



INFLUENCE OF TIMELY PAYMENT OF SUPPLIERS PRACTICE ON PROCUREMENT FUNCTION IN TEA MANUFACTURING FIRMS IN EASTERN REGION, KENYA

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ABSTRACT

The objective of this study was to find out the influence of timely payment of suppliers practice on procurement of tea manufacturing firms in Eastern Region, Kenya. A descriptive survey design was used. The target population included the employees in procurement department, transport department, marketing department and production department of Meru, Embu, Kiambu, Kirinyaga and Nyeri who were found in the Eastern Region. Each employee was given equal chance of inclusion and out of 148 employees. The study used 108 employees as sample size. Purposive simple random sampling technique was used to select respondents who participated in the study. Questionnaires were used to collect data from respondents. 81 filled questionnaires were returned for analysis. The data collected was fed in statistical packages of social science (SPSS). Thereafter a correlation analysis was used to determine the level of relationships between the variables and concluded that there is a strong positive relationship between timely payment of suppliers practice and procurement function of tea factories in the Eastern Region Kenya. Conclusion was that an increase in the timely payment resulted to an increase to the dependent variable. Recommendation from the study was that to embrace timely payment so as to improve quality of supplies.

Key Words: *Timely Payment, Procurement, Tea Manufacturing Firms*

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INTRODUCTION

Supply chain is an important activity that is linked to the manufacturing, it involves sub process which fulfil business and human purpose by providing benefits through products and services. The supply chain practices are very vital and every organization needs to identify and adopt practices that enable the organization to achieve it competitive advantage at the supply chain level (Okemba, & Namusonge, 2014).

Tea has globally become popular at a lower cost to the extent of comparing it with water. Tea is highly consumed by a large number of people from all age group in the society. Thus about three billion of cup of tea are prepared and consumed, hence it is said to be the largest beverage in the market.in Africa ,south America ,the nearly the east and especially the Asian region which have variety of tea production thus has a reputation in the international market for having high quality (Hicks, 2009).

Asia has high market share in the world due to its high quality of tea production. In Africa the key producers of tea are Kenya, Burundi, Malawi, Rwanda, Tanzania, Uganda and Zimbabwe among others. In South America countries such as Argentina and Brazil are the key producers of tea. It's a global beverage in the market these is due to its continues creativity and development process which includes adding value to the product which led to high market share and high competitiveness, thus requiring good supply chain practices among organizations that can make the product available to the market in a convenient manner (Hicks, 2009). In Africa, most countries do not understand the importance of implementing supply chain practices in the procurement process. This view is upheld by Basheka and Tumutegyereize, (2010) who state that in most African countries supply chain consumes considerable resources in manufacturing factories. Without clear supply chain practice in a mutually responsive way, the vast resources channelled to manufacturing firms run the danger of increased misuse and wastages (Jeppesen, 2010).

In Kenya, we have currently experienced the collapse of organizations due to poor supply chain practice, an event that has caused significant loss to the Kenyan taxpayer money. The achievement of supply chain activities is upheld by the sequential activities of supply chain practices them in irrespective to without considering the money value .Addition is only effective only if the right supply chain practice are put in place and followed in due process since it has monetary value which may bring efficiency hence translate into organization performance (Okwiri, 2012)

The supply chain of tea factory begins with the farmers who are the supplier of green leaves. The green leaf leaves the farm and it is transported by the farmer to a tea collection centre where weighing is done using an Electronic Weighing Solution (EWS).The green leaf is then transported to the factory using tea collection trucks. At the factory the green leaf is received and the weight is confirmed before processing begins. Once the processing is completed, the processed tea is packaged and transported to a Mombasa warehouse where auction is done and the tea ends up either with a local or international buyer. The tea factories obtain inputs such as fertilizers from India; machinery from India; spares are obtained from both international and local manufacturers whereas energy is usually from Kenya power and lighting company.

Statement of the Problem

Current companies and business are running in unpredictable environment which makes them encounter global competition every time. According to research conducted it has been established that the present company have not fully adopted the supply chain potential due to in adequate development of proper performance measures needed to upgrade their supply chain (Amit , Girish &Ramesh 2012).

Africa there is minimal and small –scale framers who engage in tea production. The area has great responsibility of competing with large producer who produce at a lower price. According to Parris

(2013) he states that east Africa is encountering challenges on processing to the little economic development level currently available, people are not time conscious, failure to identify problem and offer solution ,low level of innovation and poor quality acceptance

Many manufacturing companies face challenges for instance, there are always variable demands from customers and demand changes are hard to anticipate hence resulting into customer loss and affecting their performance (Lummus and Vokurka, 2017). KTDA managed factories have the responsibility of buying raw tea leaves from farmers. Who are in tea growing zones in Kenya. Tea is highly perishable and they face a number of challenges in ensuring that they adopt appropriate supply chain management practices that can integrate the upstream and downstream supply chain activities. From the audited results 2015 tea factories are undergoing challenges that has resulted a 31% drop in profits. It is from this perspective that timely payment of suppliers in organizations is a priority; hence it prompts the study to ascertain if there is an influence of timely payment of suppliers the tea manufacturing firms will gain competitive advantage.

Objective of the study

The objective of the study was to find out timely payment of suppliers practice on procurement function on tea manufacturing firms in Eastern Region, Kenya

Research Hypotheses

H₀₁: There exists no significant influence of timely payment of suppliers practice on procurement function on tea manufacturing firms in Eastern Region, Kenya.

LITERATURE REVIEW

Theoretical Review

Social Exchange Theory (SET)

The theory is mainly viewed as social interaction and social structure. Exchange theory gives a clear show of how relationships are created, maintained

and terminated Simmel's (2011).The concept of reciprocity is closely related to exchange. According to exchange theory, people forming these relationships, believe that the rewards they will receive will be equal (balanced reciprocity) or exceed the costs involved (negative reciprocity). Hence for these relationship to continue being satisfactory to an individual, the rewards must either be equal to or exceed the costs (Homans, 1958).

According to Kingshott (2006) SET is a valuable instrument when analysing buyer-supplier relationships. SET is specifically applicable for the evaluation of supplier strategies and for making decisions about how to deal with suppliers When the purchasing manager engages in theory ,should make his company interesting and next to economic exchange focusing on the social norms like trust and commitment.

In a trustworthy exchange of relationship there are chances for a continuation of this relationship is higher. It creates a steady continuous exchange relationship which ensures continues supply. The main objective is not simply being a regular customer but a leads to privileged treatment and assured supply, which then leads to reduced uncertainty (Narasimhan, Nair, Griffith, Arlbjørn & Bendoly, 2009). The other importances of social exchange theory is the roles of trust, cooperation, satisfaction, and relational norms that develop over time and tend to govern the relationship rather than reliance on written contracts (Heide & John, 1992; Pratt & Dirks, 2007)

The theory relate well to the unique relationship established by the buyer through supplier evaluation. These apply mostly to firms that actually need huge sums of procuring material which prefer to make long lasting deals with supplier that are financial stable hence the need for the buyer to conduct supplier evaluation which is so constructive to the buyer before entering to the agreement. The theory is meant to ensure that supplier do not go against the contract, since there will be action that are attached to it thus punishment as a result of delay payment and even penalties due to failing to

meet its obligation. Thus supplier evaluation is not only about security but also full perceptiveness of each business wants, requirement, working practices and prospect objective (Aisan, 2011).

Empirical Review

When payment is made directly to the supplier a multi-copy purchase order is not processed. Therefore, the procurement manager's copy indicating that the transaction was processed is not correct so procurement managers are therefore advised to make a copy of the payment voucher and any additional supporting documentation prior to forwarding it to the Accounting manager's department for processing. An account expenditure summary (AES), which lists each payment processed on a given grant, is sent to the procurement manager therefore procurement managers are encouraged to review this report and notify the accounting department of any discrepancies (Savas, 1997).

In most circumstances, requisition can be obtained within two working days. This allows the ministries one day to check and make sure that the purchase requisition complies with procurement act and sponsor guidelines and one day for processing. However if the requisitions are not completed properly, processing of the purchase order is delayed the requisition has to be returned to the procurement manager for corrections (Savas, 1977). Goods, works and services will be inspected upon delivery by inspection and acceptance committee to confirm conformance with specifications/contract stipulations. If warranted, such as when long lead time is needed to manufacture a certain type of product, the procuring entity will make scheduled disbursements or other special payment arrangements (Armstrong & Jackson, 1992).

Satisfaction of suppliers is one of the key drivers for long term sustainable relationship. The purchase policy of the buying firm generally includes various activities such as ordering process, delivery of goods and services, and all these activities have direct impact on the satisfaction of

suppliers in buyer-suppliers relationships (Essig and Aman 2009; Maunu, 2003). Additionally supplier satisfaction is affected by improper time scheduling activities by the buyer, poor means of communication for the requirement and also inadequate technical parameters clarification (Soetanto & Proverbs, 2002). Further, if the overall purchase policy of the buying firm is good, it will enhance its corporate image in the market. Accordingly, better purchase policy of buying firm results to more satisfied suppliers, and better corporate image.

According to Essig and Amann (2009), also states that buyers have a lot of activities to schedule such as timely payment of the goods or services, payment practices and receiving method of goods directly influence the satisfaction of suppliers. Bad payment policy of the buying firm can result to supplier going for cross-selling. Further; financial soundness of the buying firm also influences supplier satisfaction, since it affects the payment ability and pricing schemes of the buying firm. Similarly better payment of finance policy also improves its overall reputation or image of the buying firm in the market. Therefore, better payment policy of the buying firm leads to more satisfied suppliers and better co-ordination and corporate image. The co-operation extended by the buying firm influences the satisfaction and also has positive impact on the satisfaction of suppliers. Communication between buyers and suppliers is one of the essential drivers for any good relationships according to Essig and Amann (2009) and Maunu (2003).

Procurement Function

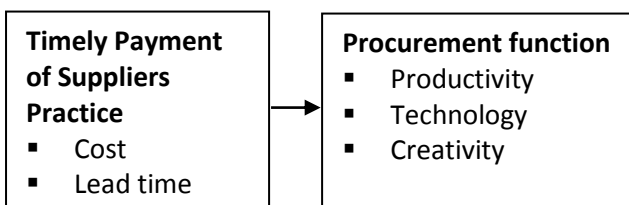
Function is often as a unit or department in which people use specialized knowledge, skill and resource perform specific task (Lyson 2006). Procurement is the process of obtaining goods or services in any way including borrowing, leasing and pillage.

Van weele (2005) states that purchasing contributes to the business by reducing direct cost of material thus improving the company's sale margin, direct

cost are achieved by introducing of the new supplier and competitive tending. Apart from purchasing saving on price, purchasing can also contribute to the improvement of the company's competitive position in a more indirect manner thus by standardization of product ,reducing of stock, product and process innovation ,reduction of quality cost , cutting down on production lead time, contribution to production design and innovation, fostering purchasing synergy and increasing flexibility system.one of the key factors in purchasing process is the evaluation of supplier .Failure to check the supplier bank reference can produce very unpleasant surprise in the shape of unexpected bankruptcy thus inability to meet requirement.

The purchasing policy fundamentals contribute to the business success by improving margin thus realizing sustainable cost saving. Effective purchasing requires an explicit supply orientation. The major task is to make sure that the materials and services are bought at a fair and competitive price from the best supplier. To make procurement most effective the following activities should be aligned to the organization strategies direction of the organization these are the role of the user department, supplier and the management. A managers should foster an environment where procurement policies are adopted throughout an organization to develop spend saving and cost effective results to an organization (Matt, 2017).

Conceptual Framework



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

Source: (Author, 2019)

METHODOLOGY

The study adopted a descriptive research survey design. Creswell (2014) on the other hand observed that a good research design involves the procedure adopted by a researcher right from gathering of data to processing and analyzing of the same. The target population involved production department 37, transport department 37, marketing department 37 and procurement department 37 forming a total of 108 employees. This study focused on tea manufacturing firms which were licensed to operate under Kenya Tea Development Agency in Eastern region in Kenya. The data to be used in the study was collected through administering a questionnaire to the respondents in various departments in tea firms. Both descriptive statistics and inferential statistics were used to analyze data.

RESULTS

The study sought to investigate the influence of supplier relationships management on procurement functions in the Eastern region in Kenya. This part provided a descriptive analysis of the predictor variables (timely supplier payment) and procurement function (the dependent variable). The findings were presented by use of tables.

Timely Supplier payment

The study sought to investigate whether timely supplier payment influences procurement functions in the tea companies found in eastern region in Kenya. Timely supplier payment was operationalized by ten questionnaire items as show in table 1;

Table 1: Timely Supplier Payment

	SA	A	N	D	SD
	%	%	%	%	%
Supplier payment					
Firm suppliers delivery goods before payment is made	2.5	8.8	12.5	38.8	37.5
Firms frequently interact with suppliers to set standards	6.3	5.0	8.8	43.8	36.3
Firms measure and evaluate supplier satisfaction	5.0	13.8	21.3	42.5	17.5
Suppliers are part of organization in price reduction	13.8	13.8	16.8	30.0	26.3
Joint team building activities conducted with suppliers	10.0	12.5	15.0	42.5	20.0
Products are delivered on time	7.5	8.8	12.5	36.3	35.0
Supplier relationship management led to faster supply chain response time	2.5	13.8	16.3	35.0	32.5
Firms have accurate fulfilment of orders	12.3	13.8	18.8	32.5	23.8
Firms have lower inventory days of supply	7.5	15.0	20.0	37.5	20.0
Firms have reduced cost of supply	10.0	7.5	13.8	33.7	35.0

Key; SA= Strongly agree, A= Agree, N= Neither agree nor disagree, A= Agree; SD= Strongly Disagree

The results in table 1 revealed that a majority of respondents (38.8 percent) agreed with the statement that their own organizations get supplied with goods before paying for such goods. Another 37.5 per cent of the same respondents strongly agreed with the same statement. However, this response was against a mere 2.5 per cent who strongly disagreed and another 8.8 per cent who simply disagreed with the same statement. Before such goods are delivered, a majority of respondents (43.8 per cent) agreed that the organizational management frequently interacts with the suppliers in order to set standards and seek for ways to reduce on cost. A further 36.3 per cent of the respondents strongly agreed with the same view. Nonetheless, a paltry 6.3 per cent (strongly disagreed) while another 5.0 per cent (disagreed) cumulatively disagreed with this view.

Tea organizations in this study tend to measure and evaluate all suppliers' satisfaction so as to reduce cost in the supply chain. A majority of respondents (42.5 per cent) agreed with the statement, while another 17.5 per cent strongly agreed with the same statement. Nevertheless, 5.0 per cent of the same respondents strongly disagreed with the said statement, with a further, 13.8 per cent simply disagreeing with the statement. In addition, 30.0 per cent (a majority) agreed that in the tea firms, suppliers are part and parcel of the organizations, while another 26.3 per cent strongly agreed with

the said statement. On the other hand, 13.8 per cent of the respondents strongly disagreed that suppliers within tea firms are considered as part and parcel of the organizations, with another 13.8 per cent simply disagreeing with this view. However, 16.8 per cent of the respondents could neither agree nor disagree with the said statement.

In addition, the findings obtained in table 1 also indicated that 42.5 per cent of respondents agreed that their organizations conduct joint team building activities together with the suppliers. A further 20.0 per cent strongly agreed with this view, giving a total of 62.5 per cent (a majority) of those who responded to the affirmative with the said statement. Nonetheless, a total of 71.8 per cent (agree=36.3, strongly agree=35.5) were of the opinion that suppliers in the tea firms deliver their products well in time. However, only 7.5 per cent and 8.8 per cent strongly disagreed and simply disagreed respectively with the declarative statement, with another 12.5 per cent unable to agree or disagree with the same statement.

Similarly, a majority of respondents (35.0 per cent) agreed that supplier relationships management has led to faster supply chain response time. Another 32.5 per cent of respondents strongly agreed with this statement while only 2.5 per cent of respondents strongly disagreed with the statement with another 13.8 per cent simply disagreeing. 16.3

per cent of the respondents remained indifferent to the statement.

Equally, another majority (32.5 per cent) of respondents agreed that the tea firms in the study get accurate fulfilment orders from their respective suppliers, with a further 23.8 per cent of the same respondents strongly agreeing with the statement. On the other hand, a paltry 12.3 per cent strongly disagreed with the statement with a further 13.8 per cent simply disagreeing with the statement. Similarly, 18.8 per cent could neither agree nor disagree with the statement.

In addition, a majority of respondents cumulatively (57.5 per cent) agreed (37.5 per cent) or strongly agreed (20.0 per cent) that tea firms under study have lower inventory days of supply and as a result no money is held in the inventory keeping. On the contrary, only 7.5 per cent strongly disagreed with the statement with a further 15.0 per cent simply disagreeing. 20.0 per cent of respondents remained indifferent to the statement.

Table 2: Procurement Function

Procurement Function	SA %	A %	N %	D %	SD %
My organization has increased productivity by adoption of supplier relationship management	2.5	6.3	18.8	32.5	40.0
My organization has increased its customer base due the supplier relationship management	1.3	5.0	12.5	50.0	31.3
My organization has realised high profits due to supplier development.	6.3	15.0	13.8	36.3	28.8
My organization has adopted supplier relationship management in the utilization of resources.	3.8	12.5	21.3	43.8	18.8
My organization has adopted technology to increase the value for money	1.3	10.0	10.0	42.5	36.3

The findings presented in table 2 revealed that a majority (31.8 per cent) of respondents strongly agreed (40.0 per cent) that tea firms have had an increase in productivity due the adoption of supplier relationship management. A further 32.5 per cent of respondents agreed that this declarative statement was true. On the contrary, only 1.3 per cent of respondents strongly disagreed with the said statement, with another 6.3 per cent simply disagreeing with the statement. Similarly, tea firms

Results obtained in Table 1 also revealed that 68.8 per cent of respondents cumulatively agreed (strongly agreed= 35.0 per cent, agreed =33.8 per cent) that tea firms have reduced the cost of supply through supplier timely payments, while another cumulative 17.5 per cent (strongly disagree=10.0 per cent, disagreed=7.5 per cent) were in total disagreement with the statement. Only 13.5 per cent remained indifferent to the statement.

Procurement Function

The study went further to determine the extent to employees within the tea firms feel about the procurement function within. The predicted variable of procurement function was operationalized by five questionnaire items on a five point likert scale as from 1= strongly disagree (SD) to 5=strongly agree (SA). The results obtained were as shown in table 2:

have had an increase in the customer base due to supplier relationship management. This statement was supported by a majority of respondents at 50.0 per cent, with another 31.5 per cent strongly supporting it. On the other hand, a paltry 1.3 per cent of respondents strongly disapproved of the claim with another 5.0 per cent simply disagreeing with it. Another 12.5 per cent of respondents could neither agree nor disagree with the statement.

In addition, a majority of respondents (36.3 per cent) agreed that tea firms have realised high profits due to increased supplier relationship management. Another 28.8 per cent strongly agreed with this fact. Equally, only 6.3 per cent of respondents strongly disagreed with the said fact, with another 15.0 per cent simply disagreeing with this fact. 13.8 per cent of the respondents remained indifferent to this fact.

Table 2 presented the findings that showed that a majority of respondents at 43.8 per cent (agreed) and 18.8 per cent (strongly agreed) suggested that the adopted supplier relationships management had helped the organizations to utilize all resources most effectively. This was against 3.8 per cent and 12.5 per cent who strongly disagreed and simply disagreed with this statement. 21.3 per cent of them did not agree nor disagree with the statement.

Also, 42.5 per cent (strongly agreed) and 36.3 per cent (agreed) of respondents revealed that the adoption and use of technology has increased the value for money to the organizations. This was against 1.3 per cent (strongly disagree) and 10.0 per cent (disagree) who did not feel the same way. Similarly, another 10.0 per cent of the respondents

could neither agree nor disagree with the statement.

Descriptive on Means

This study also conducted descriptive measures of the mean, standard error of estimates and the standard deviation in the analysis. The mean is a measure of central tendency used to describe the most typical value in a set of values. The standard deviation shows how far the distribution is from the mean. Furthermore, standard error estimates the closeness of the sample mean to the population mean. A small standard error implies that most of the sample means are nearer the Centre of the population means and therefore, the sample mean becomes a good estimator of the population mean. On the other hand, a large standard error illustrates that the given sample mean is a poor estimator of the population mean.

Timely supplier payment

Descriptively, the following results were obtained when the study sought to establish the mean response on the asked statements about the predictor variable of timely supplier payment.

**Table 3: Timely Supplier payment
Descriptive Statistics**

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Error	Std. Deviation Statistic
deliver goods before payment	80	1.00	5.00	4.0000	.11665	1.04336
frequently interact with suppliers	80	1.00	5.00	3.9875	.12388	1.10801
supplier satisfaction measured	80	1.00	5.00	3.5375	.12188	1.09016
supplier collaboration	80	1.00	5.00	3.4125	.15374	1.37513
joint team building	80	1.00	5.00	3.5000	.13779	1.23247
timely delivery	80	1.00	5.00	3.8250	.13638	1.21983
faster supply chain	80	1.00	5.00	3.8125	.12464	1.11485
accurate fulfilment	80	1.00	5.00	3.4375	.14544	1.30086
lower inventory days	80	1.00	5.00	3.4750	.13309	1.19042
reduced cost of supply	80	1.00	5.00	3.7625	.14369	1.28520
Valid N (listwise)	80			3.675		

The results in Table 3 revealed that the mean score for the ten statements used to measure timely supplier payment was 3.675. The overall mean score of 3.675 (agree) showed that the responses to the declarative statements were above the average value of 2.5 to the agreement. In addition, the results showed that supplier relationship management in the tea firms ensured that goods were delivered before any payments were done (4.000, highest), there was frequency in the interaction and collaboration with the suppliers.

Similarly, the results in table 3 also revealed with a mean score above the average mean score of 3.675 that, there was timely delivery of goods, faster supply chain, and reduced cost of supply. Furthermore, the results in table 3 indicated a mean standard deviation range of between 1.04336 and 1.37513 (range = 0.33177) with a mean standard error of 0.11665. This implied that from the given data, the sample statistic was a good estimator of the population parameter.

Table 4: Procurement Function Descriptive Statistics

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Error	Std. Deviation Statistic
increased productivity	1.00	5.00	4.0125	.11596	1.03720
increased customer base	1.00	5.00	4.0500	.09727	.87004
realised high profits	1.00	5.00	3.6625	.13658	1.22158
supplier relationship management	1.00	5.00	3.6125	.11732	1.04934
adapted technology	1.00	5.00	4.0250	.11106	.99333
Valid N (listwise)			3.8725		

The results in Table 4 indicated that the mean score for the five statements used to measure procurement function was 3.8725. The overall mean score of 3.8725 (agree) shows that the responses to the declarative statements was above the average value of 2.5 to the agreement. In addition, the results showed that there was increased customer base(mean=4.0500), increased productivity (4.0125), increased profits(mean=3.6625) of the tea firms understudy, probably because of the improved technology adapted (mean =4.0250) and the general improved supplier relationship management (mean=3.6125) in these tea firms. Similarly, the results in table 4 indicated a mean standard deviation range of between 1.22158 and 0.87004 (range = 0.35154) with a mean standard error of 0.09727. This implied that from the given data, the sample statistic is a good estimator of the population parameter.

Regression Analysis

This study further carried out a regression analysis by fitting the linear regression models for the data. Regression analysis was conducted for each of the predictor variables on procurement function (predicted variable). This was purposely done to investigate the level of influence that the predictor variable had on the dependent variable. The results obtained were presented and discussed as per the specific variables.

Timely Supplier Payment and Procurement Function

To test the amount of variation of the independent variable (timely supplier payment) on the dependent variable (procurement function), a regression analysis was conducted. In relation to results from table 5, it was found that timely supplier payment has a strong, positive and significant influence on the procurement function ($r=0.732^{**}$, $p<0.01$).

Table 5: Timely Supplier payment on Procurement Function

Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of Estimate	theChange Statistics		
					R Square	F Change	Sig. F Change
1	.732 ^a	.535	.529	.37763	.535	89.874	.000

a. Predictors: (Constant), timely supplier payment

The results in table 5 indicated the measure of variation of the predicted variable (procurement function) as explained by the predictor variable (timely supplier payment). The regression output in table 5 yielded a coefficient R-value of 0.732 and R² of 0.535, which implied that 53.5 per cent of the corresponding variation in procurement function can be predicted by timely supplier payment. The rest of the percentage could be explained by other variables not included in this model. Nonetheless, the F test statistic gave a value of F= 89.874, P< 0.001, which was sufficient to support the goodness of fit of the model in explaining the variance in the dependent variable (procurement function) by the

independent variable (timely supplier payment). These finding tends to validate the fact that timely payment of suppliers can be a very useful predictor of procurement functions. This means that organizations that strive to pay its suppliers on time will automatically experience higher levels of performance in its procurement practices. According to Soetanto and Proverbs ,2002 timely supplier payments tend to affect the levels of procurement functions positively and significantly. The coefficients of the fitted model using the “unstandardized coefficients” are given as shown in the table 6.

Table 6: Coefficients of Timely Supplier Payments

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.029	.303		3.398	.001
	Timely supplier payment	.774	.082	.732	9.480	.000

a. Dependent Variable: Procurement Function

Table 6 showed the unstandardized regression coefficients β value of the computed timely supplier payment to be 0.774 with a t-test of 9.480 at a significance level of $p < 0.01$. Since the t-value is greater than +1.96, then the regression model obtained is significant and feasible. Further, with a $p < 0.01$, it implied that for every 1 per cent increase in timely supplier payment, there was a predicted zero percentage increase in procurement function. Having achieved the objective, the study rejected the null hypothesis that;

H₀₁: Timely supplier payment has no significant influence on the procurement function in the tea firms in the eastern region in Kenya.

CONCLUSION

The study examined the influence of timely supplier payment and concluded that there is a positive influence between timely supplier payment and procurement function in tea manufacturing firms. This was evident as per result from correlation analysis ($R \neq 0, P < 0.001$), linear regression (F ratio $> 0, P < 0.01$) regression analysis ($\beta \neq 0, P < 0.001$). It allows to fail to accept the null hypothesis. Thus

increasing in timely supplier payment would result to increase in procurement function. The study concluded that deliver of good before payment and frequent interaction with the supplier will result to achieving procurement function

RECOMMENDATIONS

That tea companies should embrace the supplier relationship management practices in order to improve the quality of supplies by ensuring that the supplier are satisfied by receiving their payment as per the agreement with the tea factory (buyer) since the higher the level of adoption of supplier relationship leads to high firm performance.

Area for Further study

It will be important to conduct a study to establish the challenges of supply chain integration among the factories. Enhancement of adoption of supply chain management practices may require benchmarking for best practices. It will be important for the tea factories to carry out a comparative study with industry leaders in order to benchmark for best practices in supply chain management. Further research should also be carried in depth to determine the causes of delayed supplier payment in order to improve on the causes of the late payment so as to meet the (ISO and KBS) international standards organization and Kenya bureau of standards, which governs the procedures to follow in relation to the purchase of goods and services.

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