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**EFFECT OF SUPPLIER MANAGEMENT ON ORGANIZATIONAL PERFORMANCE OF FLOWER FIRMS IN NAIROBI**

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**ABSTRACT**

*The main purpose of this study was to determine the effect of supplier management on organizational performance of flower firms. Almost every organization purchases goods and services from third parties, or suppliers. The output of one organization is often the goods and services that form aspects of other organizations' goods and services. Therefore, how an organization engages, establishes, manages, and communicates with its suppliers is critical to success. This is because competition is no longer between organizations, but among the supply chains. The objective of this study was to determine the effect of supplier management on organizational performance of flower firms in Nairobi. The target population of this study was flower firms in Nairobi, where 3 respondents from the 9 selected firms were used. The study looked at supplier development as an element of supplier management and the effects that it has on organizational performance. The study adopted descriptive survey design. The population of the study comprised of 10 flower farms that were drawn from Nairobi. The target population involved managers and top supervisors from the procurement department. A sample of 30 respondents was selected from a target population of 10 flower firms. Random sampling was used to come up with the sample size. Primary data for the study was collected using questionnaires. The results of the study were presented using frequency tables, pie charts and graphs. Quantitative data was analyzed using descriptive and correlated using Pearson product-moment correlation coefficient to measure the relationship between variables with the aid of Statistical Package for Social Sciences (SPSS version 21.0). The findings of the study showed a strong positive effect of supplier development on organizational performance of flower firms in Nairobi. The study further recommended for continued collaboration, stakeholder engagement to enhance performance of flower firms. On suggestion for further research, the study recommended that further research to be carried on other supplier management practices that influences organizational performance in the supply chain sector.*

***Keywords:*** *Supplier Development, Supplier Management, Supply Chains*

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## INTRODUCTION

Supplier management has a subordinate role in the strategic management of any organization in the past by being a supportive activity in the product value chain (Car & Smeltzer, 1997). The importance of supply management activities arises from several areas such as the field of innovation, faster product development, global competition, advanced hardware and software technology, increasing manufacturing flexibility, transportation speed and information availability. Thus, supply management is gaining strategic importance followed by a wide range of tasks that needs to be fulfilled by the purchasing department (Liebman & Mahoney, 2017).

As competition intensifies and markets become global, so do the challenges associated with getting a product and service at the right place, at the right time and at the lowest cost. Organizations have realized that it is not enough to improve efficiencies within an organization but their whole supply chain has to be made competitive. The Council of Logistics Management (2009) defines SRM as the systemic, strategic coordination of the traditional business functions and tactics across the business functions within a particular organization and across businesses within the supply chain for the purposes of improving the long-term performance of the individual organizations and the supply chain as a whole. On the other hand, supply chain is a connection of series of activities which is concerned with planning, coordinating and controlling raw materials and finished goods from the suppliers to the customer (Blakemore, 2015). SRM tries to enhance the relationships between the supplier and the buyer through having clear and unambiguous communication that is understood by all parties involved thereby reducing the cost of quality, follow ups and reduced complaints from customers, and timely deliveries of goods and services.

Supplier relationship management is a long term strategy, which can deliver benefits if implemented. This requires careful planning focused on an in depth knowledge of the supply market and internal organization and how they need to work together to be efficient and effective. Central to this is the ability to coordinate multiple procurement processes such as strategic category management, supply base management and supplier performance measurement (Liebman & Mahoney, 2017). It is the coordination of multiple activities within a structured framework that leads to levels of performance not achievable through other methods. As the knowledge economy grows many organizations are realizing the dependencies they share with each other and that significant impact can only be achieved by working together in planned and managed ways. It is also apparent that if your organization doesn't lead the supply network then someone else is likely to do so for you. This makes supplier relationship management a business to business issue not procurement to supplier issue. Demands on Procurement to become more business oriented and therefore more mature and integrated in its ways of working has become more and more justified. For many organizations this will mean that procurement takes on less of a functional identity and is seen more as a set of processes embedded across the enterprise (Carithers et al., 2015).

The world has increasingly become complex, uncertain and very competitive. In order to remain competitive and relevant in the market, most companies have developed strategies to cope with these challenges. Supply chain being an integral part of the business; it highly contributes to the success of an organization especially, when modern technologies for instance integration are used. However, this cannot be achieved without managing good relationships with the suppliers. Supply chain deficiencies pose threats to most organizations especially those who do not perceive the need for SM. The need for achieving efficiency in supply chains has fuelled the need for supplier relationship management. Companies that have perfected the art of supplier relationship management have well defined and efficient supply chains. Hughes and Jonathan (2010) defined supplier relationship management (SRM) as a discipline of strategically planning for, and managing, all interactions with third party organizations that supply goods and/or services to an organization in order to maximize the value of those interactions. In practice, SRM entails creating closer, more collaborative relationships with key suppliers in order to uncover and realize new value and reduce risk (Kenneth & Farrington, 2012).

Kenya's horticultural sector currently ranks as one of the economy's fastest growing industries, the third largest foreign exchange earner after tourism and tea. This has been reflected in year on year expansion in fruit, vegetable and flower exports. This trend has seen the industry rise to 31% in 2003 with total exports reaching 130,000 tonnes in 2003. Top on the list of fresh horticultural crops exported annually are cut flowers, French beans, runner beans, snow peas, Asian vegetables, pineapples, mangoes, tomatoes, pawpaw's and passion fruit (KFC, 2010). Most horticultural firms in Kenya are facing stiff competition from other upcoming countries like, Ethiopia, who have invested heavily in this sector due to its attractiveness. Stiff competition comes from countries such as Ethiopia who have low costs of production as compared to Kenya and thus lowering the costs of their products in the market. More and more customers are concerned in saving a shilling from every buy they make. As such the flower firms in Kenya have to look for a better way of reducing their production costs as well as operating costs in order for them to competitively remain relevant to the market (KFC, 2012). Therefore, SRM is one of the key areas most firms have to shift to in order to reduce costs, increase and improve on quality, reduce the delivery times and enhance flexibility on their operations.

**Statement of the Problem**

The flower export industry is highly internationalized. Kenyan flower growers are increasingly facing strong international competition from other leading producer countries like Colombia, Ethiopia and Ecuador, who are aggressively expanding their markets. International promotion by sector associations such as Kenya Flower Council (KFC) and Fresh Produce and Export Association (FPEAK), with Horticultural Crops and Development Authority (HCDA) and Export Promotion Council (EPC) support is highly needed. There is a general trend that the industry is changing dramatically; whereby consumption stagnates in major markets while the supply of flowers remains abundant (KFC, 2012). As today's integrated supply chain requires collaboration at many levels and from various functions, executives are increasingly looking for innovative ways to leverage existing and new supplier relationships for their expansionary pursuit. Supplier Management (SM) is one approach to connect the different interests both within the organization and with the extended supply chain for continuous efficiency improvements, such as cost reductions, risk mitigation or improved go-to-market times just as well as improved potential for innovation, (Deloitte, 2015).

Maram et al (2015) carried out a study on manufacturing firms in Egypt and found that the major benefits associated with SRM include cost, risk and lead time reduction, quality improvement as well as innovation. Frequent interactions and close relationships with suppliers have a positive effect on the exchange and flow of information and knowledge, and thus improve processes and performance. A study carried out by Kosgei (2016) on Kenya Airways revealed that supplier relationship management provides a greater opportunity to improve the firm's performance. She found out that organizational performance is the outcome of all of the organization's operations and strategies and that if supplier relationships are managed well, there is bound to be a positive impact on organizational performance that will enable an organization to stay afloat in this competitive environment.

In today's market sustainable levels of organizational performance are often delivered through the ability to differentiate the products and services offered to customers. Fundamental to this strategy is the ability to access new innovation so that the organization can be first to market or offer a premium above the competition. From this perspective supplier management is as much about what can be achieved as it is about becoming the customer of choice to the supply market. Whereas many studies have been conducted to establish the effect of supplier management on organizational performance, the role of supplier management on organizational performance in the floriculture industry has not been explored. It is in this context that this study seeks to establish the effect of supplier relationship management on organizational performance of flower firms in Nairobi.

**Objectives of the Study**

The general objective of the study was to determine the effect of supplier management on organizational performance of flower firms in Nairobi. The specific objective was to establish the effect of supplier development on organizational performance of flower firms in Nairobi.

## LITERATURE REVIEW

### Resource Dependence Theory

Resource dependence theory is the study of how the external resources of organizations affect the behavior of the organization. The theory originated in the 1970s with the publication of The External Control of Organizations: A Resource Dependence Perspective by Jeffrey Pfeffer and Gerald R. Salancik (Pfeffer and Salancik 1978). It takes the view that a business relationship is a social exchange of critical resources with mutual dependency among the exchange partners. Thus, the survival and growth of organizations largely depend on the ability to secure critical resources from the external environment (Davis et al, 2010). According to the resource based theory (RBT), the key for organizational survival is the organization's ability to acquire and maintain resources. The only source of the resources needed by the organization, ultimately originate from the organizational environment, where other organizations are part of. The appearance of several organizations in one environment leads to the issue that some resources needed by one organization are controlled by another organization (Biermann & Harsch, 2017).

Based on the notion that supply market is inherently unstable, RDT provides a framework on how organizational actions can reduce uncertainty resulting in a more stable supply market. Furthermore, an organization can make use of their supplier's capabilities. Additionally, the organization's supply management practices are influenced by other organizations in the environment, resulting in tensions that go beyond the immediate collaboration. One additional actor influencing the relationship is the presence of competitors (Slowinski et al., 2009). Suppliers that provide critical resources to an organization could also provide the same resources to competitors in the environment. Assuming that the supplier develops a new innovation, which could provide the buying organization with competitive advantage, the buying organization will want to have control of the new innovation before their competitors, in order to increase power (Slowinski et al., 2009,). In order to control this critical resources faster, an organization can strive for a strategic partnership with the supplier by merger as a response to organizational interdependence.

Nevertheless, by obtaining critical resources supply managers face additional sources of uncertainty steaming from: deviations in forecasts, production plans and schedules, changes in requirements, unreliable vendor quality and deliveries, and financial instability. The presence of this uncertainty is a core concept in evaluating buyer-supplier relationships from a RDT perspective (Gölgeci & Ponomarov, 2015). According to the RDT, organizations facing increased uncertainty are likely to create collective actions with other organizations in the value chain. Engaging in strategic partnerships stabilizes the environment and reduces uncertainty. Further managerial practices such as organizational governance and structure are used to manage buyer supplier relationships.

**Supplier Development**

- Supplier collaboration
- Technology
- Continuous improvement of products

**Organizational Performance**

- Cost reduction and price stability
- Flexibility and reliability
- Quality products
- Lead-time reduction

**Independent Variable** **Dependent variable**

**Figure 1: Conceptual Framework**

According to Onyango (2011) supplier development broadly refers to "any effort by a buying firm to improve a supplier's performance and/or capabilities to meet the buying firm's short- and/or long-term supply needs" Purchasers can make use of a wide range of supplier development practices to improve a supplier's performance and/or capabilities. Otilo(2011) opined that supplier development may be composed of such activities from a buying firm as goal setting, supplier evaluation, supplier technical support, performance measurement, supplier training, and other related activities. This set of practices encompassing direct involvement indicates a multidimensional nature of supplier development.

Supplier development should lead to improvement in the total added value from the supplier in question in terms of quality of product or service offered, business processes and performance, improvements in lead times and delivery to overall performance of the buying firm. Supplier development is normally undertaken with existing suppliers that can be, and agree to being, improved. Suppliers can be categorized in respect of supplier development in three ways; they are, being developed, on hold as a potential for development or, identified as not being worth the investment of development.

There is no single approach to supplier development but it is generally acceptable that it can be undertaken at three levels i.e. basic, moderate and advance level, according to the level of firm involvement and implementation complexity (i.e. skill, time, and resources required to execute successfully a particular activity). There is consensus between Petersen et al. (2005) and Swink, Narasimhan and Wang (2007) that a fundamental pre-requisite to supplier development and the development of any purchasing and supply management strategy, is that purchasing and supply management professionals should analyze, evaluate and appreciate their own organization's corporate objectives and business needs before embarking on supplier development. The supplier development projects which are undertaken must be in support of the purchasing and supply management strategy which, in turn, supports the organizational strategy. However, there are also direct investments in supplier development that are more specific, advanced and time and resources consuming as well as complex to implement by the buyer. Although academia elaborates on a number of constructs in the context of supplier development, an immense majority of literature focuses only on a few of them. Tseng (2014) investigated the role of detailed contract drafting and close partner selection on the formation of strong supplier-buyer relationships which eventually translated into greater firm performance

Organizational performance management is the process of making sure that your company resources are being properly used in pursuit of company goals. It comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Leppelt, et al., (2013) organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment) product market performance (sales, market share.); and shareholder return (total shareholder return, economic value added.).

The potential exit of Britain from the European Union, the Brexit, dampened expectations after it touched 1.40 against the dollar being an almost seven-year low. Kenyan farmers receive their payments in Euros and pounds while all their procurements except the wage bill are done in dollars. The strong dollar has pushed the cost of business up and the weaker European currencies are eroding profits from them (Daily Nation January 28, 2016). In Agricultural sector where there are mostly perishable goods; there is need for efficient and effective supply chain management as this will be responsible for the firm's performance.

According to a number of studies, supplier performance is measured by various criteria with several key competitive factors broadly used to assess the supplier performance such as product quality, delivery performance, price, physical distribution and flexibility relationships are considered to be important factors for measuring the supplier performance. The supplier performance improvement is used as the key indicator for the success of supplier development strategies (Qrunfleh & Tarafdar, 2014).

**Empirical Review**

Supplier relationship management (SRM) is one approach to connect the different interests both within the organization and with the extended supply chain. SRM identifies and engages the right stakeholders to create ownership of the relationship, drive effective communication and align strategic objectives. The result is a foundation for continuous efficiency improvements, such as cost reductions, risk mitigation or improved go-to-market times just as well as improved potential for disruptive innovation (Deloite, 2015).

Deloitte (2015) in their study found out that establishing effective governance is key to unlocking SRM value, especially for priority strategic suppliers. A prerequisite to this was the alignment within the organization, the setup of internal governance processes and clearly assigned ownerships of supplier relationships. The ownership of the relationship can be outside of the procurement organization; therefore, it should be essential to involve the right stakeholders from the business in the process. These stakeholders are part of a formal supplier governance committee for each priority supplier. A governance committee for example should define and drive the strategic roadmap together with the supplier. Top-level strategic objectives with each priority supplier are to be mutually agreed at the top level on both sides (in top-to-top meetings), Deloitte, (2015).

Ferri et al. (2016) argued that the effective incorporation of suppliers into the supply chain is a major factor for plants to maintain their competitiveness. In addition, performance improvement and competitive advantage can be achieved by cooperative relations with suppliers, which include: trust, supporting suppliers to improve their processes, information sharing, supplier involvement in new products development, and long-term relationships. Epstein and Buhovac (2014) found that commitment of the buying firm to long-term relationships with major suppliers, shared goals and values with suppliers, and the involvement in supplier development initiatives were positively associated with the buying firm competitive performance in US automotive and electronics industries.

Stevens and Johnson (2016) conducted an empirical study on the effect of buyer- supplier partnership on better service delivery within non-governmental organizations involved in humanitarian work, taking the case of World Vision International. Huang et al., (2014) analyzed the influence of the buyer-supplier relationship continuity on service performance among companies that are users of international maritime transport belonging to the machinery and food industries. Shin, et al (2000) sought to test the impact of a supply management on the suppliers' operational performance and buyers' competitive priorities (cost, quality, delivery, flexibility). The results of the study supported the conclusion that an improvement increase in the SRM improves both the suppliers' and buyers' performance i.e., a win–win situation for the supply chain.

Kiarie, (2017) sought to find out the influence of supplier relationship management practices on operational performance of large manufacturing organizations in Kenya. The results indicated that overall performance of organizations in the manufacturing sector in Kenya is affected by the manner in which suppliers are managed by the various organizations. Wachira (2013) carried a research on supplier relationship management and supply chain performance in alcoholic beverage industry in Kenya. The findings showed that firms in the alcohol beverage industry were moving towards collaborative relationships with their suppliers to improve on their supply chain performance. This leaves limited review on floriculture sector less investigated hence the backbone of this study.

**METHODOLOGY**

A descriptive survey design (census approach) was adopted for the study. It was preferred because it gave the researcher the ability to designate the features of the variables of interest and suitable in describing characteristics of the entire population. The research involved a correlation study on the relationship between SM and organizational performance of flower firms in Nairobi, Kenya. The population of the study was drawn from 10 flower firms operating in Nairobi, Kenya with a target population of 30 employees comprising of procurement managers, sales managers and production managers that were drawn from the 10 flower firms in Nairobi.

**Table 1: Category of Employees**

| Flower Firm | Farm Managers | Production managers | Field supervisors | Total population |
|---|---|---|---|---|
| Baraka Roses | 1 | 1 | 1 | 3 |
| Fina Flowers Ltd | 1 | 1 | 1 | 3 |
| Karen Roses | 1 | 1 | 1 | 3 |
| Kordes Roses | 1 | 1 | 1 | 3 |
| Redland Flowers Ltd | 1 | 1 | 1 | 3 |
| Winchester Farm | 1 | 1 | 1 | 3 |
| Credible Blooms | 1 | 1 | 1 | 3 |
| Africalla Lillies Ltd | 1 | 1 | 1 | 3 |
| Black Petals | 1 | 1 | 1 | 3 |
| Kimman Roses | 1 | 1 | 1 | 3 |
| **Total** | **10** | **10** | **10** | **30** |

**Source: KFC (2018)**

The study adopted a census approach in conjunction with purposive sampling technique in determining the sample for the study; this involved all the employees in the aforementioned flower firms in Nairobi. The study used both secondary and primary data. The primary data was collected using research questionnaire. The secondary data was collected through published reports, field notes and other past research papers on the topic of the study. According to Schabenberger and Gotway (2017) a questionnaire is a carefully designed instrument for collecting data in accordance with the specification of the research questions. Each item in the questionnaire was developed to address a specific objective of the study.

A pilot testing of the questionnaires was done using respondents from 3 firms who were not part of the actual sample population. This was consistent with 1% to 10% rule of pilot test on the sample equivalent to actual sample size (Connelly, 2008). The piloting helped the researcher to modify and remove ambiguous items on the instrument with the help of the supervisor. The researcher further conducted a reliability test by examining Cronbach's alpha coefficient of each constructs (factors). A threshold of 0.6 was used and the results showed that all the constructs had reliability of 0.7 and above depicting an excellent reliability. This was found to be in agreement with Cohen, Manion & Morrison, (2007) who noted that an alpha value of 0.7 was good while 0.9 and above was excellent.

Both quantitative and qualitative approaches were used for data analysis. Qualitative data from the questionnaire was coded and analysed. Statistical Package for Social Sciences (SPSS) was used to run the descriptive analysis to produce frequency distribution and percentages. The results obtained from the field were correlated using Pearson product-moment correlation coefficient to measure the relationship between variables.

## FINDINGS AND DISCUSSION

The researcher administered 30 questionnaires to the respondents. Out of this number, only 25 questionnaires were filled and returned, this represented 83.3%. The response rate was above the 70% that is adequate for analysis Mugenda, (2008).

### Descriptive Statistics

**Effect of supplier development on organizational performance of flower firms in Nairobi**

Respondents were asked to rate the extent to which they agreed with the statements relating to supplier development. The following Likert scale was provided; where: 1=Not at all, 2=To a little extent, 3=To a moderate extent, 4=To a greater extent, 5=To a very greater extent.

**Table 2: Supplier Development**

| Statement | 1 | 2 | 3 | 4 | 5 | Mean |
|---|---|---|---|---|---|---|
| Collaborating with suppliers improves the firm's performance against its competitors in the market | 0% | 12% | 28% | 32% | 28% | 3.76 |
| Involvement of supplier in product development, innovation and technology helps an organization to achieve high quality products at a competitive cost | 0% | 16% | 20% | 40% | 24% | 3.72 |
| Jointly conducting trainings with suppliers to enhance continuous improvement of products and service has increased organizational performance. | 0% | 20% | 36% | 24% | 20% | 3.44 |
| Allowing supplier participation in strategic plans, marketing data, and technology and business initiative promotes performance of your company. | 4% | 28% | 16% | 20% | 32% | 3.48 |
| **Average** | **1%** | **19%** | **25%** | **29%** | **36%** | **3.60** |

From Table 2 above, on the statement relating to collaboration with suppliers improving the firm's performance against its competitors in the market, above 60% respondents who formed the majority, agreed to the statement. The respondents believed that collaboration was key to improved company's performance as it brings a comparative advantage to the firm thereby making it to have a cutting edge over its competitors. A small minority 12% had a contrary opinion, citing that collaboration is broad and therefore organizations need to demystify the nature and extent of their collaborative approaches and strategies. Supplier relationship management (SRM) is one approach to connect the different interests both within the organization and with the extended supply chain. SRM identifies and engages the right stakeholders to create ownership of the relationship, drive effective communication and align strategic objectives. This conforms to Ferri et al. (2016) that argued that the effective incorporation of suppliers into the supply chain is a major factor for plants to maintain their competitiveness. In addition, performance improvement and competitive advantage can be achieved by cooperative relations with suppliers, which include: trust, supporting suppliers to improve their processes, information sharing, supplier involvement in new products development, and long-term relationships.

The study sought to establish from the respondents whether involvement of supplier in product development, innovation and technology helps an organization to achieve high quality products at a competitive cost. Majority 64% of the respondents accepted this statement stating that supplier involvement in product development and innovation greatly impacts in the organizations mission to achieve high quality products in the competitive market. This enables them acquire a considerable market share for their products and services due to their competitive features that makes them to outstand in the market. Therefore, it can be deduced that supplier involvement brings on board a lot of input for consideration in developing such product features taking for instance market demands and preferences from the customers. Only 16% of the respondents did say that supplier involvement had very little effect on achieving quality products for their intended market.

On conducting joint trainings with suppliers to enhance continuous improvement of products and service has increased organizational performance, an average 44% majority were in agreement and a considerable majority were of moderate opinion. This suggests that joint trainings as much they have impact on continuous aspect of product improvements, they actually need not to be a focus point for flower firms. According to the respondents' views, trainings should only be conducted with key market players who understand the requirements and challenges around the market.

Lastly on allowing supplier participation in strategic plans, marketing data, and technology and business initiative on promoting performance of flower companies', majority of the respondents 52% agreed. It was found that supplier participation leads to improvement in the total added value from the supplier in question in terms of quality of product or service offered, business processes and performance, improvements in lead times and delivery to overall performance of the buying firm (Otillo, 2011)

**Inferential statistics**

The study used correlation analysis to determine the relationship between the independent and the dependent variables of the study. The dependent variable was Organizational Performance and the independent variables were; Supplier Partnership, Supplier Development and Organizational Governance.

**Pearson Correlation**

**Table 3: Correlations**

| | | Supplier Partnership | Supplier Development | Organizational Governance | Organizational Performance |
|---|---|---|---|---|---|
| | Pearson Correlation | 1 | .348 | .236 | .092 |
| SP | Sig. (2-tailed) | | .089 | .256 | .662 |
| | N | 25 | 25 | 25 | 25 |
| | Pearson Correlation | .348 | 1 | .391 | .234 |
| SD | Sig. (2-tailed) | .089 | | .053 | .260 |
| | N | 25 | 25 | 25 | 25 |
| | Pearson Correlation | .236 | .391 | 1 | .292 |
| OG | Sig. (2-tailed) | .256 | .053 | | .156 |
| | N | 25 | 25 | 25 | 25 |
| | Pearson Correlation | .092 | .234 | .292 | 1 |
| OP | Sig. (2-tailed) | .662 | .260 | .156 | |
| | N | 25 | 25 | 25 | 25 |

The researcher used Pearson Correlation coefficient (r) to determine the degree of relationship between the variables of the study. The correlation was done using a 5% significance level in a 2-tailed test and therefore the significance value was set at 0.05 above which the relationship is deemed insignificant.

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significance level in a 2-tailed test and therefore the significance value was set at 0.05 above which the relationship is deemed insignificant.

SP- Supplier partnership, SD- Supplier development, OG- Organizational Governance and OP- Organizational Performance

In line with the results indicated in Table 3, the relationship between supplier partnership (SP) and Organizational Performance (OP) was found to be positive, very strong and statistically significant at 95% confidence level ($r = 0.662$; $p < 0.05$). The findings implied that through increased supplier partnership, it is likely to impact positively organizational performance among flower firms in Nairobi. The findings resonate to Ferri *et al*. (2016) who argued that the effective incorporation of suppliers into the supply chain is a major factor for plants to maintain their competitiveness. In addition, performance improvement and competitive advantage can be achieved by cooperative relations with suppliers, which include: trust, supporting suppliers to improve their processes, information sharing, supplier involvement in new products development, and long-term relationships. This could be reason for strong positive relationship between supplier partnership and flower firms' performance in Nairobi

The study also established that there existed a positive statistically significant relationship between supplier development and organizational performance ($r = 0.260$; $p < 0.05$). The results meant an emphasis on supplier development was likely to contribute to enhanced organizational performance of flower firms in Nairobi.

The study established a positive statistical significance in relationship between the organizational governance and organizational performance of flower firms in Nairobi ($r =0.156$; $p < 0.05$). The results implied that when organizations focus on organizational governance the resulted effect impacts positively towards increasing the level of organizational performance of flower firms in Nairobi. These findings conform to Subramanian and Gunasekaran (2015) found that supplier and customer management strategy have positive effect on supply chain strategy and on competitive performance of organizations.

**CONCLUSION AND RECOMMENDATION**

Majority of the respondents agreed that collaboration with suppliers led to improved firm's performance against its competitors in the market. The respondents believed that collaboration was key to improved company's performance as it brings a comparative advantage to the firm making it to have a cutting edge over its competitors. A small minority had a contrary opinion, citing that collaboration is broad and therefore organizations need to demystify the nature and extent of their collaborative approaches and strategies. In addition, performance improvement and competitive advantage can be achieved by cooperative relations with suppliers, which include: trust, supporting suppliers to improve their processes, information sharing, supplier involvement in new products development, and long-term relationships.

The study sought to establish whether involving suppliers in product development, innovation and technology helped an organization to achieve high quality products at a competitive cost. Majority of the respondents accepted this statement stating that supplier involvement in product development and innovation greatly impacts in the organizations mission to achieve high quality products in the competitive market. This enables them acquire a considerable market share for their products and services due to their competitive features that makes them to outstand in the market. Therefore, it can be deduced that supplier involvement brings on board a lot of input for consideration in developing such product features taking for instance market demands and preferences from the customers. A minority of the respondents said that supplier involvement had very little effect on achieving quality products for their intended market.

Conducting joint trainings with suppliers to enhance continuous improvement of products and service was found to improve organizational performance, as was agreed by an average majority and a considerable majority was of moderate opinion. This suggests that joint trainings as much they have impact on continuous aspect of product improvements, they actually need not to be a focus point for flower firm companies. According to the respondents' views, trainings should only be conducted with key market players who understand the requirements and challenges around the market.

The study established that to achieve a good organizational performance, managers must lay emphasis on cultivating an environment that supports high level of commitment and trust between them and their suppliers. This would promote a good culture of partnership to enable them realize their goals while at same time meet the customer's needs in the supply chain sector.

It also found that to achieve a considerable level of organizational performance there is need to focus on supplier development through collaborations, technology integration and continuous improvement on the product attributes. This will help in incorporating such features that would promote supplier performance in terms of deliveries while at same time build customer confidence in the products.

Supplier relationship management provides an approach to connecting diverse interests within and outside the organization through the supply chain. Supplier development creates a working relationship with some suppliers on a one-to-one basis in order to improve on the performance for the benefit of the buying organizations. Hence the study recommends on the need for flower firms and other companies to embrace supplier development programs; structured or informal, that comes with a lot of benefits such as streamlined and reduced sourcing activities and lead-times, improved supplier responsiveness, quality and reliability in coming up with new designs that meet the client's satisfaction.

**Suggestions for further studies**

The researcher suggests that further research should be done on the use of technology and innovation on supply chain management as well as it is effect on the performance of flower firms. Future studies should also be directed at addressing other supplier chain management practices such as outsourcing, supplier information management, customer demands, quality control of materials and inventory control, that affect performance other than those dealt with in this study.

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