

**SUPPLY CHAIN MANAGEMENT PRACTICES AND OPERATIONAL
PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN
NAIROBI, KENYA**

BY

AGNES M. MANSARAY

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION, SCHOOL OF BUSINESS UNIVERSITY OF NAIROBI**

DECEMBER, 2018

DECLARATION

I, the undersigned, declare that this research project is my original work and has not been submitted to any other college, institution or university for academic credit.

Signature:

Date:

Agnes M. Mansaray

D61/87456/2016

This research project has been submitted for presentation with an approval as the appointed supervisors.

Signature:

Date:

Mr Michael K. Chirchir

Lecturer

Department of Management Science

The University of Nairobi

ACKNOWLEDGEMENT

It is not by might or by the power that is able to reach this far but, by the power and might of Almighty God who gave all that needed for me to go through this program successfully to whom I owed all. I also recognize my elder sister Dr. Edna G. Johnny for her financial, academic, social, moral and parental guidance she accords me with throughout my studies. To the great University of Nairobi, my able and ever ready supervisor, Mr. Michael K. Chirchir and all the venerated Professors and Lecturers. I remained forever grateful.

DEDICATION

This research proposal is dedicated to my late beloved hero, friend, and father. My superhero and loving mother and to all my family members and dearest friends who stood by me in every possible way. I remain humbled. May the bless us all!

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGEMENT	iii
DEDICATION	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES.....	viii
ABBREVIATIONS AND ACRONYMS	ix
ABSTRACT.....	x
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study	1
1.1.1 Supply Chain Management Practices	2
1.1.2 Operational Performance	3
1.1.3 Small and Medium-Sized Enterprises in Nairobi, Kenya.....	4
1.2 Research Problem	5
1.3 Research Objectives.....	7
1.4 Value of the Study	7
CHAPTER TWO: LITERATURE REVIEW.....	8
2.1 Introduction.....	8
2.2 Theoretical Literature Review	8
2.2.1 Resource Dependence Theory	8
2.2.2 Theory of the Firm.....	9
2.3 Supply Chain Management Practices	9
2.4 Empirical Literature Review.....	12
2.5 Barriers on Implementation of Supply Chain Management Practices.....	14
2.6 Overview of Literature.....	15
2.7 Conceptual Framework.....	16
Figure 2.1: Conceptual Framework	16

CHAPTER THREE: RESEARCH METHODOLOGY	17
3.1 Introduction.....	17
3.2 Research Design.....	17
3.3 The Target Population.....	17
3.4 Data Collection	17
3.5 Data Analysis	18
CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS	19
4.1 Introduction.....	19
4.2 Response Rate.....	19
4.3 Background Information.....	20
4.3.1 Position held in the Organization.....	20
4.3.2 Years of Experience.....	20
4.4 Gender of Respondents.....	21
4.4.1 General Information.....	21
4.4.2 Age Bracket	21
4.4.3 Maximum Education.....	21
4.4.4 Position Held.....	22
4.5 Summary of the extent of the objectives of the study.....	22
4.6 Relationship between SCMPs and OP.....	23
4.7 Regression Results	23
4.7.1 Regression Coefficient.....	23
4.7.2 Model Summary.....	24
4.8 Barriers Faced by SMEs in Adopting Supply Chain Management Practices.....	24
4.9 Discussion of the Findings.....	26
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	28
5.1 Introduction.....	28
5.2 Summary of the Findings.....	28
5.3 Conclusion	29
5.4 Policy Recommendations.....	30

5.5 Limitations	30
5.6 Suggestions for Further Research	30
REFERENCES.....	32
APPENDICES.....	41
APPENDIX I: QUESTIONNAIRE	41
APPENDIX II: OUTSOURCING SUPPLY CHAIN MANAGEMENT PRACTICES	46
APPENDIX III: LEAN SUPPLY CHAIN MANAGEMENT PRACTICES	47
APPENDIX IV: STRATEGIC SUPPLIER RELATIONSHIP PRACTICES.....	48
Table 4.4.3: Strategic Supplier Relationship Practices	48
APPENDIX V: INVENTORY MANAGEMENT PRACTICES	49

LIST OF TABLES

Table 1. Overview of Literature.....	15
Table 3.1 Summary of Data Collection and Data Analysis Methods	18
Table 4:2. Response Rate.....	19
Table 4.3.1: Position Held	20
Table 4.3.2: Years of Experience.....	20
Table 4.4: Gender of Respondents.....	21
Table 4.4.2: Age in Years	21
Table 4.4 presents the highest learning standard of respondents.....	21
Table 4.4.3: maximum Education.....	22
Table 4.4.4: Position Held	22
Table 4.5.1 Summary of the Objectives.....	22
Table 4.7.1: Coefficients.....	23
Table 4.7.2: Model Summary	24
Table 4.7.3: ANOVA.....	24
Table 4.8.1: Barriers Faced by SMEs in Adopting Supply Chain Management Practice	25
Table 4.4.3: Strategic Supplier Relationship Practices.....	48
Table 4.4.5: Inventory Management Practices	49

ABBREVIATIONS AND ACRONYMS

CRM	Customer relationship management
ERP	Enterprise resource planning
ICT	Information Communication Technology
OLS	Ordinary Lease Square
OP	Operational Performance
RBV	Resource based view theory
RDT	Resource dependency theory
SCI	Supply Chain Integration
SCM	Supply Chain Management
SME	Small-Medium Sized Enterprises
SPSS	Statistical package for social sciences
SRM	Supplier Relationship Management

ABSTRACT

The quintessence of supply chain management is that it is a planned bat toward building up a sustainable improvement by dropping asset lacking for going buyers pleasure. However, as universal markets advance, supply chain managers encounter difficulties because of customary steps to manage to provide cuffs proved gradually more fruitless. This swot up was directed by the subsequent explicit goals; to find out the degree at which SCMP has been implemented by SMEs in Nairobi, Kenya; to introduce the connection linking SCMP and its operational performances of SMEs in Nairobi, Kenya. To identify barriers faced by SMEs in implementing supply chain management practices in Nairobi, Kenya. The population of the study was 99 SMEs and census was employed. The study collected primary data using questionnaires which were administered to every single supply chain managers and its equivalent. The collected data was analyzed using descriptive and deterioration examination to agree on the connection between SCMP and OP. My lessons established that Outsourcing practices ($p=0.012<0.05$) have affirmative and important power on presentation of SMEs. Lean practices ($p=0.000<0.05$) has an affirmative and important authority on presentation of SMEs. Strategic supplier relationship ($p=0.034<0.05$) have a constructive and noteworthy persuade on a routine of SMEs. Inventory management practices ($p=0.010<0.05$) have an encouraging and major control on presentation of SMEs. The study concluded that outsourcing practices positively and importantly impact the performance of SMEs. Lean practices had a helpful and major influence on the act of SMEs. Strategic supplier relationship had encouraging and noteworthy authority on the act of SMEs. Inventory management practices have constructive and important power on presentation of SMEs. My revision advice with the aim of the administration players of all SMEs operating within Nairobi, Kenya ought to increase their investment in outsourcing practices, lean practices, strategic supplier relationship, and inventory management practices in order to positively influence their operational performance. The findings cannot be generalized to Medium and Large Enterprises since the study was only capturing SMEs. As such, there is a need for further study on how Medium-Sized and Large Enterprises have implemented their SCMP on their Operational performance.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Due to globalization, advanced technology, intense competition, high complexities in supply chain activities and dynamic economic environment, there is a need for enterprises to seek practices that will enhance efficiency and effectiveness of the firm. Supply chain management practices try to improve the presentation of the organization by ensuring the delivery of quality products, optimization of a firm's operations, meeting and exceeding the customers' expectations. Businesses can gain aggressive improvement and promote buyers importance during the creation and adoption of the SCMP that will create and sustain efficiency in the organization (Devaraj, 2007). Efficient practices can make an organization to achieve a sustainable SCMP, and linkages in the process should be of use in constructing and utilizing supply chain practices. Connotation, any firm that wants to be efficient and effective should concentrate on SCMP. Supply chain management practices are adopted towards achieving the presentation of business and optimization of internal functions and processes within the organization in order to have successful suppliers and customers integration (Narasimhan, 2002).

Supply chain management practices have been of importance to different scholars and researchers in the supply chain and operation world. SCMP is anchored on these assumptions namely: Resource dependence theory and Resource-based view theory. Resource dependence theory was formulated by Salancik and Pfeffer (1978) recognized organizations convey on the practices and resources that originates from the environment in order to enhance their performance and competitiveness. Resource-based view theory was formulated by Barney (1991) recognized that for firms to be competitive in the environment, there is a need for the firm to own unique set of resources both tangible and intangible, thus will enhance the firms' performance and competitive advantage over their competitors. These theories are relevant to the study because SCMP is resources used by firms to improve their performances and to have aggressive improvement in excess of their reveals' within the industry surroundings.

For an effective supply chain management practices in firms, hence it necessarily meant for complete endeavor for improvement in supply chain activities along with functions within the

firm, thus enabling acknowledgement of the opportunities for creation of sustainable competitive advantage which is essential in ensuring quality products, timeliness, operational efficiency and increase in customers' satisfaction levels (Hill, 2007). However, SCMP is not without challenges; it is a milestone undertaking especially for SMEs, which are not limited to different goals, the shift of focus from customers, forged relationship and unidirectional flow of information that requires a comprehensive and clear attention for effective adoption in the organization (Koufterous, 2011). Thus, there is a need for an organization to reorganize internally and externally in order to have an impact on a prepared routine by the accomplishment of the SCMP.

1.1.1 Supply Chain Management Practices

The supply chain is referred to a complex in getting providers, retailers, dispatchers, logistics operators as well as customers' who ensured quality production and safe delivery of finish goods in order to meet and exceed buyers' satisfaction (Christopher, 2000). SCMP refers to the activities and actions pursued by an organization by means of aiming for an effective plus efficient means of managing the supply chain (Tomi & Solakivi, 2014). SCMP refers to the integration of firm's units in coordinating the flow of information, raw materials, and products in organizing towards accomplishing customers' needs and difficulties by means of enhancing competence and success of the supply chain as a whole (Adebayo, 2012).

SCMP are techniques that are adopted in the organization in order to improve customers demand and responsiveness. SCMP is done in organizations to advance lasting presentation within the organization as well as its entire supply chain functions. It is also implemented in organizations for sustainability, an improvement on customers' demand responsiveness and to have edge over their competitors in the period of the turbulent environment by economic instability, strong competition, globalization, and e-commerce. Therefore businesses need to scan their environment by identifying their protest and implementing SCMP that will enable them to achieve sustainability, competence, and usefulness of supply chain that motivate ultimately enhance operational performance while using limited resources in the organization (Adbifatah, 2013).

In the supply chain management field, some commonly recognized supply chain management practices among small and medium-sized enterprises are strategic supplier partnership,

information sharing, inventory management, integration and customer relationship management. Min and Mentez (2004) identified strategic supplier cooperation, as risk and award sharing, information sharing and customer relationship. This study will adopt the most common SCMP that includes customers' relationship, lean practices, strategic supplier relationship, and information sharing and inventory management practices. The literature will adopt measures of improving organizational performance supply chain management as depicted by Li et al., (2005).

1.1.2 Operational Performance

Blazey (2009) stated that operational performance entails an organization's presentation during relative towards values before given procedures of competence, usefulness, ecological task consisting of squandering diminution, output, dictatorial fulfillment, and sequence occasion reduction. He further demonstrated that operational performance is a normal dependent variable that managers and researchers use in evaluating specific firms in comparison with their business rivals. For instance, operational performance can be dependent on a firm's factors, such as human resources development, marketing strategy, customer service, image or reputation, corporate social responsibility, contract management, supplier relationship, and communication. Combs, Crook, and Shook (2005) display the difference linking operational performance and organizational performance. The trio further argues that operational performance involves all non-financial firm outcomes while organizational performance comprises of the economic outcomes of a firm.

Besides, operational performance testing happens against the commitments established in the management system. It serves to measure the firm's management plans to ensure the achievement of its social, ecological, and economic goals. Performance is the record of an outcome achieved through a function of specific activities or work within a given period (Brandin & Russel, 2009). It is worthwhile to note that many firms use many performance measures unlike the single measure used in the past. Operational performance may be effectively done through an organizational management system. Some of the commonly used methods of measuring operational performance include quality circles, balanced scorecard, and best practices. These techniques involve frequent repetitive activities used in establishing organizational goals. The activities are vital during monitoring the progress of the organization

against their set goals and objectives (Mohanty, 2008). In relation to supply chain management practices, common key performance indicators include but not limited to efficiency, quality services, flexibility, customer satisfaction and cost reduction (Cho & Pucick, 2005).

1.1.3 Small and Medium-Sized Enterprises in Nairobi, Kenya

Small and medium enterprises are organizations with full-time workers not greater than 100 or else yearly proceeds not beyond Kshs. 150 million (Wachuma and Shalle, 2016). Public Procurement and Disposal (County Governments) Regulations, 2013 define SMEs since businesses with maximum annual sales of Kshs 500,000.00, meaning a less strong economic as well as scientific ability towards embarking on large work in the vein of the building of transportation, selling places, and structures.

SMEs in Nairobi are predominantly retailers or resellers obtaining merchandise from one producer or wholesaler and selling to the end-users. The term retailer refers to an individual (or organizations) who mainly sell goods and services to final consumers or end-users (Kibera, 2009). Incorporated in this category are supermarkets, hypermarkets, full-service retailers and personal sellers. SMEs in Kenya are classified based on the number of workers occupied with the organization (the Republic of Kenya, 1997). Organizations that have fewer workers lower than five are called micro-enterprises, whilst organizations that employed five to 49 people as well as 50 to 99 employees are correspondingly referred to as small-scale and medium-sized enterprises. An organization with above 100 workers they are called large-scale enterprises.

Depending on the complexity with supply chain or chain of distribution, retailers provide a vital link between producers and customers or between wholesalers and final consumers. Some of the upstream and downstream value-adding services provided by retailers in supply chain include: bulk breaking, sorting of items, provision of credit facilities to consumers, stocking of varieties of merchandise from a number of wholesalers and producers, transportation, storage of products, provision of market information to supply chain members and advertising of producers product to the final consumers (Gitau, 2016).

SMEs have always shown exponential growth in the profitability and performance, contributing 3.4% in the Gross Domestic Product (GDP) as from December 2017 to March 2018 (Cytton,

2018). Most retail businesses in Nairobi are either small or medium-sized enterprises (SMEs) with a low turnover or a limited number of employees, usually owner-managed. Some of the businesses are registered under the Business Names Registration Act either as sole proprietors or partnerships, while others are not registered at all. A small number of SMEs are registered as private companies under the Companies Act, Cap 486 of the Laws of Kenya. The size of SMEs is usually small, with only sample products being displayed. The owner provides all the managerial input including financing, marketing, sourcing, and physical distribution management. Some of the owners usually lack formal training in business organization, leadership, and managerial skills, therefore, less profitable and have low prospects for growth and survival during difficult economic times. Also, the changes of commerce methods that have minor manufacture price, relief in growing buyers important, elasticity through better tune-up as well as pervasive contact in a sequence of knowledge be gradually making a vast exception on behalf of SMEs endurance (Chandra and Kumar, 2000).

1.2 Research Problem

For the most organization, SCMP plays a major role in their operational performance given their role and contribution to the economy and country at large. Therefore, research on the extent of specific SCMP will be adopted in order to provide a source of efficiency and effectiveness in the operations of an organization which eventually affects the operational performance of enterprises (Zhou and Benton, 2007). There is a need for organizations to implement SCMP practices in arrangement towards accomplishing customers demand by way of improving the operations of the institute.

Despite the acknowledgment of SMEs in the economy, SMEs have been facing many demurs, for instance, inadequate funding, political instability, and economic drowning which have affected the operations and financial performance of the enterprises (Otieno, 2013). There is emphasizes on SMEs to adopt practices in their operation in order to ensure that they restrain these complaints and create an opportunity for improvement in operation that eventually hinders the firm's activities. SMEs in Nairobi are large retailers or resellers obtaining merchandise from one producer or wholesaler and selling to the end-users, thus creating the hub of trade in the country.

Globally, Frohlich and Westbrook (2001) examined an effect with consumer and supplier incorporation practices resting on the act of firms; the research recognized customers facing, suppliers facing, inward facing, outward facing and periphery-facing as the SCMP that signifies the efficiency and effectiveness of firms. The investigation further showed that the superior the level of supplier and consumer supply incorporation to elevate the Organizational appearance. Turkey, Lenny & Bayraktar (2007) analyzed the magnitude of SCMP through empirical trying the origin of the relationship among SCMP, operational performance and SCM-related to organizational performance. The research indicated lean practices, multiple supplier relationship and outsourcing positively impacted operational performance. In contrast, the three SCMP did not show the significance expansively on operational performance. Okungwu et al., (2015) investigated the interrelationship of SCM practices and performance by the use of strategic mapping perspective of the balanced scorecard. The analysis indicated with the purpose of strategic paths of SCMP affected the performance of an organization.

Locally, Mwilu (2013) studied supply chain management practices as well as presentations surrounded by examining institutions in Kenya. The assessment shows that, despite the adoption of SCMP in public research institution, quite some SCM practices had not been implemented in the institutions. The analysis established a strong connection linking supply chain management practices and performances. Mahulo (2015) carried out a study on SCMP on cement companies in Kenya. The research recognized that outsourcing, customer relationship, strategic supplier partnership is the primary SCM practices in the organization that has a constructive relationship in the firms' operation. Kiplagat (2017) studied supply chain management practices and operational performance of public universities in Kenya. The surveillance revealed that adoption of outsourcing, information sharing, customer-supplier relationship, strategic supplier partnership and the use of ICT are the leading SCMP in public universities. The investigation proved that there is an optimistic correlation between SCMP and operational performance.

The researches above have been discussed in different ways in which SCMP have been proved to impact the firm's performance significantly. However, none of the researchers has addressed the effect of SCMP and performances of SMEs in Nairobi, Kenya. hence, my revision intended in filling up the openings with responses to the next research request: in the direction of extent have

supply chain management practices adopted by SMEs in Nairobi, Kenya? To know the connection linking SCMP and performance of SMEs within Nairobi, Kenya? To identify constraints faced by SMEs in implementing SCMP in Nairobi, Kenya?

1.3 Research Objectives

To find out the degree on which SCMP has been implemented by SMEs in Nairobi, Kenya

To find out the connection linking SCMP and Operational performances of SMEs in Nairobi, Kenya

Identify barriers faced by SMEs in implementing supply chain management practices within Nairobi, Kenya.

1.4 Value of the Study

The study anticipated of being beneficial to SMEs in identifying the SCMP dimensions, which can be used to develop enterprise performance. It would also help the enterprises to recognize the gaps in their operations of an organization particularly regarding some non-value addition activities, which consumes many resources.

The study can also be essential to other commercial corporations and other organizations to facilitate them to determine the importance of SCMP, which will help them to identify the inefficiency and opportunities principally those relating to cost lessening and improved performance.

Scholars and researchers will also benefit from the study because the findings will provide insights and create new knowledge on the SCMP. The revision would also expand the prose of supply chain management practices and organizational performance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This segment discusses the hypothetical structure of supply chain management practices and operational performance. Reviews of pragmatic on researches that have been done by different scholars are also discussed and abstract structure connecting supply chain management practices and operational performance.

2.2 Theoretical Literature Review

Various theories have explained the rationale of SCMP in management. This research is anchored on resource dependence theory and resource-based view theory.

2.2.1 Resource Dependence Theory

This hypothesis was formulated through Salancik and Pfeffer (1978) to offer an explanation of external factors and resources employed in delivery and manufacturing of goods that affect the operations of an organization. The theory is based on the reality that firms within an industry are dependent on resources that originate from the environment. Organizations transformed these resources into outputs through proper systems. The fundamental idea in the rear of this theory is to guarantee the sustainability and competitiveness of organizations that are controlled by uncertainties within the environment in which the business operates (Pfeffer & Salancik, 1978).

Supply chain specialists will be able to leverage this theory by minimizing uncertainties within the environment through various measures. This measurement in accordance with Hillman *et al.* (2009) in combines the involvement in mergers, acquisitions along with executive execution of projects within an organization. Additionally, institutions are able to make use of buyers/producers incorporation, capability, as well as turnover (Slowinsk *et al.*, 2009). Since marketing conditions are ever changing, scholars argued that this theory gives a framework on how supply chain activities and organizations as a whole can minimize these uncertainties within the environment (Handfield, 1993). One of the assumptions underlying by RDT is that vendors and buyers are closely networked as seen by sharing of resources, formulation of new opportunities and avenues for profitability and organization performance (Sanderson *et al.*, 2015). This theory, therefore, links outsourcing and strategic supplier partnership with organizational performance. Hence, it is important for towards present revision.

2.2.2 Theory of the Firm

Origin of this theory is contributed by Baumol (1959 & 1962), Marris (1964) and Williamson (1966). This theory was founded in neoclassical economics reveals that firms exist and make decisions that improve their profitability and increase their efficiency and effectiveness in their operations, in the market. Firms interact with others to ensure there is an improved operational efficiency and allocate resources so as to maximize their profits. In accordance with this hypothesis, to the adoption of the practices of any firm is deemed to be driven by the ability to maximize profits and improve operational performance.

This theory forms the basis of making decisions with regard to allocation of resources, techniques of production and volume of production. The theory of the firm has however been criticized on the basis that it focused on broad industries. As such, it could not explain why companies produce goods and service they do and what motivates the choice of firms in the allocation of resources during the production process. The theory also didn't emphasize the specific practices that need to be adopted in order to enhance operational performance. Thus there is a need for the organization to identify the practices as per the organization activities thus influencing the operational performance.

This assumption is applicable to the revision since it supports its decisions (putting in supply chain management practices) that firms make aimed at improving operational performance. The theory shows that firms allocate resources and adopt supply chain management practices in most viable avenues to increase operational performance. One way that firm enhances their operational performance is through implementing supply chain management practices. Thus, the theory links supply chain management practices and operational performance.

2.3 Supply Chain Management Practices

This study will adopt the most common SCMP that includes outsourcing, lean practices, strategic supplier relationship, and inventory management practices. They are discussed next.

Outsourcing is described as a stage where an organization transfers some of its internal activities to be performed by a third party externally to the organization. It is a strategic involvement of

one firm contracting its non-core activities to a major service provider who has specialized facilities and capability in performing the task. Outsourcing involves one organization procuring materials for another specialized firm (Monczka *et al.*, 2010). Firms outsource because of different reasons. Costs involved in operations could be a key driver of outsourcing in an organization. Outsourcing enables an organization to concentrate on the core activities of establishment and subcontracts other than non-core activities to a specialized third party (Monczka *et al.*, 2010). The core drivers of outsourcing according to Beulen *et al.* (1994) are quality of services, costs involved, finances, core business activities, and collaborations. Several reasons for outsourcing according to McCarthy (1996) include a re-examination of income statements of the company, reduction in costs of operation, improvement of employees' benefits by offering consistent information, organizational growth and performance.

The aim of lean practices is to produce products that are in line with the needs and wants of customers. This production is done at the right time at aims at reduction of all non-value adding activities in production systems and processes (Womack & Jones 1994). Lean practices can be summarized as an elimination of wasteful activities in the production system and processes (Womack & Jones 1994). The application of lean can be across all industries. Different organizations in different industries and sectors have embraced lean production practices. Lean operations require the application of different techniques and tools (Shah and Ward, 2007). As explained by Shah and Ward (2007), lean production results into a reduction in cycle time, continuous improvement initiatives, just-in-time and continuous production, cross-cultural and functional teams, preventive maintenance among other benefits.

Strategic supplier partnership means a continuous connection linking suppliers and institution. It helps organizations to influence their planned and operational efficiencies and capabilities. It emphasizes long-term direct relationships between firms and their suppliers with shared problem solving and planning capabilities (Li *et al.*, 2006). Partnering describes numerous relationships. Lambert & Gardner (1996) identifies three forms and types of partnering; one with low interactivity, one with relationships taking long time horizons and one where organizations share a significant strategic and operational combination. Strategic partnerships result into mutual

benefits with continuous participation in key areas of an organization, for example, technological use, management of materials and customer satisfaction.

Strategic partnerships increase the efficiency of an organization in transacting with a limited number of suppliers. Allowing suppliers to take part in the design process of new products at initial stage indicates that an organization would benefit in terms of cost reduction, recognition of best components and assistance during the assessment of design process (Tan *et al.*, 2002). Strategic supplier partnership is the first approach an organization use to engage with suppliers in such a way to reflect on the desires consumers are factored in manufactured goods design and operations of an organization (Leppelt, Foerstl, Reuter & Hartmann, 2013).

Inventories comprise stocks of unprocessed supplies, labor improvement, completed commodities as well as materials detained through the industry towards aiding operations in manufacturing practices (Buxey, 2006). Inventory management is concerned with holding a certain level of commodities with the aim of minimizing inventory handling and ordering costs in line with goals set by management (Obura, 2015). Inventory management practices are models used by various organizations in order to manage and control their inventory. As stated by Stevenson (2010), inventory management practices involve systems that are adopted in order to manage stocks in an organization which involves activities such as recording and monitoring levels of inventory, anticipating future demands of stocks and making of decisions on how much to order, when to order and how to order. Based on Miller (2010), the inventory management practices involve all activities that will warranty customer's access to a particular product and services when being demanded. To maintain an optimal level of inventory in an organization requires a robust system that will accurately track the levels of inventories that will make sure management of customers, vendors and supply chain players to manage material flow and the required inward activities. The most common inventory management practices adopted by the organizations include Economic Order Quantity (EOQ), Vendor Managed Inventory (VMI), Just in Time (JIT), Cycle Counting, ABC Analysis/Pareto Analysis, Two-Bin System (Kanban), Automatic Stock Replenishment and Stochastic Model systems.

2.4 Empirical Literature Review

Several researchers both locally and globally have shown interest in supply chain management practices and organizational performance. Globally, Frohlich & Westbrook (2001) on their research study about the impact of customer and supplier chain integration on the performance of manufacturing industry in which the revision aimed at determining the extent of customer and supplier integration activities in the manufacturing industry and the relationship between the two scopes of the supply chain management practices. The study employed a descriptive research, and an orderly survey was employed to gather data among the manufacturing industries in the United Kingdom. The study with 69.5% response rate recognized customer facing, inward facing, supplier facing, outward facing and periphery facing signifies the extent of supply chain management practices especially on integration practices. Customers' integration practices vital for organizational performance since it indicates demand of customer's satisfaction level while supplier partnership is imperative in product designing to make sure quality products are maintained consequently influence the overall performance of the firm. On the other hand, the reading alert the manufacturing firms and in a different geographical location which is different from SMEs in Kenya.

In an empirical survey of scopes of supply chain management practices, Turkey, Lenny & Bayraktar (2007) sought out to test the basic relationship linking SCMPs, OP and SCM related to organizational performance. They established the large degree of SCMPs on firms in Indonesia, which was characterized with ERP tools and functional coordination's that increase the level of customer satisfaction through demand planning, reduction in lead-time, timely delivery and prompt decision-making. The research used descriptive analysis and questionnaires to clutch the research; the study showed an affirmative association among SCMP, OP and SCM related to organizational performance. Nevertheless, they focused on firms in Indonesia, which their mode of operation can be different from SMEs in Kenya.

Okungwu et al. (2015) in their observation on SCMPs and performance by the use of strategy map perception of the balanced scorecard. They conceptualized SCM practices as enterprise resource planning tools, joint planning, functional coordination, and information technology. They further recognized organizational performance in terms of timely delivery, inventory flow

efficiency, prompt decision-making, reduction of total costs, reduction in lead-time and efficient use of resources through balanced scorecard perspective. The research used cross-sectional descriptive analysis in data collection; it deployed the use of a structured questionnaire, with 72.5 % response rate the study found out that there is a need for joint planning to a larger extends among the supply chain functions for most of the firms under the study. Information sharing is used across different functions and ERP and IT in integrating these functions is not fully realized and not employees in these organizations have access to the ERP system. The study concluded by realizing an affirmative association linking SCMPs and organizational performance despite focusing on one single aspect of SCMPs that is through an integration strategy map perspective.

Mwilu (2013) investigated the effect of SCMPs on performance among research institution in Kenya. Regression analysis and descriptive research design have proved that 75% response rate established that, the research institutions through SCMPs the exchange of information regarding demands of products with key partners and operational co-ordination which entailed order execution and product designing with key partners. It was concluded that outsourcing, supplier partnership, information sharing, and operation coordination has an impact on the performance of the firm. The success was calculated by ROI. Researcher concluded that SCMPs a positive impact on performance of research institutions in Kenya. However, the study focused on the research institutions.

Mahulo (2015) analyzed the link between SCMPs and profitability of 7 cement companies in Kenya. By employing outsourcing, supplier partnership, information sharing, and operation coordination as factors influencing the profitability, the paper found that cost of raw materials, distribution and handling cost declined. Hence the author concluded that there is a positive link between SCMPs and profitability. The major limitation of the paper is that it focuses exclusively on cement manufacturing companies in Kenya.

Kiplagat (2017) examined the link between SCMPs and performances of public universities in Kenya. The study employed a descriptive research design in carrying out the research study. A census was conducted in all the 33 State universities to measure the impact of SCMPs among government assisted universities in Kenya. With a 76% response rate, the study established the

existence of SCMPs improved educational quality, customers' responsiveness and generally the firms' performance. Furthermore, the paper established that outsourcing and the use of ICT are significant for all supply chain initiatives and customers' needs responsiveness. However, the study focused on public universities only.

2.5 Barriers on Implementation of Supply Chain Management Practices

Applying SCMPs is not without difficulties in every organization. New practices in an organization usually have both internal and external constraints. The SCMP has been identified to incur high logistics cost and transportation cost in their adoption (Hamisi, 2011). The supply chain management practices have been experienced with the high cost of doing business in an organization as it consumes both financial and non-financial resources of a firm. Kagira (2012) the adoption of supply chain management practices usually have objections of lack of training of the personnel in the organization in adopting the practices, poor access of information, a high cost of inputs in the implementation of the practices and other operating costs that are associated with the adoption of the practices.

According to Kimani (2013) financial constraints were found to pose serious difficulties in the successfully implementation of SCMPs among SMEs. Various suggestions can be made to overcome this problem, firstly there is a need for proper and adequate financial resources in order to ensure there is an optimization in the implementation of the practices in an organization, Secondly, SMEs should guarantee adequate access to financial resources from financial institutions in order to ensure full adoption of SCMPs in an organization (Abdifatah, 2013).

According to Lee et al. (2007) organizational structures can also pose serious difficulties in the success of firms. Key among this is flow of information within an organization. In line with Flynn (2007) the flat structure of an organization facilitate the changes of SCMP leads to easier decision making in the implementation of practices in an organization. Chai et al. (2012) there is a need for SMEs to continuously scan their internal and external demurrals in the adoption of SCMPs to curb the obstacles to a successful application of SCMPs in an organization.

2.6 Overview of Literature

The overview of literature review is provided in table 1. It highlights the methodology, findings and the research gaps from each paper reviewed.

Table 1. Overview of Literature

Researchers	Topic	Methods	Findings	Gaps
Frohlich & Westbrook (2001)	Effect of customer and SCMPs on the performance of the manufacturing industry	Filled survey and questionnaire were used	Positive link between SCI and Firm's profitability.	The study focused on manufacturing firms
Turkey, Lenny & Bayraktar (2007)	Establishes dimensions on SCM practices on the operational performance	Descriptive research design. Primary data was collected.	Strong correlation linking SCMPs and OP	The study did not empirically identify the focus of the SCMPs
Mwilu (2013)	Effect of SCMPs among research firms in Kenya.	OLS regression and questionnaire	Has a positive correlation between SCMPs and institutional quality in Kenya.	The study focused on research institutions in Kenya
Okungwu et al. (2015)	Impact of SCMPs and performance by the use of strategy map perspective of the balanced scorecard	Questionnaires	Positive link between SCMPs and Service delivery	Inadequate Balanced Scored Card
Mahulo (2015)	Role of SCMPs on profitability of cement companies.	OLS and Questionnaires.	Customer relations and outsourcing enhance company's profitability	Only cement companies were considered.
Kiplagat (2017)	Relationship between SCMPs and service delivery of State institutions.	Survey and OLS	Outsourcing, information sharing, customer-supplier relationship, strategic supplier partnership improve service delivery.	Private universities were excluded.

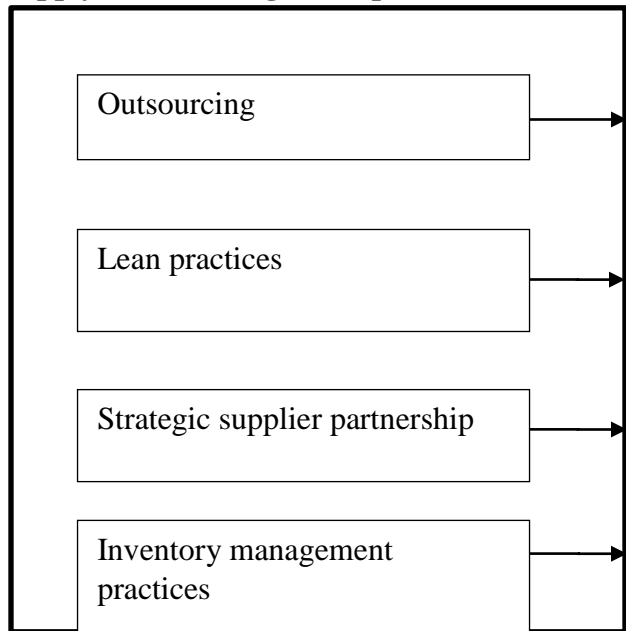
2.7 Conceptual Framework

The predictors of the study are Outsourcing, Lean practices, Strategic supplier partnership, and Inventory management practices while the dependent variable is Operational performance. They are schematically depicted in Figure 2.1 below:

Figure2.1: Conceptual Framework
Independent Variables

Dependent Variable

Supply chain management practices



Operational Performance



Source: Author (2018)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section contains methodologies employed during investigation. This provides research design that was employed, aim populace of the study, information gathering methods, and information analysis tools that were used.

3.2 Research Design

This research employed descriptive research design. Descriptive study entails describing and observing the element of a study without distortion of any kind (Kothari, 2004). This design was suitable for this research, as it helped obtain information about supply chain management practices in Nairobi, Kenya.

3.3 The Target Population

The populations of this survey were all registered SMEs in Nairobi City Centre. In agreement with the Public Procurement Oversight Authority (2018), there are 99 SMEs in Nairobi City Centre (Appendix II). A census was conducted to increase the number of observations.

3.4 Data Collection

Researcher collected primary data. The information was gathered through a survey. Employment of primary data enabled the researcher to have greater control over the way information is collected and also to spotlight the specific SCMPs that affect the success of SMEs in Kenya. Questionnaire had four parts. Part A discussed general profile; part B contained the extent of SCMPs; part C provided a relationship between SCMPs and organizational performance, while part D provided obstacles encountered by SMEs in adopting SCMPs. The respondents in this research were the supply chain managers or the equivalent because they were directly involved in decision making and implementation of SCMPs. The research used callback method to administer questionnaire.

3.5 Data Analysis

The collection of data from the population on supply chain management practices, being quantitative was coded using numerical scales that were used by the respondents in answering the questions being posed in the questionnaire. Descriptive statistics were used to analyze general information collected in part A. Part B was also analyzed using descriptive statistics on the extent of SCMP by SMEs. Part C used regression to analyze the collected data on association linking supply chain management practices and operational performance. Finally, part D used descriptive statistics to analyze the data on obstacles to the adoption of SCMP by SMEs.

The multi-linear regression equations assumed the following expression:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where **Y** = Organizational Performance of SMEs,

β_0 = Constant, i.e., the value of Y when X=0,

X_1 = Outsourcing Practices,

X_2 = Lean Practices

X_3 = Strategic Supplier relationship

X_4 = Inventory Management Practices,

$\beta_1, \beta_2, \beta_3$ and β_4 are the coefficients of $X_1, X_2, X_3, \& X_4$ respectively.

Table 3.1 Summary of Data Collection and Data Analysis Methods

Objective	Questionnaire	Data Analysis
Respondents' profile	Part A	Descriptive Statistics
A degree of Supply Chain Management Practices	Part B	Descriptive Statistics
The relationship between Supply chain Management Practices and Performance	Part C	Correlation and Regression Analysis
Constraints faced by SMEs in adopting Supply Chain Management Practices	Part D	Descriptive Statistics

Source: Researcher (2018)

CHAPTER FOUR: DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

The segment elaborates on the arrangement of findings on the rate of response, background information analysis, results as well as the extent to which these are utilized by SMEs in Nairobi. The chapter presents the findings of at which SCMP have been implemented SMEs, to determine the association linking SCMP and Operational performance and to identify barriers faced by SMEs in implementing SCMP in Nairobi, Kenya. Regression analysis and an interpretation of the study.

4.2 Response Rate

The researcher distributed 99 questionnaires to SMEs in Nairobi. Out of these questionnaires, 85 were fully completed and submitted to the examiner. The number of observation 85.9% was achieved which the researcher considered an adequate representation of the target population. This is in line with Mugenda and Mugenda (2003) who asserts that a sample of 10% is sufficient representative enough for the whole population.

Table 4:2. Response Rate

	Frequency	Percent
Questionnaires fully filled	85	85.9%
Questionnaires not returned	14	14.1%
Total	99	100%

Source: Research Data (2018)

4.3 Background Information

This section analyses the respondents' rank in the institution along with a number of years they have worked for.

4.3.1 Position held in the Organization

The Table 4.3.1 shows result on the position the respondent had in the organization

Table 4.3.1: Position Held

	Frequency	Percentage
Top Management	13	15.3
Middle Management	23	27.1
Operation/Support Staff	49	57.6
Total	85	100

Source; Research Data (2018)

Findings show, many of the observant (57.6%) are college graduates, 27.1% had university education while 15.3% had high school education. This means that respondents sufficiently understood the content of the questions.

4.3.2 Years of Experience

Amount of years served in the organizations are revealed below

Table 4.3.2: Years of Experience

	Frequency	Percentage
Less than one year	7	8.2
1-3 Years	21	24.7
4-7 Years	44	51.8
Over 8 Years	13	15.3
Total	85	100

Source: Research Data (2018)

From Table 4.3.2 majority of respondents (51.8%) were 4-7 years, 24.7% were 1-3 years, 15.3% were over 8 years and 8.2% were less than one year. This shows that respondents who took part in the survey have labored for their institution for a quite longer moment and thus was knowledgeable. These results further show that 51.8% of the respondents have labored for a time of 4 to 7 years. The outcomes show that on average most respondents worked with SMEs above two years hence they were knowledgeable about the operations of the organizations.

4.4 Gender of Respondents

The gender of respondents is exposed in Table 4.4

Table 4.4: Gender of Respondents

	Frequency	Percentage
Male	44	51.8
Female	41	48.2
Total	85	100

Source: Research Data (2018)

However, it was observed that a greater proportion of our sample (51.8%) were male while 48.2% were female. This shows that both genders were equally represented.

4.4.1 General Information

This segment represents the bio-data of the respondents. The researcher discusses position held, gender, age, and working duration. The findings represent are presented below.

4.4.2 Age Bracket

The age of respondents were investigated and the results presented in Table 4.4.2

Table 4.4.2: Age in Years

	Frequency	Percentage
21-30	10	11.8
31-40	19	22.3
41-50	50	58.8
Over 50	6	7.1
Total	85	100

Source; Research Data (2018)

Findings; the above board exposed that, major respondents (58.8%) are between 41-50 years, 22.3% were 31-40 years, 11.8 % were 21-30 years and 7.1% were over 50 years. This shows that respondents who took part in the study generally were adults hence have more knowledge about the SCMP of the organization in answering research questions of the study.

4.4.3 Maximum Education

Table 4.4 presents the highest learning standard of respondents.

Table 4.4.3: maximum Education

	Frequency	Percentage
Secondary	13	15.3
College	49	57.6
University	23	27.1
Total	85	100

Source; Research Data (2018)

As exposed above, the majority of the people (57.6%) had a college level of education, 27.1% had university education while 15.3% have minor learning. It implies, respondents for the research were well-informed and therefore knew how to read and interpret research questions.

4.4.4 Position Held

The findings on positions occupied by respondents of the study are revealed on chart 4.4.

Table 4.4.4: Position Held

	Frequency	Percentage
Top Management	13	15.3
Middle Management	23	27.1
Operation/Support Staff	49	57.6
Total	85	100

Source; Research Data (2018)

As revealed on the chart, a good number of workers (57.6%) were support/operational staff, 27.1% was middle managers while 15.3% were top managers. This implies that respondents of the study were in managerial positions and the equivalent hence they are well informed about the operations of their organization.

4.5 Summary of the extent of the objectives of the study.

The extent at which SEMs has implemented SCMP in their organizations in Nairobi County is shown in the summary below on the chart 4.5.1

Table 4.5.1 Summary of the Objectives

SCMP	Mean	Std. Dev	Rank
Outsourcing	3.69	0.86	1
Inventory Management Practices	3.68	0.83	2
Strategic supplier partnership	3.65	0.86	3
Lean practices	3.63	0.88	4

Source: Research Data (2018)

4.6 Relationship between SCMPs and OP

This section explains the second objective which is the relationship between SCMP and OP

The regression analysis below will show connection linking SCMP and OP.

4.7 Regression Results

In this paper we employed ordinary least squares in analyzing the link between SCMPs and OP. the estimated coefficients are shown in table 4.7.1.

4.7.1 Regression Coefficient

The regression coefficients of the variables of the study are shown in Table4.7.1

Table 4.7.1: Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	Z	Sig.
(Constant)	3.712	1.246		2.979	.031
Outsourcing Practices	.250	.058	.206	4.310	.012
Lean Practices	.435	.086	.487	5.058	.000
Strategic Supplier relationship	.182	.084	.170	2.167	.034
Inventory Management Practices	.108	.047	.091	2.298	.010

Source; Research Data (2018)

From Table 4.7.1, the following equation was developed

$$Y=3.712+0.250X_1+0.435X_2+0.182X_3+0.108X_4$$

Where **Y** = Operational Performance of SMEs,

X₁= Outsourcing Practices,

X₂= Lean Practices

X₃= Strategic Supplier relationship

X₄ = Inventory Management Practices

The regression coefficient results on table 4.7.1 show that, Outsourcing practices (p=0.012<0.05) has a positive effect on SMEs performance. In addition, Lean practices

($p=0.000<0.05$) also increases the performance of SMEs. Lastly Strategic supplier relationship ($p=0.034<0.05$) and inventory management practices ($p=0.010<0.05$) also increase the profitability of SMEs. Thus, in general, supply chain management practices significantly influenced the operational performance of SMEs since P values are all less than 5% which is corroborated by Z values which are all higher than $Z=1.96$.

4.7.2 Model Summary

The results are illustrated below in 4.7.2

Table 4.7.2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 ^a	.680	.699	1.57292

Source; Research Data (2018)

From the chart above 4.7.2, the adjusted R square is 0.699 showing that 69.9% transform the operational performance of SMEs is elaborated by SCMPs were used in the regression model. This is a fairly good model. This, therefore, indicates that there exist other factors apart from supply chain management practices that influence the operational performance of SMEs by 30.1% which future studies should focus on.

Table 4.7.3: ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	542.369	4	135.592	42.559	.000 ^b
Residual	254.830	80	3.186		
Total	797.199	84			

Source; Research Data (2018)

From Table 4.8, the value of F calculated is 42.559 while F critical is 2.486. This explains largely the regression representation is statistically important. This was collaborated by P value=0 which is less than 5%.

4.8 Barriers Faced by SMEs in Adopting Supply Chain Management Practices

The researcher assessed difficulties faced in the adoption of supply chain management among SMEs. The results were displayed on the chart below 4.8.1

Table 4.8.1: Barriers Faced by SMEs in Adopting Supply Chain Management Practice

	Mean	Std. Dev	Rank
My organization lack funds in adopting supply chain management practices	4.02	0.88	1
Our supplier lack technological know-how on supply chain management practices in the enterprises	3.74	0.81	2
There is an inadequate knowledge of supply chain management practices	3.67	0.96	3
There is insufficient involvement in adopting supply chain management practices in the enterprises	3.38	1.08	4
Supply chain management practices lead to increased operational costs in enterprises	3.09	0.89	5
Mean Score	3.52	0.93	

Source; Research Data (2018)

The study established that the organization lacked funds in adopting supply chain management practices represent a value of 4.02 with an average divergence 0.88. There was an inadequate knowledge of supply chain management practices represent a value of 3.67 with an average divergence of 0.96. Respondents were not sure whether there was insufficient involvement in adopting supply chain management practices in the enterprises as indicated by a value of 3.38 and average divergence of 1.08. Respondents of the study further were neutral on whether supply chain management practices led to increased operational costs in enterprises with a value of 3.09 and the average divergence of 0.89. Respondents of the study were not sure whether supplier lacked technological know-how on supply chain management practices in the enterprises with a value of 3.47 and average divergence 0.93.

On average, respondents slightly agreed with a mean of 3.52 on challenges faced by SMEs as they adopted supply chain management practices. Thus, there exist some challenges that affected the adoption of supply chain management practices among SMEs.

4.9 Discussion of the Findings

The findings show that Outsourcing has an encouraging as well as an important authority on operational performance. This shows outsourcing has an important effect on operational performance among SMEs in Nairobi. Outsourcing according to Monczka *et al.* (2010) involves one organization procuring materials for another specialized firm. This finding is in line with Kiplagat (2017) who also examined the effect of supply chain management practices and organizational performance of public universities in Kenya and revealed that outsourcing and the use of ICT are significant for all supply chain initiatives and customers' needs responsiveness.

From the findings, the firm had reduced its cycle time system. This was because of having put in place lean supply chain management practices. As explained by Shahand Ward (2007), lean production results into a reduction in cycle time, continuous improvement initiatives, just-in-time and continuous production, cross-cultural and functional teams, preventive maintenance among other benefits. The study further established that lean supply chain management practice significantly influenced operational performance of SMEs. Turkey, Lenny, and Bayraktar (2007) sought out basic connection among supply chain management practices and showed an encouraging connection among SCMP, operational performance and SCM-related to a managerial presentation.

The study revealed that the firm had a long-term direct relationship with suppliers. It was best achieved through strategic supplier connection supervision. Strategic supplier partnership according to Li *et al.* (2006) is a continuous relationship between suppliers and organizations which emphasizes on extended period and direct relations between an organization and their dealers with shared problem solving and planning capabilities. The study intended showing the optimistic and important power of strategic supplier partnership on operational performance of SMEs. This optimistic relationship implies that an increase in strategic supplier relation results in an improvement in performance. Mwilu (2013)

examined the effect of supply chain management practices on performance among research institution in Kenya and revealed supplier partnership; information distribution and operation coordination have caused on the firm's activities.

The procurement staff effectively anticipated future demands of the stocks. This was achieved mostly through sound inventory management practice in the studied organizations. As shown by Stevenson (2010), inventory management practices involves systems that are adopted in order to manage stocks in an organization which involves activities such as recording and monitoring levels of inventory, anticipating future demands of stocks and making decisions on how much should be acquire, when to order and how it should be acquired. The study revealed, an inventory management practice has an optimistic as well as an important control on operational performance. Okungwuet al. (2015) examined supply chain management practices and performance using a strategy map perspective of balance scorecard concluded by realizing a constructive connection linking SCM practices and operational performance. The findings shows the relationship between SCMP an OP revealed that goal setting improves SCMP.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The stage shows the rundown on research and results. Study finalized according to the results, the recommendations, limitations along with proposals for more areas of research.

5.2 Summary of the Findings

The main purpose of this research was to institute an extent at which supply chain management practice has been implemented among SMEs in Nairobi County, finding out connection linking SCMPs to OP among SMEs in Nairobi County and to establish obstacles faced to execute supply chain management practices among SMEs in Nairobi County. Analysis was done via eloquent information through the use of tables, mean and standard deviations. To establish the link between SCMPs and operational performance correlation and regression analysis were used. From the 99 registered SMEs complete data were obtained from 85 SMEs thus the rate of response of 85.9% which was seen to be adequate for this study as it was more than 50% of the total population.

The result on the level of the utilization of SCMP revealed that SMEs in Nairobi County employ the practice of strategic supplier partnership by a reasonable extent and the practices of Inventory management was applied to a reasonable level. The study also found that practicing lean was used to a moderate extent while the extent of Outsourcing as an SCMP was applied by SMEs in Nairobi to a moderate extent.

The results on SCMP and OP revealed that strategic supplier's partnership had led to increasing the quality of suppliers and improved the high level of customer satisfaction to a moderate extent but enhance better performance for the organization. The findings also found that Inventory management had greatly reduced the cost associated in the warehouse and enhance the timely product to customers to a moderate extent but led to improved customer satisfaction and assured prompt delivery of customers' request to a large extent. The results further found that Lean practices had led to a reduction in customers' complaints, reduce non-value addition, increased customer satisfaction to a moderate extent

and that the extent of Outsourcing has led to a reduction of operations cost and reduction on non-value activities to a reasonable level.

The study found out barriers faced by SMEs in Nairobi County, the study sought out on average, the barriers are faced always. The most faced barriers were lacked funds to a large extent and inadequate knowledge to a moderate extent. These challenges were always faced. Other challenges faced but were not too clear by the respondent was whether there is an insufficient involvement in adopting SCMPs by SMEs to a moderate extent. The respondents of the study were further neutral on whether SCMPs led to an increase in operational costs for SMEs to a moderate extent. Respondents of the study were also not sure whether suppliers lacked technological know-how on SCMPs to a reasonable level.

Regression analysis revealed, Outsourcing positively and significantly influences the operational performance of SMEs as well as lean practices. It also revealed that strategic supplier partnership has an affirmative and important effect on the operational performance on SMEs. Finally, the study found out that Inventory management has an affirmative and important operational performance on SMEs.

The findings further sought out that there was a strong relationship between (0.83%) SCMPs and OP among SMEs with SCMPs influence (69.9 %) of the total variance in operational performance on SMEs in Nairobi County. This implies that 30.1% of the changes in the operational performance of SMEs in Nairobi County are explained by other factors apart from SCMP. Further, the study found out that SCMP has a significant impact on operational performance on SMEs.

5.3 Conclusion

The study showed that SMEs in Nairobi County has implemented SCMP to various levels. SMEs in Nairobi County has implemented Outsourcing, Learn Practices, Strategic Supplier Management and Inventory Management have been implemented to a moderate extent in Nairobi County.

The study revealed a strong positive and statistically important connection linking SCMP and OP amongst SMEs influencing 69.9% of the total variance in SCMP of SMEs in Nairobi County.

5.4 Policy Recommendations

The research, therefore, recommends that managers and its equivalents of all SMEs in Nairobi Country should continue with the SCMP practices in other to be more effective and efficient. The management team of all SMEs operating in Kenya should increase their investment in outsourcing practices, lean practices, strategic supplier relationship, and inventory management practices in order to positively influence daily activities.

This study, therefore, recommends to SMEs in Nairobi must strategies ways and means of attracting investors or seeking loans from banks or any financial institutions to empower them, and also acquire adequate technology that will empower them to improve their services. There ought to be an increased knowledge of supply chain management practices among all SMEs.

5.5 Limitations

The context of the study was only on SMEs in Nairobi hence the outcomes of the survey are only applicable to SMEs and may not be applied to any other SMEs other than Nairobi. The study collected primary data using questionnaires for all supply chain managers or the equivalent hence the study did not view all employees of SMEs.

In addition, there was a very big challenge to get information from SMEs in Nairobi; they were not willing to disclose their business information. The research discovered these difficulties; owners claimed that their information was proprietary. The researcher had to prove to them that it was only for academic purpose and not a business competition and the researcher also assured them of their confidentiality for their information.

5.6 Suggestions for Further Research

This research model summary indicated that the independent variables (extent of Outsourcing, Lean practices, strategic supplier partnership, and inventory management) SCMP influence (69.9 %) of the total variance in OP on SMEs in Nairobi County. This

implies that 30.1% of the changes in the OP of SMEs in Nairobi County are explained by other factors apart from SCMP. Further, the study found out that SCMP has an important effect on operational performance on SMEs. This study, therefore, recommends an additional study on SCMP factors which affect operational performance on SMEs in Nairobi County.

The study was done only on SMEs in Nairobi but there are many other SMEs in the major towns and counties in Kenya. The study, therefore, recommends an additional research on the implementation of SCMP on SMEs in other parts of Kenya.

REFERENCES

- Abdifatah, H. M. (2012). Supply chain management practices and their impact on performance among humanitarian organizations in Kenya. *An MBA Research Project Submitted to the University of Nairobi*
- Alvarado, U. Y. and Kotzab, H. (2001). "Supply Chain Management: The Integration of Logistics in Marketing," *Industrial Marketing Management*, 30(2)
- Anderson, J. C., Hakansson, H., and Johanson, J. (1994). "Dynamic Business Relationships within A Business Network Context," *Journal of Marketing*, 24(8),
- Armstrong, C. and Shimizu, K. (2007). "A review of approaches to empirical research on the resource- based view of the firm," *Journal of Management*, 59- 86.
- Baldwin, R., & Lopez- Gonzalez, J. (2015). Supply- chain trade: a portrait of global patterns and several testable hypotheses. *The World Economy*, 38(11), 1682-1721.
- Barney, J. (1991). *Firm resources and sustained competitive advantage*. *Journal of Management*, 17(1), 99-120
- Bayraktar, E., Demirbag, M., Koh, S.C.L., Tatoglu, E., Zaim, H. (2009). A causal analysis of the impact of information systems and supply chain practices on operational performance: Evidence from manufacturing SMEs in Turkey, *International Journal of Production Economics*. 15(11),
- Beamon, B.M. (1999). "Measuring supply chain performance," *International Journal of Operations & Production Management*, 275- 92.

- Christoper, R. (2000). "The effects of an Integrative Supply chain strategy on customer service and financial performance: An Analysis of direct versus indirect relationships. *Journal of Operations Management*, 21(5).
- Christopher, M. (2016). *Logistics & supply chain management*. Pearson UK.
- Cigolini R, Cozzi M, Perona M., (2004). A new framework for supply chain management: conceptual model and empirical test. *International journal of operations and production management*
- Cooper, D. &Schindler.P.(2003).*Business Research Methods*. (8th ed.), New Delhi: Tata McGraw Hill
- Devaraj, S., Krajewski, L. and Wei, J.C. (2007). "Impact of e-business technologies on operational performance: the role of production information integration in the supply chain," *Journal of Operations Management*, 1(21).
- Disney, S. M., Maltz, A., Wang, X., & Warburton, R. D. (2016). Inventory management for stochastic lead times with order crossovers. *European Journal of Operational Research*, 248(2), 473-486.
- Donlon, J.P. (1996). "Maximizing value in the supply chain," Chief Executive.
- Fawcett, S&Magnan (2008). Benefits, barriers and bridges to effective supply chain management, *Supply chain Management: An International Journal*, 13(1) 35-48
- Fearon, E.H., Flynn, A.E., Johnson, P.F. &Leenders, R. (2010).*Purchasing and Supply Management*.13th Edition. New Delhi: Tata McGraw Hill.

- Flynn, B.B. and Flynn, E.J. (2005). Synergies between supply chain management and quality management: emerging implications. *International Journal of Production Research*, 43(8).
- Flynn, B.B. and Flynn, E.J. (2005). Synergies between supply chain management and quality management: emerging implications. *International Journal of Production* 43, 12-24
- Forkmann, S., Henneberg, S. C., Naude, P., & Mitrega, M. (2016). Supplier relationship management capability: A qualification and extension. *Industrial Marketing Management*, 57, 185-200.
- Frohlich, M.T., and Westbrook, R. (2001). "Arcs of Integration: An International Study of Supply Chain Strategies," *Journal of Operations Management*, 34(11) .
- Gitau, R. W. (2016). Inventory Management Practices and Organizational Productivity in Parastatals in Kenya. *Unpublished MBA Project, University of Nairobi*.
- Gunasekaran A, Patel C & Tirtiroglu E (2001). Performance measures and metrics in Supply chain environment. *International Journal of Operations & Production Management*, 8(23) .
- Handfield, B.R., Monczka.M.R. Giunipero, C. L & Patterson.L.J, (2009). *Sourcing and Supply Chain Management*. 4th Edition. South Western: Cengage Learning
- Henri, J. (n.d) *Performance Measurement and Organizational Effectiveness: Bridging the Gap*. University of Laval, Canada

- Hill, A., (2007). How to organize operations: Focusing or splitting? *International Journal of Production Economics*
- Kanyanya, C. (2013). Lean Manufacturing Practices and Performance of Organizations listed at the Nairobi Securities Exchange. *Unpublished MBA Project, University of Nairobi.*
- Kiarie, G. N. (2017). *An Assessment of Inventory Management and Competitive Advantage of Modern Retail Firms in Kenya* (Doctoral dissertation, United States International University-Africa).
- Kiplagat, H, (2017). Supply Chain Management Practices and Organizational Performance of the Public Universities in Kenya, MBA Project of the University of Nairobi.
- Lee, C, and Severance, D. (2007). Relationship between supply chain performance and degree of linkage among supplier, internal integration, and customer. *Supply Chain Management: An International Journal*, (2) 444 – 52.
- Leuschner, Rodgers, & Charvet. (2013). The effects of logistics capabilities and Strategy on firm performance. *Journal of Business Logistics*. 21 (2), 47- 67.
- Lisanza, S.K. (2013). *Supply Chain Management Integration and the performance of International Humanitarian Organizations in East Africa*. MBA Project of the University of Nairobi.
- Lynch, D. F., Keller, S. B., & Ozment, J. (2000). *The effects of logistics capabilities and Strategy on firm performance*. *Journal of Business Logistics*, 47-67.

- Lysons, K. and Farrington, B. (2006). *Purchasing and Supply Chain Management*, 7th ed. Financial Times/Prentice-Hall, London
- Mahulo.W. (2015). E. Supply chain management practices and performance of cement companies in Kenya. *Unpublished Thesis University of Nairobi*
- Mentzer et al., (2001).Defining Supply Chain Management.*Journal of Business Management*, (4).
- Min, S. and Mentzer, J.T. (2004). Developing and measuring supply chain concepts, *Journal of Business Logistics*.
- Mugenda, O.M and Mugenda, A.G. (1999).*Research Methods: Quantitative and Qualitative Approaches*, African Center of Technology Studies, Nairobi
- Mwilu, J.M. (2013). Supply chain management practices and performance among public research institutions in Kenya. *Unpublished MBA Research University of Nairobi*
- Narasimhan, R. and Kim, S.W. (2002).“Effect of supply chain integration on the relationship between diversification and performance: evidence from Japanese and Korean firms,”*Journal of OperationsManagement*, 5(19).
- Njagi, M. M. &Ogutu, M. (2014).Role of supply chain integration on supply chain performance in Kenyan State Corporations.*International Journal of Current Business and Social Sciences*, 1(2).

- Oballah, D., Waiganjo, E., & Wachiuri, W. E. (2015). Effect of inventory management practices on Organizational performance in Public health institutions in Kenya: A case study of Kenyatta national hospital. *International journal of education and research*, 3(3).
- Ochieng, J. A. (2013). *An analysis of effects of outsourcing strategies on organizational performance: A case of the Kenya Revenue Authority* (Doctoral dissertation).
- Okongwu, C., Burkhart, F., Moncef, B. (2015). Causal linkages between supply chain management practices and performance: A balanced scorecard strategy map perspective; *Journal of manufacturing technology*, 5 (14)
- Olavarrieta, s., & Ellinger A.E. (1997). *Resource-based theory and strategic logistics. Research*. International Journal of physical distribution and Logistics Management.
- Osei-Mensah, E. (2016). *The effect of inventory management practices on service delivery at St. Martin's Hospital, Agroyesum, Amansie-West* (Doctoral dissertation).
- Paulraj, A., Lado, A. and Chen, J. (2008). "Inter-organizational communication as a relational competency: antecedents and performance outcomes in collaborative buyer-supplier relationships", *Journal of Operations Management*, 45- 64.
- Petrenko, O. V., Aime, F., Ridge, J., & Hill, A. (2016). Corporate social responsibility or CEO narcissism? CSR motivations and organizational performance. *Strategic Management Journal*, 37(2), 262-279.

Petrovic-Lazarevic,(2007).*Supply Chain Management Practices and Supply Chain Performance in the Australian Manufacturing Industry*.Australia, Monash University.

Poister (2003) *Measuring Performance in Public and Nonprofit Organizations*.

Public procurement and Asset Disposal Act (2015)

Punnakitikashem, P. (2014). The Impact of Lean Practices and Organizational Commitment on Operational Performance in Hospitals.In *Proceedings of the 25th Annual POMS Conference*.

Rajee, F. S., &Hamed, A. B. (2013). Outsourcing services as a strategic tool for organizational performance: An exploratory study of Nigerian food, beverage, and tobacco industry.

Richard. J., Handfield, R.B. and Ragatz, G.L. (2009). “Supplier integration into new product development: coordinating product, process,and supply chain design,”*Journal of Operations Management*, 6(10) .

Solakivi, T., Töyli, J., Ojala, L. (2014).Logistics outsourcing, its motives and the level of logistics costs in manufacturing companies operating in Finland. *Production Planning & Control: The Management of Operations*

SooWook Kim (2006) Effect of supply chain management practices integration and competition capability on performance. *International Journal*

Spens, K. and Bask, A. (2002). Developing a framework for supply chain management.*International Journal of Logistics Management*.

- Strickland, A.J., Gamble, J.A., Peteraf, A.M & Thompson, A.J. (2013). *Crafting and Executing Strategy; Concepts and Cases*. 18th edition. New York: McGraw-Hill-Irwin.
- Tang, V.A., Eshun, P.A., & Essey, R.K. (2010). Supply Chain Management Practices, *International Research Journal on Finance and Economics*, 1(2), 1-7 University of Liverpool.
- Tomi, T & Solakivi, T. (2014). *Logistics outsourcing, its motives and the level of logistics costs in manufacturing companies operating in Finland. Production Planning & Control: The Management of Operations*,
- Vitasek, K. L., Manrodt, K. B., & Abbott, J. (2005). What makes a lean supply chain? *Supply chain management review*, v. 9, no. 7 (Oct. 2005).
- Wachuma, P., & Shalle, N. (2016). Effect of Lean Supply Chain Management Practices on Organizational Performance in Government Ministries in Kenya: A Case of Children's Department in the MLSSS. *International Journal of Academic Research in Business and Social Sciences*, 6(5), 364-375.
- Wafula, E., & George, O. (2015). Effects of strategic supplier partnership on firm performance in the energy sector: a case study of Kenya Pipeline Company limited.
- Waller, M. A., Dabholkar, P. A., & Gentry, J. J. (2000). Postponement, product customization, and market-oriented supply chain management. *Journal of Business Logistics*
- Wamalwa, E., (2003). Factors Influencing Investment Decisions in Parastatals in Kenya, *Unpublished Thesis*, Kenyatta University, Kenya

Willcocks, L. P., & Lacity, M. C. (Eds.). (2016). *The new IT outsourcing landscape: from innovation to cloud services*. Springer.

Zhou, H. and Benton, W.C. Jr (2007). Supply chain practice and information sharing, *Journal of Operations Management*

APPENDICES

APPENDIX I: QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

1. Your age bracket (Tick where appropriate)

21 – 30 Years [] 31 - 40 Years []
41 - 50 years [] Over 50 years []

2. Kindly indicate the highest level of education that you have attained?

Primary [] Secondary []
College [] University []

3. How many years have you worked in your enterprise?

Less than one year [] 1-3 years []
4-7 years [] Over 8 years []
More than 10 years []

4. What position do you hold in your enterprise?

Top management []
Middle management []
Operation/Support Staff []

6. Tick the supply chain management practices that are practiced in your enterprises.

Outsourcing []
Inventory Management []
Lean Practices []
Strategic Supplier Partnerships []
Other []

SECTION B: EXTENT OF SUPPLY CHAIN MANAGEMENT IMPLEMENTATION

OUTSOURCING SUPPLY CHAIN MANAGEMENT PRACTICES

On the scale provided below, rate each statement that describes outsourcing practices in your organization that have effect performance. Using the Likert scale of 1-5 where 1= Not at all, 2= little, 3= moderate extent, 4= Large extent, and 5= Very large extent.

Statement	1	2	3	4	5
The firm has outsourced security services in the organization					
The firm has outsourced cleaning services in the organization					
The firm has outsourced the financial services					
The firm has outsourced the inventory management services in the organization					
The firm has outsourced the quality management system in the organization					
The firm has outsourced the point of sale in the enterprises					

Others? Please

Specify.....

.....

LEAN SUPPLY CHAIN MANAGEMENT PRACTICES

Statement	1	2	3	4	5
The firm has implemented waste management system in the enterprise					
The firm has adopted a system of reduction for all non-value adding activities in the processes of the enterprises					
The firm has reduce its cycle time system					
There is a continuous improvement initiatives in the enterprise					
The enterprise is continuously committed towards refinement of processes of managing inventories					

Others? Please

Specify.....

.....

STRATEGIC SUPPLIER RELATIONSHIP PRACTICES

Statement	1	2	3	4	5
Our firm has along term direct relationship with suppliers					
Our firm involves suppliers in its initial stages of product design					
Our firm is committed to supplier-customers involvement in product processes					
Our suppliers are collaborated to ensure risks in supply chain are minimize in the organization					
Our firm has a good network system with its' suppliers					
Our firm has a direct communication channel with all its' suppliers					

Others? Please

Specify.....

.....

INVENTORY MANAGEMENT PRACTICES

Statement	1	2	3	4	5
Our firm has a well established system for inventory management					
Our firm has maintained stock levels that minimizes the handling costs through the implementation of Just In Time					
Our firm records and monitors the optimal Economic Order Quantity stock levels					
Our firm has robust system on the replenishment of stocks					
Our procurement staff effectively anticipate the future demands of the stocks					
Our firm is able to determines when and how to order goods					
Our firm has a track system of the levels of inventory in the organization					

Others? Please

Specify.....

.....

SECTION C: RELATIONSHIP BETWEEN SUPPLY CHAIN MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE

Below are several effects of supply chain management practices on organizational performance of SMEs. Kindly indicate how supply chain management practices have affected the performance of your organization. Using the Likert scale of 1-5 where 1= Not at all, 2= little, 3= moderate extent, 4= large extent, and 5= Very large extent.

Statement	1	2	3	4	5
By outsourcing there is a reduction in costs of operations in the organization					
Due to outsourcing there is a reduction on non-value activities in the firm.					
Outsourcing can enable the firm to concentrate on its core activities.					
Lean practices helped firms to project its management skills					
Due to lean practices there is reduced customer complaints in the organization					
Lean practice have help firm management and its commitment					
Strategic supplier has led to increase in customer					
Strategic suppliers have led to an improved quality of product and services.					
Strategic supplier partnership led to an increase in efficiency and communication					
Due to inventory management practices there is a reduction of costs association in the warehouse					
Inventory management can help to protect the firm fluctuation of demand					
Helps the firm to avoid duplication in ordering of stocks					

Others? Please Specify.....

SECTION D: CHALLENGES FACED BY SMEs IN ADOPTING SUPPLY CHAIN MANAGEMENT PRACTICES

Statement	1	2	3	4	5
My organization lack funds in adopting supply chain management practices					
There is an inadequate knowledge on supply chain management practices					
There is insufficient involvement in adopting supply chain management practices in the enterprises					
Supply chain management practices leads to increased operational costs in enterprises					
Our supplier lack technological knowhow on supply chain management practices in the enterprises					

Others?Please

Specify.....

.....

THANK YOU FOR TAKING PART IN THE STUDY

APPENDIX II: OUTSOURCING SUPPLY CHAIN MANAGEMENT PRACTICES

This part represents the result on the extent of implementation of Outsourcing, Lean Practices, Strategic supplier partnership and the extent of Inventory Management.

Table 4.4.1. Outsourcing Supply Chain Management Practices

	Mean	Std. Dev	Rank
The firm has outsourced cleaning services in the organization	4.03	0.92	1
The firm has outsourced security services in the organization	3.93	0.89	2
The firm has outsourced inventory management services in the organization	3.67	1.04	3
The firm has outsourced the financial services	0.64	0.83	4
The firm has outsourced point of sale in the enterprise	3.47	0.75	5
The firm has outsourced the quality management system in the organization	3.45	0.76	6
Average Score	3.69	0.864	

Source; Research Data (2018)

From Table 4.4.1, the firm had outsourced cleaning services in the organization with a mean of 4.03 and standard deviation of 0.923 which corresponds with the Likert scale value of 4 which stands for large extent. The result further show that firm had outsourced security services in the organization with a mean of 3.93 and standard deviation of 0.887. The firm had outsourced the inventory management services as shown by a mean of 3.67 and standard deviation of 1.043. The firm had financial management services in the organization with a mean of 3.64 and standard deviation of 0.829. Respondents were neutral on whether the firm had outsourced the point of sale in the organization with a mean of 3.47 and standard deviation of 0.745 or the firm had outsourced the point of sale in the enterprises with a mean of 3.47 and standard deviation of 0.745 the results corresponds with the Likert scale value of 3 which stands moderate. Hence the indication shows that SMEs in Nairobi County employ Outsourcing to a large extent. This shows that respondents agreed on outsourcing as supply chain management practice that most SMEs embraced to enhance their operational performance.

APPENDIX III: LEAN SUPPLY CHAIN MANAGEMENT PRACTICES

The findings on lean supply chain as a supply chain management practice among SMEs are shown in Table 4.8.

Table 4.4.2: Lean Supply Chain Management Practices

	Mean	Std. Dev	Rank
The firm has reduced its cycle time system	3.73	0.54	1
The firm has adopted system of reduction for all non- value adding activities in the processes of the enterprise	3.65	1.03	2
There is a continuous improvement initiatives in the enterprise	3.63	1.07	3
The firm has implemented waste management system in the enterprise	3.59	0.87	4
The enterprise is continuously committed towards refinement of processes	3.58	0.87	5
Mean Score	3.63	0.88	

Source; Research Data (2018)

Table 4.4.2 shows that the firm had implemented waste management system in the enterprise with a mean of 3.73 and standard deviation of 0.542. The firm had adopted a system of reduction for all non-value adding activities in the processes of the enterprises with a mean of 3.65 and standard deviation of 1.026. The firm had continuously improved their initiatives in the enterprise with a mean of 3.63 and standard deviation of 1.073. There was a continuous commitment towards refinement in managing the inventories in the enterprise with a mean of 3.58 and standard deviation of 0.0893. The average mean of the statement was 3.63 showing that lean supply chain management was practiced in the studied SMEs in enhancing operational performance which corresponds with the Likert scale value of 3 which represent moderate.

APPENDIX IV: STRATEGIC SUPPLIER RELATIONSHIP PRACTICES

The researcher sought to determine how strategic supplier relationship practice influenced operational performance among SMEs.

Table 4.4.3: Strategic Supplier Relationship Practices

	Mean	Std. Dev	Rank
Our firm has a long term direct relationship with suppliers	3.78	0.87	1
Our firm involves suppliers in its initial stages of product design	3.68	0.63	2
Our suppliers are collaborated to ensure risks in supply chain are minimize in the organization	3.67	0.70	3
Our firm has a direct communication channel with all its' suppliers	3.66	1.00	4
Our firm is committed to supplier-customers involvement in product processes	3.59	1.05	5
Our firm has a good network system with its' suppliers	3.53	0.89	6
Mean Score	3.65	0.86	

Source; Research Data (2018)

The findings in Table 4.4.3 show that the firm had a long term direct relationship with suppliers with a mean of 3.78 and standard deviation of 0.87. The firm involved suppliers in its initial stages of product design with a mean of 3.68 and standard deviation of 0.63. Suppliers were collaborated to ensure risks in supply chain were minimized in the organization with a mean of 3.67 and standard deviation of 1.00. The firm had a direct communication channel with all its' suppliers with a mean of 3.66 and standard deviation of 1.05. The firm is committed to supplier-customers involvement in the product with a mean of 3.53 and a standard deviation of 1.89. The firm had a good network system with its suppliers with a mean of 3.53 and standard deviation of 0.89. The average mean was 3.65 with standard deviation of 0.86. This shows that respondents generally agreed that strategic supplier relationship was embraced by SMEs to enhance their operational performance. This is in line the Liket scale value of 3 which represent moderate.

APPENDIX V: INVENTORY MANAGEMENT PRACTICES

The findings on inventory management practice and how it influenced operational performance are indicated in Table 4.4.4

Table 4.4.5: Inventory Management Practices

	Std.		
	Mean	Dev	Rank
Our procurement staff effectively anticipate the future demands of stocks	3.87	1.01	1
Our firm is able to determines when and how to order goods	3.79	0.99	2
Our firm has a well established system for inventory management	3.78	0.78	3
Our firm has maintained stock levels that minimizes handling costs	3.71	0.86	4
Our firm has a track system of the levels of inventory in the organization	3.65	0.78	5
Our firm records and monitors the optimal stock levels	3.65	0.57	5
Our firm has robust system on the replenishment of stocks	3.64	0.80	6
Our firm has establish EOQ system to manage the stocks	3.6	0.79	7
Our firm has just in time practices in the management of the inventory	3.58	1.06	8
Our firm has robust ABC classification system to manage the stocks	3.53	0.70	9
Mean Score	3.68	0.83	

Source: Research Data (2018)

From Table 4.6.4 the study established that the firm had a well-established system for inventory management with a mean of 3.78 and standard deviation of 0.78. The firm had maintained stock levels that minimized the handling costs with a mean of 3.71 and standard deviation of 0.86. The firm recorded and monitored the optimal stock levels with a mean of 3.65 and standard deviation of 0.57. The firm had robust system on the replenishment of stocks with a mean of 3.64 and standard deviation of 0.80. The procurement staff effectively anticipated the future demands of the stocks with a mean of 3.87 and standard deviation of 1.01. The firm was able to determine when and how to order goods with a mean of 3.79 and standard deviation of 0.99. The firm had a track system of the levels of inventory in the organization with a mean of 3.65 and standard deviation of 0.78. The firm had established

EOQ system to manage the stocks with a mean of 3.60 and standard deviation of 0.79. The firm had just in time practices in the management of the inventory with a mean of 3.58 and standard deviation of 1.06. The firm had robust ABC classification system to manage the stocks with a mean of 3.53 and standard deviation of 0.70.

The overall mean was 3.68 with a low value of standard deviation of 0.832. This shows that respondents generally agreed on inventory management practices. In other words, most of the studied firms embraced inventory management practices and this probably influenced their operational performance.