



**EFFECT OF SUPPLIER RELATIONSHIP ON PERFORMANCE OF SMALL SCALE
ENTERPRISES IN NAROK TOWN, KENYA**

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Abstract

The study sought to establish effect of supplier relationship on performance of these SSEs in Narok town. Specifically, the study sought to determine effect of interpersonal relationship, cooperation, power distance, communication and trust on performance of small scale enterprises in Narok town, Kenya. The study established that interpersonal relationship is a key element in buyer supplier relationships. Small scale enterprises should therefore incorporate personal relationships in business decision-making and manage their business enterprises under personal control social networks as this will help them coordinate transnational collaborations for effective risk management. The study also established that cooperation is a vital step in the management process through ensuring partnerships in activities for effective performance. The study recommends that the management on small scale enterprises should consider adopting interpersonal relationship so as to ensure effective performance of small scale enterprises. The study also recommends that it is very crucial that the organization embrace information sharing as this will help the organization to gather valuable information that will provide valuable insights on suppliers and the necessary input to find effective responses to ensure performance of small scale enterprises. The study also recommended that the management should ensure cooperation between themselves and suppliers as it indicates the expectations of working together to gain mutually and individually jointly as personal trust between business parties will drive cooperative inter-business relationships.

Keywords: Power-Distance, Small Scale Enterprises, Supplier Relationship

1. BACKGROUND OF THE STUDY

Small scale enterprises (SSEs), sometimes called small business, or a small-scale enterprise play an important economic role in many countries. It's a business that employs a small number of workers and does not have a high volume of sales, such enterprises are generally privately owned and operated sole proprietorships, corporations or partnerships. Over the past 10 years, economic planners have realized the importance of the small enterprise sector in achieving economic development (Kabinga, 2014). Many governments and development organizations have focused on the promotion of SSEs as a way of encouraging broader participation in the private sector. Micro, small and medium-sized enterprises play a central role in the European economy. They are a major source of entrepreneurial skills, innovation and employment (Ayyagari *et al.*, 2007). In the enlarged European Union of 25 countries, some 23 million Small and medium enterprises provide around 75 million jobs and represent 99% of all enterprises. For instance in Britain; SSEs are the backbone of the British economy (Rowe, 2008). According to the Department for Business, Enterprise & Regulatory Reform (BERR)'s Enterprise Directorate Analytical Unit, the UK economy is 99% SSEs, employing 14.23m people, out of a working population of approximately 30 million. In terms of UK turnover and Gross Domestic Product (GDP), UK SSEs account for 1.48 trillion sterling ((Rowe, 2008)). SSEs (with at least 1 employee) outperform the large UK Corporations in terms of productivity despite having minimal resources, little support and being largely ignored (Okafor, 2006). Large UK Corporations of 250 employees and over account for 52% of employment but less only 50.8% of UK turnover (Okafor, 2006), thus the UK economy is supported by SSE performance, and improving performance will have a substantially positive effect on the entire UK economy. Similarly, Small enterprises (SSEs) are the backbone of Singapore's economy, contributing 47% of the country's GDP and generating 62% of available jobs. (SMU, 2008) The promotion of SSEs and, especially, of those in the informal sector is viewed as a viable approach to sustainable development because it suits the resources in Africa. SSEs are the main source of employment in developed and developing countries alike, comprising over 90% of African business operations and contributing to over 50% of African employment and GDP (Okafor, 2006).

Despite their significance, a large number of Small Scale Traders in developing countries are faced with a lot of challenges as they try to remain relevant and competitive (Ayyagari *et al.*, 2007). According to Amyx (2005), one of the most significant challenges is the negative perception towards the performance of the SSEs. Past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2011).

Narok Town is the headquarters of Narok County, which is one of the forty seven counties in Kenya where majority of SSEs in Narok County are located. The town is very busy and over the past five years the economics of Narok town has grown exponentially. Most of SSEs are involved in trading, farming and hotel industry. Due to their characteristics, SSEs in Narok suffer from constraints that lower their resilience to risk and prevent them from growing and attaining economies of scale (Koila, 2014). The problems of SSEs in Narok town have been attributed to

lack creditworthiness and management capacity. Attempts to address the challenges in this direction have not borne fruit with the challenges continuing to be there. These challenges could be attributed to a number of factors from internal operations and as well as externally linked factors such as under-resourcing. Supplier relationships are one such factor that needs to be investigated in relation to the SSEs performance. In this respect, the contribution of buyer-supplier relationships to performance of the SSEs, for example, cannot be underestimated. While studies on supplier relationship have been conducted in the manufacturing sector and largely in the West, literature is lacking in developing world particularly Kenya, among small scale enterprises on this subject. The effect of supplier relationship on performance of among small scale enterprises in Narok town, Kenya is unknown.

2. STATEMENT OF THE PROBLEM

SSEs in Narok suffer from constraints that lower their resilience to risk and prevent them from growing and attaining economies of scale (Koila, 2014). The problems of SSEs in Narok town have been attributed to lack creditworthiness and management capacity. Efforts to stem these challenges have attributed them to under-resourcing particularly in finances. Little has been achieved as a result and similarly, little effort has tried to link these challenges to supplier relationship activities of the SSEs, when in fact this could be a major contributor. The contribution of supplier relationship to performance of the Small Scale Enterprises cannot be underestimated but has remained unclear, particularly in Kenya. Subsequently information on effect of supplier relationship on performance of these small scale enterprises in Narok town is lacking

3. STUDY OBJECTIVES

Overall objective of this study was to establish effect of supplier relationship on performance of small scale enterprises in Narok town in Kenya.

Specifically the study sought to:

- i. Determine effect of interpersonal relationship on performance of small scale enterprises
- ii. Establish the effect of cooperation on performance of small scale enterprises.
- iii. Establish effect of communication on performance of small scale enterprises
- iv. Determine effect of power-distance on performance of small scale enterprises in Narok town, Kenya.

4. METHODOLOGY

This study used a correlation research design. Both qualitative and quantitative approaches were used. The population of this study comprised all the small scale traders in Narok Town engaged in various trades totalling to 1011. The SSEs were stratified by categories of business activities.

Simple random sampling was then used to pick the traders who formed the sample for interview. Primary data was collected using self-administered structured and semi structured questionnaire. Secondary data was collected through document review. Descriptive and inferential statistics were used to analyse data.

5. RESULTS AND FINDINGS

Table 1: Effects of interpersonal relationship on performance of small scale enterprises

Opinion	Frequency	Percentage
Yes	211	77.6
No	61	22.4
Total	272	100

The study sought to determine whether interpersonal relationship affect performance of small scale enterprises in Narok town, from the findings majority of the respondents as shown by 77.6% agreed that interpersonal relationship affect performance of small scale enterprises in Narok town whereas 25.7 % of the respondents disagreed, this implies that interpersonal relationship affect performance of small scale enterprises in Narok town.

Table 2: Extent of the effect of interpersonal relationship

Extent	Frequency	Percentage
Very great extent	67	24.6
Great extent	125	46.0
Moderate extent	35	12.8
Little extent	26	9.6
No extent	19	7.0
Total	272	100

The study sought to determine the extent to which interpersonal relationship affect performance of small scale enterprises in Narok town, from the study findings 46.0% of the respondents indicated to a great extent, 24.6 % of the respondents indicated to a very great extent, 12.8 % of the respondents indicated to a moderate extent, 9.6 % of the respondents indicated to a little extent whereas 7.0% of the respondents indicated to a no extent. This implies that interpersonal relationship affect performance of small scale enterprises in Narok town to a great extent.

Table 3: Statements relating to effects of interpersonal relationship on performance

Statement	Strongly agree	agree	moderate	Disagree	Strongly disagree	mean	standard
Interpersonal relationship are vital for effective performance of small scale enterprises through involvement of personal reference among enterprise and supplier officials	89	143	24	14	2	1.71	0.28
Interpersonal relationship are positively significant to influence small scale enterprises performance due to Social networking between enterprise and supplier officers	94	151	20	6	1	1.86	0.31
Social networks help coordinate transnational collaborations while personal relationships play a significant role in businesses and facilitates effectiveness	101	149	15	5	2	1.83	0.30

The study sought to determine the extent to which respondents agreed with the above statements relating to interpersonal relationship, from the finding majority of the respondents agreed that interpersonal relationship are vital for effective performance of small scale enterprises through involvement of personal reference among enterprise and supplier officials as shown by a mean of 1.71 and a standard deviation of 0.28, social networks help coordinate transnational collaborations while personal relationships play a significant role in businesses and facilitates effectiveness as shown by mean of 1.83 and a standard deviation of 0.30 and finally that Interpersonal relationship are positively significant to influence small scale enterprises performance due to Social networking between enterprise and supplier officers as shown by mean of 1.86 and a standard deviation of 0.31. The above findings concurs with study findings by Ambler, (1999), he asserts that Interpersonal Relationship is also an element in buyer supplier relationships. Chinese tend to incorporate personal relationships in business decision-making and manage their business enterprises under personal control social networks help coordinate transnational collaborations thus concludes that personal relationships play a significant role in businesses and facilitates effectiveness.

Cooperation

Table 4: Effect of cooperation on performance

Opinion	Frequency	Percentage
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Yes	207	76.1
No	65	23.9
Total	70	100

The study sought to determine whether cooperation influence performance of small scale enterprises in Narok town, from the findings majority of the respondents as shown by 76.1% agreed that cooperation influence performance of small scale enterprises in Narok town, whereas 23.9% of the respondents were of contrary opinion, this implies that cooperation influence performance of small scale enterprises in Narok town.

Table 5: Extent of the effect of cooperation

Extent	Frequency	Percentage
Very great extent	35	12.9
Great extent	154	56.6
Moderate extent	62	22.8
Little extent	12	4.4
No extent	9	3.3
Total	272	100

The study sought to determine the extent to which cooperation influence performance of small scale enterprises in Narok town, from the findings, most of the respondents as shown by 56.6 % indicated to a great extent, 22.8% of the respondents indicated to a moderate extent, 12.9% of the respondents indicated to a very great extent, 4.4% of the respondents indicated to a little extent whereas 3.3% of the respondents indicated to a no extent. This is an indication that cooperation influence performance of small scale enterprises in Narok town to a greater extent.

Table 6: Statements relating to cooperation

Statement	Strongly agree	Agree	moderate	disagree	Strongly disagree	Mean	Standard deviation
Performance of small scale enterprises requires a reporting and review structure to ensure that there is	78	146	30	14	4	1.85	0.28

effectively cooperation among organizations so that appropriate controls and responses are in place.

Cooperation is a vital step in the management process through ensuring Partnerships in activities for effective performance. 67 144 42 10 9 1.73 0.27

cooperation can be used to ensure that joint decision making by supplier and enterprise are properly made and thus helps the management to be in a position to make future plans 58 146 50 12 6 1.87 0.31

The study sought to determine the extent to which respondents agreed with the above statements relating to cooperation, from the finding majority of the respondents strongly agreed that; cooperation is a vital step in the management process through ensuring Partnerships in activities for effective performance as shown by mean of 1.73 and a standard deviation of 0.27, performance of small scale enterprises requires a reporting and review structure to ensure that there is effectively cooperation among organizations so that appropriate controls and responses are in place as shown by mean of 1.85 and a standard deviation of 0.28 and finally that cooperation can be used to ensure that joint decision making by supplier and enterprise are properly made and thus helps the management to be in a position to make future plans as show by mean of 1.87 and a standard deviation of 0.31, the above findings concurs with the study finding by Heide(1994). Heide asserts that Cooperation often arises in the context of firms' specific needs (cost reduction or value addition) and "unfolds through ongoing interactions" between firms. Domains of interactions where cooperation takes place include information sharing and joint decisions. Information sharing can be defined as the degree to which each party discloses information that may facilitate the other party's activities

Communication

Table 7: Influence of communication on performance

Opinion	Frequency	Percentage
Yes	224	82.4
No	48	17.6
Total	272	100

The study sought to determine whether communication has a direct effect on the performance of small scale enterprises in Narok town, from the findings majority of the respondents as shown by

82.4% indicated that communication was vital in ensuring effective performance of small scale enterprises whereas 17.6% of the respondents disagreed, this implies that communication has a direct effect on the performance of small scale enterprises in Narok town.

Table 8: Extent to which communication influence performance

Extent	Frequency	Percentage
Very great extent	71	26.1
Great extent	136	50.0
Moderate extent	30	11.0
Little extent	22	8.1
No extent	13	4.8
Total	272	100

The study sought to determine the extent to which communication influence performance of small scale enterprises in Narok town, from the findings, most of the respondents as shown by 50.0% indicated to a great extent, 26.1% of the respondents indicated to a very great extent, 11.0 % of the respondents indicated to moderate extent, 8.1% of the respondents indicated to a little extent whereas 4.8% of the respondents indicated to a no extent. This is an indication that communication influence performance of small scale enterprises in Narok town to a great extent.

Table 9: Statements relating to influence of communication on performance

Statement	strongly agree	agree	Moderate	disagree	strongly disagree	mean	Standard deviation
Formal information sharing about suppliers among small scale enterprises can help in determining their effects on performance	56	143	34	26	13	1.83	0.26
It is useful to classify the different effects of informal communication and its harm they possibly pose to the performance of the organization	49	176	27	11	9	1.76	0.29
The need to adopt new measurement approaches to curb communication barriers is particularly critical for small scale enterprises because communication is crucial	53	145	44	19	11	1.80	0.28

The study sought to determine the extent to which respondents agreed with the above statements relating to influence of communication on performance, from the research findings the study established that majority of the respondents agreed that; it is useful to classify the different effects of informal communication and its harm they possibly pose to the performance of the organization as shown by mean of 1.76 and a standard deviation of 0.29, the need to adopt new measurement approaches to curb communication barriers is particularly critical for small scale enterprises because communication is crucial as shown by a mean of 1.80 and a standard deviation of 0.28 and finally that formal information sharing about suppliers among small scale enterprises can help in determining their effects on performance as shown by a mean of 1.83 and a standard deviation of 0.26, the finding above concurs with the study findings by Cannon and Perreault (1999), they argue that there should be openness in sharing of information which is indicated by the willingness of parties to share important information, market dynamics have made it difficult to predict the future. Companies today argue that substituting information sharing for inventory is a source of competitive advantage.

Power-Distance

Table 10: Effect of power distance on performance

Opinion	Frequency	Percentage
Yes	172	63.3
No	100	36.7
Total	272	100

The study sought to determine whether power distance affects the performance of small scale enterprises in Narok town, from the findings majority of the respondents as shown by 63.3% indicated that power dependence affects on the performance of small scale enterprises in Narok town whereas, 36.7% of the respondents were of the contrary opinion, this implies that power dependence affects on the performance of small scale enterprises in Narok town.

Table 11: Extent to which power dependence influence performance

Extent	Frequency	Percentage
Very great extent	68	25.0
Great extent	132	48.6
Moderate extent	45	16.5
Little extent	15	5.5
No extent	12	4.4
Total	272	100

The study sought to determine the extent to which power distance influence performance of small scale enterprises in Narok town, from the findings, most of the respondents as shown by 48.6% indicated to a great extent, 25.0% of the respondents indicated to a very great extent 16.5% of the respondents indicated to moderate extent, 5.5% of the respondents indicated to a little extent whereas 4.4% of the respondents indicated to a no extent. This is an indication that power distance influence performance of small scale enterprises in Narok town to a great extent.

Table 12: Statements relating to power distance

Statement	strongly agree	Agree	Moderate	disagree	strongly disagree	Mean	Standard deviation
Power dependence in the organization always results to influence by Supplier of enterprise decisions	58	134	33	27	20	1.75	0.23
Power dependence is exemplified in the ability of one channel member (e.g. supplier) to control the decision variable in strategy of another member at a different level of distribution	57	137	44	21	13	1.72	0.25
Over dependence on power results to delayed decisions due to supplier	52	144	38	20	18	1.78	0.27

The study sought to determine the respondent's level of agreement with the above statements relating to power-distance. From the research findings the study established that majority of the respondents agreed that power dependence is exemplified in the ability of one channel member (e.g. supplier) to control the decision variable in strategy of another member at a different level of distribution as shown by a mean of 1.72 and a standard deviation of 0.25, power dependence in the organization always results to influence by Supplier of enterprise decisions as shown by a mean of 1.75 and a standard deviation of 0.23 and finally that over dependence on power results to delayed decisions due to supplier as shown by mean of 1.78 and a standard deviation of 0.27, the above findings concurs with the findings by (Lee, 2001). According to Lee, (2001) power dependence is exemplified in the ability of one channel member (e.g. supplier) to control the decision variable in strategy of another member at a different level of distribution (e.g. retailer). Therefore, power dependence is an important consideration in the supply chain.

Enterprise Performance

Table 13: Effect of Customer satisfaction on enterprise performance

Enterprise performance	Extent	Frequency	Percentage
Customer satisfaction in relation to referrals by customers and repeated purchases by enterprise customers	Very high	146	53.7%
	High	108	39.7%
	Moderate	18	6.6%
	Low	0	0%
	Very low	0	0%

The study sought to determine the extent to which customer satisfaction influence performance of small scale enterprises in Narok town, from the findings, most of the respondents as shown by 53.7% indicated to a very high extent, 39.7% of the respondents indicated to a high extent whereas 6.6% of the respondents indicated to moderate extent. This is an indication that customer satisfaction taking into consideration referrals by customers and repeated purchases by enterprise customers influence performance of small scale enterprises in Narok town to a very high extent concurring with the findings by Dick and Basu (2004), that executives should assess performance by listening to customer complaints as a measure of level of satisfaction, however they should tread with care as some customers are simply difficult to work with for a variety of reasons.

Table 14: Effect of quality on enterprise performance

Enterprise performance	Extent	Frequency	Percentage
Quality in relation to reduction in defective products and conformity with standards	Very high	178	65.4%
	High	64	23.5%
	Moderate	24	8.9%
	Low	6	2.2%
	Very low	0	0%

The study sought to determine the extent to which quality influence performance of small scale enterprises in Narok town, from the findings, most of the respondents as shown by 65.4% indicated to a very high extent, 23.5% of the respondents indicated to a high extent, 8.9% of the respondents indicated to moderate extent whereas 2.2% of the respondents indicated to a low extent. This is an indication that quality of the products by ensuring reduction in defective products and conformity with standards influence performance of small scale enterprises in

Narok town to a very high extent concurring with Perez (2005) that quality has become a important in enabling firms to achieve an advantage over their competitors thereby making a significant contribution to profitability and productivity, quality has become a key concept in a competitive corporate strategy.

Table 15: Effect of growth on enterprise performance

Enterprise performance	Extent	Frequency	Percentage
Growth in relation to increase in volume of business and addition of physical assets	Very high	32	11.7%
	High	137	50.4%
	Moderate	20	7.4%
	Low	71	26.1%
	Very low	12	4.4%

The study sought to determine the extent to which growth influence performance of small scale enterprises in Narok town, from the findings, most of the respondents as shown by 50.4% indicated to a high extent, 26.1% of the respondents indicated to a low extent, 11.7% of the respondents indicated to a very high extent, 7.4% of the respondents indicated to a moderate extent whereas 4.4% of the respondents indicated to a very low extent. This is an indication that ensuring growth through increase in volume of business and addition of physical assets influence performance of small scale enterprises in Narok town to a high extent concurring with Liptons (2003) that organizational growth, means different things to different organizations, small firms on the other hand want to get big while big firms want to get bigger therefore success and growth is be gauged by how well a firm does relative to the goals it has set for itself.

Multiple Regression Analysis

A multiple regression model was applied to determine the relationship between supplier relationship and performances of small scale enterprises in Narok town, Kenya.

The logistic regression used in this model was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where Y (Dependent variable) = enterprise performance, β_0 = Constant term (regression coefficient), β_1 , β_2 , β_3 , and β_4 = slopes of the regression equation, X_1 = Interpersonal Relationship, X_2 = Cooperation, X_3 = Communication, X_4 = Power- Distance and ε = Error Term.

Table 16: Model summary

Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate
1	.874	.763	.762	.223

Predictor variables: (Constant), Interpersonal Relationship, Cooperation, Communication and Power- Distance.

Dependent Variable: Enterprise performance.

R is the square root of R-squared and is the correlation between the observed and predicted values of dependent variable implying that the association of 0.874 between enterprise performance and supplier relationship which include interpersonal relationship, cooperation, communication and power- distance was strong.

Adjusted R squared is the coefficient of determination which tells us how performance of small scale enterprises in Narok town varies with variations in supplier relationship practices which include interpersonal relationship, cooperation, communication and power- distance. From table 4.18, the value for R squared was 0.763 which implies that there was a variation of 76.3% on performance of small scale enterprises varied with variation in interpersonal relationship, cooperation, communication and power- distance at a confidence level of 95%. This shows that 76.3% changes in performance of small scale enterprises in Narok town could be accounted to interpersonal relationship, cooperation, communication and power- distance. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in table 4.18 it was notable that there exists a strong positive relationship between the study variables as shown by 0.874. It was found out that the adjusted R² of our model is 0.763 while the R is 0.762 meaning that the multiple regression explains 76.3% of the variance in the data. Due to the fact that difference between R square and Adjusted R square is small (0.001) it shows that the independent variables were precise.

Table 17: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
	(Constant)	1.342	1.023		1.312	.001
1	Interpersonal relationship	.311	.118	.213	2.636	.002
	Cooperation	.341	.125	.207	2.728	.000
	Communication	.322	.124	.206	2.597	.001
	Power- distance	.336	.114	.211	2.947	.000

Predictor variables: (Constant), interpersonal relationship, cooperation, communication and power- distance

From the data in table 4.19, the established regression equation was

$$Y = 1.342 + 0.311X_1 + 0.341X_2 + 0.322 X_3 + 0.336 X_4$$

From the findings in the multiple regression, it showed that all the independent variables which includes; interpersonal relationship, cooperation, communication and power- distance had predictive value on the dependent variable (small scale enterprise performance) meaning they were all statistically significant, since the P value is less than 0.05.

From the Unstandardized Coefficients, the model predicts that increase in interpersonal relationship (.311) would results into an increase in the performance of small scale enterprises in Narok town, holding other independent variables (cooperation, communication and power- distance) constant. Furthermore, increase in cooperation (.341) would results into increase the performance of small scale enterprises in Narok town, holding other independent variables (interpersonal relationship, communication and power- distance) constant. Moreover, increase in communication (.322) would results into increase in performance of small scale enterprises in Narok town holding other independent variables (interpersonal relationship, cooperation and power- distance) constant. Finally, increase in power- distance (.336) would results into increase in the performance of small scale enterprises in Narok town holding other independent variables (interpersonal relationship, cooperation and communication) constant.

On the other hand, Beta expresses the relative importance of each independent variable in standardized terms. Firstly, the results show that all the independent variables (interpersonal relationship, cooperation, communication and power- distance) are significant predictors. In conclusion, a multiple regression was run to predict the performance of small scale enterprises in Narok town from the independent variables (interpersonal relationship, cooperation, communication and power- distance). These variables statistically, significantly predicted performance of small scale enterprises in Narok town. All four variables added statistically significantly to the prediction, $p < .05$.

6. SUMMARY OF THE FINDINGS

Interpersonal Relationship on performance of SSE

From the findings, it was revealed that that interpersonal relationship affects performance of small scale enterprises in Narok town. The study also established that interpersonal relationship is a key element in buyer supplier relationships. Small scale enterprises should therefore incorporate personal relationships in business decision-making and manage their business enterprises under personal control social networks as this will help them coordinate transnational collaborations for effective risk management

The study established that the interpersonal relationship affect performance of small scale enterprises in Narok town to a great extent.

Cooperation on performance of SSE

The study established that cooperation influence performance of small scale enterprises in Narok town. The study revealed that cooperation influence performance of small scale enterprises in Narok town to a greater extent.

The study also established that cooperation is a vital step in the management process through ensuring Partnerships in activities for effective performance. The study further establishes that information sharing can be defined as the degree to which each party discloses information that may facilitate the other party's activities thus joint decisions due to cooperation.

Communication on performance of SSE

The study revealed that communication influence performance of small scale enterprises in Narok town to a great extent

The study also revealed that it is useful to classify the different effects of informal communication and its harm they possibly pose to the performance of the organization

The study further revealed that openness in sharing of information which is indicated by the willingness of parties to share important information; market dynamics have made it difficult to predict the future.

Power-Distance on performance of SSE

The research further revealed that power dependence affects on the performance of small scale enterprises in Narok town. The study also established that power distance influence performance of small scale enterprises in Narok town to a great extent

The study further revealed that to control the decision variable in strategy of another member at a different level of distribution thus power dependence is an important consideration in the supply chain

7. CONCLUSIONS

From the findings the study established that interpersonal relationship is positively significant to influence enterprise performance thus the study concludes that interpersonal relationships play a significant role in businesses and facilitates effectiveness on performance or small scale enterprises in Narok town.

The study established it is useful to ensure personal trust between business parties since it drives cooperative inter-business relationships, reliable sources of information therefore emerges from close relationships within and among business organizations thus the study concludes that cooperation between suppliers had a positive effect on performance or small scale enterprises in Narok town.

The study revealed that communication among small scale enterprises can be used to make sure that supplier relationships are in line to ensure effective communication of information and decision that are essential components to increase production at low cost, communication also helps small scale enterprises management to discover mistakes at early stage thus the study concludes communication has a positive impact on performance of small scale enterprises in Narok town.

The study ascertained that over dependence on power results to delayed decisions due to supplier, the firms therefore should ensure reduction in over dependence on power thus the study concludes that power-distance had a positive impact on performance of small scale enterprises in Narok town.

8. RECOMMENDATIONS

The study established that interpersonal relationship is positively significant to influence enterprise performance thus it plays a significant role in business and facilitates effectiveness on performance. Thus the study recommends that the management of small scale enterprises should consider adopting interpersonal relationship so as to ensure effective performance of small scale enterprises. This will allow the management to create a comprehensive understanding that can be leveraged to influence suppliers' relationships and create better decisions.

The study established that cooperation between parties is healthy since it drives cooperative inter-business relationships, reliable source of information and this will have a positive effect on performance between buyer-supplier relationships. Thus the study recommends that it is very crucial that the organization embrace information sharing as this will help the organization to gather valuable information that will provide valuable insights on suppliers and the necessary input to find effective responses to ensure performance of small scale enterprises.

The study revealed that communication can be used to make sure that supplier relationships are in line to ensure effective communication of information and decision that are essential to increase production at low cost and to discover mistakes at early stages. Thus the study recommends that the management should ensure communication between themselves and suppliers as it indicates the expectations of working together to gain mutually and individually jointly as personal trust between business parties will drive cooperative inter-business relationships. This will give reliable sources of information expected to come from close relationships within and among business organizations since without close relationship, the parties are unwilling to share information and have less intention to cooperate.

The study ascertained that overdependence on power results to delayed decisions due to supplier, therefore the firms should ensure reduction in over dependence on power and by doing this it impacts positively on performance. Thus the study agrees that it is essential that small scale enterprises give due consideration to their target market while devising avoiding overdependence of power. The policies and procedures governing the relationships between business and suppliers should be aimed to obtain an in-depth understanding of the clients, their credentials & their businesses in order to fully know their customers.

9. Recommendations for further studies

Future research may be done on what determines buyer-seller relationship based on quality as today's environment, businesses are increasingly dependent on the relationships they have with their suppliers and are demanding that they adhere to high standards. It is increasingly important that buyers have strong relationships with their suppliers to stay ahead of competition. The establishment, development, and maintenance of relationships between exchange partners is crucial to achieving success (Morgan and Hunt 1994). The goal of this further research is to investigate the nature of buyer-seller relationships from the buyer's perspective and to address the question — what determines the quality of buyer-seller relationships?

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