

**SUSTAINABLE SUPPLY CHAIN MANAGEMENT PRACTICES AND
OPERATIONAL EFFICIENCY OF COMMERCIAL AND FINANCIAL
STATE CORPORATIONS IN NAIROBI COUNTY**

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DECLARATION AND RECOMMENDATION

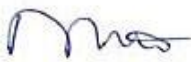
Declaration


This thesis is my original work and has not been presented for an award of diploma or conferment of degree in any institution or University

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Recommendation

This thesis has been examined, passed and submitted with our approval as the University Supervisors

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DEDICATION

To my lovely husband Dr. David Nduru and to my late mum Susan Nduta.

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ABSTRACT

Sustainable supply chain management practices (SSCMP) are essential in ensuring that organizations meet their environmental and operational goals while remaining competitive. However, despite these potential benefits, many commercial and financial state corporations in Nairobi County continue to experience declining operational efficiency, placing a significant burden on the public purse. Studies suggest sustainable supply chain management practices can enhance transparency, ethical sourcing, and sustainability reporting, which can help curb resource mismanagement and boost productivity. However, the effect of sustainability practices on efficiency remains contentious, as existing research presents conflicting findings regarding the nature of this relationship. Hence, the research sought to determine the influence of sustainable supply chain management practices on the operational efficiency of commercial and financial state corporations in Nairobi County. It focused on the following objectives: examining the effect of green procurement, green inventory management and end of useful life product management on the operational efficiency and determined the moderating effect of green supply chain information system on the relationship between SSCMP and the operational efficiency, and assessed the combined effect of SSCMP on the operational efficiency. Institutional, resource-based view, circular economy and lean management theories guided the study. A descriptive research design was adopted for commercial and financial state corporations in Nairobi County. Census survey was used. Supply chain officials for the various commercial and financial state corporations were the respondents. Primary data was collected using questionnaires while secondary data was collected using a data collection sheet. The aspects that were checked included sales, cost of goods sold and selling, general and administrative expenses that were obtained from published financial statements and firms' audited reports of the commercial and financial state corporations in Nairobi County. Data was analyzed using descriptive and inferential statistics with the aid of SPSS version 28.0. Ordinary least square regression was used to establish the relationship between variables, and t-statistic at a 5% significance level was employed to test the individual hypothesis. The findings showed a positive and significant regression coefficient of green procurement ($\beta=1.877$, p -value=0.001), green inventory management ($\beta=0.213$, p -value= 0.022) and end-of-useful life product management ($\beta=0.335$, p -value = 0.001) respectively, implying that green procurement, green inventory and end-of-useful life product management had a significant positive effect on the operational efficiency. The findings also showed a positive but insignificant regression coefficient of SSCMP ($\beta=0.304$, p value = 0.214), implying that SSCMP alone does not have a significant effect on operational efficiency. However, the regression coefficient of the interaction term (SSCMP *GSCIS) showed a positive and significant effect ($\beta=0.260$, p -value = 0.038), implying that when SSCMP and GSCIS are combined, they significantly enhance operational efficiency. Therefore, GSCIS acts as a moderating variable by amplifying the impact of SSCMP on operational efficiency. The study addressed a major gap in literature by introducing a new dimension in studying the relationship between SSCMP and the operational efficiency under moderating influence of GSCIS in the Kenyan Context. This study may be beneficial to the management who may utilize the recommendation to establish strategies that integrate sustainability into their core operations thereby enhancing performance. The research will positively contribute to the body of knowledge and provide a point of reference to future researchers in supply chain. The study also recommends that firms should prioritize the adoption and integration of green supply chain information

systems as a strategic tool to enhance the effectiveness of their sustainable supply chain management practices.