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The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 10, Iss.1, pp 560 – 575. March 2, 2023. www.strategicjournals.com, ©Strategic Journals

DETERMINANTS FOR GOVERNMENT TRADE POLICIES AND PERFORMANCE OF LOGISTIC FIRMS IN MOMBASA COUNTY, KENYA

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Accepted: February 24, 2023

ABSTRACT

Logistics firms are among the companies that have embraced supply chain performance and have made a lot of progress in terms of service delivery. There is decline in terms of service delivery and customer satisfaction. The study examined effect of government trade policies on the supply chain performance of logistics firms based in Mombasa County, Kenya. The specific objectives of the study were; to examine the effect of advance taxation policy, licensing policy, price control, and tariff policy on the supply chain performance of logistics firms. The theory of constraint and Porter's value chain theory guided the study. The target population was 8 logistics firms based in Mombasa County. The study employed a descriptive research design. The respondents include top management staff, middle management staff, and lower management staff of the logistics firms. Taro Yamane's formula was employed to calculate a sample size, which was 120 respondents Questionnaires with open ended question was used to gather primary data. For the quantitative data collected a multiple linear regression model was conducted to examine the relationship between study variables Tables, pie charts, and graphs were used to present the findings for easy comprehension and interpretation. Based on the findings, the Government trade policies were found to influence the supply chain performance of logistic companies in Mombasa County, Kenya. Different variables depicted varied influences on the dependent variable. Two variables that is Licensing policy and price control depicted a positive influence supply chain performance (0.137, and 0.130). While the other two taxation policy and tariff policies negative influenced on the supply chain performance (-0.150 and -0.295). The results recommended policies guiding the taxation and government tariffs. Moreover, licensing policy and price control should be enhanced for more favourable outcomes. The findings may be important to government policymakers in formulating appropriate policies guiding logistics firms. The study omitted other trade barriers such as quota systems and subsidies thus further study can be done to consider these trade barriers and establish their influence of the supply chain performance of logistics companies. Lastly, to ensure research is done under ethical conditions, privacy of respondents and treating collected data with a lot of integrity was considered.

Keyword: *Government Policies, Logistic Firms, Supply Chain, Licensing Policy, Price Control, Taxation Policy, Tariffs Policy*

CITATION: Chao, A. M., & Chege, P. (2023). Determinants for government trade policies and performance of logistic firms in Mombasa County, Kenya . *The Strategic Journal of Business & Change Management,* 10 (1), 560 – 575.

INTRODUCTION

The logistics companies have gained mileage in terms of supply chain performance, however the progress in terms of supply chain performance has not been as desired. There is a lot of logistics disruption; the production delays, limited number of third parties, doubling down of technology investment, as well as commodity pricing. According to the supply chain performance of these logistics companies, they have faced a lot of huddles to establish sustainable products, high quality, and good performance, which has enabled the logistics companies to minimise the risks associated with their suppliers, staff, the government, as well as customers (Nyaberi & Mwangangi, 2014). Effective and efficient supply chains are paramount in ensuring company accountability, transparency, and proper resource utilisation (Talib & Hamid, 2014). The government of Kenya has been at the forefront of ensuring transparency and accountability through the institutionalisation of supply chain management in all institutions. Effective supply chain performance in both private and public organisations ensures smooth access to services demanded by customers. Logistic firms have equally benefited from the effective supply chain management instituted by the government (Rodrigues, Harris, & Mason, 2015). Hence, the current study explored the impact of government trade policies on the supply chain performance of logistics firms based in Mombasa County, Kenya.

Supply chain performance can be perceived as the execution of organisational activities in an effective and efficient manner with the objective of achieving specific objectives. According to Mutimbia (2018), supply chain performance includes operational excellence that ensures customers' needs are satisfied. Performance of the supply chain is typically impacted by both internal and external factors, such as organizational structure and governmental laws. Supply chain performance (SCP) can be measured in two ways that is qualitative aspect and quantitative aspect. The qualitative aspect involves the extent to which the customer is satisfied with the service or product, while the quantitative measure involves response time, delivery performance, and resource utilization.

Government trade policies are rules or principles that govern and guide decisions that result in a positive outcome, enhancing the operations of an organisation or body (Hendren & Sprung-Keyser, 2020). The policies are rules that explain how some things have to be done and why they should be done that way. According to Hoffman (2018), government trade policies include taxation rates, licencing procedures, price control, and tariffs, among others. Also, Sutrisno and Jazilah (2019), assert that government policy on international trade refers to laws that affect exports and imports. Onjala (2020) asserts that the collection of conventions, laws, and practices is what affects commerce with other countries. Each nation sets its own tariffs, subsidies, and regulations with regard to trade.

Hoffman (2018) argues that a government's choice of what taxes to charge, in what amounts, and on whom constitutes its taxation policy. There are microeconomic and macroeconomic components to it, as well as subsidies and regulations. Subsidies and regulations are compulsory levies charged by the government on a taxpayer as a measure of generating income for the government which funds its expenditure and also regulates market operations. It is compulsory, such that failure to pay is punishable in a court of law. Therefore, taxation is the process of imposing a tax by a taxing authority. Taxes are either direct or indirect taxes, where direct tax can't be transferred while indirect tax can be transferred. Also, Yuldasheva and Artikov (2021) show that the tax can be measured in terms of tax rates, tax administration, tax compliance, bureaucratic process involved, and tax complicity measurements of taxation by a government.

A licence policy is a government regulation formulated by a government that describes the aspects of the procedure of regulations governing business operations (Sutrisno & Jazilah, 2019).

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

Obtaining permission from a company to manufacture and sell one or more of its products within a particular market area. The organization that acquires these rights (the licensee) often consents to pay a royalty charge to the original owner. Thus, licencing is the process of issuing this document to a business or organisation by a government to allow it to operate within its territory. Moreover, licencing means government guidelines on registration and procedures for the issuance of permits for businesses to allow them to perform their operations (Leiponen & Delcamp, 2019). The licencing policy constitutes business registration procedures, licencing procedures, and the validity of this license.

A tariff is a levy levied on imports of goods from other nations. The purpose of a tariff is to create revenue for the government and also to protect the local industries from foreign competition. According to (Hu, 2020), this is a form of tax imposed by the government on goods and services when they leave or enter the national frontier. These tariffs consist of particular tariffs ad valorem, permits, import quotas, voluntarily limits on exports, and local content requirements (Vanegas & Baena, 2019). This study defines a tariff as a tax imposed by the government and examines how it affects logistics operations in Kenya. Measured using total revenue created and total value of imports, averaged across products, and weighted imports.

Logistics firms are private organisations operating both locally and internationally in the transport sector. These firms plan to implement and control the movement of goods as well as store them within the supply chain from one place to another, from the source to the ultimate consumer or customer (Tielmann & Schiereck, 2017). The supply chain includes shipping, transportation, receiving, storing, and managing the goods transported for these functions. The logistics firms are responsible for overseeing the inventory by planning proper transportation and proper storage of the inventory. They organize inventory movement along the supply chain and plan the logistics process.

The supply chains of logistics firms are always complex and sensitive; they face challenges from the constant change of customer demand. This supply chain can't guarantee high value without the proper organisation of the transport system (Nadeem, Alvi, & Iqbal, 2018). Increased global transport costs mean logistics companies' transport costs have equally increased, reducing their revenue. Further, volatile fuel costs and risks involved have caused unnecessary delays, thus affecting the time of delivery and cost estimation associated with transportation and making it difficult. Thus, companies registered big losses due to increased expenditure and inventory costs. This in turn reduces its supply chain performance. This has hampered the process of export and import, reducing the time and quality of service delivery (Sandee, 2016).

Statement of the Problem

Supply chain performance is significant to logistics firms since it helps them monitor the flow of goods supplied until they reach the ultimate consumer for efficiency purposes and to create customer loyalty. Although logistics firms have adopted new methods of operations and which have enhanced their supply chain performance, yet still they have a long way. Mackert (2019) asserts that recent years have seen a downturn in the supply chain performance of logistics companies in terms of service delivery, responsiveness, reliability, flexibility, returns, and asset management. For example, some logistic companies, such as Agility Logistics K Limited and Mitchell Cotts Logistics, have seen a drop in their timely delivery of nearly 50%, owing to the lengthy licencing processes involved. According to the report by index of global supply chain, 2021, the parcel delivered decreased from 60% in 2018 to 21.7% in 2019.This further declined to 9.4% registered in 2021. Also, the profit margins were reduced from 894.2 billion in 2018, 902.9 billion in 2019, and 832 billion in 2020 this declined to about nearly 427 billion Kenyan shillings in 2021 from the record, forcing other logistics firms to scale down their operations. This has resulted from a highly

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advanced tax levied by the government on imports and exports. The invention of rail transportation also reduced profit margins, negatively affecting the supply chain performance.

Government trade policies influence supply chain performance in different ways. According to Conceptually, Dhar and Khandelwal (2021) investigated how taxes affect supply chain performance, concentrating solely on the impact of service taxes and the moderating effects of the goods and services tax (GST) environment. Many of these studies have concentrated on developed countries and fast-growing economies. For instance, Dhar and Khandelwal (2021) did a study in the UK. Further, Kasiewicz Kurklioski (2014) conducted a study in Poland focusing on the role of government policies on the supply chain performance of logistics companies. In addition, Dong & Kouvelis (2020) in China and Tavor, Spiegel, and Weber (2017) in the United States have examined how tariffs affect the configuration of the world's supply chain networks. The study, however, failed to consider important concepts such as price control, tariff policy, licencing policy, and advance tax and their effects on supply chain performance cursing a conceptual gap. Thus, the current study examined the effect of advance taxation policy, the effect of price control policy, licencing policy, and the effect of tariffs and quotas policy on the supply chain performance of logistics firms in Kenya.

Research Objectives

The general objective of the study was to examine the effect of government trade policies on supply chain performance of logistics firms based in Mombasa County, Kenya. The specific objectives were;

- To examine the effect of advance taxation policy on supply chain performance of logistics firms based in Mombasa County, Kenya.
- To establish the effect of licensing policy on supply chain performance of logistics firms based in Mombasa County, Kenya.
- To determine the effect of price control policy on supply chain performance of logistics firms based in Mombasa County, Kenya.
- Examine the effect of tariff policy on the supply chain performance of logistics firms based in Mombasa County, Kenya.

The study was guided by the following research questions;

- What is the effect of advance taxation policy on supply chain performance of selected logistics firms based in Mombasa County, Kenya?
- What is the effect of licensing policy on supply chain performance of selected logistics firms based in Mombasa County, Kenya?
- What is the effect of price control policy on supply chain performance of selected logistics firms based in Mombasa County, Kenya?
- What is the effect of tariff policy on supply chain performance of selected logistics firms based in Mombasa County, Kenya?

LITERATURE REVIEW

Theoretical and Empirical Review

Under the theoretical framework, the study provides the theories underpinning the study and their usefulness. These theories explain the pertinent issues regarding government trade policies and their relationship with supply chain performance and how they are reviewed to guide the study. Two theories—the theory of constraints and Porter's value chain theory serves as the study's pillars. The anchoring theory was Porter’s value chain theory, given that in this theory all the study variables are found. This theory may help explain the variable, which is the performance of the logistics companies' supply chains. This is why it is called the anchoring theory.

Dhar and Khandelwal (2021) examined the impact of taxation policy on supply chain management by logistic firms. The study adopted Porter’s value chain model. Moreover, an online convenience sampling survey was employed, and 519 respondents were selected from the Indian companies from 8 different subsectors were used in

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the study. In addition, a partial least-square structural equation modelling technique was employed. Tax rates, tax administration, tax compliance, the bureaucratic process involved, and tax complicity were the variables studied. According to the findings, tax rates, tax administration, tax compliance, the bureaucratic process involved, and tax complicity all increased the productivity of outbound logistics. The study recommends new tax policies that can provide a better way of adoption to enhance performance. Despite the study employing best concepts, the study, however, has a conceptual gap such that it failed to employ the significant concepts affecting supply chain performance, such as tax policy, licencing policy, price control, and supply chain performance that was mitigated by the current study. On the contextual gap, the study was done in the UK, with different policies that might not be applicable in Kenya.

Okong and Otieno (2018) investigated how taxes affected Kenyan small business enterprises' financial results. The study's objectives were to determine the effects of tax administration, tax administration rates, tax administration, and intended tax purposes on the financial performance of SBEs in Ugenya, Kenya. A descriptive survey design was employed with both quantitative and qualitative techniques. A total of 265 SBEs formed the target population. A stratified sampling technique was also employed. A questionnaire was utilized to gather primary data that was then analysed using descriptive statistics, correlation analysis, and regression analysis to see whether there was a relationship. Kipilimba (2018) supports the findings. The tax administration services are also through a tax cut, equality produces the highest marginal revenues. The study recommended that taxpayers be provided with sufficient information regarding taxation. The study focused on tax as the only concept, omitting others like licencing policies and tariffs. Furthermore, the study used stratified sampling, and the current study used the Taro Yamane formula (1967) to determine sample size.

In a study published in 2015, Bouazza, Ardjouman, and Abada investigated the variables influencing spear logistics performance. The study scrutinized the impact of legal framework work on the logistic performance in the spear logistics and the effect of the regulatory framework. The results indicated that the spear logistics' logistic performance was negatively impacted by the legal and regulatory framework. In addition, external financing and human resource capacity also affect the performance and logistic performance in the spear logistics. The study recommends a clear regulatory framework that businesses can follow easily to enhance their growth. The study failed to anchor the study in any theories, and the study also failed to employ a significant model to guide the study. The current study mitigated this by making use of pertinent theory and a suitable model to show how strong the relationship is. Contextually, the study was also based on logistic performance in the spear logistics in Algeria. This study looked at how well logistics companies in Mombasa County, Kenya, do their jobs. The study failed to consider other policies such as taxation policy, licencing policy, and price control, which was mitigated in the current study.

Akinboade and Kinfack (2016) looked at how Cameron's logistics companies performed in relation to knowledge and laws. The study used a comprehensive survey to examine 700 logistics companies that were chosen at random and had identifiable business locations. The study used a sample size of 575 businesses utilizing coherent test. The study variables were licencing procedures and licence validity on the performance logistics firms. From the findings, licencing procedures and licence validity were found to be burdens for many registered businesses whose registration processes and regulations were rigid. Moreover, the higher the compliance with regulations, the more it affected business development negatively. These findings were also found by Lambert and Haley

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(2021). The study recommended that the government develop an environment conducive to the development of logistics firms in Cameroon. The study, however, generalised all the findings. The methodological gap is that there were no proper models employed to examine the relationship. Moreover, the study concentrated on logistics firms, leaving other sectors like private companies and how they are affected by regulations which was mitigated in the current study.

Puertas, Martí, & García, (2014) based their study registration procedure and performance of logistic companies in Poland. The study's goal was to investigate the gap between the quality of rules and logistic companies that results from the ineffective evolution and application of laws. The study was underpinned by theoretical reviews and surveys. The findings revealed that companies are dormant about regulations and their process of legislation procedure being complex. The study recommends changes to regulations and registration procedures to ensure the smooth running of companies. The findings are supported by Ishengoma, (2018). Further, the study argues that without proper regulations, the quality of licencing regulation is compromised. The study, however, lacks empirical background, posing a methodological gap. Moreover, the study is based on a theoretical perspective. The current study provided an empirical background for the study. The study also failed to examine other significant concepts like the role of price control and tariff policy, which was mitigated in the current study.

He and Lin (2017) explored the economic impact of price controls on the supply chain of China's logistics firm. They examined the extent to which distortions impacted the market. The study used a Mixed Complementarity Problem model. The study's objectives are to examine how government pricing policies, infrastructure access restrictions, price discrepancies, and supply commitments affect supply logistics for natural gas in China. The result revealed that government pricing policies increased the mainstream supply and China's profits in the sector. Furthermore, lifting price caps reduces the national average by 14%. Also, improving access for third parties and infrastructure reduces the cost by 7.6 % because of domestic replacement with imports. Thus, the industry was negatively affected by the reforms in the sector.

Tavor, Spiegel, and Weber (2017) conducted their study on the impact of price control on supply chain management of logistic companies in the US. The goal of the study was to assess how price regulations might affect a market with healthy competition. The unit of analysis was the competitive market, while the unit of observation was the stakeholders of the supply chain market. The results revealed that price control reduced the volume of trade and created a waste of resources through the creation of incentives. Furthermore, price control in a non-competitive market is typically difficult because the market has monopoly power, which propagates price increases. Thus, the issue of price control is only profitable in an uncontrolled market by influencing redistribution. The study, however, failed to employ proper models and analysis techniques to examine the relationship, posing a gap that can be filled by the current study. Moreover, the study failed to consider other regulations like tariff policy and licencing policy in examining their impact on supply chain management, which was mitigated in the current study. The study was based in the first world country, the US. The current focused on logistic firms' operations in Kenya.

Abrell and Rausch (2017) on the study to analyse hybrid emissions trading systems (ETS). The objectives of the research were to find out the impact of hybrid policies on prices and the quantity of abatement. The study employed a stochastic optimization model in examining the relationship with the European carbon market. The results revealed that hybrid provides a way to reduce the cost differences between partitions. Results revealed that price bound deficit has a significant impact in regulating the market as compared to abatement bounds since it can provide useful

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information about abatement technology by the firm as compared to abatement bounds which address emission uncertainty only. In addition, introducing hybrid policies reduces the abatement cost expected, thus achieving the target emission reduction as per the policy. And lastly, the use of hybrid policies is likely to produce ex-post cost reductions in a bid measure and yield sizeable ex-post cost reductions. The current study, however, was based on the supply chain performance of logistics companies situated in Mombasa County, Kenya, whereas the previous study was based on the carbon trading system. Contextually, the study was based in Europe and thus not applicable in Africa, posing a contextual gap which was mitigated by the current study.

Dong and Kouvelis (2020) explored the effect of tariffs and quotas on the supply chain performance of logistic companies in China. The study was focused on the implications of trade policies and global network design decisions. The study also provided a discussion on the significant dimensions of trade policies and the interconnectivity of modern supply chain systems. The study provided insight into the practitioners in the industry and also policy makers. Moreover, the study established a connection in the supply chain in various industries that may be beneficial to policy makers in trade policy change. The study concluded that in establishing the tariffs and quotas, the government should involve logistics companies engaged in supply chain management as it is paramount in increasing the supply chain network and policy making. Thus, the government should formulate relevant policies that promoted the industry. The study failed to ground itself in any theory.

Kweya (2015) in determining the impact of trade policies on supply chain performance. Examining the effects of trade policy, governmental collaboration, and subsistence on performance were the study's core objectives. The target population were all commercial state corporations in Kenya, which numbered 55, a sample of 12 state corporations. A descriptive research design was employed in the study. Questionnaires were employed in primary data collection. The questionnaire included open-ended questions. The drop and pick method was used to distribute questionnaires to management employees during the data collection process. Descriptive statistical analysis was used to analyse the data. Three theories underpinned the study: Public Choice Theory, Stakeholder Theory, and Agency Theory. Quantitative analysis was used in analysing the closed-end questions, and it entailed the use of a statistical package in the analysis. Results were presented using frequency tables in terms of means and standard deviation. The result showed a negative correlation between trade policies and the performance of state cooperation. The study focused only on two aspects of trade policies, overlooking others. The current study mitigated this by employing concepts such as taxation policy, licencing policy, and price control. The current study mitigated this by checking the impact of taxation policy, licencing policy, and price control.

Utilizing the supply chain operation reference model in India, Putri, Huda, and Sinulingga (2019) investigated the variables affecting supply chain performance measurement. The study variables were flexibility, service delivery, and returns to scale. From this study, one of the major factors affecting supply chain performance is cultural characteristics, which is one of the causes of different supply chain development efforts failing. Businesses may now analyse supply chain performance holistically by keeping track of and determining how an organization compares to competitors thanks to the SCOR model's application in the development of the idea of supply chain performance assessment. This article discusses the adoption of the SCOR model for performance measuring systems in industrial organizations. This study provides an overview of some of the instruments that could be used in a proposal to develop a framework for performance monitoring of supply chain value optimization.

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Supply chain performance, according to Sillanpää (2015), is a procedure for determining the efficacy and efficiency of the supply chain performance. The study variables were responsiveness, reliability, flexibility of the supply chain, and its performance. The study was aimed at creating a supply chain framework that helps in measuring supply chain performance. The study conducted a detailed literature review regarding supply chain management. The study was qualitative in nature. The results revealed that the measurement key elements are profitability, managerial analysis, and order book analysis. The measurement was tested using supply chain performance. The study, however, focused only on manufacturing industries. More can be done in non-manufacturing industries and sectors such as service industries and logistics.

METHODOLOGY

Research design can be described as a process in which research is designed to be conducted; it is the method in which the study was carried out (Rahi, 2017). The current study employed a descriptive research design. A descriptive design is appropriate in making descriptions of and characteristics associated with the subject of the study population. Sileyew (2019) supports this design while conducting research studies since it portrays an accurate profile of firms under the study. A descriptive research design was chosen because it can be used to fix data that can answer the hypothesis about how the object or subject is doing now.

A target population is a particular group, collective entity, person, or thing that serves as the foundation for a study, a unit of analysis, and the source of general conclusions (Kern, Stuart, Hill, & Green 2016). The population frame focuses on the items listed on a study scope that can be made up of subjects that the sample of the study was taken from. The target population includes the members' set selected for data collection and research purposes intended by the researcher and employed in results generalization. The target population for the study were 8 logistics firms based in Mombasa (appendix iii) from the four logistic categories, including; transportation-based third party logistics services; distribution-based third party logistics services; forwarder-based third party logistics services; and management-based third party logistics services.

The choice of the 8 logistics firms was because they form part of the large logistics firms that have been in operation for substantive period of time and face a number of logistical issues. Also they represent the four categories of logistics firms mentioned above. A sample size of 120 respondents was used in the study

This study employed self-administered questionnaires as the main data collection instrument. Questionnaire was preferred because it captures view, observation and opinions of the respondents regarding the study objective. The questionnaire were structured to contain both closed and open-ended questions based on the study variables. Further, they were designed in the form of a 5-scale point of measurement in the form of strongly disagree (SD), disagree (D), neutral (N), agree (A), and strongly agree (SA).

According to Islam and Islam (2020), data analysis is a process that looks at, cleans up, manipulates, and models data to find relevant information, come to conclusions, and help decision-making. On completion of the data collection process, questionnaires were checked for completeness and consistency for easy analysis and result interpretation. Then the data was cleaned to check for incompleteness and duplicate errors to ensure the data were free from errors. The data were coded and grouped into different categories. Given the quantitative nature of the data collected, frequencies, means, and standard deviation were employed for data analysis.

Besides, the study conducted a Pearson's correlation analysis to establish the strength and direction of the relationship between variables. To establish how the independent factors affect the dependent variable, a multiple regression analysis

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

was performed. The independent variable was the government's trade policies on the supply chain performance of logistics firms in Kenya. Further, descriptive statistics was employed in using mean, percentages, standard deviation, and median with the aid of statistical tools. The findings were summarised and analysed using means, frequencies, and standard deviation to represent various findings of the study. Tables, pie charts, and graphs were used to illustrate the data to make them easy to understand and analyse. The independent variables were the effect of government trade policies on the supply chain performance of logistics firms based in Mombasa County, Kenya.

DATA ANALYSIS AND PRESENTATION

Based on the results, the model summary table explains the strength of the association between the model and the dependent variable where the linear correlation between observed values and predicted values of the dependent variable is established. The study used a coefficient of determination to evaluate the model fit. The R2, which is also called the coefficient of multiple determinations, explains the variance in terms of percentage in the dependent variable which is explained jointly by the independent variables. The model had an average coefficient of determination (R2) of .225, which implied that only 22.5% of the variations in the independent variable (government trade policies) and dependent variable (supply chain performance) are explained by the model. Thus, 77.5% of variations can be accounted for by the factors not included in the model.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.508[a]	.258	.225	.55169	.258	7.750	4	89	.000

a. Predictors: (Constant), Tariff Policy, Licensing Policy, Price Control, Government Trade Policies

Regression Coefficient

The results revealed that four independent variables of government trade policies depicted the different influences of the supply chain performance of logistic companies. For instance, licensing policy and price control positively influenced the supply chain performance, while Taxation policy and tariff policy depicted inverse relations. However, the overall model indicates that holding other factors Constance, the supply chain performance of the logistic companies improves by 4.017 units.

Further results indicated that a unit change in taxation policy would negatively influence supply chain performance. Thus, the increase in taxation policy lead to a decline in the supply chain performance of the logistic companies. These findings align with those by Bian and Zhao's (2020) who found an inverse relationship between taxation policy and supply chain performance. Theoretically, poor taxation policy has a negative influence of the supply chain performance of the companies thus this findings support the theoretical perspective of the negative influence of the taxation policy.

An unit change in licensing policy enhanced supply chain performance. Thus there is a positive relationship between licencing policy and supply chain performance of the logistic companies. The findings by Kiarie (2017) supports these findings in that licensing policy in outsourcing strategy improved the supply chain performance of logistic companies in Mombasa County. These findings support the theoretical context that a licenced logistic company is able to operate in any location without disruption both locally and internationally. The findings support this theoretical context that

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any logistic company with proper working license improves its supply chain performance.

Further, a unit change in price control leads positive change in supply chain performance. Thus, price control has a positive influence on the supply chain performance. These results are supported by those by Rana and Sharma (2019) who found that price control and supply chain performance have a positive and significant relationship. The theoretical perspective is supported by these findings. This is because, it's expected that controlled price ensures that firms don't incur extra costs and ensure price stabilization globally and locally.

Table 2: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.017	.342		11.754	.000
	Taxation policy	-.150	.069	-.227	-2.182	.032
	Licensing Policy	.137	.062	.231	2.204	.030
	Price Control	.130	.054	.227	2.397	.019
	Tariff Policy	-.295	.113	-.246	-2.616	.010

a. Dependent Variable: Supply Chain Performance

SCP = 4.017- .227TP + 0.231 LP + 0.227 PC – .246TP……..1

From model 1, it is clear that the magnitude through which the Government trade policies influence the supply chain performance of logistic companies in Kenya depicts different statistical influences in terms of magnitude and direction. It can be noted that two of the four variables positively influence supply chain performance. They have a significant and favourable influence on supply chain performance. Licensing policy and price control are depicted as a positive and significant influence on the supply chain performance of logistic companies in Mombasa County. Thus, increase changes in licensing policy and price control, caused a positive influence on the supply chain performance of logistics companies.

The taxation policy and tariff policies depicted a negative but significant influence on the supply chain performance of logistic companies. Thus an increase in taxation and tariff policies causes a decrement in the supply chain performance of logistic companies. Thus, although, the two variables that are taxation policy and tariff policies are statistically significant however they go again the empirical literature. According to the literature, the increase in this variable should lead to an increase in the supply chain performance of the logistic companies which is not the case with these two variable taxation policy and tariff policies.

Thus, in general, based on the overall results, there is a need for policies to be formulated that should change the procedure and process of these government trade policies to experience positive results on supply chain performance. Given that licensing policy and price control have positive results regarding the supply chain performance of logistics companies. Both the licensing policy and price control should be enhanced for more favourable outcomes in the supply Chain performance of these logistic companies. The taxation policy and tariff policies have negative influence they should be formulated so that they can have a positive influence on the supply chain performance of logistics companies.

Summary of the Study

The study objective was to determine the effect of government trade policies on the supply chain performance of logistics firms based in Mombasa County, Kenya. This study was motivated by the fact that, despite the fact that most of the logistics companies are striving towards achieving greater profitability and gain competitive advantage both locally and internationally, their performance has

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

been hampered by government trade policies. This is because most of these logistics company's operation across the border and offer service both locally an internationally.

The study therefore formulated a comprehensive conceptual framework to guide the study variables below; To examine the effect of advance taxation policy on supply chain performance of logistics firms based in Mombasa County, Kenya; To establish the effect of licensing policy on supply chain performance of logistics firms based in Mombasa County, Kenya; To determine the effect of price control policy on supply chain performance of logistics firms based in Mombasa County, Kenya; to examine the effect of tariff policy on the supply chain performance of logistics firms based in Mombasa County, Kenya.

Taxation policy involves an income tax policy that gives guidelines regarding the choices of the government on what to levy and the amount that should be levied measured in terms of tax rates, tax administration, tax compliance, bureaucratic process involved and tax complicity. The current study sought to establish the effect of advance taxation policy on supply chain performance of logistics firms based in Mombasa County, Kenya. For instance, a unit change in taxation policy lead to a negative influence of -.227 based on the supply chain performance of the logistic companies. These findings align with those of Bian and Zhao's (2020) findings, revealing an inverse relationship between taxation policy and supply chain performance.

Licensing policy is government guidelines on registration and the issuance of permits for business operations measured through registration procedures, licencing procedures, and the validity of this license. The study to examine the effect of licensing policy on the supply chain performance of logistic companies in Mombasa County. From the results a unit change in licensing policy positively enhanced the supply chain performance of logistic companies in Mombasa County. Kiarie's (2017) findings support these findings in that licensing policy in outsourcing strategy improved the supply chain performance among private companies in developing countries. Thus, licensing policy should be enhanced since it depicts a positive influence on the supply chain performance of logistic companies within Mombasa County.

Price control refers to the price levels set by the government to control prices and avoid customer manipulation, measured in terms of price ceiling and price floor. The study sought to examine the influence of price control on the supply chain performance of on supply chain performance of logistics firms based in Mombasa County, Kenya. Results found that price control positively enhanced the supply chain performance of logistic companies in Mombasa County. Thus, a change in price control leads to a positive influence on the supply chain performance of logistic companies within Mombasa County. These results are supported by those by Rana and Sharma (2019) who found that price control is a statistically significant determinant of Supply chain performance measurement. The research found that price control and supply chain performance have a positive and significant relationship.

Tariff policy is a form of tax-imposed government of goods and services when they leave or enter national frontier. It means the tax imposed by the government on logistics operation in Kenya measured using total revenue created and total value of imports. The study sought to establish the effect of tariff policy on the on supply chain performance of logistics firms based in Mombasa County, Kenya. Based on the results, Tariff policy depicted a negative but significant influence on the supply chain performance. A unit increase in tariff policy resulted in to decline in supply chain performance. Thus, tariff policy must be considered and reduced since it negatively affects the supply chain performance of logistics companies. These findings are in line with those by Hafezalkotob, (2018) the intervention policies of the government affect the operations of the price-energy saving competition among the green supply chains moreover, Dong and Kouvelis (2020) established a

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

connection in the supply chain in various industries that may be beneficial to policymakers in trade policy change.

CONCLUSION AND RECOMMENDATIONS

Based on the findings the government trade policies have different effect on the supply chain performance of logistic companies in Mombasa County. Some policies have a positive influence on the supply chain performance of logistics companies while others have a negative influence. There are many of the logistics companies in Kenya are facing challenges in their supply chain performance due to improper or poor government trade policies. Thus, despite the fact that logistic companies have heavily invested in their companies to enhance the improved supply chain performance, they are near yet far from achieving the desired supply chain performance.

The researcher made conclusion that government trade policies despite the fact that they are meant to enhance supply chain performance of the logistic companies yet they are creating a negative influence due to their excessive ness or tough trade policies otherwise they are meant to support these companies to trade well both locally and internationally and create international competiveness.

Moreover, results depicted that price control positively enhanced the supply chain performance of logistic companies in Mombasa County. Thus, a change in price control leads to a positive influence on the supply chain performance of logistic companies within Mombasa County. Thus the researcher made conclusion that for improved supply chain performance the logistic companies the government should embrace price control and ensure they are followed to the later to improve the supply chain performance of the logistic companies.

Based on the tariff policy the researcher made conclusion that since the tariff policy depicted a negative but significant influence on the supply chain performance. Sometimes the logistic companies have no choice on the tariff policy since it's a government directive, there should be proper stakeholder participation to ensure proper tariff policies are put in place which are favourable to the companies.

The two trade policies with a positive influence on supply chain performance that is licensing policy positively enhanced the supply chain performance of logistics companies in Mombasa County and price control positively enhanced the supply chain performance of logistics companies in Mombasa County. Thus the study recommends that these policies need to be enhanced since they have a positive influence on the supply chain performance of logistic companies.

Regarding the other two policies with a negative influence on the supply chain performance of logistic companies the study recommends that there is a need to be dealt with that they can have a positive influence on SCP. Taxation policy had a negative influence on supply chain performance and tariff policy resulted in to decline in supply chain performance. The government needs to establish how these two government trade policies can be employed to enhance supply chain performance. Thus it is evident that government trade policies play a significant role in determining the supply chain performance of logistic companies.

Areas for Further Study

The general objective of the study was to examine the effect of government trade policies on the supply chain performance of logistics firms based in Mombasa County, Kenya. The recommendation made was that further study can be done in other countries and other public sectors. A similar study can be done in other countries. This study considered four trade barriers that are taxation policy, licensing policy, price control, and tariff policy. Other trade barriers omitted were quota systems and subsidies which may significantly influence the supply chain performance of logistic companies. A study can be done to consider these barriers and establish their influence of the supply chain performance of logistics companies.

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

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