

**SUPPLIER DEVELOPMENT AND PROCUREMENT PERFORMANCE OF MANUFACTURING
FIRMS IN UGANDA.**

A CASE OF UGANDA BREWERIES LTD

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This study is about the effect of supplier development on procurement performance of manufacturing firms using a case study of Uganda Breweries Limited. In the intense business competitive environment, companies are relying more on their supply chain as a source of competitive advantage. Purchasing and supply management has achieved a higher level of importance however there is a greater dependence on suppliers. Supplier development is key for suppliers as it plays strategic roles in manufacturing firms and is significantly engaged in creating a competitive advantage with their actions having a positive impact on the procurement performance (Jabbour, 2009). In order for firms to compete effectively and survive in the global market, they need to develop operational strategy to ensure they maintain and build business relationships with a capable and competent network of suppliers and extract maximum value from these relationships. To create and maintain such a network and to improve capabilities that are necessary for the buying organization to meet its increasing competitive challenges, the buying firm may need to engage in supplier development

This chapter looks at the background of the study, problem statement, general objective of the study, specific objectives, research questions, research hypothesis, scope of the study, definition of key terms, the conceptual framework and finally the conclusion.

Background of the study

According to (Lubale and Kioko, 2016), the supplier development philosophy developed from the Japanese automotive industry after World War 2. Supplier development later spread and became firm in the European and North American manufacturing firms outside the automotive industry such as John Deere, Motorola, Harley-Davidson, Digital equipment corporation and Marks and Spencer (Charvan, Mahajan and Sarang, 2012).

According to (Wachiuri, Waiganjo, & Oballah, 2015) there are reasons why supplier development has become a key element in maintaining or improving a company's competitiveness which in turn leads to organizational improvement. Firstly, technological and competitive pressures have resulted in a greater trend toward specialization. Secondly, the nature of competition itself has changed. Feigenbaum, among others, postulates that effective international competition is a combination of competition in its traditional and visible form (product versus product) and an equally powerful, but less visible, a form of competition involving companies' skill in implementing and managing a process of total quality management of which suppliers are vital parts. In Africa, supplier development has begun to receive increased attention only recently and even then mostly within the manufacturing sector. Nowadays, most organizations have realized the importance of supplier development in establishing and maintaining their competitive advantage. As such purchasing research have tried to focus on supplier development programs and explore how these initiatives impact on performance, which eventually leads to organizational improvement

(Humphreys, 2013). Supplier development is concerned with assisting the actual and potential suppliers produce and supply high quality inputs to their prospective clients. Supplier development helps organizations to meet their present and future requirements, since no organization is capable of satisfying all its supplies requirements from its internal sources (Fu, Zhu & Sarkis, 2012). In most cases it involves large organizations extending a helping hand in form of resources to small vendors/small suppliers who have demonstrated willingness to meet their purchaser's requirements. It therefore involves looking at the various strengths and weakness of a supplier who is willing to supply you with the materials/services and helping them overcome these weaknesses so that they can serve you in a more efficient way (Hong & Kwon, 2012). Performance in most cases is in terms of the five rights of procurement that is to say right quality, right quantity, right place, right time and lastly right place.

Miocevic and Crnjak (2012) defined supplier development as any activity that a buying firm initiates in order to improve suppliers' performance. Blome, Hollos and Paulraj (2014) pointed that supplier development may be composed of such activities from a buying firm as "goal setting, supplier evaluation, performance measurement, supplier training and other related ones. Dza, Fisher and Gapp (2013) claimed that direct involvement as a factor of supplier development consisted of a set of practices such as formal supplier evaluation, certification, recognition, informal supplier evaluation, supplier site visits, training and buyer sites and facilities visits, as well as verbal or written demand for performance improvement. This set of practices composing direct involvement indicates a multidimensional nature of supplier development.

Countries that have employed supplier development schemes have such as USA, Japan, Britain and Germany have registered high performance in their organizations (**Wagner, 2006**). The management of the organizations establishes a mechanism for enhancing the suppliers work efficiency intended to generate value for the organization. Countries such as China that are realizing the value of developing suppliers also register performance excellence in their work a force that is making China an industrial nation in the world.

Globally, many firms in developed economies have outsourced and offshored components, products, and functions over the last few decades (Ehrgott, 2013) consequently, suppliers are now often located in distant emerging economies. Such countries are frequently described by relatively poor sustainability-related conditions such as social, poor green and ethical attributes within the supplier's operational processes (Busse, 2014). While in the past buyers' purchasing interests were primarily related to the quality and the price of purchased goods, as well as purchasing risks and delivery conditions, today suppliers' sustainability-related conditions are also a factor. More so, buyers' stakeholders exert substantial pressure on buyers to manage their global supply chains in a socially and environmentally responsible manner (Meixell, 2015,) Specifically, supplier development is a powerful instrument with which buyers can shape their supply base to mitigate potential supply chain sustainability risks (Foerstl, Blome, & Hartmann,, 2010). Supplier development can be a tremendous undertaking requiring resources of money, capital, and people by both the customer and the supplier. Therefore commitment from both parties is necessary.

In East Africa, countries like Kenya despite having a high manufacturing base have not developed the suppliers but this is to a low extent. Uganda, Tanzania, Burundi and Rwanda have adopted fewer

mechanisms for development. Yegon, Kosgei and Lagat (2015) also investigated the effect of supplier development on procurement performance.

Uganda Breweries Limited was founded in a Kenya as East African Breweries Limited a country with the largest British settler community in East Africa way back in 1992. EABL began to moot their idea of being industrially-produced beer being introduced in Uganda thus the birth of Uganda Breweries Limited. In Uganda, UBL started in 1946 and in the start, it did not make any business sense.

In Uganda, despite the supplier development being recognized as key and fundamental trait for development, manufacturing organizations in Uganda have however not adopted much of the supplier development schemes apart from a few manufacturing firms. However, before the company was launched, a feasibility study had to be conducted and a viable location with steady supply of water was chosen and the location up to date is Luzira near old port bell. Currently, Bell lager is the company's flagship brand which has been in the market for over 60 years. UBL also produces Uganda waragi, Tusker Malt, Pilsner, White cap, white cap light, Senator, Guinness, Allsopps and president cap. The plant has a total brewing of 1,000,000 hectoliters per year set to grow by 50% with on-going investment in the expansion of the brewhouse. UBL has a rich talent pool of some of the best-trained people. It directly employs over 390 staff but indirectly creates employment for thousands more through vast supply and distribution chain. This success can be partially attributed to the suppliers of the products that are used in the industry for example wheat, barley, sorghum, cornstarch and high-quality cassava flour.

The study will look at the effect of supplier development on predicting the procurement performance of organizational improvement and the interpretation of the relationships between supplier developments plus the outcomes of procurement performance like right quality, right time, right place, right price and right quantity of Uganda Breweries Limited.

1.2 Statement of the Problem

According to (IMF, 2017) Global Financial Stability Report, Multinational firms are facing a slight decline in performance at an alarming rate resulting in a decrease in global GDP to up to 4.7%. According to (Kadi, Tam, & Ali1, 2011) there is an emerging increase in the pressure on the multinational organization to get new innovative ways to create and deliver additional value to their customers by improving on their procurement performance. For the past few years, Uganda Breweries Limited has faced many challenges but mainly with the quantity and quality of the raw material supply which is not yet up to the mark matching the heavy machinery being operated in turn high tax charges imposed (monitor, 2020). The other challenge they have faced is the availability of local knowledge and expertise and also limited studies on the topic in question. UBL has tried to work on this challenge by doing its best to train them but this, in the long run, has resulted in additional costs.

While many researchers have researched supplier development, there is limited research on the effect of supplier development on procurement performance of the manufacturing firms specifically in Uganda a fact that requires extensive research. Again, many researchers like (Krause D. R., 2002) and (Lysons & Farrington, 2006) have dealt with supplier development and specifically on how it affects procurement

performance and partial analysis of the problem made since few supplier development practices were investigated. More investigations have to be made on this. In Uganda Breweries Limited, raw materials are procured from local communities and this alone has improved the lives of Ugandan citizens and through UBL's local raw materials agenda, the company has sought to nurture partnerships with local partnerships with local suppliers and farmers. UBL has supported farmers with necessary seeds to grow the grains that are necessary in the production process and the farmers are educated on how to achieve the right quality and subsequently provide the market when the grain is harvested. The major challenge is price fluctuation of raw materials for example in peak time during harvest prices it drops but rises fast if there are problems such as diseased crops or drought.

According to Wagner (2006) and Krause et al. (2000), supplier development could be employed to manage problems buying firms may experience in their supply networks. Problems arising within the supply chain may include a current supplier performing below expectation; a non-competitive supplier base; current suppliers unable to support a firm's strategic growth; or capable suppliers not available in a certain market.

The foregoing findings provide useful insights for understanding the nature of supplier development, but have not established a link between supplier development programs and performance outcomes. Further still, these studies have been replicated in Western countries but to our knowledge (Uganda), limited research has examined the involvement of supplier development in Uganda. This shows that there is limited literature available on effect of supplier development on supplier performance which has created a gap amongst procurement managers for example those of Uganda breweries limited on how to improve supplier performance and thus procurement in food manufacturing companies.

It is in this reference above that the researcher investigated the role of supplier development on procurement performance of the manufacturing industry in Uganda with a specific focus on Uganda Breweries limited.

1.3 Study objectives

1.3.1 General objective of the study

To examine the relationship between Supplier Development and Procurement Performance of Manufacturing Firms in Uganda

1.3.2 Specific objectives of the study

- i.** To examine the effect of supplier training on procurement performance of manufacturing firms in Uganda Breweries Limited.
- ii.** To determine the effect of early supplier involvement on procurement performance of manufacturing firms in Uganda Breweries Limited.
- iii.** To examine the effect of financial support on procurement performance of manufacturing firms in Uganda Breweries Limited.

1.4 Hypothesis of the Study

- i. H_0 : Supplier training has an affect on procurement performance of manufacturing firms specifically Uganda Breweries Limited
 H_1 : Supplier training does not have an effect on procurement performance of manufacturing firms specifically Uganda Breweries Limited
- ii. H_0 : Early supplier involvement has a positive effect on procurement performance of manufacturing firms specifically Uganda Breweries Limited
 H_2 : Early supplier involvement has a negative effect on procurement performance of manufacturing firms specifically Uganda Breweries Limited
- iii. H_0 : Financial support has an effect on procurement performance of manufacturing firms in Uganda Breweries Limited
 H_3 : Financial support doesn't have an effect on procurement performance of manufacturing firms in Uganda Breweries Limited

1.6 Scope of the study

1.6.1 Content Scope

The research will capture information concerning the effects of supplier development on procurement performance of an organization specifically Uganda Breweries Limited. In this case supplier development is the independent variable and procurement performance is the dependent variable.

1.6.2 Geographical Scope

The study will be carried out at Uganda Breweries Limited on Plot 3 – 17 Port Bell, P. O Box 7130 Kampala - Uganda, along port-bell road in Luzira, Nakawa division, Kampala District because it's a manufacturing firm that would have the necessary information for the study between supplier development and procurement performance since it carried out various supplier development schemes in the organization operations that are also convenient for the study.

1.6.3 Time Scope

The study confined to a span of three years activities conducted between 2019 and 2021 of Uganda Breweries Limited because it is the time frame for my course at Uganda Martyrs University and it is when it will be completed for in-depth study. The time frame will be chosen because it is significant and will enable collection of viable data necessary for this study.

1.7 Significance of the study

To Researchers/Academicians

The study will be of great importance to the researchers as they will gain both theoretical and practical experience on supplier development management and how they influence procurement performance of the procurement functions in manufacturing firms like Uganda Breweries Limited.

The findings from this study will also be used as a reference point by future supply chain management researchers for further research on the same field with expanded scope on different contexts.

To Organizations

This study will provide insight to the manufacturing firms in Uganda on how they can leverage on supplier development process to enhance their operational performance for their firms.

Upon gathering evidential proof that supplier development fosters operational performance and hence growth, other non-manufacturing organizations can consider adopting the recommendations thereby benefiting from the study.

To Policy Makers

The results will provide avenue to policy makers on the mechanisms that can be established on enhancing the management of the roofing industry and thus the study will guide in establishing policies that can enhance their functionality of the organization.

1.8 Justification of the study

In an era of free trade and a dynamic market, competition is no longer restricted to company against company but has extended to a larger structure that involves competition between supply chains as virtual enterprises in highly dynamic environments. The trend thus creates opportunities for local firms in developing countries such as Uganda to take part in participating in many interdependent multinational supply chains. As supplier's capabilities and performance are often lower than expected, manufacturing firms usually put significant effort into developing their suppliers. Despite this effort and investment, supplier development is not always successful since there are a limited studies on the topic being discussed therefore this study is important as it provides a comprehensive understanding about the effect of supplier development on procurement performance.

Studies that have widely been conducted on supplier development and procurement such as Wagner (2006) and Krause et al. (2000), few studies have been conducted in Uganda concerning supplier development and procurement performance for example a study conducted by (BOSA WILLIAM, 2019) of Kampala International University, and those that have been conducted, they have not considered beverage industry as a priority however they have considered other sectors/industries, therefore my study will bring out new relationship between supplier development and procurement performance.

Furthermore, procurement efficiency of UBL has not been good as earlier indicated in the statement of the problem especially with issues of quantity and quality of the raw material supplied which has become a major concern for the organisation. It was therefore thought that this study may be very important in providing remedies to problems affecting procurement of UBL.

1.9 Definition of Key Terms

Supplier Development (SD): is the process of working with certain suppliers on a one-to-one basis to improve their performance for the benefit of the buying organization. It is the process of working collaboratively with suppliers to improve or expand their capabilities (Nair, Jayaram & Das, 2015).

(Krause & Scanell, 2007) defined supplier development as any effort of a buying firm with a supplier to increase the performance and capabilities of the supplier and to meet the buying firm's short term and long-term supply needs.

Procurement performance; refers to efficiency and effectiveness in acquiring of goods and services in the procurement function in order to change from being reactive to being proactive to attain set performance levels in an entity (MacDuffie & Helper, 2007). Procurement performance refers to efficiency and effectiveness in acquiring of goods and services in the procurement function in order to change from being reactive to being proactive to attain set performance levels in an entity (MacDuffie & Helper, 2007).

Supplier Training; According to (Chavhan, Mahajan, & Sarang, 2012) supplier training is a Program for supplier development that receives assistance from buyers can be regarded as buyer supported training. Supplier training is focused on improving efficiency and effective systems which are reliable and can ensure excellent which exceed customer expectations.

Financial support; This refers to the buying firm's effort to develop its suppliers by engaging in human and capital resources which include direct investment in equipment. Supplier financial support refers to the buying firm's effort to develop their supplier by engaging in human and capital resources which includes direct investment in equipment and tools and technical support at the supplier site.

Early Supplier Involvement (ESI); According to (Eisto; et.l, 2010) this is a form of vertical collaboration between supply chain partners in which the manufacturer involves the supplier at an early stage of the product development process. (Lysons & Farrington, 2006) , define early supplier involvement as a practice that brings together one or more selected suppliers with a buyer's product design team early in the product development process.

Cost

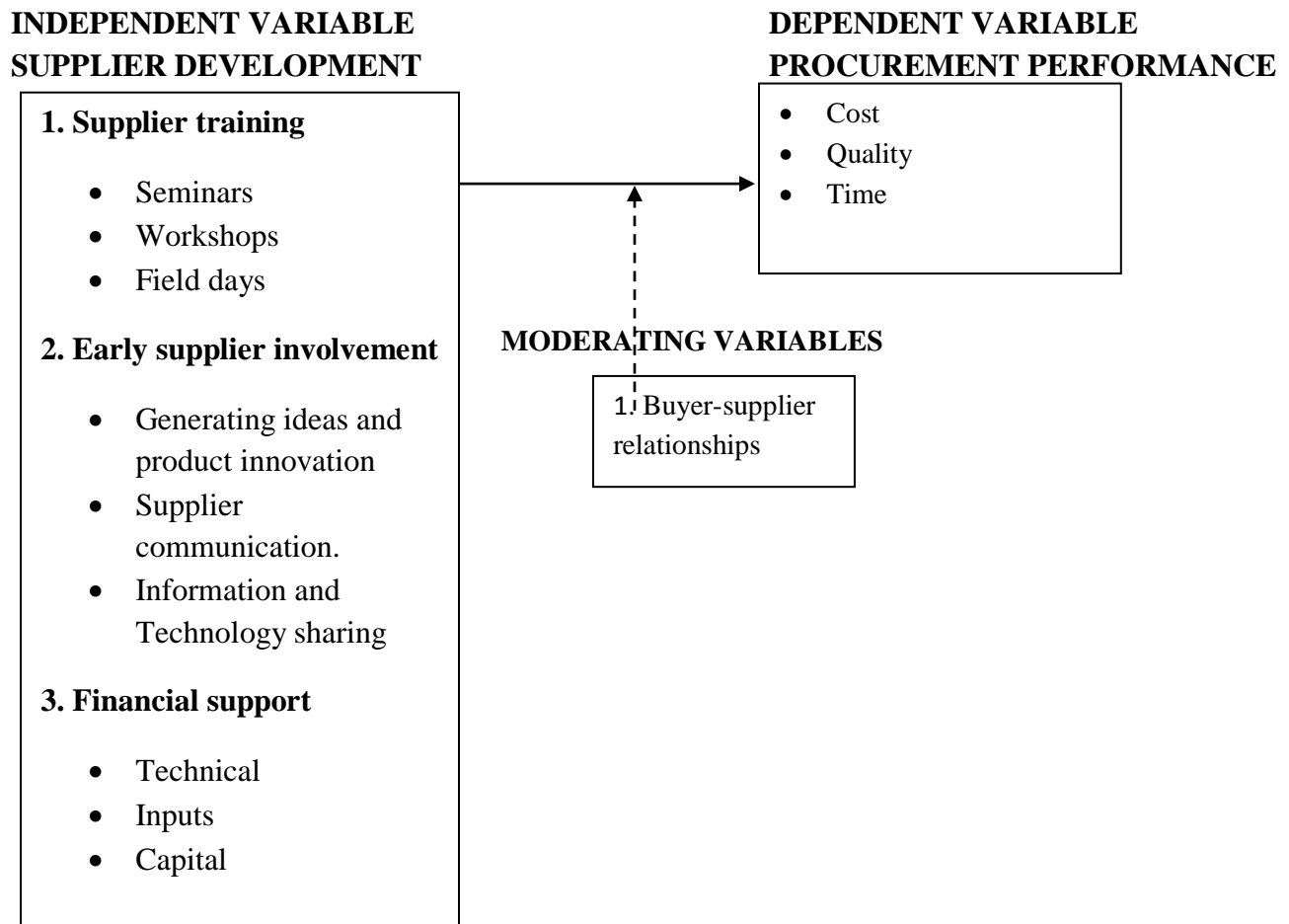
Costs are total payments for the factor inputs or what the firm incurs in the production process. Costs can be distinguished into social costs and private costs of production. Social cost is the opportunity cost foregone in production of one commodity instead of the other, while Private costs are monetary expenses incurred by the firm in production of a given level of output. The amount of money that the firm spends on labor, raw materials, capital and other overheads constitutes the private costs.

Quality; According to ISO (1986) defines quality as “totality of features and characteristics of a product or service that bears on its ability to meet a stated or implied need whereas (Crosby, 1979) defines quality as conformance to requirement.

1.10 Conceptual Frame work

A conceptual framework is a concise description of the phenomenon under study accompanied by graphical or visual depiction of major variables under study (Mugenda, 2008). According to Kothari (2011) conceptual frame work is a diagrammatical representation that shows the relationship between the independent variable which in this case is Supplier development and the dependent variable which is Procurement performance. Supplier development is a practice, reactively to deal with poor supplier performance or strategically to enhance the long term capability of the supplier base. (Lubale & Kioko, 2016).

Conceptual frameworks, according to educational researcher Smyth (2004), are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify his/her research question and aim.



Adopted from (Charles & Omwenga, 2018), (Wachiuri, Waiganjo, & Oballah, 2015) and modified by the researcher

From the conceptual framework it is noted that the variables of Supplier training can be achieved through seminars, workshops and field days. The variable of early supplier involvement goes hand in hand with generating ideas and product innovation, supplier communication and information and technology sharing. Financial support can be technical in form of inputs and finally capital. In UBL, suppliers of the industry are supported in so many ways like giving them seedlings so that the produce is of the desired quality, seminars are carried out to teach framers about post-harvest handling and all this has an impact on the procurement performance.

The conceptual framework shows the relationship between supplier development and supplier performance. The supplier development is measured through supplier incentives, supplier financial support and supplier training, the presence of positive supplier development transform into supplier performance. Supplier performance is measured through supplier operations growth supplier quality improvement and supplier financial growth in the organization. The presence of positive supplier development promotes supplier performance. Thus, any organizational initiative, including supplier development, should ultimately lead to improved procurement performance. Buyer-supplier relationships are the moderating variables that will guide this study and these include locating and evaluating suppliers, tips for buying wisely, collecting quotes and selecting the best value, competitive bid processes and many more. It can be noted that where there are good buyer-supplier relationships between the suppliers and buying firm procurement performance is achieved in the long run.

Charles & Omwenga (2018) noted that Public procurement can help in the development of an effective and efficient SME sector by providing appropriate opportunities for Suppliers which are mostly run by special groups to demonstrate their skills and capabilities, including the purchase of goods and services which allows Suppliers to develop and demonstrate innovative goods and services. Procurement can be an important source of business for Suppliers (Charles & Omwenga, 2018)

Charles, M., & Omwenga, J. (2018) Role of Supplier Management Practices in Optimization of Operational Performance in Telecommunication Service Industry in Kenya: A Case of Safaricom Limited.

1.11 Conclusion

In conclusion, chapter one provided an overview of the study and some insight of what will be expected in the subsequent chapters. It introduced the research topic of Supplier development in relation to procurement performance of manufacturing firms. The researcher's main aim for this research is to find out whether supplier development is of benefit towards the procurement performance of a manufacturing firm. It also showed the scope, justification and conceptual framework in details

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter gives an outline of related works and researches done on the aspect of supplier development on procurement performance, role of supplier training on procurement performance, role of early supplier involvement on procurement performance and how provision of financial support impacts on procurement performance.

2.1 Theoretical Review

This section dwells on past theories, models and studies that are related to the concept of supplier development and its influence specifically its role of procurement effectiveness. It is noteworthy that these theories may be on different disciplines such as strategic management and sociology (Ochieng, 2014) Supplier development is a highly strategic decision which may be explained by various strategic models and theories (Lyson et. al, 2006). Some of the theories are:

2.1.1 Theory of Constraints (TOC)

Theory of Constraints

According to Mabin, (1999) the Theory of Constraints (TOC) is a philosophy of management and improvement originally developed by Eliyahu. Goldratt and introduced in his book, *The Goal*. It is based on the fact that, like a chain with its weakest link, in any complex system at any point in time, there is most often only one aspect of that system that is limiting its ability to achieve more of its goal. For that system to attain any significant improvement that constraint must be identified and the whole system must be managed with it in mind. In relation to the study, this constraint could be categorized as delay in the delivery of the right products, poor information integration, and uncertainty in demand. The buying firm thus seeks to identify the constraints in the procurement process that emanates from poor buyer-supplier

relationships and then work collectively to eliminate the constraint thus improving the functions and aspirations of each, more specifically, procurement functions for the buyer.

The TOC Thinking Processes, taken as a whole, provides an integrated problem-solving methodology that addresses not only the construction of solutions, but also the need for communication and collaboration that successful implementation of procurement functions requires. This theory has been used to create powerful generic solutions for various procurement inefficiencies such as long supplier lead-times, incoming quality problems, delayed or unreliable raw material or purchased part deliveries, raw material shortages and poor quality to mention but a few.

In this connection then chances are good that an organizations constraint is in the supply chain that it relies on and the policies and practices associated with your relationships with suppliers. The challenge is basically to get from your suppliers what you need from them to be effective, whether it is better delivery performance, quality, reduced costs or other aspects of what they supply to the firm.

Since 1985, the Theory of Constraints has been delivering startling tangible results to companies worldwide. An independent study by Pfeiffer (1995) on Theory of Constraints implementations around the world found that huge results were consistently achieved. Pfeiffer et al (1995) Eliyahu Goldratt originated the idea in his book *The Goal* as a way of managing organizations to increase profits. The Theory of Constraints is a proven method that can be used by existing personnel to increase throughput, reliability, and quality while decreasing inventory, late deliveries, and overtime. Successful organizations also adopt the Theory of Constraints to help make tactical & strategic decisions for continuous improvement. Through supplier development Roofings Group can also apply the theory to maximize its procurement performance.

The first limitation of the theory of constraints is its lack of consideration of variable factors. Constraints such as demand for a product might vary independently from any action taken through implementation of the theory. If product demand is a temporary constraint and rises because of market dynamics, resources invested in increasing the demand might have been more beneficial in expanding production capacity. You have to use other data, such as market studies, to verify whether constraints targeted by the theory will remain fixed. A second limitation is the key process in the theory of constraints is the identification of constraints that reduce performance. A major challenge involves how to identify those constraints. The theory might either work on a constraint that is in fact caused by another constraining factor, or it may focus on a constraint that is irrelevant to existing production bottlenecks. This limitation of the theory could encourage you to spend time and waste resources on problems that are not critical to the success of the company. The theory of constraints works effectively to address the current time frame for a business. It looks at actual situations and therefore limits itself to short-term effects. To overcome this limitation, you have to examine the long-term effects of your work on constraints that the theory identifies. If the short-term effect remains valid over a longer time-frame, the strategy indicated by the theory may be valid. If the short-term effect doesn't last, or causes long-term deterioration in other business variables, you have to identify other constraints that, if reduced, result in long term benefits.

2.1.2 Resource Dependence Theory (RDT)

Resource Dependence Theory (RDT) promoted by Pfeffer and Salancik (1978). RDT is the study of how the external resources of organizations affects the performance of the organization RDT proposes that actors lacking in essential resources will seek to establish relationships with (be dependent upon) others in order to obtain needed resources (Medcof, (2001). Also, organizations attempt to alter their dependence relationships by minimizing their own dependence or by increasing the dependence of other organizations on them. Within this perspective, organizations are viewed as coalitions altering their structure and patterns of behavior to acquire and maintain needed external resources. Acquiring the external resources needed by an organization comes by decreasing the organization's dependence on others and/or by increasing other's dependency on it, that is modifying an organization's power with other organizations (Hillman, Withers, & Collins, 2009).

RDT rest on some assumptions for example organizations is assumed to be comprised of internal and external coalitions which emerge from social exchanges that are formed to influence and control behavior. The environment is assumed to contain scarce and valued resources essential to organizational survival. As such, the environment poses the problem of organizations facing uncertainty in resource acquisition. Organizations are assumed to work toward two related objectives that is to say acquiring control over resources that minimize their dependence on other organizations and control over resources that maximize the dependence of other organizations on themselves. Attaining either objective is thought to affect the exchange between organizations, thereby affecting an organization's power.

Organizations, in their exchange relations, strive for competitive advantage thus becoming somewhat dependent on the other partner. RDT advocates that some firms have additional power than counterparts due to their interdependency features and their social situations (Pfeffer & Salancik, 1978). Just like buyer will depend on suppliers for external resources and sellers on buyers for precious markets. Also, organizations attempt to alter their dependence relationships by minimizing their own dependence or by increasing the dependence of other organizations on them. Within this perspective, organizations are viewed as coalitions altering their structure and patterns of behavior to acquire and maintain needed external resources. Acquiring the external resources needed by an organization comes by decreasing the organization's dependence on others and/or by increasing other's dependency on it, that is, modifying an organization's power with other organizations (Davis & Cobb, 2010).

The procurement of external resources is an important tenet of both the strategic and tactical management of any company. Resource Dependence Theory has implications in the procurement effectiveness of the buying firms especially in tapping into the relationship with suppliers as their important and dependable partners. Thus, this theory props up the notion of supplier development and proposes that actors lacking in essential resources will seek to establish relationships with others in order to obtain needed resources (Hillman, Withers & Collins, 2009).

A Resource Dependence Perspective (Pfeiffer and Salancik 1998). Resource Dependence Theory has implications in the procurement effectiveness of the buying firms especially in tapping into the relationship with suppliers as their important and dependable partners. Just like buyer will depend on suppliers for external resources and sellers on buyers for precious markets. Also, organizations attempt to alter their

dependence relationships by minimizing their own dependence or by increasing the dependence of other organizations on them. Within this perspective, organizations are viewed as coalitions alerting their structure and patterns of behavior to acquire and maintain needed external resources. Acquiring the external resources needed by an organization comes by decreasing the organization's dependence on others and/or by increasing other's dependency on it, that is, modifying an organization's power with other organizations. RDT assumes that manufacturing firms will develop strategies to manage constraints and uncertainties derived from exchange relations, interdependencies and power imbalances (Krause, Handfield & Tyler, 2007). Resource Dependence Theory has implications in the procurement effectiveness of the buying firms especially in tapping into the relationship with suppliers as their important and dependable partners. RDT assumes that organizations will develop strategies to manage constraints and uncertainties derived from exchange relations, interdependencies and power imbalances (Krause, Handfield & Tyler, 2007). Resource Dependence Theory (RDT) has been under scrutiny in several review and meta-analytic studies: (Davis, (2010)) Which all indicate and discuss the importance of this theory in explaining the actions of organizations, by forming interlocks, alliances, joint ventures, and mergers and acquisitions, in striving to overcome dependencies and improve an organizational autonomy and legitimacy. While resource dependence theory is one of many theories of organisation studies that characterize organizational behavior, it is not a theory that explains an organization's performance. But still in many ways, resource dependence theory predictions are similar to those of transaction cost economics, but it also shares some aspects with institutional theory.

2.2 Over view of the study concepts

2.2.1 Supplier Development

Supplier development was defined as any effort of a buying firm on a supplier to increase the performance and capabilities of the supplier to meet the buying firm's short and /or long-term supply needs (Krause & Scanell, 2007). Supplier development should lead to improvement in the total added value from the supplier in question in terms of quality of product or service offered, business processes and performance, improvements in lead times and delivery to the overall performance of the buying firm (Joseph, Kipkoech, & Charles, 2015).

Financial Support

Financial support/investment refers to the buying/purchasing firm's effort to develop their supplier by engaging in capital and human resources which includes direct investment in tools and equipment and technical support at the supplier site (Li et al, 2007).

Effie & Willy (2015) in their study found out that most companies offered financial support to their suppliers in terms of technical inputs (66.67%), inputs (55.55%) and capital (55.55%). Technological support was mostly used in supporting their suppliers financially. Financial training has more effect on improving delivery performance (68.18%) and lowering the cost (68.18%) followed getting materials of the right quality with minimum defects (63.64%) and lastly reducing the lead time (54.55%). When the supplier gets evaluation feedback from the buying firm for improvements, the firm needs to provide

suggestions or personnel to supplier site (Krause et al, 2000; Prahinski and Benton, 2004). Such action of the buying firm motivates the direct involvement of their potential suppliers including financial resources (Wagner, 2006b).

As Choi (2018), indicates that provider budgetary help is the purchasers' exertion towards its providers to persistently spot monetary shortcomings inside its supply base and taking the important money related help to evade supply interruptions and increment provider money related wellbeing in order to meet his present moment and long haul monetary commitments. Money related help is a basic achievement factor in provider improvement and provider execution. **Heidi and John (2017)**, demonstrated money related help gives the purchasing firm expanded provider rivalry in the worldwide market and possibly diminishes transportation and other calculated expenses of providers.

Early supplier involvement

Early supplier involvement can be seen as a means to integrate suppliers' capabilities in the customer's supply chain and operations, thereby making it possible for the customer to take advantage of the suppliers' technological expertise in design and manufacturing (Dowlatshahi **1998**). Early supplier involvement is a relative concept since there are different levels to it, where the supplier's involvement ranges from low to high. Involving suppliers in new product development decisions and continuous improvement efforts enables the manufacturers to share knowledge and increase learning so that better solutions can be found to complex, inter-company problems that impact performance (Tracey and Vonderembse, 2000). Dowlatshahi (1997) stated that if a company or a supplier waits until a design specification or a bill of materials is available, it will be too late to reap the benefits of the knowledge and expertise of a supplier without a costly re-design, measured in time and money. A buyer's bases of power estimated that suppliers account for 30% of the quality problems and 80% of product lead-time problems (Burton, 1988).

As today firms focus on their core competences, they become more dependent on their suppliers to meet ever-increasing competition (Krause and Ellram, 1997). According to Mikkola and Larsen (2003), due to greater complexity, higher specialization, and new technological capabilities, outside suppliers can perform many activities at lower cost and with higher value added than a fully integrated company can. Supplier can have a significant impact on a manufacturer's performance, through their contributions towards cost reduction, eliminate inconsistency in the designer's manufacturing processes, minimize high-cost material items, share technical expertise and processes within each other, enabling the constant improvement of quality, share technology capabilities, and increase responsiveness of buying companies.

Moreover, by involving suppliers in the process, buying company can access to a wide pool of talent all focused on the needs of its customers (Leenders, et. al, 2002). By keeping the customer-partner's future needs in mind, decisions of suppliers regarding investments, new product, new process or system could be facilitated. Thus, the possibility of misjudgment or wrong strategy made would be reduced.

Hahn, et. al. (1990) proposed that suppliers involved in partnerships can carry additional inventory to satisfy the buyer's delivery requirements. This is an important feature of the buyer-supplier relationship in

achieving Just-In-Time manufacturing, especially when a manufacturer (buyer) does not assist the supplier to revise its system to meet the buyer's shipment dates in a timely fashion.

Supplier training

Programs for supplier development that receive assistance from buyers can be regarded as buyer supported training. The literature suggests that buyers have various ways of supporting their suppliers with some buyers giving more support than others. Some buyers focus on short-term benefits while others look at supplier development as a long-term investment. Thus suppliers have access to different types of supplier development programs depending on their buyers. This implies that the types of training that would most benefit suppliers could be best assessed through studies focusing on the supplier perspective. By identifying the relevant types of training buyer-supported training programs could increase. This would be because buyers could select the type of training suitable for specific groups of suppliers. The right type of training could then lead to an increase in performance for the supplier which would in turn encourage an increase in buyer-supported training. Buyer may send his employees or group of team to train supplier or he may invite group of suppliers facing same problem for training in his own firm Effie & Willy (2015); Ambrose (2008).

Effie & Willy (2015); Kadir et al. (2011) made a case study in Malaysian automotive industry on Patterns of Supplier Learning. Here they found that supplier development programs support the development of a supplier's capabilities usually with the assistance of a buyer. Supplier development also depends on supplier's interest and how they explore them self to increase their capabilities. Although local suppliers do receive assistance from their buyers but this type of assistance is still not adequate to improve supplier capabilities. Therefore analyzing environment that provides buyer-support training could help to identify factors that suppliers themselves seem important for development of their capabilities. It is claimed that support from buyers for supplier training has been deficient. Thus there is a need to identify the types of training that suppliers themselves prefer. Buyers themselves have significant knowledge of the training that a supplier might need but as technology development happens the buyer no longer has a hold on all of the technology that is involved or coming. Thus it is important that suppliers looking to develop their capabilities have access to the type of training that they require which may or may not be provided by their buyers. For suppliers that have access to buyer-supported training their training needs might often change as they develop their own capabilities, Effie & Willy (2015); **Nadia et al (2011)**.

2.2.2 Procurement Performance

Procurement performance can be defined as a measure of identifying the extent to which the procurement function is able to reach the objectives and goals with minimum costs (VanWeele, 2002). For any organization to change its focus and become more viable, Amaratunga and Baldry (2002) suggest that procurement performance is a key driver to improving superiority of services while its absence or use of inappropriate means can act as an obstruction to change and may lead to decline of the purchasing function.

The success of any company depends mainly on how well procurement operations are operating. Consequently, management is keen to ensure that procurement practitioner's quality of work life is well managed to increase supplier efficiency. Manufacturing firms heavily invest in their suppliers in terms of training since suppliers know what customers want where most of them act as company marketers. More to this, supplier's cohesion means that they can be more productive if none or just a few are left. In most cases, high procurement performance is entirely based on good suppliers where goods are supplied in the right time, low cost, right quality and right quantity (Thai, 2004).

According to a number of studies, supplier performance is measured by various criteria. Several key competitive factors were broadly used to assess the supplier performance. For examples, product quality, delivery performance, price, physical distribution, services, flexibility, relationships are considered to be important factors for measuring the supplier performance **Modi and Mabert (2007)**. The supplier performance improvement was used as the key indicator for the success of supplier development strategies (Gil and Ramaseshan, 2007). Based on the review of previous work and field interview with the purchasing managers in electrical components industry, this study focuses on buyer's perception on the supplier's improvement in the aspects of cost, quality, and delivery which are the critical supplier improvement areas. The four (4) indicators used in the supplier performance such as quality, responsiveness, efficiency & flexibility (**Beamon 1999; Li 2002; Luning et al. 2002; Gunasekaran, et al. 2004; Aramyan et al. 2006**). Flexibility means the agility of a supply chain in responding to marketplace changes to gain or maintain competitive advantage (**SCOR 2006**). Another definition is the ability to respond to changes in the environment such as customer demand (volume flexibility). Responsiveness is the velocity at which a supply chain provides products to the customer (**SCOR 2006**). Responsiveness indicators in the beef supply chain are customer response time, lead time, delivery time, customer returns, order fill rate. And lastly, Efficiency consists of six indicators such as farm cost/plant cost, inventory cost, waste cost, transportation cost, labour cost, profit.

2.3 Actual review

2.3.1 Supplier training and procurement performance.

Procurement performance of an organization does not depend solely on the single organization's performance but on the suppliers' performance as well (Wong and Wong, 2008). Hence, it is important to consider the different supplier's development practices. Available literary works suggests that buyers or buying organizations have used trainings as a way of supporting their suppliers with some buyers giving more support than others. Supplier training programs are designed by the buyer focused on enhancing and improving supplier technical capability in terms of key competencies like quality, production processes and management best practices to enhance firm's productivity.

Buyers can decide to either focus on short-term benefits or look at supplier development as a long-term investment when coming up with the training programmes. Thus, suppliers have access to different types of supplier development programs depending on their buyers. This implies that the types of training that would most benefit suppliers could be best assessed through studies focusing on the supplier perspective.

This can be done by identifying the relevant types of training buyer-supported training programs could increase. This would be because buyers could select the type of training suitable for specific groups of suppliers. The right type of training could then lead to an increase in performance for the supplier which would in turn encourage an increase in buyer-supported training. Buyer may send his employees or group of teams to train supplier or he may invite group of suppliers facing same problem for training in his own firm Ambrose et al (2008). Kadir *et al.*, (2011) made a case study in Malaysian automotive industry on Patterns of Supplier Learning. Here they found that supplier development programs support the development of a supplier's capabilities usually with the assistance of a buyer. Supplier development also depends on supplier's interest and how they explore them self to increase their capabilities. Analyzing environments that provides buyer-support training could help to identify factors that suppliers themselves deem important for development of their capabilities. It is claimed that support from buyers for supplier training has been deficient. Thus, there is a need to identify the types of training that suppliers themselves prefer. Buyers themselves have significant knowledge of the training that a supplier might need but as technology development happens the buyer no longer has a hold on all of the technology that is involved or coming. It is important that suppliers looking to develop their capabilities have access to the type of training that they require which may or may not be provided by their buyers. For suppliers that have access to buyer-supported training their training needs might often change as they develop their own capabilities, Nadia et al (2011).

(Kadi, Tam, & Ali1, 2011) a case study in the Malaysian automotive industry on patterns of supplier learning. Here they found that supplier development programs support the development of supplier's capabilities usually with the assistance of a buyer. Supplier development also depends on supplier's interest and how they explore them self to increase their capabilities. Analyzing environments that provides buyer-support training could help to identify factors that suppliers themselves deem important for development of their capabilities. It is claimed that support from buyers for supplier training has. Thus, there is a need to identify the types of training that suppliers themselves prefer. Buyers themselves have significant knowledge of the training that a supplier might need but as technology development happens the buyer no longer has a hold on all of the technology that is involved or coming. It is important that suppliers looking to develop their capabilities have access to the type of training that they require which may or may not be provided by their buyers. For suppliers that have access to buyer-supported training their training needs might often change as they develop their own capabilities, Nadia et al (2011).

2.3.2 Early supplier involvement (ESI) and procurement performance.

(Chavhan, Mahajan, & Sarang, 2012)State that earlier buyers were supposed to do the design of products and suppliers were to follow these designs. Here suppliers were finding some problems in design complexity also while designing any components there were many chances that buyers will not take the suppliers' technical capacity due to which it becomes difficult for suppliers to take control over process and quality. But now, the concept of early supplier involvement has come which gives an additional advantage of suppliers' innovativeness to the buyer. Early Supplier involvement activities include generating ideas for product innovation, supplier communication, and information and technology sharing.

(Lysons & Farrington, 2006) States that ESI decreases the cycle time of product development. That is the most important stage of involvement is the design stage and mistakes in this stage may be costly in the further stages. If the suppliers are involved in the market testing they can develop their capabilities and this can result in a long term relationship.

(Tanelia et al, 2010) In their study of managing product development within a design chain in the UK Automotive Industry, they identified supplier involvement during phases as follows:

At the concept stage: This phase comes before design and mostly consultants and specialists play a major role in this phase, for example, developing a new product.

During detail engineering stage: Here supplier is capable to design and manufacture the product with the required quality and specification of the buyer. Concept and required features are given by the buyer.

The process engineering stage: Here manufacturing knowledge is essential for suppliers. Toolmakers, equipment manufacturers, raw material suppliers or process specialists have an important role in this stage. Design is given by the buyer and the supplier's role is to manufacture components as per drawing with the required quality. (Wagner, 2006.) In his study of ESI in new product development in casting, the industry found out that early supplier involvement benefits in time, cost and improved quality.

In a time-saving benefit included; reduced need for additional clarification, customer orders get prepared earlier, improvement in process

In cost savings benefits included; new improved solutions, easy handling of finished parts, reduced time. Therefore the level of involvement of suppliers increases supplier innovation, quality, reliability, delivery, flexibility and customer service with decreases in cost which brings the competitive advantage of the buying firm.

2.3.2 Financial support and procurement performance.

Financial support refers to the buying firm's effort to develop its suppliers by engaging in human and capital resources which include technical support, direct investment in equipment and tools (Lukhoba & Muturi, 2015). Financial support can also refer to the buying organizations effort to develop their supplier by engaging in human and capital resources which includes direct investment in equipment and tools (Li et al, 2007) and technical support at the supplier site (Li et al, 2007). When the supplier gets evaluation feedback from the buying organization for improvements, the firm needs to provide suggestions or personnel to supplier site (Krause et al, 2000; Prahinski and Benton, 2004). Such action of the buying firm motivates the direct involvement of their potential suppliers including financial resources (Wagner, 2006).

Provision of financial support may be extended to specific suppliers who may experience financial difficulties so as to empower them to meet their financial obligations. This can be in the form of down payments, loans, equipment donations etc. which helps a supplier in acquiring operational capacity which they may not have been capable of. A supplier who is properly and adequately financially supported increases the buying organization's ability to deliver high-quality and innovative products to its customers

and thus reduces buyers' operational risks. Supplier's financial support is critical in determining the supplier's ability to remain financially solvent (Wangner, 2006).

Financial support enhances suppliers' capability and capacity to cope with the buyers' requirement and therefore strengthens the suppliers' capacity to meet resource requirements by the buyer. Today's successful buyers can attribute their achievement to their valuable buyer-supplier relationship obtainable through buyers' initiative to support supplier via technical support, financial support and through supplier training in order to achieve superior performance and mutual gain for both.

Buyer organizations are supposed to communicate with the suppliers they want to develop for information on their willingness. When the supplier gets evaluation feedback from the buying firm for improvements, the firm needs to provide suggestions or personnel to the supplier site (Krause D. R., 2002). Such actions of the buying firm motivate direct involvement of potential suppliers including financial resources (Chavhan, Mahajan, & Sarang, 2012). Many manufacturing firms have increased the number of component parts and services they outsource while refocusing on their core capabilities. Outsourcing parts and services to external independent suppliers mean that supplier performance is increasingly critical to the long-term success of the buying firms (Ikea, 2013).

As indicated by Choi (2018), providing financial support is the purchasers' exertion towards its providers to persistently spot monetary shortcomings inside its supply base and taking the important money related help to evade supply interruptions and increment provider money related wellbeing in order to meet his present moment and long-haul monetary commitments. Money related help is a basic achievement factor in provider improvement and provider execution. As indicated by Heidi and John (2017), demonstrated money related help gives the purchasing firm expanded provider rivalry in the worldwide market and possibly diminishes transportation and other calculated expenses of providers. The present effective purchasers can credit their accomplishment to their significant purchaser provider relationship possible through purchasers' drive to help provider by means of specialized help, budgetary help and through provider preparing so as to accomplish predominant execution and shared addition for the two gatherings.

Financial support ventures can likewise allude to the purchasing association's exertion to build up their provider by participating in human and capital assets which incorporates direct interest in gear and instruments and specialized help at the provider site (Li et al., 2017). At the point when the provider gets assessment input from the purchasing association for enhancements, the firm needs to give recommendations or work force to provider site (Krause et al., 2000; Prahinski and Benton, 2018). Such activity of the purchasing firm persuades the immediate contribution of their potential providers including budgetary assets (Wagner, 2016).

Arrangement of money related help might be stretched out to explicit providers who may encounter monetary troubles to enable them to meet their budgetary commitments. This can be as up-front installments, credits, gear gifts and so forth which help a provider in gaining operational limit which they might not have been prepared to do. A provider who is appropriately and sufficiently monetarily bolstered expands the purchasing association's capacity to convey high caliber and creative items to its clients and in

this manner lessens purchasers' operational dangers. Provider's budgetary help is basic in deciding the provider's capacity to remain monetarily dissolvable (Wagner, 2016). Financial support help improves providers' ability and ability to adapt to the purchasers' necessity and in this manner reinforces the providers' ability to meet asset prerequisites by the purchaser.

2.4. Conclusion and Literature Gap

The chapter has discussed the concept of supplier development, theories about it, the process and best practices for implementation of supplier development in the organization. The researcher has also dwelt on the different approaches to supplier development. It has analyzed several studies about the concept done by different authors with a critical focus on their findings, recommendations and the research gaps noted in the previous studies. The researcher has also analyzed some of the key pitfalls which are likely to impact negatively on the implementation of supplier development hence rendering it unsuccessful. Other than the supplier development strategies, the chapter discusses procurement performance concepts in a business context.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter entails the description of how the research is to be carried out. It represents research design, area of study, study population, sampling procedures, sample size, sampling techniques, data sources, data collection methods and instruments, quality control, validity, reliability, measurement of variables, data analysis, ethical considerations and limitations of the study.

3.1 Research Design

A research design is a plan or a framework for guiding a study. The design connects the questions or objectives of the study to the data gathered. **Marshall (1996)** defines a case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. This will be appropriate for gathering information, summarizing, presenting and interpreting it for the purpose of clarifying on the variables. The rationale for selecting the research design will be to enable a deeper understanding and knowledge of the effect of supplier development on procurement performance of UBL. The study will employ this research design as a qualitative analysis which involves careful and in-depth investigation of a particular unit or event under study for purposes of generalization. The design is appropriate for qualitative studies of this nature which will seek to investigate deeply into the phenomenon under study.

3.2 Area of study

This study will be centered at Uganda Breweries Limited Port-bell Road in Luzira. The company will be chosen because it is convenient for the researcher and the required information for this study can be obtained due to its nature in terms of procurement activities.

3.3 Study population

Population refers to an entire group of individual, events or objects having common observable characteristics (Kothari, 2004). According to UBL website (www.ugandabreweries.com), the organisation employs over 390 staff members so the the study will target a population of 390 employees from Uganda Breweries Limited. This will be comprised employees from stores and procurement department, finance department, sales department, marketing department and production department.

3.4 Sampling Procedures

3.4.1 Sample size

Sample size is the number of items involved in the study as the respondents in the study. Sampling procedure on the other hand is the scientific process through which the sample elements are selected (Mugenda & Mugenda, 2003). This research will use stratified random sampling procedure to select a sample to represent the entire population. According to Krejcie and Morgan, (1970) the study will use a sample size of 195 respondents.

Respondents category	Target population	Sample size	Sampling Technique
Stores and Procurement department	20	8	Purposive sampling
Finance and accounting department	20	12	Purposive sampling
Sales department	70	40	Simple random sampling
Marketing department	40	20	Purposive sampling
Production department	240	115	Purposive sampling
Total	390	195	

3.4.2 Sampling Techniques

Sampling is the process of selecting a random subset of individual observation for the purposes of making projections based on statistical inferences **Amin (2005)**. The researcher will use a stratified sampling technique to all population groups of the study. Stratified sampling means that the research partitions the population into sub populations with their common characteristics that can be easily sampled. This technique allows the researcher to have required information basing on the set objectives of the study according to **Mugenda and Mugenda (2009)**. The sampling procedure was applied to enable the researcher to obtain accurate and reliable samples that were helpful to collect quantitative and qualitative data on supplier development and organizational performance, the sampling process was done by means of random sampling for employees. This sampling procedure allows an equal chance for employees to be selected as samples of the study.

3.5 Data sources

3.5.1 Primary sources

This is the research that is collected firsthand and is original to the person using it. **Driscoll, Dana Lynn (2010)**. This is the original research that is obtained through first-hand investigation. This includes information collected from interviews, experiments, surveys, questionnaires, and so many others. Data will be collected through the use of questionnaires. These will be designed using a Likert scale and they will be distributed to staff in order to get views about Uganda Breweries Limited.

3.5.2 Secondary sources

This comprises the review of textbooks, journals, newspaper articles, internet and earlier researches on the effect of supplier' development on the performance of a manufacturing firm (Schutt, (2006))

3.6 Data Collection Methods and Instruments

3.6.1 Data Collection Methods

Data collection is a means by which information is obtained from selected subjects of an investigation (Creswell, 2003).

3.6.1.1 Questionnaire Method

The researcher will adopt the use of questionnaire as a method of data collection to the identified set of respondents. Questionnaire is useful because it is efficient use of time that is information can be collected from a large number of people and the questions can be easily analyzed, anonymity is possible and everyone gets the same questions that is, it is standardized. The study will use the questionnaire method. This is because the mentioned method will be cheap in the collection of data and will also provide a wide range of data (**Crewell 2003**).

3.6.2 Data Collection Tools/Instruments

The instruments of data collection are tools used to collect both primary and secondary data. Suitable, usable and adequate data for the study were collected through administering questionnaires.

3.6.2.1 Questionnaire

Questionnaire is a tool for data collection in which respondents provide written answers to written questions. According to Cooper and Schindler (2006) the questionnaire is conveniently used because it is cheaper and quick to administer, it is the above researcher's effect and variability, and is highly convenient for the respondents as they could fill them during free times or when workloads are manageable

According to Abuja (2001), a questionnaire is a document that contains a set of questions, answers to which are to be provided personally by the respondents. The questionnaires were designed in strategic way comprising of statements to be agreed on by the respondents. Questionnaires will be chosen because the sampled population is literate and they are able to read interpret and write. Closed ended questionnaire will be preferred because it will enable the researcher to get feedback according to the research objectives. The questionnaires will be physically dropped to the selected respondents and picked after two weeks to give them more time to understand and answer the questions.

3.7 Quality control

This section will be important in ensuring the validity and reliability of the instruments and thus controlling data that will be generated from questionnaires and interviews.

1.7.1 Validity

Validity has to do with how accurately the data that will be obtained in the study represents the variables of the study. If such data will be a true reflection of the variable, then inferences based on such data will be accurate and meaningful (Mugenda and Mugenda, 2003). To ensure validity of the questionnaire, the researcher will seek the expert opinion of the supervisors before going to the field to collect data.

Validity refers to the accuracy of the data obtained. This implies that the research instrument used must measure what is required. Enon (2010) argues that the tools must be accurate, correct, true, meaning and right. The content validity of the research instruments will be ensured through expert judgment provided by my supervisor. **Gall et al. (2004)** points out that content experts help bring out content validity by defining in precise and detailed terms the domain of the specific content that the test is assumed to represent and then determines how well that content universe is sampled by test. Index (CVI) will be calculated in order to establish the validity of the questionnaire. The researcher will use the following formula to establish the validity of the research instruments as seen below.

$$\text{Content Validity Index} = \frac{\text{No. of items rated relevant}}{\text{Total No. of items}}$$

3.7.2 Reliability

Reliability is a measure of the degree to which research instrument yield consistent results or data after repeated trials (Mugenda & Mugenda, 2003). Reliability is the degree to which a particular measuring procedure gives equivalent results over a number of repeated trials (Orodho, 2009). Reliability will be based on the extent to which the items in an instrument generate consistent responses over several trials with different audiences in the same setting or circumstances. Reliability will be considered reliable when measured at least 0.9 (90%). The reliability of the instruments and data will be established following a pre-tested procedure of the instruments before their use with actual research respondents. The most popular internal reliability estimate will be given by Cronbach's Alpha and the accepted index should be equal to or above 0.7 (Creswell, 2003).

3.8 Measurement of variables

The variables will be measured using a Likert-scale. A scale consists of a number of statements which express either favorable or unfavorable attitude towards the given object to which the respondents are asked to respond. Each response is given a numerical score, indicating its favorableness or unfavorableness and the scores are totaled to measure the respondents' attitudes. The scale of 1-5 will be used to help the researcher measure the extent to which research objectives are achieved where by 1 will represent strong agreement, 2= Agree with the statement, 3= undecided, 4= Disagree and 5= strongly disagree (Denscombe, 2000). The choice of this measurement is that each point on the scale carries a score and it is the most frequently used summated scale in the study of social attitudes.

The study variables that are both independent and dependent variables will be measured using the five point Likert type scale and this will be procurement practices and procurement performance. This scale will be used because it will be assumed for important in establishing numerical strength of study variables and understanding the perception of respondents.

3.9 Data Analysis

3.9.1 Quantitative Analysis

Basing on (Mugenda & Mugenda 2003) recommendations on the use of descriptive statistics as a method of data analysis, the collected data will be analyzed by descriptive statistics involving weighted average and percentages. The researcher will use SPSS to aid in data analysis. Quantitative data will be analysed through descriptive and inferential means. Descriptive means will include use of frequencies, percentages, means and standard deviations. This kind of data will be presented using frequency tables, pictograms and graphs or pie charts. Inferential means includes; using both correlation and regression analysis means. In this case, a Pearson correlation and linear regression will be used. Pearson Correlation will be used in answering the study research hypotheses and Regression Analysis will be used in establishing the extent to which the two variables under investigation are related.

3.9.2 Qualitative Analysis

Data collected from respondents will be presented, deduced and analyzed through descriptive narration, graphs, tables and pie charts. Descriptive narration will be used to examine the qualitative data collected from respondents. The qualitative data will be collected from interviews and documentary reviews will be analyzed by content analysis. The initial step will involve sorting the content into themes, which depends on the content. Data collected will be organized into a common data pool. It will be transcribed, synchronized and grouped into themes. During analysis, themes will be generated from the responses and categories. A coding scheme will be adopted to create themes. It will be these major themes that formed the basis of extrapolating out the emergent issues related to the research question subject matter. Patterns of linkages and clues from the themes related to the research questions will be observed and data interpretation will be done in respect to the research objectives. Checking will be done to minimize errors of double selection and other forms of repetition.

3.10 Ethical consideration

Ethics in this study will be adhered to by the following processes;

The researcher will attain an introductory letter from the university to be used for accessing different targeted respondents.

The researcher will also obtain informed consent of the respondents on the arrival at the data collection sites.

The researcher will observe and respect the privacy, confidentiality and anonymity of all the participants and respondents in this study.

The researcher will try her level best not to be biased by any information provided and avoid doubting information. This will enable the researcher to get balanced information from the respondents.

3.11 Limitations of the study

Financial constraints in carrying out research. The study requires a lot of funds like transport and general welfare.

The researcher also expects non-response of some questions especially where the respondents selected have little knowledge about particular questions.

The threat to validity due to bias from respondents.

The researcher will also experience time constraints in data collection due to the delay of respondents, analyzing of data and in the final presentation of the report which will take a lot of time.

Lack of access to related literature necessary such as books, journals, and newspapers among others that may not be readily available.

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