

# Effect of Supplier Selection on The Procurement Performance of Steel Manufacturing Firms in Nairobi City County, Kenya

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## Abstract

The aim of this study was to determine the effect of supplier selection on the procurement performance of steel manufacturing firms. Using a census survey with 288 respondents and 278 valid questionnaires, PLS-SEM model was fitted with procurement performance as the dependent variable and supplier selection as the independent variable. The results indicate that at 95% confidence level supplier selection ( $\beta=0.50$ ,  $t=8.309$ ,  $p<0.05$ ) had a significant positive effect on procurement performance. The study established that the more a firm improves on its supplier selection strategies, the better the performance of their procurement operations are expected to be. This implies that supplier selection is a strong indicator of procurement performance of steel manufacturing firms in Nairobi City County, Kenya. The study recommends that steel manufacturing firms need to highlight the importance of indicators such as accountability, product quality, supplier performance and supplier technological capability to enhance procurement performance.

**Key words:** Supplier selection, procurement performance, product pricing, supplier reputation, product quality