



Influence of Logistic Service Reliability Capability on Firm Performance in Kenya

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Abstract

Firms integrate logistic capabilities in their operations to improve performance, which is advocated by the resource-based view theory. Many forms of logistic capabilities exist, but the most widely used is the logistic service reliability capability. There are numerous attributes of logistic service reliability capabilities used by firms which could potentially affect the effectiveness of the logistic service reliability capabilities on firm performance. Therefore, this study determined the influence of the attributes of logistic service reliability capability on firm performance of manufacturing firms in Kenya. The independent variables were firm reviews, client services, research for firm performance, reverse logistics operations, logistics service differentiation and logistics solutions. Using an explanatory research design, the study targeted 750 manufacturing firms registered under Kenya Association of Manufacturers from where a sample size of 442 firms was selected. The samples were selected using stratified and simple random sampling approaches. The findings of the study established that there was a positive significant influence of the attributes of logistic service reliability on firm performance (R -squared = 0.6421, $P < 0.05$). Therefore, whenever firms aim at optimizing logistic service reliability capability, the firms must pay more attention to each attribute of the logistic service reliability capability. Therefore, exploring avenues of improving each attribute of logistic service reliability capability of firms may eventually improve the overall performance of the manufacturing firms.

Keywords: Firm Performance; Logistic Capabilities; Logistic Service Reliability Capability; Manufacturing firms, Kenya