Determinants of Successful Supplier-Client Relationship in Public Sector in Kenya

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The main purpose of this study was to establish the determinants of successful supplier-client relationship in public sector in Kenya. Explanatory research design guided the study while Transaction cost theory grounded the study. The target population of this study was 152 top personnel working at the tender committees at a relationship level in seventeen Public sectors in Kenya. Data collected through questionnaires was analyzed using descriptive and inferential statistics. Correlation and multiple regression analyzes were utilized to test the hypotheses. The results indicated that communication and organizational culture were significant in affecting supplier-client relationships. It is therefore recommended that companies should enhance the relationship by being trustworthy, regular communication and sharing of information with partners. At the same time, companies should establish a good organizational culture. Finally, this study contributes to literature and theory by establishing the determinants of successful supplier-client relationship in the public sector in Kenya.

Key Terms: Supplier–Client Relationship, Organizational Culture, Communication, Public sector, parastatals

I. INTRODUCTION

Today, firms have understood that the best approach to pick up worth from their suppliers is by upgrading coordinated effort all through their supplier base. Fung (2010) however highlights that a purchasing firm ought not to start partnership with all suppliers, but rather separate the supplier base and the techniques for working with them. As indicated by Carr and Pearson (2009), long term relations and organizations ought to go for vital accomplices which are "suppliers that give inputs that are normally of high esteem and assume an essential part in separating the purchaser's last item", establishing this thinking in investigations of a business. A Successful buyer supplier relationship work requires a society of cooperation, authority, normal vision, data emotionally supportive networks and collaboration. A cooperation procedure happens for occurrence in simultaneous designing, when a group of specialists together build up another item (Camarinha-Matos et al., 2009).Collaborations in supply systems mean long haul connections among individuals (Lauras et al., 2003) through diminishments in exchange expenses, and increment in asset sharing, learning, and sharing of information (Cousins, 2002). Joint effort is more than sharing data and on a level plane coordinating the operations of the system, since cooperation is to a great extent a social procedure while data sharing is to a great extent a mechanical procedure (Shore and Venkatachalam, 2003).

Togar and Sridharan (2002) contend that organizations participate in co-agent buyer supplier relationship since they hope to profit by them. Only as long as the organizations see an advantage from the relationship, do they proceed in a partnership design. Heide, 1998 states that buyer/supplier coordinated effort improves acquisition execution subsequently making an upper hand through sharing data settling on a joint choice and between hierarchical relationships. This demonstrates that the level of inventory network joint effort has an imperative connection impact on the connection between outside assets and purchasing firm execution, where synergistic types of supplier-customer trade encourage more noteworthy access to outer assets.

Broad relationship with suppliers offers Public Sector conceivable outcomes to increase quick access to diverse knowledge and abilities, to spread and share expenses and risk, and to better adventure the attitude of their partners (Douma, 2000). Relationship is one of the techniques that state partnerships should construct and maintain keeping in mind the end goal to persistently enhance their execution (Odhiambo, 2009). The weight to enhance is steady. Organizations are constantly scrambling to decrease costs, enhance quality, abbreviate process durations, present new items and satisfy clients. In the mean time worldwide rivalry is furious, and supply markets are more compelled. The best way to make due in this extreme environment is to thrive (Fung, 2010).

In Kenya, over seventy percent (70%) of public sector organizations experience supply chain management challenges and this negatively affects effective delivery of services (Edward, 2008). The Ministry of Finance was ranked 7th in performance, according to the performance contracting secretariat report. As a strategic ministry in charge of financial policy formulation and implementation in public sector, the ministry was supposed to do better. There have been cases of grievous client-supplier relationship in government with most suppliers accusing the government of delays in making payments (Mworia, 2006). There have also been counter accusations by the government that most of its suppliers overcharge the government. The government of Kenya has been accused of oiling a corrupt and bureaucratic supply chain system (Odhiambo, 2009). As such,
majority of the business people in the private sector avoid dealing with the government because of the poor relationship in the supply chain management processes.

It is imperative for the ministries and their suppliers to relate. The ability to do so requires that both parties understand the requirement and conditions for this to be successful. There is therefore a pressing need to understand what factors are beneficial and which factors are supposed to be considered detrimental to the relationship effort. In spite of having many Supply Chain Management (SCM) studies undertaken, none of the studies have drawn much emphasis on how public sector organizations should improve the effectiveness of the successful supplier-client relationship. Hence this has created a knowledge gap amongst procurement and logistics practitioners in public sector organizations. This study sought to fill the apparent gap in literature by investigating the factors contributing to successful supplier-client relationship. The study was guided by the following hypotheses:

$H_{01}$: Communication does not significantly influence successful supplier client relationship in public sector in Kenya

$H_{02}$: Organizational culture does not significantly influence successful supplier client relationship in public sector in Kenya

II. THEORETICAL FRAMEWORK

This study is anchored on transaction cost economics. Greenberg and Antonucci (2008) utilized transaction cost economics (TCE) matters to recognize the components and phases of Business Process Outsourcing (BPO) connections. They then incorporated those components with the sorts of trust recognized in the data frameworks (IS) writing to build up a system. It was found that Trust was a basic achievement variable in Business Process Outsourcing. It was likewise mind boggling and, as talked about in the system, different sorts of trust should be considered. Trusted frameworks, trusted organizations, and trusted accomplices all added to the accomplishment of a BPO relationship. The fitting arrangement of these sorts of trust at different phases of the BPO value-based relationship was vital. As indicated by TCE, value-based connections have three phases: contact, contract, and control (Carmel and Nicholson, 2005). Amid the contact stage customers brought about pursuit expenses and merchants acquired advertising costs. Contract costs included distinguishing conceivable future possibilities, arrangement, and outline of shields, and interest in resources particular to the value-based relationship. Control costs incorporated the expenses of observing, settling questions, renegotiation, and potential loss of venture because of the relationship separating. The kind of trust expected to build the likelihood of accomplishment was distinctive amid the diverse phases of a Business Process Outsourcing relationship.

More recently, scholars have perceived that these basic resources may traverse the firms’ limits and be embedded between authoritative procedures and exercises (Li et al., 2006); some vital resources lie past the limits of the firm (Das and Teng, 2000); between firm relationship that a buyer supplier relationship may permit a firm to gain assets which expanded its level of upper hand (Araujo et al., 1999); upper hand was ascribed to both the one of a kind assets and abilities of the firm, and also of those organizations inside its system (Squire et al., 2009).

Moreover, external relationships act as a vehicle to acquire those resources required to fill the resource gap between a firm’s strategic goals and its current resource endowments (Mathews, 2003). Thus, supplier was considered one of the most important external resources of the firm. In addition, Daniel (2012) proposes that, by moving away from adversarial relationships through inter-firm specific investments, trust, commitment, and information sharing, firms can create the potential for earning competitive advantages. Barney (2000) further noted that the growing need for competitive advantage in their operation has forced more companies to engage in partnerships leading to increased dependence on each other’s resources and capabilities.

2.1 Empirical Review

This section was an overview of studies that have been done in relation to supplier client relationship. It is generally agreed that dependence are important concepts for the understanding of buyer-seller relationships. However, little research has been carried out aimed at identifying determinants of dependence in supplier-client relationships (Simatupang, 2002).

2.1.1 Organizational Culture and Supplier-Client Relationship

Organizational culture was characterized as an arrangement of authoritative practices and attributes that recognized it from different firms, and which caught the pith of what the association was and how it worked as a social collective (Robbins, 2005). Organizational culture can impact how individuals in an organization set individual and expert objectives, perform assignments and manage assets to accomplish them (Lok and Crawford, 2003). Organizational culture has been conceptualized as a higher request built with numerous measurements.

Gyau and spiller (2007) gave a model to purchaser dealer connections. Organizational culture was brought into the spotlight as an imperative measurement in the investigation of supplier-customer connections.
The study uncovered that specific social measurements (correspondence and group introductions) affected the association's relationship abilities which thus impacted relationship quality.

Plewa and Rao (2007) under-looked into ideas of authoritative society contrast and similarity and their impact on relationship execution. While contrasts between authoritative societies of accomplices were recommended to adversely impact relationship execution, similarity seems to direct this impact.

Ribbink and Grimm (2010) utilized two distinctive ways to deal with research on the effect of society in purchaser supplier connections. The primary study explored the impact of social contrasts in authoritative buyer supplier understandings utilizing exchange cost as a theoretic lens. This examination took a gander at the level of agreement culmination and the alternative to renegotiate the agreement. The study researched the effect of social contrasts in purchaser supplier connections utilizing Hofstede's cultural measurements. The fundamental finding was that agreement culmination expanded as the social crevice between the purchaser and the supplier. The outcomes for individual society measurements on contract culmination were blended. Social separation affected the alternative of renegotiation yet the individual measurements neglected to have an impact.

At last, resource specificity had the normal beneficial outcome on the level of agreement fulfillment and the choice to renegotiate, while more incessant exchanges brought about lower levels of agreement culmination and less alternatives to renegotiate. Generally speaking, these discoveries accentuated that social foundation is a variable in legally binding purchaser supplier connections and should have been checked in worldwide store network administration. The second article researched the effect of social contrasts with regards to dyadic purchaser supplier arrangements. It took a gander at the directing impact of society. The study utilized a test configuration to explore these issues. In the recreation arrangement, members, grouped by their nation of source, were solicited to go up against the part from either a purchaser or a dealer. They arranged costs and quality levels for three items. This study found out that social contrast inside the arrangement dyad diminished joint benefits when contrasted with dyads of members with comparative social foundations. This study reasoned that social contrasts as experienced in everyday business communications in worldwide supply chains forced more noteworthy difficulties.

2.1.2 Communication and Supplier-Client Relationship

Humphreys, Li and Chan (2004) examined the role of supplier development in the context of supplier-client performance from a buying firm's perspective. Factor analysis yielded eight factors including transaction-specific supplier development and seven infrastructure factors of supplier development: strategic goals, effective communications, long-term commitment, top management support, supplier evaluation, supplier strategic objectives, and buyer trust in the supplier. Correlation analysis indicated that transaction-specific supplier development and its infrastructure factors significantly correlated with the perceived buyer-supplier performance outcomes. Hierarchical multiple regression analysis suggested that transaction-specific supplier development, trust, supplier strategic objectives and effective communications significantly contributed to the prediction of buyer-supplier performance improvement.

Ahmad and Zailani (2007) provided a framework that identified the dimensions for information quality. The paper introduced how information quality played an important role in supply chain management, particularly in the supplier-client relationships. It was conceptualized that information sharing among the members of the chain, particularly between buyer and supplier, resulted on the big impact to the partnership in terms of the business performance.

Oosterhuis (2009) addressed the importance of shared perceptions in buyer-supplier relationships. According to the study Shared perceptions enabled people to coordinate their work more easily and to make better decisions in a more efficient manner, which together resulted in effective cooperation processes. The study explored one aspect of buyer-supplier cooperation, namely communication. In order to study this topic, dyadic surveyed data from 86 buyer-supplier relationships, involving 388 respondents, where data was collected. Data analysis showed that perceptions of buyers and suppliers could significantly differ from one another. As expected, such perception differences hampered communication processes between buyers and suppliers, resulting in lower performance, less trust and more conflicts.

2.2 Critique of the Review

The Economist Intelligence Unit (2008) investigated the role of trust in business collaboration among 453 business executives in the United States. The current study was however concerned with the role of trust in buyer-supplier collaboration in which case the buyer was a public entity (Government agency). The circumstances encompassing a public entity were very different from those surrounding a corporate organization. The findings in these two cases may therefore present contrasting results. Greenberg et. al. (2008) used transaction cost economics (TCE) to identify the elements and stages of Business Process Outsourcing(BPO) relationships. This was in contrast to the current study that was based on simple buyer (public sector) supplier relationship. The Greenberg et al (2008) study also investigated relationships in a
corporate setting while the current study focused on the public sector. Similarly Tyler and Stanley (2007) investigated relationships in the banking sector which bear different consequences.

Though Hotepo et al. (2010) has identified the effect of conflict resolution on organizational performance reference to this study was made on the assumption that there was also a linear relationship between organizational performance and buyer-supplier relationship. Gyau and spiller (2007) were able to establish a relationship between organizational culture and buyer supplier relationship. However their study focused on the private sector which might have varied implications from a public sector organization as the one currently under study. While Plewa and Rao (2007) were able to establish a relationship between organizational culture and buyer-supplier relationships, their study was conducted in a private sector setting. The current study sought to investigate influence of organizational culture on buyer-supplier relationship in the public sector.

2.3 Research Gap

From the above study of literature on factors affecting supplier-client relationship it was evident that very few studies have investigated the factors affecting supplier-client relationship in developing countries. Though there are studies conducted in developing countries (e.g. Hotepo et al., 2010) very few have been found to address supplier-client relationship in the public sector. In addition, no study of this nature has been conducted in the Kenyan government public sector. Annan and Tan (2006) were able to theoretically and empirically prove that selection criteria influenced supplier-client relationship. The survey was a dyad investigation and therefore was able to present the perspective of both buyer and supplier. The research was however conducted in among corporate enterprises in the USA, a first world country. The current study sought to investigate whether the same applies to a public service organization in a developing county. The current study sought to “Investigate the factors contributing to effective supplier-client relationship in Parastatals in Kenya”.

III. MATERIAL AND METHODS

Explanatory research design was used in this study. Causal explanations argue that phenomenon Y (Success of Supplier client relationship) is affected by variable X (determinants of supplier client relationship). The total number of target respondents in this survey was 340, being the purchasing professionals working for 17 selected Government Parastatals and public institutions in North Rift and Western Kenya. The sample size of 152 respondents falls within the recommended range based on the Hinkin Formula. As cited in Hinkin (1995) an ideal sample size should have an item-to-response ratio ranging from as low as 1:4 to as high as 1:10. The questionnaire had a total of 20 items. Random sampling technique was used since population of interest was not homogeneous and could be subdivided into groups or strata to obtain a representative sample. The questionnaire was used to collect data. Reliability of the questionnaire was estimated using the Cronbach’s reliability coefficient, which is a measure of internal consistency (Fraenkel & Wallen, 2000). A reliability coefficient of 0.7 or higher is recommended and used as the threshold for accepting reliability. Both descriptive and inferential analysis was conducted to establish the relationship between the variables. The study used the Pearson’s Product Moment Method to determine the strength of the relationship.

IV. FINDINGS AND DISCUSSION

This section presents results of this study based on the formulated objectives and hypotheses.

Sample characteristics

The age of the respondents showed that 48% (73) were between 26-35 years, 26.3% (40) were between 36-45 years, 21.1% (32) were between 20-25 years and 4.6% (7) were over 46 years of age. In regards to the job tenure of the respondents, 59.9% (91) of the respondents had been working for 7-10 years, 16.4% (25) for 1-5 years, 16.4% (25) for 11-15 years and 7.2% (11) for over 16 years. In regards to the highest level of education of the respondents, 71.1% (108) of the respondents have a Degree, 13.8% (21) have a Diploma, 8.6% (13) have a Master’s degree and 6.6% (10) of the respondents had advanced to Secondary level of education.

Organizational Culture

The results for Organizational Culture are presented in table 1. Organizational culture summed up to a mean of 3.42 and Skewness of -0.5. This tentatively implies that the level of loyalty and tradition, cohesion among employees and commitment to innovation and development was in doubt. Also a clear sense of purpose and direction together with emphasis on tasks and goal accomplishment was also in question.
### Table 1: Organizational Culture

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is high cohesion and morale among employees</td>
<td>3.01</td>
<td>0.13</td>
<td>-0.1</td>
<td>0.913</td>
</tr>
<tr>
<td>There is high level of loyalty and tradition</td>
<td>3.11</td>
<td>1.43</td>
<td>-0.5</td>
<td>0.906</td>
</tr>
<tr>
<td>The Parastatal is very formalized and structured</td>
<td>3.61</td>
<td>0.4</td>
<td>0.3</td>
<td>0.88</td>
</tr>
<tr>
<td>The firm is committed to innovation and development</td>
<td>3.54</td>
<td>0.5</td>
<td>0.07</td>
<td>0.87</td>
</tr>
<tr>
<td>Executives, managers, and employees are committed to their work and feel that they own a piece of the organization</td>
<td>3.7</td>
<td>0.84</td>
<td>-0.9</td>
<td>0.859</td>
</tr>
<tr>
<td>We have “strong” culture that is highly consistent, well-coordinated, and well integrated</td>
<td>3.22</td>
<td>0.93</td>
<td>-0.9</td>
<td>0.93</td>
</tr>
<tr>
<td>There is clear sense of purpose and direction that defines the organization</td>
<td>3.41</td>
<td>0.43</td>
<td>0.16</td>
<td>0.727</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>3.42</td>
<td>0.63</td>
<td>-0.5</td>
<td></td>
</tr>
</tbody>
</table>

From the findings in table 2, Communication summed up to a mean of 3.18, skewness 0.71. As much as communication is a powerful source of competitive advantage, the results of the study indicated that it was not certain whether there was exchange of information in a timely manner such that suppliers were aware of what was expected of them at all times and also whether there were any unforeseen challenges.

### Table 2: Communication

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>We let our suppliers know what we expect of them at all times</td>
<td>3.38</td>
<td>0.113</td>
<td>0.55</td>
<td>0.73</td>
</tr>
<tr>
<td>Suppliers are provided with any information that might help them</td>
<td>3.06</td>
<td>1.27</td>
<td>-0.5</td>
<td>0.85</td>
</tr>
<tr>
<td>We keep each other informed about events or changes that may affect the other party</td>
<td>3.15</td>
<td>0.56</td>
<td>0.88</td>
<td>0.893</td>
</tr>
<tr>
<td>Unforeseen challenges are properly communicated to our suppliers</td>
<td>3.39</td>
<td>1.37</td>
<td>-0.3</td>
<td>0.939</td>
</tr>
<tr>
<td>Exchange of information takes place frequently, and/or in a timely manner</td>
<td>2.93</td>
<td>0.709</td>
<td>-0.6</td>
<td>0.854</td>
</tr>
<tr>
<td>Communication</td>
<td>3.18</td>
<td>0.424</td>
<td>0.71</td>
<td></td>
</tr>
</tbody>
</table>

### Supplier-Client Relationship

Table 3 presents the results on supplier-client relationship. The responses indicated that the respondents were not sure if suppliers were responsible for the results of the industrialization. Supplier-client relationship summed up to a mean of 3.47. Skewness of -0.7.

### Table 3: Supplier-Client Relationship

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have joint development work with suppliers</td>
<td>3.08</td>
<td>0.61</td>
<td>-0.5</td>
</tr>
<tr>
<td>Suppliers are responsible for the results of the industrialization and/or manufacturing process of the supplied parts</td>
<td>3.32</td>
<td>0.551</td>
<td>-1.4</td>
</tr>
<tr>
<td>We make joint decisions regarding the supplied materials/products</td>
<td>3.72</td>
<td>1.618</td>
<td>-1.4</td>
</tr>
<tr>
<td>We both take full responsibility on any complication that occurs during procurement process</td>
<td>3.75</td>
<td>0.69</td>
<td>-1.9</td>
</tr>
<tr>
<td>Supplier-Client</td>
<td>3.47</td>
<td>1.75</td>
<td>-0.7</td>
</tr>
</tbody>
</table>

### Regression Statistics/Hypothesis Testing

The results from table 4 show that the model had a coefficient of determination \(R^2\) of about 0.738. This means that 73.8% variation of supplier-client relationship was explained/predicted by joint contribution of the independent variables. Durbin–Watson statistic is within the thumb rule value of 1 to 2, thus from the table Durbin Watson statistics value was 1.858 indicating lack of serial correlation. Table 4 reveals that the F-value of 103.741 with a p value of 0.00 significant at 5% indicated that the overall regression model was significant; hence, the joint contribution of the independent variables was significant in predicting supplier-client relationship. From table 4, the VIF for all the estimated parameters was found to be less than 4 which indicated the absence of multi-Collinearity among the independent factors. As a result, the variation contributed by each of the independent factors was significant independently and all the factors were included in the prediction model.

Moreover, study results showed that organizational culture had a coefficient of estimate which was significant basing on \(\beta_1 = 0.223\) (p-value = 0.001 which is less than \(\alpha = 0.05\)). This indicates that for each unit increase in organizational culture, there was up to 0.223 units increase in supplier-client relationship. As evidenced in the findings, organizational culture was significantly associated with supplier client relationship \(\beta_2\) = 0.158, \(p<0.05\).In line with the results,Gyau and spiller (2007) revealed that communication and team orientations are key dimensions of organizational culture that influence the firm’s relationship skills which in turn influence relationship quality. Besides, Plewa and Rao (2007) posit that difference in organizational
cultures of partners negatively influences the relationship. Further findings indicate that the results on organizational culture and successful supplier-client relationship are mixed. For instance, contract completeness increases as the cultural gap between the buyer and supplier widens. Also, cultural distance impacts the option of renegotiation (Ribbink and Grimm 2010). In a nutshell, cultural difference in supplier-client relationship poses a great challenge to the interaction between the buyer and the seller.

Finally, findings showed that communication had coefficients of estimate which was significant basing on $\beta_1 = 0.158$ (p-value $= 0.019$ which is less than $\alpha = 0.05$). This suggests that there is up to 0.158 unit increase in supplier-client relationship for each unit increase in communication. In concurrence with the findings of the study, Humphreys et al. (2004) states that effective communication significantly contributes to the prediction of buyer-supplier performance improvement. Further support to the study is by Ahmad and Zailani (2007) who echo that quality information sharing plays an important role in supply chain management, particularly in the buyer-supplier relationships. Moreover, Oosterhuis (2009) opines that effective communication in the supplier-client relationship enables people to coordinate their work more easily and to make decisions in a more efficient manner resulting in successful supplier client relationship.

### Table 4: Coefficient of Estimates

<table>
<thead>
<tr>
<th>Dependent variable; supplier-client relationship</th>
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</thead>
<tbody>
<tr>
<td><strong>Model Summary statistics</strong></td>
</tr>
<tr>
<td>$R^2$</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
</tr>
<tr>
<td>Durbin-Watson</td>
</tr>
<tr>
<td>$F$</td>
</tr>
<tr>
<td>Sig.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td></td>
<td>0.381</td>
<td>0.211</td>
</tr>
<tr>
<td>Organization Culture</td>
<td>0.257</td>
<td>0.077</td>
</tr>
<tr>
<td>Communication</td>
<td>0.167</td>
<td>0.070</td>
</tr>
</tbody>
</table>

**V. CONCLUSIONS AND RECOMMENDATIONS**

Organizational culture was positively associated with supplier-client relationship. Precisely, the Parastatal was formalized and structured and it focused on tasks and goal accomplishment. There was also commitment to innovation and development though it was not fully established if there was a highly consistent, well-coordinated, and well integrated culture. Also, there was uncertainty on the existence of a clear sense of purpose and direction that defines the organization and high cohesion and morale among employees. As such, the firm’s culture which in turn influences relationship quality is in disarray.

Finally, the results of the study indicated that communication was key if the supplier-client relationship was to be enhanced. From the findings, there is doubt if the Parastatal lets their suppliers to know what they expect of them at all times and whether suppliers were provided with information that might help them. It is also not certain if both parties kept each other informed about events/changes that may affect the other party. From the foregoing, there is lack of effective communication to enable the firm and its major suppliers to coordinate their work more easily and in an efficient way.

The findings of the study have also emphasized that organizational culture is of essence if there was to be success in the supplier-client relationship. It is therefore of utmost necessity for Parastatals to focus on task and goal accomplishment. It is also imperative for them to commit to innovation and development as well as establishing a clear sense of purpose and direction that defines the organization. The Parastatal should also aim at establishing organizational culture that is well-coordinated and well integrated.

Taking on Transaction Cost Economics (TCE) which shows the elements and stages of Business Process Outsourcing (BPO) relationships, the study shows some of the elements such as trust, communication, selection criteria, and organizational culture as vital in supplier-client relations which is part of BPO.

Finally, communication is also key in establishing a successful supplier-client relationship. It is imperative for a Parastatal to let suppliers know what they expect of them at all times. As well, both parties should keep each other informed about changes that may affect the other party and challenges need to be communicated to the suppliers.

This study is not without limitations. For instance, the generalizability of this study’s findings may be limited to Government Parastatals and public institutions in North Rift and Western Kenya. Thus, future research should attempt to replicate the research in other regions of the country to establish if the results of the study hold. It would also be interesting to explore whether the factors that lead to successful supplier-client relationship is similar in the private firms since they have different organizational and administrative set ups.
REFERENCES


