EFFECT OF GREEN SUPPLY CHAIN MANAGEMENT ON ORGANIZATIONAL PERFORMANCE AMONG TEA PROCESSING FIRMS IN KERICHO AND BOMET COUNTIES IN KENYA

MUMA BENARD ONYANGO

A Research Project Submitted to Graduate School in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration (Operations Management Option) of Egerton University

EGERTON UNIVERSITY

OCTOBER 2014
DECLARATION AND APPROVAL

Declaration

This study is my original work and has not been submitted to any other Institution of higher learning for the award of degree.

Signature____________________ ______________________  
Muma Benard Onyango  Date  
CM11/00691/12

Approval

This Research Project has been submitted with my approval as the University Supervisor.

Signature____________________ ______________________  
Mr. Richard Nyaoga  Date  
Lecturer, Department of Accounting, Finance & Management Science  
Egerton University
COPYRIGHT
No part of this project may be reproduced, stored, in any retrieval system, or transmitted in any form or, by any means, electronic, mechanical, photocopying, and recording without prior permission of the author or Egerton University.

Copyright @ 2014 by

Muma Benard Onyango

All rights Reserved
DEDICATION

I dedicate this work to my late mum, Consleta Muma, my wife Lynet Kerubo and son, Blesvin Oyoo without forgetting my extended family for their unconditional financial and moral support throughout my study.
ACKNOWLEDGEMENT

I express my sincere gratitude to all people who have immensely contributed to this work. Special thanks to my supervisor, Mr. Richard Nyaoga for his valued advice and support in this work and Mr. Henry Kombo and Simon Kamau for their valued ideas.
ABSTRACT

The aim of this study was to investigate the effect of Green Supply Chain Management (GSCM) on Organizational Performance among tea processing firms in Kericho County. The objectives of the study were: to investigate the effect of Green Purchasing on Organizational Performance, to establish the effect of Green Manufacturing on Organizational Performance, to investigate the effect of Green Distribution on Organizational performance, to examine the effect of Green Marketing on Organization Performance and to investigate the effect of Reverse logistics on Organizational Performance. The study adopted a correlational study design and was a census survey. Data was collected from 32 tea processing firms in Kericho and Bomet Counties and analyzed using SPSS. The respondents for this study were Factory managers and Environmental representatives. Multiple regression model was developed and used to establish the effect of GSCM on Organizational Performance. Correlation analysis coupled with single tailed significance test was conducted to test each hypothesis. ANOVA test was used to determine the level of significance of the relationship between the variables. The results were presented using tables. The study established that GSCM has positive effect on organizational performance. The study therefore recommends that managements of tea processing firms and other manufacturing firms adopt GSCM practices. The study suggests that further studies should be conducted in other processing firms other than tea processing firms. Further studies should also be done to relate GSCM with other variables like quality and customer services as well as to explore other GSCM practices other than green purchasing, green manufacturing, green distribution, green marketing and reverse logistics.
# TABLE OF CONTENTS

DECLARATION AND APPROVAL ................................................................. ii
COPYRIGHT ................................................................................................. iii
DEDICATION ................................................................................................. iv
ACKNOWLEDGEMENT .................................................................................. v
ABSTRACT ....................................................................................................... vi

TABLE OF CONTENTS ................................................................................ vii
LIST OF FIGURES ......................................................................................... x
LIST OF TABLES .......................................................................................... xi
LIST OF ABBREVIATIONS ............................................................................... xii

CHAPTER ONE: INTRODUCTION ................................................................. 1
  1.1 Background of the study ................................................................. 1
    1.1.1 Green Supply Chain Management ........................................... 2
    1.1.2 Organizational Performance .................................................. 3
    1.1.3 Tea Manufacturing Firms in Kenya ......................................... 3
  1.2 Statement of problem ................................................................. 4
  1.3 Objectives of the Study ............................................................... 4
  1.4 Research Hypotheses ................................................................. 5
  1.5 Significance of the study ............................................................. 5
  1.6 Limitations of the Study .............................................................. 6
  1.7 Delimitations of the Study ............................................................ 6
  1.8 Scope of the Study ................................................................. 6
  1.9 Operational Definition of Terms ................................................ 7

CHAPTER TWO: LITERATURE REVIEW ......................................................... 8
  2.1 Green Supply Chain Management ................................................. 8
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS ........49

5.1 Summary of the Results .................................................................49
5.3 Recommendations of the Study ......................................................54
5.4 Suggestion for Further Studies .........................................................55

REFERENCES .........................................................................................56

APPENDICES .........................................................................................61

Appendix 1: Research Questionnaire ....................................................61
Appendix 2: List of Tea Processing Firms in Kericho County .................66
Appendix 3: Letter of Introduction ...........................................................68
Appendix 4: Work Plan ........................................................................69
Appendix 5: Budget ...........................................................................70