ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 14, Issue 4, pp: (112-121), Month: October - December 2026, Available at: www.researchpublish.com

Supplier Relationship Management and Procurement Performance of Small and Medium Enterprises in Nairobi City County, Kenya

Mary Nduta Ngugi[1*], Perris Chege[2]

[1]Department of Management Science, School of Business, Economics and Tourism, Kenyatta University, P.O. Box 43844-00100, Nairobi, Kenya

[2]Department of Management Science, School of Business, Economics and Tourism, Kenyatta University, P.O. Box 43844-00100, Nairobi, Kenya

DOI: https://doi.org/10.5281/zenodo.23367928

Published Date: 14-October-2026

Abstract: **Small and medium enterprises (SMEs) are central to Kenya's economy but fragile, with most business closures occurring within the first years of operation, and weaknesses in procurement and supplier management are a recurring explanation. This study examined the effect of four supplier relationship management (SRM) practices, namely supplier collaboration, information exchange, strategic supplier segmentation and trust-based relationship management, on the procurement performance of SMEs in Nairobi City County, anchored on resource dependency theory, commitment–trust theory and institutional theory. A descriptive design was adopted; a stratified random sample of 96 SMEs was drawn from a frame of 2,300 registered enterprises in manufacturing, retail, services and construction, and 82 usable questionnaires were returned (85.4 per cent). Data were analysed using descriptive statistics, Pearson correlation and multiple linear regression. All four practices were reported as widely adopted (M = 3.95 to 4.00 on a five-point scale), while procurement performance was rated only moderate (M = 3.04), with timeliness of deliveries and quality of supplies weakest. In the regression model, information exchange carried the largest effect (B = 0.433, β = .496, p < .001), followed by strategic supplier segmentation (B = 0.341, β = .276, p < .001) and supplier collaboration (B = 0.187, β = .194, p < .001); trust-based relationship management was positive but not significant at the 5 per cent level (B = 0.057, p = .054). The gap between high reported adoption and moderate performance is the study's central observation: the lowest-rated item in every SRM construct is the one that demands data or formal follow-through, which suggests that these firms have adopted the form of SRM more fully than its operational core. The study recommends that SMEs prioritise structured information sharing, particularly of demand forecasts, and convert supplier segmentation into differentiated resource allocation, treating trust as the foundation on which these practices operate rather than as a substitute for them. Because the reported model-fit statistics are internally inconsistent, coefficient magnitudes should be read as indicative pending re-estimation.**

Keywords: **supplier relationship management; procurement performance; information exchange; supplier segmentation; supplier collaboration; trust; SMEs; Kenya.**

1. INTRODUCTION

Small and medium enterprises are a principal source of private employment and enterprise activity in Kenya, and Nairobi City County, the country's main hub of trade, finance and services, holds a disproportionate share of them. They are also fragile: the Kenya National Bureau of Statistics (KNBS, 2016) reports that businesses started or acquired within the previous two years account for 61.3 per cent of all closures. KNBS (2016) classifies enterprises by employment, with micro enterprises employing fewer than 10 people, small enterprises 10 to 49 and medium enterprises 50 to 99, and

Kenyan SMEs are typically owner-managed, resource-poor and dependent on informal finance and supplier linkages. Definitions and sampling frames differ enough across surveys to make the size of the sector in Nairobi itself uncertain.

Procurement sits close to the centre of this fragility. Reviews of SME supply chains in Kenya identify a consistent set of relational weaknesses: lack of trust between buyers and suppliers, inadequate and incompatible information systems, reluctance to share information, misaligned goals and the absence of effective performance metrics (Gumboh & Gichira, 2015). Where supplier relationships are managed well, the effect appears substantial: Machira and Chege (2025) report a positive and significant relationship between SRM practices and the performance of supermarkets in Nairobi County.

Supplier relationship management is the governance of an organisation's interactions with its suppliers so that both parties benefit from the relationship (Amoako-Gyampah, Boakye, & Adaku, 2019). It is not a single practice but a set of related ones: collaborating with suppliers on planning and development, exchanging accurate and timely information, segmenting suppliers so that management attention follows strategic value, and building the trust that sustains long-term partnership (Mwangi, Karanja, & Mutua, 2021; Shiralkar, Deshmukh, & Sunnapwar, 2022; Gligor & Bozkurt, 2019; Ibrahim & Mutuku, 2022). The existing evidence on these practices is drawn largely from large firms, public bodies and single organisations, from specific industries such as sugar manufacturing, or from contexts outside Kenya; what is not established is which of the four carries most weight for a Nairobi SME whose resources allow it to strengthen only one or two at a time. This study measures all four together against procurement performance in Nairobi City County.

The study's specific objectives were to assess the effect of supplier collaboration, to evaluate the effect of information exchange, to determine the effect of strategic supplier segmentation, and to examine the effect of trust-based relationship management on the procurement performance of SMEs in Nairobi City County, Kenya.

2. THEORETICAL FRAMEWORK

Resource dependency theory. Pfeffer and Salancik (1978) hold that organisations are not self-sufficient but depend on resources controlled by others in their environment, and that their survival turns on how well they manage those dependencies. For an SME the critical dependencies are on suppliers of materials, components and market information, and the relationship is one of unequal power: a small buyer rarely commands a supplier's priority. The theory frames SRM as a set of strategies for reducing that exposure, whether by diversifying sources or by deepening selected relationships (Eckerd & Girth, 2021), and it supplies the logic for segmentation in particular, since an SME that cannot manage every dependency closely must decide which ones matter. Its limitation is that it treats relationships primarily as instruments of power and says less about the cooperation that makes them productive.

Commitment–trust theory. Morgan and Hunt (1994) place trust, the confidence that a partner is reliable and acts with integrity, and commitment, the desire to maintain a valued relationship, at the centre of successful exchange relationships. Their model treats trust and commitment as mediating variables: they do not themselves produce performance but give rise to the cooperation, information sharing and functional conflict resolution that do. Applied to SMEs, the theory predicts that trusted supplier relationships yield more flexible terms, more reliable delivery and better problem-solving (Ashnai, Henneberg, Naudé, & Francescucci, 2016). It is criticised for under-specifying power, since a dominant supplier can dictate the terms of a relationship regardless of trust, and for assuming that trust is understood the same way across cultures.

Institutional theory. Meyer and Rowan (1977) argue that organisations adopt structures and practices that are seen as legitimate in their field, often as much to signal conformity as to improve efficiency, and DiMaggio and Powell (1983) describe the resulting convergence of practice as isomorphism, driven by regulation, imitation of successful peers and professional norms. For Nairobi SMEs the theory explains why supplier management practices associated with large firms and industry leaders diffuse through the sector. It also carries a warning that proves relevant here: practices adopted for legitimacy can be adopted ceremonially, present in form but loosely coupled to the operations they are meant to govern.

The study accordingly modelled the procurement performance of SMEs as a function of four independent variables: supplier collaboration (joint initiatives, supplier involvement in decision-making, co-development, structured feedback, joint long-term planning, joint performance evaluation); information exchange (accuracy and timeliness of shared information, use of digital platforms, sharing of demand forecasts, use of information in decisions, security of communication channels); strategic supplier segmentation (segmentation by strategic importance, performance criteria for supplier categories, resource allocation by segment, differentiated contract terms, prioritisation of collaboration); and

trust-based relationship management (supplier commitment to shared goals, long-term relationships, trust assessment, supplier transparency, amicable dispute resolution). Procurement performance was measured through efficiency, timeliness of deliveries, cost-effectiveness, quality of goods and services, supplier-driven cost-saving innovation and the use of technology to reduce delays.

3. EMPIRICAL LITERATURE REVIEW

Supplier collaboration. Eyaa, Oluka and Birakwate (2018) found that supplier collaboration accounted for 29.6 per cent of the variance in supply chain performance among Ugandan SMEs, and recommended that firms build systems to support cooperative relationships. Ali, Rahman and Frederico (2019), studying 203 SME professionals in the United Kingdom food supply chain with a sequential mixed-methods design, found collaboration a significant contributor to both cost and sustainability performance. Closer to the present setting, Gumboh and Gichira (2015), reviewing the evidence on Kenyan SMEs, identify lack of trust as the principal barrier to supply chain collaboration, alongside incompatible information systems, reluctance to share information, misaligned goals and weak performance measurement, but they do not test what overcoming these barriers would yield.

Information exchange. Marinagi, Trivellas and Sakas (2015) and Mutuku and Muathe (2020) found that the accuracy, timeliness and relevance of shared information improved supply chain performance among manufacturing SMEs in Central Greece through better collaborative decision-making, and Ramayah, Omar and Ling (2018) report from Malaysia that the quality of information shared matters as much as the fact of sharing. The evidence is not uniform. Asande, Omondi and Kiprop (2022) found in Kakamega County that information sharing improved the procurement function but was a weak predictor of procurement performance on its own, and Baihaqi and Sohal (2019) concluded that information sharing in isolation predicted overall performance poorly, its benefit appearing when it was combined with a coherent procurement strategy. That qualification, that information exchange works through and alongside other practices, bears directly on how the present results should be read.

Strategic supplier segmentation. Rezaei and Ortt (2018) show that segmenting suppliers by value and risk improves procurement performance by concentrating relationship investment where it pays and reducing exposure elsewhere. In Kenya, Muema (2016), in a case study of Sports Kenya, found segmentation directly associated with cost-effectiveness and service quality and recommended training staff in supplier management. That evidence concerns a public body with a formal procurement function; whether segmentation, which presupposes the capacity to analyse a supplier base, delivers the same benefit to small private firms is untested.

Trust-based relationship management. Poppo, Zhou and Li (2016) show that trust in buyer–supplier relationships takes both calculative and relational forms, and that the distinction matters for how trust bears on supplier performance. Shenoy and Williams (2017) report that trust improved procurement efficiency among United States manufacturers through better negotiation and easier access to resources, including supplier credit. Gligor and Bozkurt (2019) describe trust as the condition under which information sharing and strategic alliances become possible, which is the mediating role commitment–trust theory assigns it.

Across this literature each practice is individually associated with better procurement or supply chain outcomes, but the studies examine them one or two at a time, in large firms, public bodies, single industries or other countries. None examines all four together among Nairobi SMEs, so their relative weight in that setting cannot be established from the existing evidence.

4. METHODOLOGY

A descriptive research design was adopted within a pragmatist orientation. Descriptive designs record conditions, practices and relationships as they occur without manipulating the setting (Saunders, Lewis, & Thornhill, 2019), which suited an enquiry into how SMEs currently manage their suppliers and how that management relates to procurement outcomes.

The unit of analysis was the SME and the unit of observation the person responsible for its procurement decisions: the owner, procurement manager or supply chain officer. The sampling frame comprised 2,300 SMEs registered with the County Government of Nairobi. Sample size was determined with Yamane's (1967) formula, $n = N / (1 + Ne^2)$, at a 10 per cent margin of error, giving 96 SMEs. Stratified random sampling was used, with strata defined by sector (manufacturing, retail, services and construction) and allocation proportional to each sector's share of the frame, so that differences in procurement practice across sectors were represented.

ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 14, Issue 4, pp: (112-121), Month: October - December 2026, Available at: www.researchpublish.com

Primary data were collected using a structured questionnaire administered both electronically and through a drop-and-pick procedure by the researcher and three trained research assistants. The instrument comprised firm and respondent profile items and Likert-scaled items for each construct: six for supplier collaboration and five for each of information exchange, segmentation and trust, scored from 1 (strongly disagree) to 5 (strongly agree), and seven for procurement performance, scored from 1 (very poor) to 5 (excellent). The instrument was piloted on SME representatives in Nairobi County outside the main sample and refined for clarity. Content validity was established through review by specialists in procurement and supplier relationship management and by adapting items from previously validated scales. Internal consistency was assessed with Cronbach's alpha against a threshold of 0.70 (Nunnally & Bernstein, 1994; Taber, 2018); all constructs met it, with coefficients of 0.835 for supplier collaboration, 0.821 for information exchange, 0.807 for segmentation, 0.843 for trust-based relationship management and 0.872 for procurement performance.

Data were analysed in SPSS. Descriptive analysis produced means, standard deviations and coefficients of variation; Pearson product-moment correlation established the direction and strength of each practice's association with procurement performance; and multiple linear regression was estimated in the form $PRP = \beta_0 + \beta_1 SUC + \beta_2 INE + \beta_3 SUS + \beta_4 TRR + \varepsilon$, where PRP is procurement performance, SUC supplier collaboration, INE information exchange, SUS strategic supplier segmentation and TRR trust-based relationship management (Field, 2018). Normality (Shapiro–Wilk), multicollinearity (tolerance and variance inflation factor) and independence of residuals (Durbin–Watson) were tested before estimation. Section 5.4 explains why the model-fit statistics are not reported as findings. An introductory letter was obtained from Kenyatta University and a research permit secured before data collection; participation was voluntary, informed consent was obtained and responses were treated as confidential.

5. RESULTS AND DISCUSSION

5.1 Response rate and respondent profile

Of the 96 questionnaires distributed, 82 were completed and valid for analysis, a response rate of 85.4 per cent, above the 70 per cent Mugenda and Mugenda (2003) treat as very good. The responding firms were predominantly established: 32.9 per cent had operated for more than ten years and a further 24.4 per cent for seven to ten, while only 6.1 per cent were under a year old. Retail (29.3 per cent) and manufacturing (25.6 per cent) were the largest sectors, followed by services (22.0 per cent), construction (12.2 per cent) and other activities (11.0 per cent). Respondents were experienced: 73.1 per cent had at least four years in procurement or supply chain work and only 8.5 per cent less than one. The profile matters for interpretation. These are survivors in a sector where most closures occur early, run by people with procurement experience, so the practices they report are, if anything, likely to be more developed than those of the sector as a whole.

5.2 Descriptive statistics

Table 1: Descriptive statistics for the study variables (n = 82)

Statement	Mean	Std. dev.
Supplier collaboration		
We engage in joint initiatives with suppliers	4.01	0.52
Suppliers are involved in our decision-making processes	3.98	0.54
We co-develop products/services with suppliers	3.95	0.51
There is a structured feedback mechanism with suppliers	3.90	0.53
We plan long-term strategies jointly with suppliers	3.99	0.51
Joint performance evaluations are conducted regularly	3.93	0.53
Overall	**3.96**	**0.52**
Information exchange		
Information shared with suppliers is accurate and timely	4.05	0.50
We use digital platforms for supplier communication	3.99	0.51
We share demand forecasts with our suppliers regularly	3.93	0.53
Information sharing improves decision-making with suppliers	4.01	0.50
Our communication channels with suppliers are secure	4.02	0.49
Overall	**4.00**	**0.51**

ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 14, Issue 4, pp: (112-121), Month: October - December 2026, Available at: www.researchpublish.com

Statement	Mean	Std. dev.
Strategic supplier segmentation		
We segment suppliers based on strategic importance	3.98	0.51
Performance criteria are used to evaluate supplier categories	3.95	0.52
Resources are allocated based on supplier segmentation	3.91	0.53
Contract terms differ based on supplier segmentation	3.93	0.52
Supplier prioritisation influences collaboration intensity	3.99	0.51
Overall	**3.95**	**0.52**
Trust-based relationship management		
Our suppliers are committed to shared goals	4.01	0.50
We maintain long-term relationships with key suppliers	3.99	0.50
Trust is measured through formal or informal systems	3.95	0.52
Suppliers are transparent in their operations	3.93	0.51
Disputes are resolved quickly and amicably	3.98	0.51
Overall	**3.97**	**0.51**
Procurement performance		
Efficiency of procurement processes	2.95	0.49
Timeliness of supplier deliveries	2.91	0.50
Cost-effectiveness of procurement operations	2.99	0.52
Quality of goods/services received from suppliers	2.92	0.50
Frequency of cost-saving innovations from suppliers	2.93	0.53
Use of technology in procurement reduces delays	3.25	0.49
SRM practices contribute to procurement performance	3.37	0.48
Overall	**3.04**	**0.50**

Source: Survey data (2026). SRM items scored 1 (strongly disagree) to 5 (strongly agree); procurement performance items scored 1 (very poor) to 5 (excellent). Values rounded to two decimal places from the three-decimal values reported in the source data.

All four SRM practices returned agreement, and returned it with remarkable uniformity. Construct means sit within a band of 0.05 (3.95 for segmentation to 4.00 for information exchange), item means within 3.90 to 4.05, and coefficients of variation between 12.2 and 13.6 per cent. Respondents, in other words, describe SRM as established practice in their firms, and describe it in very similar terms. Procurement performance tells a different story. On a scale where 3 denotes moderate, the overall mean is 3.04, and the five operational outcomes, efficiency, timeliness of deliveries, cost-effectiveness, quality and supplier innovation, all fall just below the midpoint (2.91 to 2.99). Only two items rise above it: the use of technology to reduce delays (M = 3.25) and the statement that SRM practices contribute to procurement performance (M = 3.37), the latter a belief about the relationship under study rather than an outcome.

The tension between widely reported practice and middling results is resolved, at least in part, by looking at which item is weakest within each construct. In supplier collaboration it is the structured feedback mechanism (M = 3.90), with joint performance evaluation next (M = 3.93), against joint initiatives at 4.01. In information exchange it is the regular sharing of demand forecasts (M = 3.93), against accuracy and timeliness at 4.05. In segmentation it is the allocation of resources by segment (M = 3.91), against segmentation by strategic importance at 3.98. In trust it is supplier transparency (M = 3.93), against commitment to shared goals at 4.01. The pattern is consistent. The elements firms rate most highly are dispositions and intentions, whereas the elements rated lowest are those that require data, a formal mechanism or follow-through: a feedback loop, a forecast, a resource decision, disclosure. These are also the elements that most directly govern the outcomes rated lowest, delivery timeliness (M = 2.91) and quality (M = 2.92). The differences are small in absolute terms, but they recur in all four constructs, which makes them hard to dismiss as noise. They are consistent with Gumboh and Gichira's (2015) observation that weak information systems and the absence of effective performance metrics limit collaboration among Kenyan SMEs, and with institutional theory's expectation that practices adopted partly for legitimacy are adopted first in their visible form.

ISSN 2348-3156 (Print)
International Journal of Social Science and Humanities Research ISSN 2348-3164 (online)
Vol. 14, Issue 4, pp: (112-121), Month: October - December 2026, Available at: www.researchpublish.com

5.3 Correlation and regression results

Table 2: Correlation with procurement performance and multiple regression estimates (n = 82)

Predictor	Pearson r	B	Std. error	Beta	t	p
(Constant)	—	0.060	0.031	—	1.96	.054
Information exchange	.981	0.433	0.026	.496	16.43	< .001
Strategic supplier segmentation	.853	0.341	0.014	.276	24.89	< .001
Supplier collaboration	.976	0.187	0.050	.194	3.77	< .001
Trust-based relationship management	.950	0.057	0.029	.090	1.95	.054

Source: Survey data (2026). Dependent variable: procurement performance. Pearson r is each predictor's bivariate correlation with procurement performance (all p < .01). Coefficients are from a single multiple regression model; model-fit statistics are discussed in Section 5.4 and not reported here.

All four practices correlate positively and significantly with procurement performance, and three of the four retain a significant independent effect when estimated together. Information exchange carries the largest effect (B = 0.433, β = .496, p < .001), strategic supplier segmentation the second largest (B = 0.341, β = .276, p < .001) and supplier collaboration the third (B = 0.187, β = .194, p < .001). Trust-based relationship management, despite a bivariate correlation of .950, retains only a small independent effect that falls short of significance at the 5 per cent level (B = 0.057, β = .090, p = .054). The magnitudes should be read with the caution set out in Section 5.4; the ordering is the more robust result.

Information exchange (B = 0.433) is the strongest predictor: holding the other practices constant, a one-unit increase in the information exchange score is associated with a 0.433-unit increase in procurement performance. The result is consistent with Marinagi et al. (2015) and Ramayah et al. (2018) on the value of accurate and timely information, and it qualifies rather than contradicts Asande et al. (2022) and Baihaqi and Sohal (2019), who found information sharing a weak predictor on its own. Here it is estimated alongside collaboration and segmentation, and it is in that company, as part of a coherent supplier management approach, that its contribution appears largest. The descriptive data point at the most promising lever. Firms already rate the accuracy, security and decision value of what they share highly; what they share least is forward-looking demand information. A supplier that cannot see demand cannot plan for it, and late or inconsistent deliveries, the lowest-rated performance outcome, are the predictable result. Regular sharing of demand forecasts is inexpensive for an SME relative to most procurement investments, and on this evidence it addresses the weakest link in its strongest practice.

Strategic supplier segmentation (B = 0.341) is the second strongest predictor and has the most precisely estimated coefficient in the model (t = 24.89). The finding extends Muema (2016) and Rezaei and Ortt (2018), whose evidence came from a public body and from larger organisations, to private SMEs. Resource dependency theory explains why segmentation should matter at least as much for a small firm as for a large one: an SME cannot manage every supplier dependency closely, so the decision about which dependencies deserve attention is itself a principal determinant of how well its scarce procurement capacity is used. The descriptive pattern again identifies where the gain lies. Firms report classifying suppliers by strategic importance more readily than they report allocating resources or differentiating contract terms by segment. Classification without differentiated action produces a list; the performance benefit attaches to what is done differently for the suppliers at the top of it.

Supplier collaboration (B = 0.187) is significant but smaller than its bivariate correlation of .976 would suggest, which indicates that much of what collaboration contributes is shared with information exchange and segmentation, practices that in operation it overlaps with heavily. The result is consistent with Eyaa et al. (2018) and Ali et al. (2019). Within the construct, joint initiatives and joint long-term planning are reported most strongly and structured feedback and joint performance evaluation least, so collaboration in these firms appears more developed at the level of shared intent than at the level of the routine that measures and corrects supplier performance.

Trust-based relationship management (B = 0.057, p = .054) is the result that most needs interpretation, because trust is the practice the literature and the respondents themselves emphasise most, and its bivariate correlation with performance (.950) is among the highest in the study. The explanation offered by commitment–trust theory is that trust does not act on performance directly. Morgan and Hunt (1994) model trust and commitment as mediating variables that make

cooperation, information sharing and constructive conflict resolution possible, and Gligor and Bozkurt (2019) describe trust as the condition under which information is shared at all. If that is how trust works in these firms, its effect will flow largely through collaboration and information exchange, and a model that holds those practices constant will find little independent effect left, which is exactly the pattern observed. The finding therefore does not contradict Shenoy and Williams (2017) or Poppo et al. (2016). It suggests instead that trust is the foundation on which the other practices operate rather than a separate lever, and that an SME seeking better procurement performance will gain more by acting on trust, through shared forecasts, structured feedback and differentiated terms, than by investing in the relationship for its own sake. With p = .054 and 82 observations, the more cautious reading is that the independent effect of trust is small and uncertain rather than absent.

Taken together, the results point to a consistent conclusion. Among Nairobi SMEs the practices that carry most weight are those that move information and direct resources, namely information exchange and segmentation, while the relational practices, collaboration and especially trust, matter substantially but largely through them. The descriptive evidence adds that the gap between what firms report and what they achieve lies in the operational elements of each practice. For an SME owner with limited time, the practical ordering is to share demand information with key suppliers, act on supplier segmentation, and formalise feedback, in roughly that order.

5.4 A note on model fit and the correlation matrix

The source output for the multiple regression contains statistics that cannot all be correct, and they are set out here so that the results above can be read accurately. First, the model summary reports R = .919, R^2 = .845 and adjusted R^2 = .807. These values are inconsistent with the rest of the output. The ANOVA sums of squares (regression 5.714, residual 0.014, total 5.728) imply R^2 = .998, as does the standard error of the estimate (0.013, against a standard deviation of about 0.27 in the dependent variable implied by the total sum of squares), and the reported F (4, 77) = 8,039.9 agrees with those sums of squares; an R^2 of .845 would give F of approximately 105. A multiple correlation also cannot be smaller than the largest bivariate correlation between any predictor and the dependent variable, and information exchange alone correlates at .981. The adjusted R^2 of .807 is not consistent with R^2 = .845 at n = 82 and four predictors, which gives .837.

Second, the correlations among the predictors reported in the source output cannot coexist. Supplier collaboration and information exchange are reported to correlate at .181, yet given their correlations of .976 and .981 with procurement performance they must correlate with each other at no less than .915; the full matrix as reported is not positive semi-definite and so could not have been produced from any data set. Several of these coefficients (.747, .749, .671, .973 and .987) are also reported with p-values between .300 and .666 while flagged as significant at the 1 per cent level, which is impossible at n = 82. The tolerance values of .62 to .69 (variance inflation factors of 1.45 to 1.61) are likewise difficult to reconcile with four predictors that each correlate between .85 and .98 with the same outcome, since that forces them to be strongly intercorrelated. For these reasons Table 2 reports only each predictor's correlation with procurement performance.

The part of the output that is internally consistent, namely the ANOVA, the standard error of the estimate, the coefficients (each t reproduces its B divided by its standard error to within rounding) and the predictor–outcome correlations, describes a model in which the four SRM scores reproduce procurement performance almost exactly. A fit of that kind is not a plausible substantive result for perceptual survey data. It suggests that the dependent composite shares content with the predictors, and two features of the design make that likely: the procurement performance scale includes the item that SRM practices contribute to procurement performance, which measures respondents' belief in the relationship being tested, and a single respondent in each firm rated both the practices and the outcomes, which invites common-method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The coefficients are therefore reported for their direction and relative order, which are stable across the evidence; the proportion of variance explained is not reported as a finding. Re-estimating the model on a performance composite that excludes the perceptual item, with full collinearity diagnostics, is the first priority before the magnitudes are relied upon.

6. CONCLUSIONS AND RECOMMENDATIONS

Supplier relationship management practices are positively associated with the procurement performance of SMEs in Nairobi City County, but not equally. Information exchange carries the largest independent effect, and its weakest element, the regular sharing of demand forecasts, is the one most closely tied to the delivery problems these firms report.

Strategic supplier segmentation is second and is the most precisely estimated, with its benefit depending on whether classification is converted into differentiated resource allocation and contract terms. Supplier collaboration contributes significantly, though much of its effect is shared with the information and segmentation practices it overlaps. Trust-based relationship management is strongly associated with performance but retains little independent effect once the other practices are accounted for, which commitment–trust theory explains by trust's role as the foundation through which the other practices operate rather than as a separate driver.

The study's second conclusion concerns the distance between practice and result. SMEs describe all four practices as established, with remarkable consistency, while rating their procurement outcomes only moderate. In every construct the weakest element is the one that requires data, a formal mechanism or follow-through. Read through institutional theory, these firms have adopted the visible form of supplier relationship management more completely than its operational core, and the gains available to them lie less in adopting new practices than in completing the ones they already claim.

6.1 Recommendations

1. Share demand forecasts and procurement plans with key suppliers on a fixed cycle, using the digital channels SMEs already report using. This is the weakest element of the strongest practice, it is inexpensive relative to most procurement investments, and it addresses the delivery timeliness problem directly.
2. Convert supplier segmentation into differentiated action. Once suppliers are classified, allocate procurement time, contract terms, review frequency and development effort by segment, concentrating them on the small number of suppliers whose failure would most disrupt the business.
3. Institutionalise structured feedback and joint performance reviews with strategic suppliers, built around a small set of measures, namely on-time delivery, quality defects and cost, that are recorded and discussed at scheduled intervals. Collaboration that is not measured is difficult to correct.
4. Treat trust as the foundation for these practices rather than a substitute for them. Make transparency and dispute-resolution expectations explicit in supplier agreements, and build trust through reliable information sharing and fair, consistent terms.
5. County authorities, the Micro and Small Enterprises Authority and sector associations should support SMEs with practical training in supplier segmentation and performance monitoring, and with access to affordable shared digital procurement tools, since the practices that carry most weight are also those that require the most data handling.

6.2 Limitations and further research

Five limitations bound these findings. The model-fit statistics in the source output are internally inconsistent and the inter-predictor correlations as reported are mathematically impossible, so while the direction and order of the effects are stable, their magnitudes and the proportion of variance explained have not been reliably established; re-estimating the model on a corrected performance composite with full collinearity diagnostics is the first priority. Practices and performance were rated by the same respondent, and the performance scale included a perceptual item about the relationship under test, both of which inflate observed associations; future work should use a second respondent or objective measures such as lead times, on-time delivery rates, defect rates and documented cost savings. Responses clustered tightly around agreement (coefficients of variation of 12 to 14 per cent), which limits the instrument's ability to discriminate between firms and may reflect a tendency to report practices favourably. The sample of 82 firms was drawn from a frame of 2,300 registered SMEs, a small fraction of the county's formal enterprises, and comprised mostly established firms, so the findings may overstate practice in younger and informal businesses. Finally, the design was cross-sectional, so the analysis establishes association rather than causation and cannot exclude the reverse direction, that better-performing firms are better able to invest in supplier relationships. Further research should test firm size, sector and market competition as moderators, examine digital procurement systems and supplier development as additional SRM dimensions, and test directly whether trust's effect is mediated by information exchange and collaboration.

Declarations. An introductory letter was obtained from Kenyatta University and a research permit secured before data collection; participation was voluntary and informed consent obtained from all respondents. The authors declare no competing interests. The research received no specific grant from any funding agency. The dataset is available from the corresponding author on reasonable request.

REFERENCES

[1] Ali, M., Rahman, S. M., & Frederico, G. F. (2019). Supplier collaboration and sustainable performance in the food supply chain. *International Journal of Production Economics, 203*, 1–12. https://doi.org/10.1016/j.ijpe.2018.05.012

[2] Amoako-Gyampah, K., Boakye, K. G., & Adaku, E. (2019). Supplier relationship management and firm performance in emerging economies. *Journal of Business Research, 98*, 483–496. https://doi.org/10.1016/j.jbusres. 2018.05.042

[3] Asande, L., Omondi, P., & Kiprop, S. (2022). Information sharing and procurement performance in devolved governments. *African Journal of Procurement and Supply Chain, 8*(2), 112–130.

[4] Ashnai, B., Henneberg, S. C., Naudé, P., & Francescucci, A. (2016). Trust and commitment in B2B relationships. *Industrial Marketing Management, 58*, 162–174. https://doi.org/10.1016/j.indmarman.2016.05.014

[5] Baihaqi, I., & Sohal, A. S. (2019). Information sharing in supply chains: A literature review. *Supply Chain Management: An International Journal, 24*(4), 418–431. https://doi.org/10.1108/SCM-08-2018-0300

[6] DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*(2), 147–160.

[7] Eckerd, S., & Girth, A. (2021). Resource dependency theory in public procurement. *Journal of Public Administration Research and Theory, 31*(2), 328–345. https://doi.org/10.1093/jopart/muaa038

[8] Eyaa, S., Oluka, P. N., & Birakwate, P. (2018). Supplier collaboration and supply chain performance in Ugandan SMEs. *African Journal of Business Management, 4*(10), 2104–2113.

[9] Field, A. (2018). *Discovering statistics using IBM SPSS statistics* (5th ed.). Sage.

[10] Gligor, D. M., & Bozkurt, S. (2019). The role of trust in supply chain relationships. *International Journal of Logistics Management, 30*(1), 57–78. https://doi.org/10.1108/IJLM-11-2017-0296

[11] Gumboh, J., & Gichira, R. (2015). Supply chain collaboration among SMEs in Kenya: A review of collaboration barriers. *International Journal of Humanities and Social Science, 5*(9(1)), 223–229.

[12] Kenya National Bureau of Statistics. (2016). *Micro, small and medium establishment (MSME) survey: Basic report*. KNBS.

[13] Ibrahim, D. Y., & Mutuku, M. K. (2022). Relationship between Procurement Management Practices and Performance of Road Construction Projects in Wajir County, Kenya.

[14] Machira, F. W., & Chege, P. (2025). Supplier relationship management and performance of supermarkets in Nairobi County, Kenya. *Journal of Procurement and Supply Chain, 5*(2), 17–32. https://ir-library.ku.ac.ke/handle/123456789/30162

[15] Marinagi, C., Trivellas, P., & Sakas, D. (2015). Information quality and supply chain performance. *Procedia – Social and Behavioral Sciences, 175*, 473–479. https://doi.org/10.1016/j.sbspro.2015.01.1223

[16] Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology, 83*(2), 340–363.

[17] Morgan, R. M., & Hunt, S. D. (1994). The commitment–trust theory of relationship marketing. *Journal of Marketing, 58*(3), 20–38.

[18] Muema, J. (2016). *Impact of supplier segmentation on procurement performance: A case study of Sports Kenya* [Master's thesis, University of Nairobi].

[19] Mugenda, O., & Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative approaches*. ACTS Press.

[20] Mutuku, M., & Muathe, S. (2020). Nexus Analysis: Internet of Things and Business Performance. International Journal of Research in Business and Social Science, 9(4), 175–181. https://doi.org/10.20525/ijrbs.v9i4.726

[21] Mwangi, E., Karanja, P., & Mutua, J. (2021). Procurement practices and competitiveness of Kenyan firms. *Journal of African Business, 22*(3), 345–360. https://doi.org/10.1080/15228916.2020.1838835

[22] Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). McGraw-Hill.

[23] Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. Harper & Row.

[24] Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology, 88*(5), 879–903.

[25] Poppo, L., Zhou, K. Z., & Li, J. J. (2016). When can you trust "trust"? Calculative trust, relational trust, and supplier performance. *Strategic Management Journal, 37*(4), 724–741. https://doi.org/10.1002/smj.2374

[26] Ramayah, T., Omar, R., & Ling, N. S. (2018). Information quality and supply chain performance. *Journal of Business Research, 88*, 121–129. https://doi.org/10.1016/j.jbusres.2018.03.018

[27] Rezaei, J., & Ortt, R. (2018). Supplier segmentation using fuzzy logic. *Industrial Marketing Management, 70*, 1–10. https://doi.org/10.1016/j.indmarman.2017.12.007

[28] Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (8th ed.). Pearson.

[29] Shenoy, D., & Williams, R. (2017). Building trust for improved supplier performance. *Proceedings of the 2017 Academy of Management Annual Meeting*.

[30] Shiralkar, P., Deshmukh, S. G., & Sunnapwar, V. (2022). Supplier segmentation in emerging economies. *Journal of Purchasing and Supply Management, 28*(1), 100732. https://doi.org/10.1016/j.pursup.2021.100732

[31] Taber, K. S. (2018). The use of Cronbach's alpha when developing and reporting research instruments in science education. *Research in Science Education, 48*(6), 1273–1296. https://doi.org/10.1007/s11165-016-9602-2

[32] Yamane, T. (1967). *Statistics: An introductory analysis* (2nd ed.). Harper & Row.