



INFLUENCE OF SUPPLIER DIVERSITY ON ORGANIZATIONAL PERFORMANCE OF STATE CORPORATIONS IN KENYA

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ABSTRACT

This study sought to establish the influence of supplier diversity on organizational performance of state corporations in Kenya. The specific objectives of the study included; to assess the influence of adoption of information technology on organizational performance of State Corporations in Kenya, and to determine the influence of strategic supplier partnership on organizational performance of State Corporations in Kenya. This study used a descriptive research design. The unit of analysis in this study was 187 state corporations in Kenya. On the other hand, the unit of observation of this study was 935 managerial employees working in the state corporations in Nairobi County. The study used stratified random sampling to select a sample of 272 respondents from the target population. Primary data was used in this study. Questionnaire was used to collect primary data. Quantitative and qualitative data was generated from the closed-ended and open-ended questions, respectively. Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages were used. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. The study results were presented through use of tables and figures. The study found that adoption of information technology positively and significantly influences organizational performance of State Corporations in Kenya. Also, strategic supplier partnership positively and significantly influences organizational performance of State Corporations in Kenya. The study recommended state corporations to improve its technology adoption in all supply related areas in the organization. They also need to ensure that the adopted technology is well implemented and sustainable. The state corporations should also increase their financial allocation towards IT investments. There is also need for effective supplier relationship management solution which contains essential components such as ranking, rating and optimization that allow a firm to reduce its supply base and overall costs.

Keywords:

Adoption of information technology

Organizational performance

State Corporations

Strategic supplier partnership

Supplier diversity

INTRODUCTION

In the emergence of an intense competitive company setting, organization's rely more on their supply chain as a source of competitive advantage. Suppliers play strategic roles in organizations and are substantially involved in generating a competitive advantage with their activities having a beneficial effect on the performance of organizations (Jabbour, 2015). In order for companies to compete efficiently and survive on the worldwide market, they need to create operational strategy to guarantee that they retain and create relationships with a capable and skilled supplier network and derive maximum value from these interactions. The purchasing company may need to participate in provider growth in order to develop and sustain such a network and enhance capacities that are essential for the purchasing organization to fulfill its growing competitive difficulties.

Despite some agreement that direct supplier innovation plays a critical role in encouraging performance improvement and adds strategically to general operational effectiveness, little study empirically examined the effect of supplier development programs on operational performance in Kenya's manufacturing sector. This paper attempts to examine this gap and current conclusions and suggestions on how diversity of suppliers can be used to improve organisational efficiency in the context of Kenya's industry.

Supplier diversity is described as any attempt by a purchasing company to improve their supplier's efficiency and capacities. It is the method of working with providers to enhance or expand their capacities (Dominick, 2006). It is a bilateral attempt by both the purchasing and providing organization to collectively enhance the output or capacities of the supplier in one or more of the following fields: cost, quality, service lead time, technological development, safety and environmental responsibility, organizational capacity and economic viability (Krause & Hadfield, 2011). It is the method of having the purchasing organization work directly with certain providers to enhance their efficiency for the advantage of the purchasing organization.

There are numerous goals that purchasing organizations seek to achieve in their supplier development effort. These may include: enhancing provider efficiency, lowering product expenses, decreasing lead times, resolving severe quality problems, creating new supply paths, creating fresh product on the market, etc. Before conducting supplier growth on any provider, the purchasing experts responsible for the project must pick the perfect provider for production based on their present capacity relative to optimal capacity, their collaboration with the purchasing organization, the item or service provided, the nature and extent of development needed, etc. These may include, but are not restricted to, insufficient economic resources, absence of technical capacity, lack of engagement from providers, opposition to change, among other variables.

Supplier diversity focuses primarily on the impacts that influence the elements of the product as well as the capacities of the supplier. This involves essentially enhancing item aspects, including performance, layout, efficiency, safety and compliance, as well as full property costs. In aspects of supplier ability, supplier diversity basically works to improve and enhance supplier effectiveness related to; improved production capacity, smaller product development cycle, productivity, research and development, improved and efficient processes, shortened service lead periods, flexibility and overall organizational exposure to the buying organization through information acceptance.

Organizational performance focuses on enhancing reliable effectiveness and efficient systems that can guarantee outstanding performance that exceeds client expectations. To achieve such sustainable operational results, an operational strategy is developed that supports the organization in ensuring that the company's key operational aspects are met; cost reduction, speed of product development and production, flexibility of the production system and product quality assurance (Wiley, 2010).

Statement of the Problem

Despite the trend toward privatization over the past 20 years, state corporations (SCs) are still significant economic players (WB, 2014). Globally, SCs account for 20 percent of investment, 5 percent of employment, and up to 40 percent of output in some countries (GoK, 2015). In developing countries, SCs produced about 15 percent of regional GDP in Africa (Kikeri & Kolo 2006). In Kenya SCs have become a strong entity and useful engines to promote development (Njiru, 2008). The General Economic Services Sector which is a major contributor to GDP and employment creation in the economy in the last three years (2003-2005) contributed 20%, 21% and 23% respectively to GDP (ROK, 2013).

The performance of SCs however, has been a matter of on-going concern in an environment of resource scarcity. In 2016/17, eleven (11) commercial SCs made losses; this represents 21%, of all commercial oriented Government Owned Entities (RPTPR, 2018). Parliament Report (2015) indicated that SCs in Kenya have lost money to tune of Ksh. 2 billion in the financial year of 2015-2016 through fraudulent payment of suppliers. Transparent International (2013) that state corporations in Kenya are facing serious challenges especially in procurement where millions of shillings have been paid to unscrupulous supplier. Despite the reforms and initiatives to reinvent the SCs in Kenya, many of them still perform poorly (RPTPR, 2018). Unlike in the past, SCs today are under strong pressure to improve their performance (WB, 2018). Research has found that supplier diversity could help organizations to remain viable and competitive.

Various studies have been conducted on the influence of supplier diversity and organization performance. For instance; Karani (2015) conducted a study on the effect of supplier diversity on performance of mobile telephone companies and Mbogo (2017) conducted a study on the influence of supplier diversity on the operational performance of commercial banks in Kenya. However, none of these studies focused on the influence of supplier diversity on organizational performance of state corporations in Kenya. To fill the highlighted gaps, the current study sought to establish the influence of supplier diversity (adoption of information technology, strategic supplier partnership, supplier's knowledge management and Supplier orientation) on organizational performance of state corporations in Kenya.

Objectives of the Study

General Objective

The general objective of this study was to establish the influence of supplier diversity on organizational performance of state corporations in Kenya.

Specific Objectives

The study sought to:

- i. To assess the influence of adoption of information technology on organizational performance of State Corporations in Kenya
- ii. To determine the influence of strategic supplier partnership on organizational performance of State Corporations in Kenya.

LITERATURE REVIEW

Theoretical Review

Unified Theory of Acceptance and Use of Technology

Venkatesh, *et al* (2003), developed the Unified Theory of Acceptance and Use of Technology (UTAUT) Theory by putting together eight technology acceptance models which include Theory of Planned Behavior, Socio-Cognitive Theory Diffusion of Innovations, Theory of Reasoned Action, Motivation

Model, Technology Acceptance Model and Model of Personal Computer (PC). This theory tries to explain user objectives in terms of technology and their behavior. Baihaqi (2016) adopted this theory in a research he carried out on adoption of information and communication technology (ICT) in supply chain firms in Kenya. Chen *et al.* (2016) also adopted this theory in a study on Influence of information sharing system on employee retention in multinational corporations in Nairobi County.

UTAUT identifies four key constructs which include expected effort, facilitating conditions, social influence and expected performance that are key factor of technology acceptance and use behavior. Gender, age, experience, and voluntariness constructs are postulated to enhance the relationship between use and user acceptance (Kamotho, 2014). Study by Oteki (2019) show UTAUT as a useful instrument in elucidation of use and innovations acceptance among various cultures, programing it as a strong theory in comparison to other technology acceptance theories. According to Ingavo and Moronge (2019) the theory provides managers with a framework to measure the likelihoods of success as a result use of technology and to understand drivers of approval of technology thus design mediations against possible resistance. Unified Theory of Acceptance and Use of Technology was used to assess the influence of adoption of information technology on organizational performance of State Corporations in Kenya.

Network Theory

Network theory was first developed between the 1970s and the 1980s with researchers focusing on relationships between two entities, or strategic alliances, towards an approach that entailed multiple relationships between diverse supply chain participants (Wellenbrock, 2018). Lysons and Farrington (2016) argue that, a network as array of partnerships, strategic alliance and outsourcing that organizations form with suppliers, manufacturers and distributors to produce and market a product.

McNichols and Brennan (2016), note that network theory focuses on both dyadic relationships and multi-party relationships. Network theory emphasis was on developing durable and intimate relationships among the supply chain participants through partnership, strategic alliance, and outsourcing (Gunasekaran, et al., 2008). The theory is suitable to the study since Networks allows firms to consolidate resources for long-term purposes, cut costs and improve quality without huge expenses that characterize investing in specialized resources. Network theory was used in this study to establish the influence of strategic supplier partnership on organizational performance of State Corporations in Kenya.

Conceptual Framework

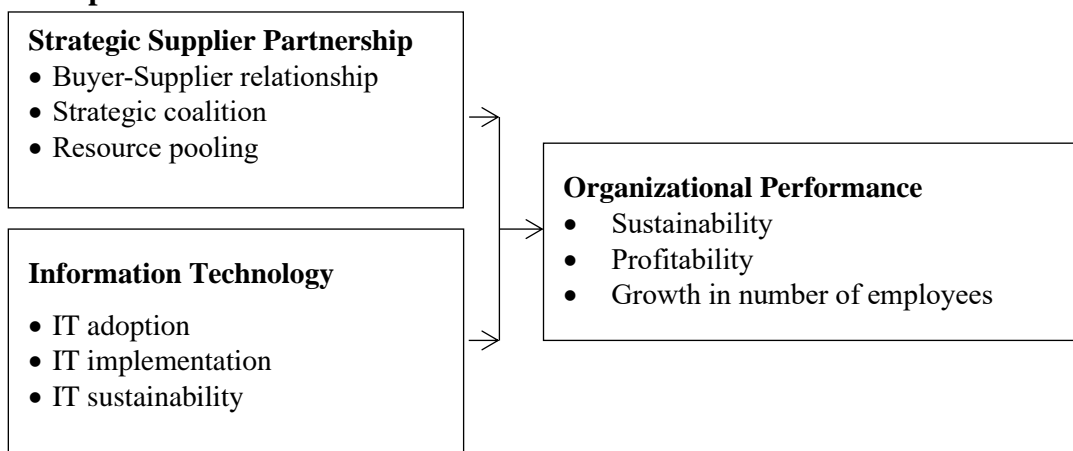


Figure 1: Conceptual Framework
Information Technology

Information technology refers to a wide range of computerized technologies that enables communication and the electronic capturing, processing, and transmission of information. These technologies include

products and services such as desktop computers, laptops, hand-held devices, wired or wireless intranet, business productivity software, data storage and security, network security amongst others (Ashrafi and Murtaza, 2018). With the use of ICT, businesses can interact more efficiently, and it enables businesses to be digitally networked (Buhalis, 2017). With the use of ICT, the time constraint, and distance barrier to accessing relevant information is eliminated or drastically reduced hence it improves coordination of activities within organizational boundaries

As an enabler of technologies, IT is used strategically in almost all businesses and industries. People manage computer and communications hardware, software and applications; networked systems; online information sharing, communication and commerce systems; business processes making use of these systems; and user support. The business functionality of an organization depends on the reach and range of the stock of this resource. It is a major business resource and a key source for attaining long-term competitive position

Strategic Supplier Partnership

Strategic Supplier Partnership is a subset of supply chain management which is concerned with understanding the organization's most important suppliers and how to focus on creating and maintaining more effective strategic relationships with them. An effective SRM solution contains essential components such as ranking, rating and optimization that allow a firm to reduce its supply base and overall costs. Ultimately, an effective SRM solution gives an organization a complete edge by allowing it to; reduce direct and indirect costs and improve bottom –line profitability, understand what is being bought and from whom, minimize the risk of supply chain disruption, select the best supplies to gain advantage over competitors, streamline the supply chain management process by collaborating with business units across the enterprise and assuring that the organization's Resources are prioritized on the most critical suppliers

Management of supplier relationships is central to the success of supply chain management in firms. In particular, strategic relationships with critical suppliers must be understood in order to maximize the value creation in the supply chain. Studies have shown that successful management of these relationships contributes to firm performance (Tan, 2000). Dimensions such as trust and commitment are shown to play an important role in high-value strategic relationships, where specific investments are high, and contractual governance alone is not adequate. In such relationships, it is important that both parties perceive that they are gaining value from the relationship if it is to continue and the relationship is to be considered a success (Narayandas & Rangan, 2016).

Empirical review

Information Technology and Organizational Performance

Kimani (2015) conducted a study on the impact of information technology on organizational performance: case of population services Kenya. The population for this study comprised of the entire PS Kenya staff which was 438. The questionnaire was administered electronically for data collection, out of which 311 respondents responded to the study resulting in a response rate of 71 percent which was considered as a sufficient representation of the organisation. The study findings revealed that majority of the respondents had various IT company devices at their disposal to enable them perform their duties. The study findings also revealed that there was a positive relationship between the level of IT use and organisational performance at Population Services Kenya.

Farhanghi, Abbaspour and Ghassemi (2015) conducted a study on the effect of information technology on organizational structure and firm performance: An Analysis of Consultant Engineers Firms (CEF) in Iran. A 14-question self-administered questionnaire comprising three sections was employed. The target population for this study was Consultant Engineers firms' owners, general and executive managers, and experts in the area of Tehran, Iran. A field survey was carried out and questionnaires were sent to all of the selected firms based on a cluster-sampling approach. The results show that IT has a direct and indirect impact on firm performance.

Ramdani (2016) conducted a study on the influence of Information Technology on organizational Performance. The study revealed that new approaches to managing IT investments are needed. Moreover, the questions of how do firms transform or fail to transform the potential value of IT remain under-studied. Although a great deal of research has examined the business value of IT, several aspects remain relatively under-studied. Because the majority of firm-level analysis measures IT in the aggregate, we know a little about the relative performance contributions of different types of IT investments and whether different IT assets affect different aspects of firm performance

Kamau (2015) conducted a study on information communication technology and performance of commercial banks in Kenya. The study was a cross-sectional survey. The survey was of the existing commercial banks in Kenya. The unit of analysis was individual commercial bank represented by the relevant bank staff the branches did not count as separate units. Data was collected through the use of primary and secondary data collection methods. The primary data was collected through the use of a semi-structured questionnaire. Based on the findings, this study concludes that the banks had adopted various ICTs including; Automated Teller Machines (ATMs), Debit & Credit Cards, Point of Sale (POS) Terminals, Mobile Banking, Internet Banking and Electronic Funds Transfer. The study further concludes that the effect of bank ICT on customer deposits in the respondents bank is positive. Additionally, the study concludes that ICT has led to a positive effect on the total income of the banks specifically in relation to increasing commission fee based income, increase of interest based income and expanding the income generating potential of the bank enhancing the performance of the organizations

Chege, Wang and Suntu (2019) conducted a study on the impact of information technology innovation on firm performance in Kenya. This study examines the association between technology innovation and firm performance in Kenya by considering the impact of entrepreneur innovativeness on this association. A sample of 240 enterprises and structural equation modeling were used in the analysis. The findings indicate that technology innovation influences firm performance positively. The study recommends that entrepreneurs should develop innovative strategies to actualize firm performance. Government policy should aim at improving ICT infrastructure; promoting small and medium-sized enterprises' (SMEs') technological externalities within the industry, and establishing ICT resource centers to support SME performance

Mbogo (2017) conducted a study on the influence of information technology innovation on the operational performance of commercial banks in Kenya. A descriptive survey research design was adopted for this study. The study had a population of 43 commercial banks operating in Kenya, out of which, all were sampled for the study. Purposive sampling was used to identify operations managers who took part in the study. Data was collected using closed-ended structured questionnaire. Data was analyzed for descriptive statistics (frequencies and percentages) and inferential statistics (correlations and regressions) using Statistical Package for Social Sciences (SPSS) version 22 The findings on research question one revealed the existence of a statistically significant relationship between ICT-based product innovations and operations management. All components under product innovation, including tangible and intangible products, management support contributed to the significant relationship

Strategic Supplier Partnership and Organizational Performance

Agus, Makhbul and Hassan (2017) conducted a study on the importance of strategic supplier partnership in supply chain management in enhancing product quality performance and Business Performance. Product quality performance and business performance are no doubt becoming crucial factors in indicating the survival and competitive advantage of companies in today's challenging business environment. To capture important information pertinent to this research, this study measures senior quality managers' or production managers' perceptions of strategic supplier partnership and level of performances in their organizations. In the inferential process, relationships between strategic supplier partnership in SCM, product quality performance and business performance and associations are analyzed through statistical methods such as Pearson's correlations, cluster analysis and structural equation modelling (SEM). The

result of the structural equation modeling (SEM) suggests that SSP determinants namely 'Continuous improvement programs with suppliers', 'Jointly problem solving with suppliers', 'Planning and goal setting with suppliers' and 'Emphasis on high quality suppliers' appear to be of primary importance and exhibit direct impact on product quality performance and ultimately business performance.

Sangode and Metre (2019) researched on the importance of supplier partnership and customer relationship as logistics and supply chain Parameters on the Overall Performance of the Hospitals in Nagpur Region. Research was conducted to also understand different parameter that contributes to the Supply Chain practices. The parameters thus identified were supplier partnership, customer relationship, IT adoption and Information sharing and quality of information. The focus area of the paper was the supplier partnership and customer relationship. The findings of the paper are that supplier partnership and customer relationship have positive impact on the overall performance of the organization. Though the impact of Supply chain practices is not dominating the organizational performance but are definite contributors of the organizational performance.

Lagat (2017) conducted a study on the effect of supplier relationship management strategies on procurement performance: a case study of Almasi beverages limited. Descriptive research design was used because it helps to describe the existing relationship between supplier relationship management strategies and procurement performance. The target population of the study was 426 respondents from Almasi Beverages Limited. Stratified random sampling procedure was used to select a sample size of 128 respondents which is 30% of target population. Questionnaire was used as tool in collecting data. Reliability of the instrument was ensured by test retest method while validity of the instrument was ensured by seeking expert opinion of university supervisor. The study found that, Almasi Beverages Limited educates their suppliers by taking them through quality requirement. Supplier collaboration in company enhances joint decision making. The company segment their suppliers based on quality improvement where quality improvement is emphasized in the procurement process in the company to facilitate supplier relationship management towards procurement performance. It was recommended that, there is need for manufacturing companies to develop clear supplier education programs.

Ebrahim and Mahmoud (2016) conducted a study on analyzing the Impact of Supply Chain Management Practices on Organizational Performance through Competitive Priorities. Practices of data collection in this research is questionnaire that comprehensive supply chain management questionnaire, organization performance and competitive priorities. This research according to application target and the methods. Scaling descriptive any correlation based on structural equation modeling (SEM). Research statistical communities apply all employees of Pump Iran that 483 of employees selected to random manner as members of sample. Research finding indicate that apply practices supply chain management influence in Iran pumps Company, according to competitive priorities

RESEARCH METHODOLOGY

This study used of a descriptive research design. Mugenda and Mugenda (2018) explained the descriptive design is a process of collecting data in order to test a hypothesis or to answer the questions of the current status of the subject under study. The unit of analysis in this study was 187 state corporations in Kenya. The object from which information is obtained is referred to as a unit of observation (Cooper & Schindler, 2006). The unit of observation of this study was 935 managerial employees working in the state corporations in Nairobi County. The sampling frame of the study was the 935 respondents from the three managerial levels. The study's sample size was reached at using Krejcie and Morgan sample size determination formula (Russell, 2013). Using this formula a representative sample of 272 respondents was obtained. The sample was chosen with the help of stratified random sampling technique. The study then used simple random sampling to select respondents from each group.

Primary data was used in this study. A questionnaire which is a form of quantitative data collection tool was used to collect primary data. The study's primary data was obtained using semi-structured

questionnaires. The researcher carried out a pilot study to ensure the data collection tool is reliable and valid. The pilot test helped correct some of the challenges encountered before undertaking the final study. The pretesting sample was made of 27 respondents, representing 10% of the sample size. The results from the pilot test were not used in the main study. In addition, the respondents used in the pilot test were excluded from the final study.

Quantitative and qualitative data were generated from the closed-ended and open-ended questions, respectively. Qualitative data was analyzed on thematic basis and the findings provided in a narrative form. Inferential and descriptive statistics were employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences (SPSS version 25).

Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages were used. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. The relationship between the study variables were tested using multivariate regression models.

RESEARCH FINDINGS AND DISCUSSION

The selected sample size for this study was 272 managerial employees working in the state corporations in Nairobi County. All the selected respondents were issued with questionnaires but the researcher was able to receive back 224 questionnaires having been dully filled. The returned questionnaires formed a response rate of 82.4%. According to Mugenda and Mugenda (2013), a response rate of 50% and above is adequate for analysis and reporting, a response rate of 60% and above is good while that of 70% and above is excellent. Based on this assertion, our response rate was considered excellent and therefore, the 224 questionnaires were used for further analysis and reporting.

Descriptive Analysis

In this section the study presents findings on Likert scale questions where respondents were asked to indicate their level of agreement with various statements that relate with the influence of supplier diversity on organizational performance of state corporations in Kenya. They used a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The means and standard deviations were used to interpret the findings where a mean value of 1-1.4 was strongly disagree, 1.5-2.4 disagree, 2.5-3.4 neutral, 3.5-4.4 agree and 4.5-5 strongly agree.

Adoption of Information Technology

The first objective of the study was to establish the influence of adoption of information technology on organizational performance of State Corporations in Kenya. Respondents gave their level of agreement and disagreement with the different statements on adoption of information technology. Table 1 presents summary of findings obtained.

Table 1: Descriptive Analysis for Adoption of Information Technology

Statement	Mean	Std. Dev.
There is use of digital signature for lawful transactions	4.014	0.333
Information systems in procurement complements manual systems	3.725	0.109
Information technology has given state corporation a virtual market where goods and services can be assessed and compared	3.612	0.694
Information technology has opened an opportunity for state corporation to deal with a variety of capable suppliers	3.762	0.251
Technology enhances infinite and non-restricted access to information and increases market transparency and economic incorporation based on complementarities.	3.605	0.262
Aggregate Score	3.744	0.330

From the findings in Table 1, the aggregate mean of 3.744; an indication that on average, the respondents agreed with the statements on the influence of adoption of information technology on organizational performance of State Corporations in Kenya. The findings show that specifically, the respondents agreed

that there is use of digital signature for lawful transactions ($M= 4.014$, $SD= 0.333$); that information technology has opened an opportunity for state corporation to deal with a variety of capable suppliers ($M= 3.762$, $SD= 0.251$); that information systems in procurement complements manual systems ($M= 3.725$, $SD= 0.109$); that information technology has given state corporation a virtual market where goods and services can be assessed and compared ($M= 3.612$, $SD= 0.694$); and that technology enhances infinite and non-restricted access to information and increases market transparency and economic incorporation based on complementarities ($M= 3.605$, $SD= 0.262$).

The findings agree with Dobler (2018) that information technology opens an opportunity to enhance efficiency and effectiveness of the procurement process that will result in improved performance. The findings also agreed with those of Petrie (2017) who argued that procurement technologies grasp a virtual market, open to capable reliable suppliers in which an organization can choose goods and services offered by several suppliers. It also agreed with Buhalis (2017) that with the use of ICT, the time constraint, and distance barrier to accessing relevant information is eliminated or drastically reduced hence it improves coordination of activities within organizational boundaries. Also, with the use of ICT, businesses can interact more efficiently, and it enables businesses to be digitally networked.

Strategic Supplier Partnership

The second objective of the study was to determine the influence of strategic supplier partnership on organizational performance of State Corporations in Kenya. Respondents gave their level of agreement and disagreement with the different statements on strategic supplier partnership. Table 2 presents summary of findings obtained.

Table 2: Descriptive Analysis on Strategic Supplier Partnership

Statement	Mean	Std. Dev.
In our organization there is cooperation of long term association with suppliers	3.703	0.682
Our company emphasizes on high quality suppliers	3.586	0.45
There joint problem solving partnership between our organization and the suppliers	3.77	0.266
Our organization ensures strategies partnership with suppliers	3.776	0.111
We have continuous improvement programs with suppliers	3.923	0.803
Our firm regularly reviews capability of and risks associated with existing suppliers with respect to arising opportunities	3.675	0.275
Through supplier partnership our organization ensures thorough scrutinization of suppliers	3.687	0.633
Aggregate Score	3.731	0.460

The aggregate mean of 3.731 shows that the respondents agreed on average with the statements that strategic supplier partnership influence organizational performance of State Corporations in Kenya. The findings specifically show that the respondents agreed that they have continuous improvement programs with suppliers ($M= 3.923$, $SD= 0.803$); that in their organization there is cooperation of long term association with suppliers ($M= 3.703$, $SD= 0.682$); and that their organization ensures strategies partnership with suppliers ($M= 3.776$, $SD= 0.111$). Respondents further agreed that there joint problem solving partnership between their organization and the suppliers ($M= 3.77$, $SD= 0.266$); that through supplier partnership our organization ensures thorough scrutinization of suppliers ($M= 3.687$, $SD= 0.633$); that their firm regularly reviews capability of and risks associated with existing suppliers with respect to arising opportunities ($M= 3.675$, $SD= 0.275$); and that their company emphasizes on high quality suppliers ($M= 3.586$, $SD= 0.45$).

The study findings agrees with Sangode and Metre (2019) that supplier partnership and customer relationship have positive impact on the overall performance of the organization. It also agrees with Kim (2009) that relationship strategy with suppliers enhances the ability of business actors and improves integration and collaboration among partners in the supply chain. In addition, the findings concurs with Lagat (2017) that effective supplier partnerships can also create opportunities to develop joint planning and joint problem-solving efforts among members in supply chains.

Organizational Performance of State Corporations in Kenya

The main objective of the study was to establish the influence of supplier diversity on organizational performance of state corporations in Kenya. Respondents gave their level of agreement and disagreement with the different statements on organizational performance. Table 4.7 presents summary of findings obtained.

Table 3: Descriptive Analysis for Organizational Performance

Statement	Mean	Std. Dev.
Supplier diversity has increased sustainability of our state corporation	3.738	0.807
Profitability has been on the rise due to improved supplier diversity	3.66	0.759
In our state corporation, there has been growth in number of employees	3.888	0.216
Our diversity practices have impacted positively on our performance.	3.815	0.418
The satisfaction level of our stakeholders about our state corporation has improved	3.672	0.674
Aggregate Score	3.755	0.575

The aggregate mean score of 3.755 show that on average, the respondents agreed with the statements on organizational performance of state corporations in Kenya. The findings specifically show that the respondents agreed that in their state corporation, there has been growth in number of employees (M= 3.888, SD= 0.216); and that their diversity practices have impacted positively on state corporations' performance (M= 3.815, SD= 0.418). Respondents also agreed that supplier diversity has increased sustainability of state corporations (M= 3.738, SD= 0.807); that the satisfaction level of stakeholders about state corporations has improved (M= 3.672, SD= 0.674); and that profitability has been on the rise due to improved supplier diversity (M= 3.66, SD= 0.759).

The study findings concurs with those of Krause and Hadfield (2011) that supplier diversity focuses primarily on the impacts that influence the elements of the product as well as the capacities of the supplier. They explained that supplier diversity basically works to improve and enhance supplier effectiveness related to; improved production capacity, smaller product development cycle, productivity, research and development, improved and efficient processes, shortened service lead periods, flexibility and overall organizational exposure to the buying organization through information acceptance.

Correlational Analysis

If the correlation values are $r = \pm 0.1$ to ± 0.29 then the relationship between the two variables is small, if it is $r = \pm 0.3$ to ± 0.49 the relationship is medium, and when $r = \pm 0.5$ and above there is a strong relationship between the two variables under consideration. Table 4 presents the findings obtained.

Table 4: Correlation Results

		OP	IT	SSP
Organizational Performance (OP)	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	224		
Information Technology (IT)	Pearson Correlation	.600**	1	
	Sig. (2-tailed)	.000		
	N	224	224	
Strategic Supplier Partnership (SSP)	Pearson Correlation	.589**	.167	1
	Sig. (2-tailed)	.002	.080	
	N	224	224	224

From the findings in Table 4, adoption of information technology had a positive correlation with organizational performance of state corporations in Kenya as shown by (correlation coefficient = 0.600, $p = 0.000$). The relationship was considered strong ($r > 0.5$) and significant ($p < 0.05$). The findings also show that strategic supplier partnership had a strong positive correlation with organizational performance of state corporations in Kenya as shown by (correlation coefficient = 0.589, p -value = 0.002).

This agrees with the findings of WB (2018) that diversity could help organizations to remain viable and competitive. It also agrees with Sangode and Metre (2019) that supplier partnership and customer relationship have positive impact on the overall performance of the organization. Karani (2015) found that knowledge management practices in general influences organization performance in various ways including, knowledgeable employees, better decision making in the organization, improved service offering to clients, reduced operational costs and improved organizational competitiveness which agrees with presents study findings.

Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. It was used to establish the influence of supplier diversity on organizational performance of state corporations in Kenya. The findings were presented in three tables: model summary, ANOVA and beta coefficients

Model Summary

The model summary was used to determine the amount of variation in organizational performance of state corporations in Kenya due to changes in adoption of information technology, strategic supplier partnership, supplier's knowledge management and supplier orientation. The results were as presented in Table 5

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872 ^a	.760	.755	.56707

a. Predictors: (Constant), information technology, strategic supplier partnership

From the findings in Table 5, R square value is 0.760. This implies that there was 76.0% variation in organizational performance of state corporations in Kenya attributed to changes in adoption of information technology, strategic supplier partnership. The remaining 24% implies that there are other factors influencing organizational performance of state corporations in Kenya that were not discussed in this study. Correlation coefficient (R) shows the relationship strength between the study variables. From the findings the variables were strongly and positively related as indicated $r = 0.872$.

Analysis of Variance

ANOVA is used to test the significance of the model. In this study, significance of the model was tested at 95% confidence interval.

Table 6: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.424	4	5.356	16.656	.000 ^b
	Residual	70.518	219	0.322		
	Total	91.942	223			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), information technology, strategic supplier partnership

From the ANOVA results, the data had a significance value of 0.000 which was less than the selected significance level of 0.05. This implies that the data was suitable for making conclusions on the population under investigation. Further the f-calculated (16.656) is greater than the f-critical (2.413) from the f-distribution tables suggesting that supplier diversity strategies (information technology, strategic supplier partnership) can be used to predict organizational performance of state corporations in Kenya

Beta Coefficients

From the beta coefficients results, the regression equation model was fitted. The findings were also used to answer the research questions.

Table 7: Beta Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.466	.357		4.103	.000
Information Technology	.282	.065	.115	4.388	.007
Strategic Supplier Partnership	.384	.099	.349	3.872	.001

a. Dependent Variable: Organizational Performance

From the results in Table 7, the regression model was fitted as shown below;

$$Y = 1.466 + 0.282X_1 + 0.384X_2$$

Where: X_1 is Information Technology; X_2 is Strategic Supplier Partnership;

The first research question was; *what is the influence of adoption of information technology on organizational performance of State Corporations in Kenya?*

The findings also show that adoption of information technology had a statistically significant relationship with organizational performance of State Corporations in Kenya. The relationship was also positive as shown by ($\beta = 0.282$, p -value < 0.05). This implies that unit increase in adoption of information technology would result to increase in organizational performance by 0.282 units. Since the p -value (0.007) was less than the selected significance level (0.05), the study answer to the first research question was that adoption of information technology has a positive significant influence on organizational performance of State Corporations in Kenya. The findings concur with those of Chege, Wang and Suntu (2019) that technology innovation influences firm performance positively. it also aligns with the findings of Kamau (2015) that ICT has led to a positive effect on the total income of the banks specifically in relation to increasing commission fee based income, increase of interest based income and expanding the income generating potential of the bank enhancing the performance of the organizations.

The second research question was *How does strategic supplier partnership influence organizational performance of State Corporations in Kenya?*

The study found that strategic supplier partnership had a statistically significant relationship with organizational performance of State Corporations in Kenya. The relationship was also positive as shown by ($\beta = 0.384$, p -value < 0.05). This implies that unit increase in strategic supplier partnership would result to increase in organizational performance by 0.384 units. The results show that p -value was 0.001 which is less than the selected significance level. Therefore, the answer to the second question was that strategic supplier partnership has a positive and significant influence organizational performance of State Corporations in Kenya. The findings are in agreement with those of Sangode and Metre (2019) that supplier partnership and customer relationship have positive impact on the overall performance of the organization. Also, Lagat (2017) found that supplier collaboration in company enhances joint decision making which aligns with findings of our present study.

Conclusion

The first objective of the study was to establish the influence of adoption of information technology on organizational performance of State Corporations in Kenya. The study found that adoption of information technology had a positive correlation with organizational performance. Adoption of information technology had a significant and positive relationship with organizational performance of State Corporations in Kenya. This means that unit increase in adoption of information technology would lead to an increase in organizational performance of State Corporations in Kenya. Based on the findings, the

study concluded adoption of information technology positively and significantly influences organizational performance of State Corporations in Kenya.

The second objective of the study was to determine the influence of strategic supplier partnership on organizational performance of State Corporations in Kenya. It was found that strategic supplier partnership had a positive correlation with organizational performance. Strategic supplier partnership also had a positive relationship with organizational performance of State Corporations in Kenya. This means that unit improvement in strategic supplier partnership would lead to an increase in organizational performance of State Corporations in Kenya. Based on the findings, the study concluded strategic supplier partnership positively and significantly influences organizational performance of State Corporations in Kenya.

Recommendations

Information technology was found to positively influence organizational performance. The study recommends state corporations to improve its technology adoption in all supply related areas in the organization. They also need to ensure that the adopted technology is well implemented and sustainable. The state corporations should also increase their financial allocation towards IT investments.

Strategic supplier partnership improves organizational performance. This study therefore recommends that the management of state corporations in Kenya to ensure effective relationships with their supplier to facilitate organizational operations. They also need to ensure they have effective supplier relationship management solution which contains essential components such as ranking, rating and optimization that allow a firm to reduce its supply base and overall costs. There is also need for state corporations to develop clear supplier education programs.

Suggestions for Further Studies

This study was limited to state corporations in Kenya and therefore the findings cannot be applied in private institutions. The study thus recommends replication of the study in the private sector of the economy to facilitate comparison of research findings. The study also focused on two measures of supplier diversity (information technology, strategic supplier partnership) explaining 76.0%. The study thus recommends a study to be conducted on other factors that can explain the remaining 24% variation in organizational performance of state corporations in Kenya. The study also recommends future studies to introduce a moderating variable such as organizational culture that can affect the relationship between supplier diversity and organizational performance.

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