

Influence of Supplier Development on Organizational Performance in Food and Beverage Manufacturing Companies in Kenya

Bartoo Dorothy Chebichii

School of Business and

Entrepreneurship Management Jomo

Kenyatta University of Agriculture and

Technology (JKUAT)

bartoo.dorothy@yahoo.com,

ABSTRACT

Supplier performance can affect the competitive advantage of food and beverage manufacturing companies globally. Hence, this study aimed at determining the influence of supplier development on organizational performance in food and beverage manufacturing companies in Kenya. Transaction Cost Theory, and Supply Chain Management Theory informed this study. The target population was 534 respondents comprising of 217 procurement managers and 217 procurement officers from 217 food and beverage manufacturing companies in Kenya. Using Yamane's formula, a sample size of 230 respondents was selected. Simple random sampling was used to get the sample for the study. Purposive sampling was used to get top procurement personnel in the manufacturing firms. Primary data was collected by the use of a questionnaire with close ended questions. Secondary data was collected through empirical review of studies done in this field. The reliability coefficient of the questionnaire was assessed by using Cronbach's Alpha. Content validity of the instrument was determined using expert judgment. Analysis of data was done using descriptive, correlation and regression analyses. Findings were presented using tables. Supplier development was found to have significant positive relationship with performance of food and beverage manufacturing companies in Kenya. The study concluded that supplier development positively influences the performance of food and beverage manufacturing companies in Kenya. The study recommends that the managements of food and beverage manufacturing companies in Kenya should ensure that supplier development at all levels of the organization is enhanced so that it can contribute to competitive advantage of the firm.

Key words; Supplier development, organizational performance, food and beverage manufacturing companies

