Influence of Multiple Tiers

Extent	Frequency	Percent
Very great extent	15	24
Great extent	29	46
Moderate extent	15	24
Little extent	3	5
No extent at all	1	1
Total	**63**	**100**

Source: Research Data (2015)

From the findings, 70% of the respondents said that multiple tiers influenced humanitarian supply chain performance to a great extent.

4.3.5 Knowledge Management

The study sought to find out about Knowledge Management in supplier relationship management. Findings are given on Table 4.7.

Table 4.7: Knowledge Management

	Mean	Std. Dev.
My organization ensures that all employees are knowledgeable in most of the organization aspects	3.46	1.12
WFP continuously trains employees from then procurement department	3.67	1.45
WFP has put in place mechanisms for knowledge management	3.44	1.01
WFP encourages individual learning	3.12	1.11

Source: Research Data (2015)

From the findings, whether WFP encourages individual learning had a mean of 3.12, whether WFP has put in place mechanisms for knowledge management had a mean of 3.44, whether the organization ensures that all employees are knowledgeable in most of the organization aspects had a mean of 3.46 while whether WFP continuously trains employees from then procurement department had the highest mean of 3.67. This means the organization invests resources in the training of its employees in the procurement department. The findings are in agreement Inkpen and Dinur (1998) who posits that knowledge management is a critical part of supplier relationships. It can be a major advantage for a party that knows more about the other. According to Laudon and Laudon (2004), the approach to relationship management must be a team approach, not only to capture knowledge but also to ensure that the organization is not dependent on an individual to make the right decisions, have the right information or manage relationships.

4.3.6 Extent of Influence of Knowledge Management

The study sought the respondents' opinion about the extent to which Knowledge Management influences humanitarian supply chain performance. Findings are given on Table 4.8.

Table 4.8: Extent of Influence of Knowledge Management

Extent	Frequency	Percent
Very great extent	17	27
Great extent	29	46
Moderate extent	11	17
Little extent	5	8
No extent at all	1	2
Total	**63**	**100**

Source: Research Data (2015)

From the findings, majority of the respondents, 73% said that Knowledge Management influences humanitarian supply chain performance to a great extent.

4.3.7 Supplier Performance Management

The study sought to find out about Supplier Performance Management in supplier relationship management. Findings are given on Table 4.9.

Table 4.9: Supplier Performance Management

	Mean	Std. Dev.
WFP is keen on suppliers of critical commodities like food	4.83	0.38
WFP has put in place mechanisms to evaluate the performance of its suppliers	4.46	0.51
WFP has mechanisms to ensure suppliers conform to quality standards	4.66	0.48
WFP has mechanisms to ensure suppliers comply with standard prices	3.91	1.01
WFP has mechanisms to ensure suppliers conform to lead-time standards	4.40	0.65

Source: Research Data (2015)

From the findings, whether WFP has mechanisms to ensure suppliers comply with standard prices had a mean of 3.91, whether WFP has mechanisms to ensure suppliers conform to lead-time standards had a mean of 4.40, whether WFP has put in place mechanisms to evaluate the performance of its suppliers had a mean of 4.46, whether WFP has mechanisms to ensure suppliers conform to quality standards had a mean of

4.66 while whether WFP is keen on suppliers of critical commodities like food had the highest mean of 4.83. According to Tan, Kannan and Handfield (1998), measurement of supplier performance is a step in the right direction. Focusing on critical suppliers or suppliers that constitute the largest portion of spending enables a company to identify and manage those performance issues that could have the most immediate and greatest impact on its operations and its perception in the market.

4.3.8 Extent of Influence of Supplier Performance Management

The study sought the respondents' opinion about the extent to which Supplier Performance Management influences humanitarian supply chain performance. Findings are given on Table 4.10.

Table 4.10: Extent of Influence of Supplier Performance Management

Extent	Frequency	Percent
Very great extent	25	40
Great extent	32	51
Moderate extent	5	8
Little extent	1	1
Total	**63**	**100**

Source: Research Data (2015)

From the findings, majority of the respondents, 91% said that Supplier Performance Management influences humanitarian supply chain performance to a great extent.

4.3.9 Information Technology

The study sought to find out about Information Technology in supplier relationship management. Findings are given on Table 4.11.

Table 4.11: Information Technology

	Mean	Std. Dev.
WFP's supply chain management system is IT integrated	4.57	0.49
WFP has installed software to ensures real time sharing of information with suppliers	4.40	0.49
At WFP, technology tools are used to determine who to buy from and what to buy from them	3.54	0.51
At WFP, IT is used in the execution and management of purchase orders	4.66	0.48
At WFP , a Web-based catalogue system is used	3.91	1.01

Source: Research Data (2015)

From the findings, whether at WFP, technology tools are used to determine who to buy from and what to buy from them had a mean of 3.54, whether at WFP a Web-based catalogue system is used had a mean of 3.91, whether WFP has installed software to ensures real time sharing of information with suppliers had a mean of 4.40, whether WFP's supply chain management system is IT integrated had a mean of 4.57 and whether at WFP, IT is used in the execution and management of purchase orders had the highest mean of 4.66. According to Bowersox, Closs and Cooper (2002), the integration of technology in SRM applications allows co-operating parties to conceptualize and codify best practices into their interaction, as well as enforce compliance across multiple divisions and locations. SRM partners can use technology to allow each other to see information they might have kept secret from one another before, such as real-time changes in prices paid for components or changes in actual shipping costs.

4.3.10 Extent of Influence of Information Technology

The study sought the respondents' opinion about the extent to which Information Technology influences humanitarian supply chain performance. Findings are given on Table 4.12.

Table 4.12: Extent of Influence of Information Technology

Extent	Frequency	Percent
Very great extent	22	35
Great extent	30	48
Moderate extent	9	14
Little extent	2	3
Total	**63**	**100**

Source: Research Data (2015).

From the findings, majority of the respondents, 83% said that Information Technology influences humanitarian supply chain performance to a great extent.

4.4 Humanitarian Supply Chain Performance

The study sought to find out the performance of WFP's humanitarian supply chain performance in terms of quality, cost, dependability, flexibility and cost. Results are given on Table 4.13.

Table 4.13: Humanitarian Supply Chain Performance

	Mean	Std. Dev.
WFP Somalia delivers defect free food supplies to beneficiaries	3.51	1.15
Beneficiaries are satisfied with the quality of our food supplies	3.17	1.12
There are no cases of diseases affecting the beneficiaries due to poor quality food supplies	3.69	1.11
Our food supplies reach beneficiaries in time	2.96	1.34
At WFP Somalia, there are no cases of delayed supplies	3.37	1.03
There are no cases of starvation among beneficiaries due to delayed food supplies	3.43	1.12
WFP Somalia beneficiaries get food supplies when promised	2.90	1.42
WFP has reduced significantly the cost of delivering food supplies	3.34	1.19
WFP Somalia has great minimized the time between the order and the availability of food supplies to beneficiaries	3.10	1.66
WFP Somalia uses versatile equipments	3.12	2.11
WFP suppliers have flexibility performance	3.22	1.21
At WFP Somalia we have a multi-skilled workforce	3.27	1.21

Source: Research Data (2015)

From the findings, the area where the organization's supply chain has performed best is in food quality. This is indicated by the fact that there have not been cases of diseases

affecting the beneficiaries due to poor quality food supplies, with the highest mean of 3.69. This is followed by another aspect of quality where respondents agreed that WFP Somalia delivers defect free food supplies to beneficiaries, with a mean of 3.51. The organization's humanitarian supply chain has not performed well on dependability with whether WFP Somalia beneficiaries get food supplies when promised having the lowest mean of 2.90. According to Beamon and Balcik (2008), the primary goal in relief operations is to minimize the response time (to deliver supplies to the areas as they are needed). Moreover, relief efforts generally operate on limited funds, which increase the importance of efficient (low cost) inventory management systems. When disasters strike, relief organizations respond by delivering aid to those in need. Their supply chains must be both fast and agile, responding to sudden-onset disasters which may occur.

4.5 Multiple Regression Analysis

Table 4.14: Multiple Regression Analysis

	Unstandardized Coefficients		**Standardized Coefficients**	**T**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	0.853	1.068		0.799	0.433
Information Sharing	0.169	0.193	-0.08	-0.358	0.724
Multiple Tiers	0.156	0.203	0.135	0.619	0.543
Knowledge Management	0.128	0.250	-0.242	-0.891	0.383
Supply Performance Management	0.205	0.16	0.346	1.284	0.213
Information Technology	0.167	0.231	0.012	1.123	0.432

Source: Research Data (2015)

Multiple regression analysis was done to determine the relationship between the WFP's humanitarian supply chain performance and the five independent variables (Information

Sharing, Multiple Tiers for Value Generation, Knowledge Management, Supplier Performance Management and IT integration) investigated in this survey. The regression equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$) was:

$Y = 0.853 + 0.169X_1 + 0.156X_2 + 0.128X_3 + 0.205X_4 + 0.167X_5 + 0$

Whereby: Y = Performance (quality, cost, dependability, flexibility and cost)

X_1= Information Sharing

X_2 = Multiple Tiers for Value Generation

X_3 = Knowledge Management

X4= Supplier Performance Management

X_5= IT integration

The analysis shows that taking all other independent variables at zero, a unit increase in information sharing will lead to a 0.169 increase in humanitarian supply chain performance. A unit increase in Multiple Tiers for Value Generation will lead to a 0.156 increase in humanitarian supply chain performance; a unit increase in Knowledge Management will lead to a 0.128 increase in humanitarian supply chain performance; a unit increase in Supplier Performance Management will lead to a 0.205 increase in humanitarian supply chain performance while a unit increase in IT integration will lead to a 0.167 increase in humanitarian supply chain performance.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings from chapter four, and it also gives the discussions, conclusions and recommendations of the study based on the objectives of the study. The objective of this study was to investigate the effect of supplier relationship management on supply chain performance at the World Food Programme in Somalia.

5.2 Summary of Findings

On information sharing, findings revealed that the organization always shares information with suppliers and that majority of the respondents said that information sharing greatly influences humanitarian supply chain performance. This is in agreement with Ounnar, Pujo, Mekaouche and Giambiasi (2007) who argued that organizations are beginning to understand and accept that if they do not open up to suppliers about their entire approach to cost investment return, it will be difficult for suppliers to contribute innovative ways to save money for both sides. With strategic information sharing between an organization and its suppliers, innovation is enhanced where suppliers are able to save significant money for an organization and share the cost savings for the benefit of all.

On multiple tiers valuation generation and humanitarian supply chain performance, results showed that WFP has multiple tier suppliers. This means that even though the organization had multiple supplier tiers for value generation, it did not know well the risk

profile of each tier. It was also found that majority of the respondents think that multiple tiers greatly influence humanitarian supply chain performance. The findings are in agreement with Choy, Lee and Lo (2002) who posited that developing a collaborative relationship with a supplier does not occur overnight. It takes time to strengthen the various levels of communication. However, the same strategies that applied to an organization's first-tier supplier can also be applied to multiple tiers in the supply chain. As the market of tomorrow may be driven by competing supply chains, the ability to transfer those relationship skills to multiple tiers is a major advantage for organizations. Multi-tier supplier relationships are unique because they provide an opportunity for the organization and its suppliers to discuss mutual or company values (Shin, Collier & Wilson, 2000).

On knowledge management and humanitarian supply chain performance, it was revealed that WFP continuously trains employees from then procurement department. This means the organization invests resources in the training of its employees in the procurement department. It was also found that majority of the respondents think that Knowledge Management influences humanitarian supply chain performance to a great extent.

WFP has mechanisms to ensure suppliers conform to quality standards and is keen on suppliers of critical commodities like food. The organization should check on the dependability of its services as beneficiaries do not get food supplies as they are promised. The findings agree with Tan, Kannan and Handfield (1998) who explained that measurement of supplier performance is a step in the right direction. Focusing on critical suppliers or suppliers that constitute the largest portion of spending enables a company to

identify and manage those performance issues that could have the most immediate and greatest impact on its operations and its perception in the market.

IT is used in the execution and management of purchase orders and that majority of the respondents think that Information Technology influences humanitarian supply chain performance to a great extent. These findings are in agreement with Bowersox, Closs and Cooper (2002) who argued that the integration of technology in SRM applications allows co-operating parties to conceptualize and codify best practices into their interaction, as well as enforce compliance across multiple divisions and locations. SRM partners can use technology to allow each other to see information they might have kept secret from one another before, such as real-time changes in prices paid for components or changes in actual shipping costs (Bowersox, Closs & Cooper, 2002).

On performance of WFP's humanitarian supply chain performance, results indicated that WFP Somalia delivers defect free food supplies to beneficiaries and that there are no cases of diseases affecting the beneficiaries due to poor quality food supplies. Results also showed that WFP Somalia beneficiaries do not get food supplies when promised. The findings are in agreement with Beamon and Balcik (2008) who posited that the primary goal in relief operations is to minimize the response time (to deliver supplies to the areas as they are needed). Relief efforts generally operate on limited funds, which increase the importance of efficient (low cost) inventory management systems. When disasters strike, relief organizations respond by delivering aid to those in need. Their supply chains must be both fast and agile, responding to sudden-onset disasters which may occur (Beamon & Balcik, 2008).

5.3 Conclusions

WFP shares information with suppliers, but the organization does not reward suppliers who share information. WFP has categorized its suppliers into multiple tiers but does not know the risk profile of each tier. WFP continuously trains employees from then procurement department but does not do much to encourage individual learning. The organization has put in place mechanisms to ensure suppliers conform to quality standards and that the organization is keen on suppliers of critical commodities like food. IT is used in the execution and management of purchase orders. WFP's humanitarian supply chain performance, results indicated that WFP Somalia delivers defect free food supplies to beneficiaries there are no cases of diseases affecting the beneficiaries due to poor quality food supplies but its services are not much dependable as beneficiaries do not get food supplies as they are promised.

5.4 Recommendations

Most humanitarian organizations share information with suppliers but they should go further and begin rewarding suppliers who share information in time as this will motivate them to continue doing so hence reduce quality problems and also reduce delivery time. It is not enough that organizations have multiple tier suppliers. Organizations should not only have multiple supply tiers but should also well understand each tiers risk profile. This will enable organizations mitigate any unforeseen events that may affect delivery of supplies especially during emergencies.

Organizations should also encourage individual learning. This will in turn enhance organizational learning and enable a culture of knowledge management which will increase the organizational supply chain performance. Learning organization begins from

the individual. It is only when individuals in the organization learn that the whole organization learns. Organizations do not learn, individuals do. Organizations should also ensure the use of IT in all aspects of supplier relationship management if they have to realize an optimal humanitarian supply chain performance. Organizations should integrate software via the Web and the use of extendable markup language, which will make the technological problems much easier to deal with.

Lastly, organizations should ensure that beneficiaries feel the organizations' services are dependable and deliver supplies as promised. The fundamental performance objectives that apply to all types of organizations and are closely related to customer satisfaction requirements are speed, dependability, flexibility, quality, and cost. If any of these objectives is not met, then the supply chain is obviously not performing well.

5.5 Suggestions for Further Research

This study investigated the effect of supplier relationship management on supply chain performance at the World Food Programme in Somalia. The researcher suggests that similar studies be conducted on other humanitarian organizations in the region so that generalizations can be done of effect of supplier relationship management on supply chain performance of humanitarian organizations in East Africa. It is also suggested that other studies be done to investigate the challenges facing humanitarian organizations in their supplier relationship management efforts. This will enable these organizations come up with ways of mitigating these challenges and hence increase the performance of their supply chains.

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APPENDICES

Appendix I: Questionnaire

This questionnaire contains questions meant to measure the effects of effect of supplier relationship management on humanitarian supply chain service performance, case of World Food Programme in Somalia.

Name (optional): _____

Kindly respond by ticking [√] in the boxes provided.

Section A: Demographic Information

1. Gender

   Male [ ] Female [ ]

2. What is your position in WFP?

   Senior Manager [ ]

   Procurement staff [ ]

   Operations staff [ ]

4. Please indicate the highest level of education attained (Tick as applicable)

   a) Diploma [ ]

   b) Bachelor's degree [ ]

   c) Masters' degree [ ]

   d) Others (specify)……

5. For how long have you been working with WFP? (Tick as applicable)

   a) 0-5 yrs [ ]

   b) 6-10 yrs [ ]

   c) 11-15 yrs [ ]

   d) 15 yrs and above [ ]

Section B: Supplier Relationship Management and Supply Chain Performance

1) Information Sharing

What is your opinion on the following statements on information sharing and humanitarian supply chain performance?

1=strongly disagree 2=disagree 3=neutral 4=agree 5=strongly agree

	1	2	3	4	5
My organization always shares information with suppliers					
My organization has put in place measures for effective information sharing with suppliers					
Our suppliers always inform us in advance when they expect disruptions in supplies					
My organization rewards suppliers who shares information					
At WFP, procurement employees freely interact with suppliers					

To what extent do you think information sharing influences humanitarian supply chain performance?

Extent	**Tick Where appropriate**
Very great extent	
Great extent	
Moderate extent	
Little extent	
No extent at all	
Total	

2) Multiple Tiers for Value Generation

What is your opinion on the following statements on multiple tiers for value generation and humanitarian supply chain performance?

	1	2	3	4	5
WFP has multiple tier suppliers					
My organization ensures efficient exchange of information across the multiple supplier tiers					
The organization has put in place enough resources to manage multiple tier suppliers to avoid disruptions					
The organization has trained employees on managing its multiple tier suppliers					
The organization understands the risk profiles of each supply tier					
The organization understands the number of up or down-stream layers across the supply chain					
The organization understands the number of agents present in each tier.					

To what extent do you think multiple tiers for value generation influences humanitarian supply chain performance?

Extent	**Tick Where appropriate**
Very great extent	
Great extent	
Moderate extent	
Little extent	
No extent at all	

Total	

3) Knowledge Management

What is your opinion on the following statements on of knowledge management and humanitarian supply chain performance?

	1	2	3	4	5
My organization ensures that all employees are knowledgeable in most of the organization aspects					
WFP continuously trains employees from then procurement department					
WFP has put in place mechanisms for knowledge management					
WFP encourages individual learning					

To what extent do you think knowledge management influences humanitarian supply chain performance?

Extent	**Tick Where appropriate**
Very great extent	
Great extent	
Moderate extent	
Little extent	
No extent at all	
Total	

4) Supplier Performance Management

What is your opinion on the following statements on supplier performance management and humanitarian supply chain performance?

	1	2	3	4	5
WFP is keen on suppliers of critical commodities like food					
WFP has put in place mechanisms to evaluate the performance of its suppliers					
WFP has mechanisms to ensure suppliers conform to quality standards					
WFP has mechanisms to ensure suppliers comply with standard prices					
WFP has mechanisms to ensure suppliers conform to lead-time standards					

To what extent do you think supplier performance management influences humanitarian supply chain performance?

Extent	**Tick Where appropriate**
Very great extent	
Great extent	
Moderate extent	
Little extent	
No extent at all	
Total	

5) IT and Humanitarian Supply Chain Performance

What is your opinion on the following statements on IT and humanitarian supply chain performance?

	1	2	3	4	5
WFP's supply chain management system is IT integrated					
WFP has installed software to ensures real time sharing of information with suppliers					
At WFP, technology tools are used to determine who to buy from and what to buy from them					
At WFP, IT is used in the execution and management of purchase orders					
At WFP , a Web-based catalogue system is used					

To what extent do you think IT influences humanitarian supply chain performance?

Extent	**Tick Where appropriate**
Very great extent	
Great extent	
Moderate extent	
Little extent	
No extent at all	
Total	

Part C: Humanitarian Supply Chain Performance

In the scale of 1-5 indicate how the below attributes of operations performance attributes have been affected in the organization (Where 5= strongly agree, 4= agree, 3= neutral, 2 disagree and 1= strongly disagree).

	1	**2**	**3**	**4**	**5**
WFP Somalia delivers defect free food supplies to beneficiaries					
Beneficiaries are satisfied with the quality of our food supplies					
There are no cases of diseases affecting the beneficiaries due to poor quality food supplies					
Our food supplies reach beneficiaries in time					
At WFP Somalia, there are no cases of delayed supplies					
There are no cases of starvation among beneficiaries due to delayed food supplies					
WFP Somalia beneficiaries get food supplies when promised					
WFP has reduced significantly the cost of delivering food supplies					
WFP Somalia has great minimized the time between the order and the availability of food supplies to beneficiaries					
At WFP Somalia,					
WFP Somalia uses versatile equipments					
WFP suppliers have good flexibility performance					
At WFP Somalia we have a multi-skilled workforce					

Appendix II: Supplier Interview Guide

1. Name of Company (optional)…….
2. Does WFP maintain a relationship with you?
3. If YES, what nature of relationship is this?
4. Do you think the relationship has improved WFP supply chain performance?
5. Do you inform WFP in advance whenever you expect supply disruptions?
6. Do you conform to standards in quality, price and lead times in your dealership with WFP?

Appendix III: List of WFP Food Suppliers

1. Arizona Jislo (K) Ltd
2. Aselsah Ltd
3. Incas International Kenya
4. Komenya Cereals
5. Roxy General Suppliers
6. Supremenote Investments Ltd
7. Teko Kenya Ltd

Appendix IV: Time Plan

ACTIVITIES	Jul	Aug	Sep	Oct
Proposal writing and corrections				
Collection of data				
Classification of data, Editing				
Analysis & ' Interpretation				
Writing the Final Report				
Submission of the report				

Appendix V: Budget

ITEM	AMOUNT
Printing and typing	13,000
Binding	2,000
Photocopying	5,000
Transport	6,000
Miscellaneous	5,000
Total	**31,000**