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## Influence of Supply Chain Integration Practices on Operation Performance at Trans-Nzoia County Government Treasury, Kenya

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### **Abstract:**

Supply chain integration practices are considered a powerful weapon to gain competitive advantages and linking performance measurement systems to supply chain integration practices can lead to increased success of supply chain initiatives. This study sought to analyze the influence of supply chain integration practices on operation performance at Trans-Nzoia County Government Treasury, Kenya. Porter's Value Chain Theory and Systems Theory guided the study. This study employed a descriptive research design. Data collection involved a diverse group of participants, totalling 1207 individuals, from which a sample size of 121 respondents was determined. Descriptive data analysis was conducted using SPSS version 28, enabling the examination of both quantitative and qualitative information through coding. The research instrument, a five-point Likert scale questionnaire, demonstrated high reliability through its internal consistency, with a Cronbach's Alpha correlation coefficient exceeding 0.7. To assess the data both descriptively and inferentially, statistical techniques, including means, standard deviations, Pearson's correlation, and regression analysis, were employed. The findings highlighted the significant impact of supply chain integration practices, encompassing efficient consumer response practices, customer relationship management practices, vendor-managed inventory practices, and enterprise resource planning practices on operation performance at Trans-Nzoia County Government Treasury. The regression analysis revealed that when considered together, these practices explained 73.4% of the variance in operation performance. Furthermore, a positive correlation was observed between these supply chain integration practices and operation performance. Based on these insightful findings, the study recommended a more substantial incorporation of supply chain integration practices, particularly in efficient consumer response practices, customer relationship management practices, vendor-managed inventory practices, and enterprise resource planning practices. These implications held value for various stakeholders, including policymakers, government entities, researchers, and academics. By providing actionable insights, this research facilitated informed decision-making, ultimately contributing to the enhanced operation performance at Trans-Nzoia County Government Treasury, Kenya.

**Keywords:** Supply chain, integration practices, operation performance, government treasury

### **1. Background of the Study**

The current business environment is mostly described as intensely dynamic, globalized and competitive. Therefore, to maintain competitiveness in this challenging environment, organizations should strive to get into the synergies across the many supply chains in an approach called supply chain integration (SCI). Supply chain refers to a sequence of organizational entities utilized in creating and delivering customer value, be it a tangible product, intangible service, or a blend of both products and services (Morgan & Monczka, 2016). It also refers to the intricate network of associations that organizations have with trading collaborators to manufacture, procure and deliver goods and services. Supply chain entails the facilities where finished goods, intermediate products and raw materials are stored, sold, transformed and even acquired. Integration of Supply chain is the formation of internal and external organizational structures, especially at the business development level, in line with the general strategic objectives of partner organizations (Christopher, 2010). Operational performance is commonly defined in accepted supply chain performance metrics, including traditional measures such as service level, cost and throughput.

Supply chain management (SCM) practices have become known in the last decade as a strategic choice for upcoming challenges in the worldwide business environment. SCM tries to promote spirited action by narrowly combining the functions within a company and successfully relating them to the operations of channel members and suppliers

(Ballou, 2007). Integrating supply chain management is a critical business procedure from the final consumer through original suppliers who provide goods, information, and services, adding value for stakeholders and customers. Companies can manage supply chains by linking the functions of the supply chain (SC), such as manufacturing, procurement and completion, through the planning processes of the supply chain. An integrated supply chain has the most all-encompassing impact on financial outcomes and as a result, part of the recording process needs to determine how the elements in the supply chain are functioning to produce those results (Lambert & Cooper, 2008).

SCM entails the flow of services and products from raw materials with the suppliers to parts products with the manufacturers. This running is linked by storage activities and transportation and is managed through the exchange of information and currency. SCM also involves integrating and coordinating these flows within and among other companies. SCM system aids in inter-enterprise collaboration and cooperation with customers, suppliers, and business partners. The ultimate aim of any efficient SCM system is to minimize inventory with the assumption that products are always available when required. According to the Global Supply Chain Forum, SCM refers to the amalgamation of core business activities from the end consumer via the original suppliers who provide goods, information and services, which put value to the stakeholders and customers (Seuring & Müller, 2008).

As much as SCM brings competitive advantage and eventual benefits to firms, the planning, implementation and management of the same poses significant challenges to the organizations involved. Business redesigning and integration are very important components in SCM implementation. Integration engages implementing ERP systems in ensuring that they communicate or relate with other systems, as well as involves integrating SCM systems and ERP with Customer Relationship Management (CRM), e-procurement and e-marketplaces, and Product Lifecycle Management (PLM), and making them readily available over the Web to boost operational and cooperation performance across the complete supply chain.

There is an array of existing descriptions for supply chain integration (Vickery, Jayaram, Droge & Calantone, 2013). Most frequently, the term is employed to define the extent to which organizations have removed boundaries from their internal processes and the degree to which information is passed between actors of the supply chain. However, this description lacks strategic focus. From a strategic viewpoint, supply chain integration is stated as the dynamic working together of companies, their customers and suppliers to create, determine, fulfil, and communicate customer value in the overall environment. Firms that responded to this call realized that this strategic move additionally put them on a sustainable competitive edge. This way, the enterprises began offering better and higher levels of service as customers became more diversified in preferences and demands. A supply chain integration design to manage business actions advocates for the mixing and arrangement of core business processes throughout the whole supply chain, particularly highlighting agility, efficiency and responsiveness (Stephens, 2011).

Besides being less willing to condone substandard services, customers have also become accustomed to customized services and products. The consequent rise of product and service offerings for a universal market has led to a tremendous amount of complexity for core supply chain tasks, including production planning, demand management, order fulfilment and inventory management. The efficient and effective management of customer needs and requirements in a setting of product and service outbursts and limited product life cycles calls for companies and their subsequent supply chains to be competent in acting as virtual and single entities (Kannan & Tan, 2005).

## 2. Statement of the Problem

The effective incorporation of the supply chain conceptually lets participants realize a considerable competitive advantage resulting from enhancements in cost reduction and responsiveness, leading to improved profitability and performance. In addition, effective supply chain management implies seeking long-term and close working relationships with consumers and suppliers, developing interactive relationships and working hand in hand to resolve common setbacks and, in cooperation, make arrangements for the future. Successful integration of practices requires adequate time and further operation of the various actors in supply chains strongly relies on matters such as quality assurance, timely delivery of a service and cost minimization. For this reason, the performance of a given entity in the supply chain (SC) depends on the performance of the others and their ability and willingness to harmonize activities in the SC (Kouvelis, Chambers & Wang, 2006).

SCM chiefly entails the management of relationships among consumers and suppliers to offer the greatest value to customers. Supply chain management needs internal and external organizational mixing. Managing the supply chain in the upcoming business environment is turning out to be a great challenge. Rapid growth in technology, market globalization, high complexities in distribution, logistics and manufacturing, and short product life cycles have led to intricacies in managing supply chains (Croom, Romano & Giannakis, 2000). Firm integration is applied to depict diverse relationships between units within the same company. For instance, externally and internally, firms can integrate the different elements of their activities.

Studies have shown that effective implementation of SC practices contributes to organizational and operational performance. In 2001, Frohlich and Westbrook carried out a study to establish the greater effect of consumer and supplier integration on the performance of a company. The study acknowledged five different practices of integration: inward-facing, customer-facing, periphery-facing, outward-facing and supplier-facing. Such practices of integration signify the various extents of integration with consumers and suppliers. The study established that companies with wider and closer supply chain mixing – with consumers and suppliers – had the greatest performance progress. Yunus (2013) carried out an experimental study on supply chain incorporation in Indonesia and the findings supported previous studies relating

to the positive relationship linking supply chain integration traditions and firm performance. Vickery et al. (2003) observed that the association between SCI and financial outcomes was indirectly and totally mediated by the effectiveness of customer service. It is, therefore, due to the research gap that this study purposed to answer two research enquiries:

- Which supply chain integration practices does the Trans-Nzoia County Government Treasury adopt?
- What are the consequences of the adopted SCI practices on operational performance at the Trans-Nzoia County Government Treasury?

### 3. Literature Review

Efficient consumer response (ECR) practice is a combined strategy for distribution channels and service providers that are devoted to offering end consumers the best service, the highest value, and the widest assortment of products by collectively putting the needs expressed by the company's supply chain as well as the consumer's needs (ECR Europe & Accenture, 2001). ECR is sometimes referred to as a system and sometimes as a movement. ECR also refers to an approach that aims to improve the value chain and delivers financial returns worth about 5% of retail sales, but it depends on the state of affairs to which it is applied. It was initially developed in the grocery business, but the principles have far-reaching applications. Its strong point is that a complete value chain, from the manufacturers' suppliers up to their final consumers, can be analyzed to identify openings for improvement (Fabbe-Costes & Jahre, 2008).

ECR was introduced to eradicate the needless costs in the SC besides the necessity of sourcing for proper and faster action to the demands of consumers (Ferre & Del Castillo, 2016). It aims to make the entire manufacturer-retailer link answerable to the customer by emphasizing consumer convenience and sovereignty as the key agents for change. In 1992, the Food Marketing Institute and the Grocery Manufacturers of America formed a group known as Efficient Consumer Response. The ECR group's main objective was to react quickly and efficiently to the trends and endless changes in consumer behaviour through jointly set goals and coordinated business processes. The ECR scheme provides an outline for vertical cooperation between suppliers and autonomous manufacturers in the fields of replenishment, packaging and assortment.

Supply chain management (SCM) practices have become known in the last decade as a strategic choice for upcoming challenges in the worldwide business environment. SCM tries to promote spirited action by narrowly combining the functions within a company and successfully relating them to the operations of channel members and suppliers (Ballou, 2007). Integrating supply chain management is a critical business procedure from the final consumer through original suppliers who provide goods, information and services, which add value for stakeholders and customers. Companies can manage supply chains by linking the functions of the supply chain (SC), such as manufacturing, procurement and completion, through the planning processes of the supply chain. An integrated supply chain has the most all-encompassing impact on financial outcomes and as a result, part of the recording process needs to determine how the elements in the supply chain are functioning to produce those results (Lambert & Cooper, 2008).

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There is an array of existing descriptions for supply chain integration (Vickery, Jayaram, Droge & Calantone, 2013). Most frequently, the term is employed to define the extent to which organizations have removed boundaries from their internal processes and the degree to which information is passed between actors of the supply chain. However, this description lacks strategic focus. From a strategic viewpoint, supply chain integration is stated as the dynamic working together of companies, their customers and suppliers to create, determine, fulfil, and communicate customer value in the overall environment. Firms that responded to this call realized that this strategic move additionally put them on a sustainable competitive edge. This way, the enterprises began offering better and higher levels of service as customers became more diversified in preferences and demands. A supply chain integration design to manage business actions advocates for the mixing and arrangement of core business processes throughout the whole supply chain, with particular emphasis on agility, efficiency, and responsiveness (Stephens, 2011).

Customer relationship management (CRM) practices refer to all-embracing approaches that flawlessly integrate sales. Twin Peaks is a complete and comprehensive system for standardizing the financial sector. It aims at ensuring better results for financial customers as well as the wider economy by ensuring that customers' funds are guarded against the risk of failing institutions, by minimizing chances of utilizing funds of the taxpayers to protect the economy from complete failures, the consumers are treated fairly, Twin Peaks gives equal stress on supervision of market conduct and prudential by putting in place dedicated authorities accountable for each of these goals. It also puts a different focus on financial stability, field support, customer service, marketing and other functions that reach the customers (Chou, Lim, Xu & Yen, 2002). CRM defines the approach to overseeing a company's dealings with current and future customers. It often entails the use of technology for automation and synchronization of sales, organization, marketing, customer service and technical support. CRM aims to understand the customer drivers and profitability, enabling the firms to better their offerings to take full advantage of the overall value of their consumer portfolio (Chen, Daugherty & Landry, 2009). The

consideration management of customer relationships is presently received across all businesses, which is explained by the saturation and competitiveness of today's marketing environment. Therefore, Customer relationship management generally refers to an enterprise-focused venture encompassing most departments in an organization.

Studies have shown that effective implementation of SC practices contributes to organizational and operational performance. In 2001, Frohlich and Westbrook carried out a study to establish the greater effect of consumer and supplier integration on the performance of a company. The study acknowledged five different practices of integration: inward-facing, customer-facing, and periphery-facing, outward-facing and supplier-facing. Such practices of integration signify the various extents of integration with consumers and suppliers. The study established that companies with wider and closer supply chain mixing – with consumers and suppliers – had the greatest performance progress. Yunus (2013) carried out an experimental study on supply chain incorporation in Indonesia and the findings supported previous studies relating to the positive relationship linking supply chain integration traditions and firm performance. Vickery et al. (2003) observed that the association between SCI and financial outcomes was indirectly and totally mediated by the effectiveness of customer service.

VMI practices refer to the optimization of SC performance whereby the supplier gets entry to the customer's inventory information and is answerable for retaining the inventory levels required by that customer (Kaipia, Holmström & Tanskanen, 2002). In a VMI enterprise, the supplier makes decisions about when to replenish the inventory for the companies. VMI is a combined process involving the supplier and the manufacturer and/or a manufacturer, a retailer and a distributor, and the manufacturer gets access to the inventory information and demand from the retailer while using this information to manage the retailer's inventory.

De Toni and Zamolo (2005) highlighted the key attributes of VMI as punctuality, frequent deliveries and short replenishment lead times that optimize transport planning and production. Still, to them, the mid or long-term partnership consents to proportion the capacity of the supplier's production and determine the maximum and minimum level of the customer's inventory. VMI is a model of how possible it is to advance the supplier partnership and the efficiency of material flows in a firm. A supplier is able to line up his operations along the needs of a firm by putting the inventory within the site of the firm. The supplier does this in a much more transparent manner, as they no longer make guesses on the actual demand or requirement, and they understand better what products to make available.

ERP refers to an integrated transaction, reporting and processing system that provides the means for keeping track of organizational resources, including people, technology, and processes. It is the backbone of an organization, providing the support and information needed for making decisions and creating connections between organizational processes. According to Porter's value chain (1985), Enterprise Resource Planning systems can boost a firm's capability to compete in any of the following forms:

- Infrastructure, where the system provides integrated and comprehensive data for management of enterprise value addition and creation,
- Human resource management, where the ERP emphasizes that people are the organization's most valuable asset, as much as they are not shown on any kind of financial statement.

DRP practice is distinctly known as the role of establishing the necessity to restock inventory in member storehouses. The DRP system puts together all customer orders with prospects and acts as the beginning force in the system. Distribution requirements planning allows you to set up and maintain a truly integrated supply chain. A time staged point for ordering approach is applied where the planned orders at the smaller depots level are blown up via distribution requirements planning logic to become a heap of requirements to the supplying party. In cases of multistage distribution networks, such an explosion moment can go on to the various levels of regional storehouses and end up becoming inputs to the major production schedule.

A period staged order advance is applied when the purchase requisitions on the smaller warehouse degree are blowing up via material requirement planning logic to get to a heap of needs on the delivering source. However, in the case of multistage networks of distribution, the explosion procedure can go on to the different levels of regional stockrooms and end up becoming inputs to the schedule of major production. Demand applied to the delivering sources is standard and dependent when material requirement logic is applied. Distribution requirement planning enhances the optimization of replenishing inventory at storehouses in a multilevel distribution setup. Transportation and stock-outs costs can, for that reason, be decreased without increasing the overall levels of stock.

The current business environment is mostly described as intensely dynamic, globalized and competitive. Therefore, to maintain competitiveness in this challenging environment, organizations should strive to get into the synergies across the many supply chains in an approach called supply chain integration (SCI). Supply chain refers to a sequence of organizational entities utilized to create and deliver customer value, be it in a tangible product, intangible service, or a blend of both products and services (Morgan & Monczka, 2016). It also refers to the intricate network of associations that organizations have with trading collaborators to manufacture, procure and deliver goods and services.

#### 4. Research Methodology

The study adopted a descriptive research design to identify supply chain integration practices and operational performance measures. Cooper and Schindler (2003) posited that a descriptive study provides a detailed explanation of the existing attitudes and conditions through both observation and interpretation techniques. The sample size of 121 respondents was identified. Primary data was collected using questionnaires. The resources thus saved would help the County Government Treasury improve its operational cost and customer service delivery. This study would be important

to other government institutions to enable them to gauge their SCM practices and fit them into the rising trends to develop and discover areas of opportunities, particularly those relating to cost lessening and effectiveness within the supply chain.

The study aimed to reach 121 respondents who are employees of the Trans-Nzoia County Government Treasury. Out of the distributed 121 questionnaires, 15 questionnaires were not filled fully and thus were disregarded, while 106 were fully filled and returned, translating to a reply rate equal to 87%. This rate of response is within the statistically significant response rate for analysis and generalization of findings to the whole population (Mugenda & Mugenda, 2003).

#### 4.1. Efficient Consumer Response (ECR) Practice

	Mean	Std. Dev.
The Treasury directly links its customers with manufacturers/distributors to enhance and facilitate quick responses to any query	4.5093	0.50224
The Treasury synchronizes the customer's needs with its suppliers/manufactures	4.3056	0.71641
Our Company has entered into long-term agreements with other companies to use our products	4.1944	1.0135
The Treasury has a framework for collaboration in the areas of assortment and packaging	4.1111	0.95049
The Treasury resolves/ collaborates with suppliers/ manufacturers on exception items	4.0463	1.16674
The treasury's supply chain relationships with your customers are more cooperative than adversarial	3.9444	0.86287
The Treasury jointly sets targets with suppliers/ manufacturers and close partners	3.5278	1.03633
Overall Mean	4.0913	

Table 1

To a great extent, with a mean greater or equal to 4 and a standard deviation greater than 0.5, the County Government Treasury directly links its customers with manufacturers/distributors to enhance and facilitate quick responses for any query (4.5093), synchronizes the customer's needs with its suppliers/ manufactures (4.3056), the company has entered into long term agreements with other companies to use our products (4.1944) and has a framework for collaboration in the areas of assortment and packaging (4.1111), resolves/ collaborates with suppliers/ manufacturers on exception items (4.0463). The respondents also, to a great extent, with an average less than 4 and a standard deviation less than 0.5, indicated that the County Government Treasury's supply chain relationships with your customers are more cooperative than adversarial (3.9444) and jointly set targets with suppliers/manufacturers and close partners (3.5278). This means that the County Government Treasury practices Efficient Consumer Response largely with an overall mean of 4.0913.

#### 4.2. Customer Relationship Management Practices

	Mean	Std. Dev.
The Treasury regularly sends complimentary messages/ gifts to its customers during special occasion	4.420	0.793
The Treasury has regular measures of customer service	4.362	1.008
The Treasury integrates various touch points like web, e-mail, phone & direct sales with the customers	4.167	0.7745
The Treasury frequently interacts with customers to set reliability, responsiveness, and other standards for the firm	4.140	0.7838
The Treasury strives to improve primary products/services in order to achieve greater customer satisfaction	3.753	1.101
The Treasury closely collaborates with customers to jointly plan and create value, differentiated by class of customers	3.624	1.018
The Treasury recognizes the individual needs of its employees and tries to provide each with the value they want from the company to enhance	3.215	1.533
Overall Mean	3.9544	

Table 2

The respondents, to a great extent, with a mean greater or equal to 4 and standard deviation greater than 0.5, indicated that the County Government Treasury regularly sends complimentary messages/ gifts to its customers during special occasions (4.420), has regular measures of customer service (4.362), the County Government Treasury integrates

different touch points like the e-mail, web, phone & direct sales with the customers(4.167), integrates these touch points like the e-mail, the web, phone & direct sales with the consumers and frequently interacts with customers to set responsibility, reliability and other standards for the company (4.140).

To a great extent, with a mean less than 4 and a standard deviation less than 0.5, the respondents indicated that the County Government Treasury strives to improve primary products/services in order to achieve greater customer satisfaction (3.753), closely collaborates with customers to jointly plan and create value, differentiated by class of customers (3.624), recognizes the individual needs of its employees and tries to provide each with the value they want from the company to enhance customer satisfaction (3.215). This makes it clear that the County Government Treasury applies Customer Relationship Management Practices to a great extent, with a general average of 3.9544.

#### 4.3. Vendor Managed Inventory Practices

	Mean	Std. Dev.
Treasury's inventory data is integrated through departments within the organization to streamline inventory decisions	4.632	0.818
The Treasury partners delay product assembly activities until customer orders have actually been confirmed to facilitate service flexibility	4.324	0.901
The Treasury practices integrated production planning with suppliers/ manufacturers/distributors to facilitate optimal production	4.125	0.733
The Treasury links our customers directly with its distributors to enhance delivery/ location flexibility	3.671	1.074
The organization's vendors have the responsibility of maintaining inventory levels required by our customers to better manage the inventory	3.540	1.083
The organizations' vendors have access to the customer's inventory data to ensure efficient inventory management	3.342	1.078
The organizations' customers are involved in inventory planning schedules to enhance delivery reliability	3.042	1.053
Overall Mean	3.811	

Table 3

The respondents, to a very great extent with a mean greater or equal to 4 and a standard deviation greater than 0.5, indicated that the treasury's inventory data is incorporated through units within the organization to reorganize inventory decisions(4.632), partners delay product assembly tasks until customer requests have been actually confirmed to facilitate service flexibility(4.324) and practices integrated production planning with suppliers/ manufacturers/distributors to facilitate optimal production (4.125).

To a great extent, with a mean less than 4 and a standard deviation less 0.5, the respondents indicated that the treasury links our customers directly with its distributors to enhance delivery/ location flexibility(3.671), the organization's vendors have the responsibility of maintaining inventory levels required by our customers to better manage the inventory(3.540), the organization's vendors have access to the customer's inventory data to ensure efficient inventory management(3.342) and the organization's customers are involved in inventory planning schedules to enhance delivery reliability(3.042). The Treasury of Kenya uses the practice of VMI to a great extent, as shown by an overall mean of 3.811.

#### 4.4. Enterprise Resource Planning Practices

	Mean	Std. Dev.
The Treasury has integrated its data among internal functions/ departments	4.309	0.737
Our organization has an integrative inventory management	4.285	0.708
The treasury practice of sharing schedules with suppliers/ customers are achieved electronically	4.125	0.302
Our transactional activities between the Treasury and suppliers/distributors/customers are extensively enabled.	4.123	0.301
Our internal functions are extensively integrated	4.119	0.562
E-business is an active and key integration strategy	4.023	0.214
Overall Mean	4.164	

Table 4

The results show that to a very great extent, with a mean greater or equal to 4 and a standard deviation greater than 0.5, the respondents indicated that the treasury had integrated its data among internal functions/ departments (4.309), the organization has integrative inventory management (4.285), the treasury's practice of sharing of schedules with suppliers/ customers is achieved electronically (4.125), transactional activities between the Treasury and suppliers/distributors/customers are extensively enabled (4.123), internal functions are extensively integrated (4.119) and E-business is an active and key integration strategy (4.023). This indicates that the Treasury applies the practice of ERP, evidenced by a high extent of 4.164.

#### 4.5. Operation Performance

Indicators	Unit Measure	2018	2019	2020	2021	2022	Average
Timely delivery of services	%	65	80	80	72	83	76.0
Customer Satisfaction	%	80	67	76	78	80	76.2
Cost Efficiency	%	84	76	60	69	81	74.0
Capacity Utilizations	%	67	68	80	81	78	74.8
Employee Satisfaction	%	82	68	72	75	82	75.8
Employee Productivity	%	69	77	80	83	81	78.0
Employee Retention	%	68	71	76	74	79	73.6
Employee Competency	%	78	81	80	81	84	80.8
General performance	%	74.13	73.5	75.5	76.63	81.0	76.15

Table 5

Operational performance at the County Government Treasury was used as the dependent variable in this study. The respondents were required to state the rates of the various indicators from 2018 to 2022. From the findings, the average operational performance at the County Government Treasury for the five-year period shows that timely delivery of services was at 76%, customer satisfaction was at 76.2%, cost efficiency was at 74%, capacity utilizations was at 74.8%, employee satisfaction was at 75.8%, employee productivity was at 78%, employee retention was at 73.6% and employee competency was at 80.8%. This shows that the County Government Treasury's operational performance is over and above average, as evidenced by a general mean average of 76.15.

#### 4.6. Correlation Analysis

		Operational Performance	(ECR) Practice	CRM Practices	Vendor Managed	Enterprise Resource
Operational Performance	Pearson Correlation	1	-.718*	-.849**	-.731*	-.273
	Sig.(2-tailed)		.045	.008	.039	.512
(ECR) Practice	Pearson Correlation	.718*	1	.937**	.891**	.622
	Sig.(2-tailed)	.045		.001	.003	.099
CRM Practices	Pearson Correlation	.849*	.937**	1	.810*	.538
	Sig.(2-tailed)	.008	.001		.015	.169
Vendor-Managed Inventory Practices	Pearson Correlation	.731*	.891**	.810*	1	.761*
	Sig.(2-tailed)	.039	.003	.015		.028
Enterprise Resource Planning Practices	Pearson Correlation	.273	.622	.538	.761*	1
	Sig.(2-tailed)	.512	.099	.169	.028	

Table 6

\* Correlation Is Significant at the 0.05 Level (2-Tailed)

\*\* Correlation Is Significant at the 0.01 Level (2-tailed)

## 4.7. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.857a	.734	.716	.053106		
ANOVA						
	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	62.874	4	15.718	69.589	.001b
	Residual	22.786	101	.226		
	Total	85.660	105			
Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
(Constant)		1.817	.490		3.708	.000
Efficient Consumer Response (ECR) Practice		1.023	.629	1.278	1.626	.005
Customer Relationship Management Practices		1.253	.474	1.405	2.643	.002
Vendor-Managed Inventory Practices		1.888	.378	1.170	4.994	.008
Enterprise Resource Planning Practices		1.733	.172	.606	4.274	.001
a. Dependent Variable: Operation Performance						

Table 7

From the findings in the regression analysis, if the factors (efficient consumer response, customer relationship management, vendor management inventory, and enterprise resource planning) were held constant, operational performance would be 1.817. A unit rise in efficient consumer response would lead to a rise in operational performance by 1.023. A unit increase in customer relationship management would lead to an increase in operational performance by 1.253. A unit increase in vendor management inventory would lead to an increase in operational performance by 1.888. A unit increase in enterprise resource planning would lead to an increase in operational performance by 0.733.

## 5. Conclusions

The study concludes that for operation performance at the Trans-Nzoia County Government Treasury to be improved, vendors must have access to customer's inventory data to ensure efficient management, they have to give their partners the responsibility of maintaining inventory levels as required by their customers, they have integrated data management within the departments, suppliers have the free hand to make inventory replenishment decisions and have linked their customers with distributors to enhance delivery and location flexibility.

## 6. Recommendations

This study adds greater comprehensiveness to the supply chain integration practices and enhances the understanding of the supply chain integration practices and their impact on operational performance. From the findings, the study recommends that excellent relations with supply chain members, such as customers, are necessary for enhanced organizational performance. Therefore, organizations should strive to embrace customer relationship practices as it has been shown that committed relations are very suitable advantages due to their inherent setbacks to competition.

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