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ABSTRACT

The purpose of the study was to establish the effect of supplier development on procurement performance at World Food Programme Kenya. The theories used in this research project included; Theory of Constraints, Social Exchange Theory and Resource Dependence Theory. This study adopted a descriptive survey research design to justify and enable a thorough examination of the effects of supplier development on procurement performance. Data was collected using questionnaires which was administered through "drop and pick" method. Mean and standard deviation was used to analyse the extent of concept implementation whereas regression analysis was used to analyse the relationship between supplier development and procurement performance at WFP. A pilot study was carried out to refine the instrument. The quality and consistency of the study were assessed using Cronbach's alpha. Data analysis was performed on a PC computer using Statistical Package for Social Science (SPSS Version 23) for Windows. Analysis was done using frequency counts, percentages, means and standard deviation, regression, correlation and the information generated was presented in form of graphs, charts and tables. The conclusions were based on the objectives of the study that supplier development has an effect on procurement performance at WFP. The results established that supplier development was found to significantly and positively influence procurement performance at WFP in Kenya. When all the stated hypotheses were tested in the regression model they were found to have a significant relationship between themselves and procurement performance. Supplier financial assistance was the driver which had the highest effect on procurement performance. The findings of the study established that supplier development was operating under a highly competitive environment. The study recommended that WFP should continually carry out supplier development to encourage good governance among the suppliers; that WFP should continually train key suppliers since it continually cuts down costs on products and services and enhances product quality. That WFP should not offer financial support to suppliers instead they should pay suppliers within the shortest time possible. Finally, joint sourcing between WFP and source partners must be supported from the entire organization. A buyer must have the authority to negotiate with a supplier and come to an agreement that carries mutual trust and benefit.

Key terms: *Supplier Development, Procurement performance, Supplier training assistance, Supplier financial assistance, Supplier participation, Partnership sourcing, Supply chain, Procurement, Humanitarian organisations, financial investment*

INTRODUCTION

For any organisation to maximise the potential of their procurement function, they must maintain and build relationships with a capable and competent network of suppliers and extract maximum value from these relationships. The aims of supplier development from the organisations perspective are generally to reduce cost, improve quality and delivery, develop new routes to supply, develop new products in the market and also to educate suppliers in a systematic process to keep driving continuous improvement (Lukhoba & Muturi, 2015)

According to CIPS, Supplier development has been defined as the process of working with certain suppliers on a one-to-one basis to improve their performance for the benefit of the purchasing organisation. It involves embracing supplier expertise and aligning it to the buying organisation's business need, and, where appropriate, vice versa (Bosibori, 2014)

According to Wagner and Krause, (2006), supplier development is one of three choices that could be employed to manage problems buying organisations 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 (Ahmed & Hendry, 2012)

Gonzalez and Quesada (2004) rightly pointed out that supplier development is the most influential management process for achieving product quality and customer satisfaction .To achieve this objective, organisations should put more emphasis on their ability to create and enhance its own capability in a strategically important aspect such as supplier development.

Before undertaking supplier development on any supplier, the purchasing professionals responsible for the project must select the ideal supplier for development based on their current capacity compared to ideal capability, their cooperation with buying organization, product or service supplied, nature and scope of development required, etc. (Simeka, 2016)

On the other hand, procurement performance is a measure of identifying the extent to which the procurement function is able to reach the objectives and goals with minimum costs (Van Weele, 2002). Accomplishment of a given procurement task is measured against pre-set known standards such as; cost ,flexibility ,accuracy, completeness, speed, quality of supplies, and supplier profile among many others. Procurement performance is regarded to be the fulfilment of an obligation, in a manner that releases the performer from all liabilities under the contract. For any organization to change its focus and become more viable, Amaratunga & Baldry, (2014) 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. On the surface, effectively measuring procurement performance may appear simple however looking deeper, adequate measurement of procurement success is a big issue.

The need to have consistent methods of measuring performance of the procurement function in organizations has never been as sound as it is now. Delaying it will worsen the already deteriorating performance, loss of professionals, and organizations will continue incurring unnecessary costs (Swinder, J. and Seshadri, 2001). General performance indicators of the procurement function in terms of time, quality, flexibility and cost are used to measure efficiency and effectiveness. The efficiency in the procurement function explains how well the resources are utilized. Since resources are scarce, it is in everyone's interest in the organization to maximize the utilization of the resources which in

return will illustrate how well the objectives are achieved (Arun & Linet 2005).

The World Food Programme is the world's largest humanitarian agency fighting hunger worldwide. In emergencies, it gets food to where it is needed, saving the lives of victims of war, civil conflict and natural disasters. After the cause of an emergency has passed, they use food to help communities rebuild their shattered lives.

WFP has regional offices around the world as well as country offices. The regional office overseeing operations within the East African region is based in Nairobi with offices across Kenya including the Mombasa office. For food, WFP operates on three levels: Headquarters, regional and local. WFP's regional and country offices have delegated authorities to carry out their own procurement up to established financial limits. Purchases beyond these limits are conducted by WFP Headquarters Procurement (WFP, 2015).

The World Food Programme Mombasa office is headed by a Logistics Officer designated as the Head of Sub Office entrusted with overall responsibilities of business direction of the organization and leading dynamically towards the attainment of its purpose and principles. The office is made up of five departments each with its head, that is, Logistics, warehousing, ICT, Fin/Admin and Proc/HR.

The overall objective of procurement function in WFP is the effective purchasing of goods and services to support WFP development projects and emergency operations. The specific objectives are to obtain the best value for expense incurred, effective and efficient use of resources in a competitive and transparent manner, and sound procurement processes that contribute to operational and strategic goals.

The procurement policy of WFP is competition. Competition is met if at least three suppliers are invited to submit Quotations / Bids / Proposals, regardless of how many offers are received. It is desirable to invite as many qualified suppliers as practical, based on the WFP Roster of Potential Suppliers. WFP may also formally advertise its procurement needs on an international basis if necessary.

Procurement encompasses the whole process of acquiring goods and services. It begins when an organisation has identified a need and decided on its procurement requirement (Ebrahim, 2010). Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery and payment for the goods or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Ajele, 2014).

The relationship of supplier practices with procurement performance has been addressed in several studies (Krause et al., 2000; Forker & Hershauer, 2000). However, most studies offer only a partial analysis of the problem since they investigate only a few supplier practices.

There is very little evidence especially in Kenya of benefits attributable directly to supplier development and how these contributes to the performance of the procurement functions in different organisations. Much of the existing literature on the supplier development focuses on the attributes of the supplier development from the supplier point of view but do not look at how supplier development influences the procurement performance of the buying organisation (Joseph, Kipkoech, & Charles, 2015)

The common problems that WFP Mombasa office experiences which necessitated the need for this research include; a current supplier performing below expectation or inflexibility to change; a non-competitive supplier base; current suppliers unable to support a firm's strategic growth; or capable suppliers not available in a certain market. Delay in the delivery of the right

products, poor information integration, and uncertainty in demand.

Other includes, poor coordination, lack of training, poor motivation and fragmentation of information between supplier and buyer.

There is no single approach to supplier development. Purchasing professionals in organisations must select the most appropriate approach to suit their relationship with the supplier that they have selected for development. There are different types of, and approaches to, supplier development that are appropriate for different supply markets.

Study Objective

This study sought to examine the effects of supplier development on the procurement performance at WFP Mombasa office.

Hypotheses

The objectives of this study fulfilled by testing the four null hypotheses stated both in terms of (HO)

HO_1: Joint sourcing does not have an affect procurement performance at World Food Programme.

HO_2: Supplier training does not have an affect procurement performance at World Food Programme.

HO_3: Supplier financial assistance does not have an affect procurement performance at World Food Programme.

HO_4: Supplier participation does not have an affect procurement performance at World Food Programme.

RELATED LITERATURE

Theoretical Framework

Theories are formulated to explain, predict, and understand phenomena and, in many cases to challenge and extend existing knowledge within the limits of the critical bounding assumptions. The theoretical framework introduces and describes the theory which explains why the research problem under study exists. A theoretical framework consists of concepts, together with their definitions, and existing theory/theories that are used for the particular study Sekaran, (2015). This study was anchored on the following theories; Theory of constraints, social exchange theory and resource dependency theory

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 our study, this constraint could be categorised as delay in the delivery of the right products, poor information integration, and uncertainty in demand. The buying organisation thus seeks to identify the constraints in the procurement process that emanates from poor buyer/supplier relationship 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, Late or unreliable raw material or purchased part deliveries, Raw material shortages, Poor quality. 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 to get from your suppliers what you need from them to be effective, whether it's better delivery performance, quality, or other aspect of what they supply to the organization. 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 WFP can also apply the theory to maximise its procurement performance.

Social Exchange Theory

According to Ekeh (1994), Social exchange theory is a social psychological and sociological perspective that explains social change and stability as a process of negotiated exchanges between parties. Social exchange theory proposes that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. The theory has roots in economics, psychology and sociology. Costs are the elements of relational life that have negative value to a person, such as the effort put into a relationship and the negatives of a partner, (Costs can be time, money or effort). Rewards are the elements of a relationship that have positive value (Rewards can be sense of acceptance, support, and companionship). The Social Exchange perspective argues that people calculate the overall worth of a particular relationship by subtracting its costs from the rewards it provides (Scott, 2000)

If worth is a positive number, it is positive relationship. On the contrary, negative number indicates a negative relationship. The worth of a relationship influences its outcome, or whether people will continue with a relationship or terminate it. The social exchange theory explores the nature of exchanges between parties and everything dealing with the social exchange has its outcome and satisfaction dependent on relationships. With the social exchange theory, both parties take in responsibilities of one another and they both depend on one another. Doctrines of social exchange theory include the pinnacle roles of trust, commitment, cooperation, satisfaction, and relational norms that develop over time and tend to govern the relationship rather than reliance on written contracts (Heide & John, 1992; Pratt & Dirks, 2007). The theory relate well to the unique relationship established by the buyer through supplier development for mutual economic exchanges that is beneficial to both parties. The buyer empowers the supplier through financial support, technical support and supplier training in return for product innovation, reduced risks of non-supply, reduced lead time, increased product safety, improved product quality and competitive pricing for the buyer.

Resource Dependence Theory

Resource Dependence Theory (RDT) promoted by Pfeiffer and Salancikin 1978, is the study of how the external resources of organizations affects the performance of the organization. The procurement of external resources is an important tenet of both the strategic and tactical management of any organisation. Nevertheless, a theory of the consequences of this importance was not formalized until the 1970s, with the publication of The External Control of Organizations: 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. Thus this theory props up the notion of supplier development, RDT proposes that actors lacking in essential resources will seek to establish relationships with (i.e., be dependent upon) others in order to obtain needed resources. 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 behaviour 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 organizations will develop strategies to manage constraints and uncertainties derived from exchange relations, interdependencies and power imbalances (Krause, Handfield & Tyler, 2007).

Conceptual Framework

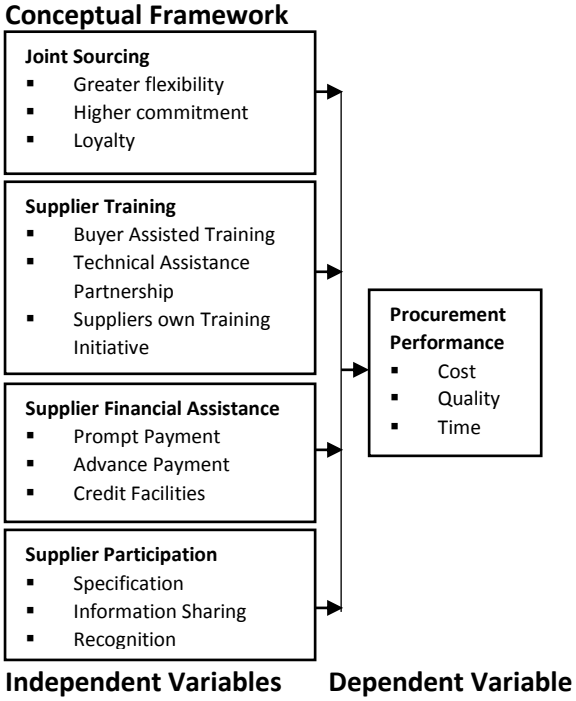

Figure 1: Conceptual Framework

Joint Sourcing

Joint sourcing represents a collaborative approach in which a buying organization and a small number of its supplier's work closely together, sharing the risks and rewards of a cooperative relationship that focuses on continuous improvement (Farrell, 2010). It is argued that joint sourcing leads to superior performance because it creates long-term collaboration based on trust between the buyer and the supplier. Joint sourcing implies a radical change in the way people work, including teamwork, mutual decision making, and collaborative activity. It also implies changes to the social systems of at least two organizations, with the scope for resistance being considerable (Boddy et al., 1998). The philosophy of joint sourcing differs considerably from the traditional adversarial model of buyer-supplier relations. In a partnership, customer and supplier commit to continuous improvement and shared benefits. For example, in the area of new-product development, customers and partners have a high level of collaboration and a long-term perspective. Organizations such as Chrysler are selecting suppliers at the concept stage of new-product development and giving the supplier the supply contract for the life of the product (Dyer, 2000). The supplier becomes a strategic resource and an extension of the buyer in the design process, enabling the buyer to capitalize upon the supplier's design expertise and capacity for innovation (Farrell, 2010). Also, the focus in the relationship moves away from price to the buyer and supplier working jointly to reduce total supply chain costs (McIvor& McHugh, 2000). For example, the partners operate open-book arrangements in which the buyer requires the supplier to share component cost information. The Just-In-Time (JIT) philosophy is closely linked to joint sourcing. The success factors of JIT are very closely related to the conditions that favour joint sourcing (Gelinaset al., 2001). Under such an arrangement, the buying firm and the supplier are expected to work together to satisfy specific clients' needs and expectations, to achieve better

cost control, and to reduce inventory. Many attempts at partnering have failed; there is evidence to suggest that organizations have not achieved the desired benefits from joint sourcing (McIvor & McHugh, 2000). Also, serious concerns have been expressed over organizations that have embarked upon joint sourcing without fully understanding the concept (Cox, 1996). Doubts have also been expressed about the interpretation of buyer-supplier relationships in the Japanese automotive industry that led to interest in lean production by Western organizations. Equally, the interpretation of joint sourcing by Western organizations has, in many cases, been shown to be misleading, with buyers often retaining considerable economic power in comparison with suppliers (Van Weele, 1994). Such evidence increases the likelihood of joint sourcing suffering a backlash similar to those that have followed total quality management and business process reengineering. For example, (Cox 1996) has expressed serious reservations over the purchasing and supply profession becoming concerned with "fashionable concepts or ideas (fads)" such as joint sourcing and network sourcing. New concepts and fads tend to be adopted by practitioners under pressure to demonstrate knowledge and expertise, but who do not have time to assess the applicability to their particular business situation. Also, joint sourcing is only one concept creating change in purchasing. Extensive change is also created by supplier development (Krause & Ellram 2007), total cost management (Ellram, 2007), early supplier involvement (ESI) (Dowlatshahi1998), and outsourcing (Quinn & Hilmer 2008). A common theme coming from purchasing practitioners is that these changes are difficult to implement and sustain over the longer term (Abdullah et al., 2009).

Supplier Training

Procurement performance of an organisation 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 organisations 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 team 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. Analysing 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. 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, Nadia et al (2011).

Supplier Financial Assistance

According to Choi (1999), supplier financial support is the buyers' effort towards its suppliers to continuously spot financial weaknesses within its supply base and taking the necessary financial support to avoid supply disruptions and increase supplier financial health so as to meet his short-term and long-term financial obligations. Financial support is a critical success factor in supplier development and supplier performance. According to Heidi and John (1990), proven financial support provides the buying firm with increased supplier competition in the global market and potentially reduces transportation and other logistical costs of suppliers. 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 parties

Financial investment can also refer to the buying organisations 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 organisation 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).

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 organisations 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.

Supplier Participation

Hoyt and Huq (2000) reviewed on how buyer-supplier relationships have evolved from transaction processes based on arms-length agreements to collaborative processes based on trust and information sharing. Their findings include the importance of considering factors such as organizational context and management practices on how they affect the buyer-supplier relations.

Organizations are beginning to understand and accept that if they do not open up to suppliers about their entire approach to cost investment return, it will be difficult for suppliers to contribute innovative ways to save money for both sides (Ounnar, Pujo, Mekaouche & Giambiasi, 2007). Communication between buyer and supplier is considered a critical mode of

supplier development. Sanders *et al*. (2011) found out that buyer-to-supplier information sharing, buyer-to-supplier performance feedback and buyer investment in inter-organizational information technology are key enablers of buyer-to-supplier communication openness (Krause, 1998).

With strategic information sharing between an organization and its suppliers, innovation is enhanced where suppliers are able to save significant money for an organization and share the cost savings for the benefit of all. One easy way to encourage information sharing by suppliers is to reward them for their behaviour. If a supplier contacts the organization about a problem or the possibility of a delay and the response is to impose supplier penalties, it is likely the supplier will not contact the organization again until an actual failure occurs. Organizations should reward the supplier for sharing valuable information about the possible disruption. It is to the benefit of supply managers that suppliers keep them informed about changes in the supply chain (Li, Ragu-Nathan, Ragu-Nathan & Rao, 2006).

Early supplier participation in new product development, Involving suppliers in new product development decisions and continuous improvement efforts enables the buying organisations 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. As today organisations focus on their core competences, they become more dependent on their suppliers to meet ever-increasing competition (Krause and Ellram, 2007). 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 an organisations 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. 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). 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 misjudgement or wrong strategy made would be reduced. Hahn, *et. al.* (1999) 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.

Providing incentives and recognition can be adopted by some buyers to show appreciation of their supplier achievement and improved performance. This is a means of motivating the supplier to work hard and invest more to maintain their good performance.

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 (Van Weele, 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.

Handfield, (2009) asserts that modern procurement and supply chain performance measurement systems contain a variety of measures which falls into two major categories: effectiveness measures and efficiency measures. Effectiveness refers to the extent to which by choosing a certain course of action, management can meet a previously established goal while efficiency refers to the relationship between planned and actual sacrifices made to realize a previously agreed-upon goal.

In general, the fundamental performance objectives that apply to all types of organization and are closely related to customer satisfaction requirements are speed, dependability, flexibility, quality, and cost (Bhagwat, & Sharma, 2007). Speed means doing things quickly. It is about delivering goods and services to customers as fast as possible. This involves making quick decisions and rapidly moving materials and information inside the operations. Dependability means doing things on time and as promised. It is about developing trustworthiness. Dependability can be achieved through the use of reliable equipment, effective communication, efficient scheduling systems, motivated workforce and transparency of processes (Batista, 2009).

Flexibility is about being able to change the operations to fulfil new requirements. As requirements can change over time, organizations need to develop operations ability to introduce new or modified products and services. Flexibility also involves volume flexibility that is the ability to change volume of output over time and delivery flexibility which is the ability to change delivery time. Flexibility can be achieved through the use of more versatile equipment, suppliers with good flexibility performance and multi-skilled workforce among others (Bhagwat, & Sharma, 2007). The quality objective can be achieved by the provision of error-free products or services that conform to customer requirements. This requires skilled workforce, adequate job specifications, proper technologies, and effective communication. Lower cost of production or service delivery reflects to the customer in form of lower price. Cost reduction can be achieved by developing good relationships with suppliers, good negotiation of supplying contracts, getting the right mix of resources and facilities as inputs (Batista, 2009).

All these measures are intended to evaluate strategic procurement contribution to profit, supplier relations and customer satisfaction (CIPS 2010).It is critical to have such performance measures to help an organization to; support better decision making, improve communication among the procurement partners, provide opportunity for performance feedback that will be used to prevent or correct problems identified in the process, with a view of motivating and directing behaviours towards the desired end result.

METHODOLOGY

A research design is the plan of action the researcher employs for answering the research questions. Kothari & Gang, (2014) indicates that research design provides the glue that holds the research project together.

Using Yamane (1967:888) n=N/1+N (e)2

n = 120/1+120 (0.05)2

n=72

Where N is the population size; n is the Sample size; and e is the level of precision (Yamane, 1967). A precision level of 5% will be assumed for random sampling survey; the sample size was 72

$Y=\alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Y = Represents the dependent variable, Procurement Performance

α= Constant

β_1, β_2, β_3, β_4 = Partial regression coefficient

X_1 = Joint Sourcing

X_2 = Supplier Training

X_3 = Supplier Financial Assistance

X_4 = Supplier Participation

ε = error term or stochastic term

RESEARCH FINDINGS

In the research analysis the researcher used a tool rating scale of 5 to 1; where 5 were the highest and 1 the lowest. Opinions given by the respondents were rated as follows, 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree. The analysis for mean, standard deviation was based on this rating scale.

Joint Sourcing

Table 1: Joint Sourcing

Descriptive Statistics

	N	Mean	Std. Deviation
As a result of joint sourcing there is higher commitment and loyalty between WFP and the suppliers.	52	4.06	1.195
Joint sourcing between WFP and key suppliers will cut down our product cost.	52	3.56	.958
Joint sourcing between WFP and key suppliers will boost our product quality.	52	3.71	1.601
Joint sourcing between WFP and key suppliers will improve on the delivery time.	52	3.65	1.667
Joint sourcing between WFP and key suppliers will enhance our operational flexibility.	52	3.83	.879
There is a mutual consent in solving problems between WFP and suppliers as a result of joint sourcing.	52	4.33	.834
Valid N (listwise)	52		

The first objective of the study was to establish the effects of joint sourcing on procurement performance of World Food Programme in Kenya. Respondents were required to respond to set questions related to joint sourcing and give their opinions. The statement that, as a result of joint sourcing there is higher commitment and loyalty between WFP and the suppliers had a mean score of 4.06 and a standard deviation of 1.195. The statement that joint sourcing between WFP and key suppliers will cut down our product cost had a mean score of 3.56 and standard deviation of 0.958. The statement that joint sourcing between WFP and key suppliers will boost our product quality had a mean score of 3.71 and a standard deviation of 1.601. The statement that joint sourcing between WFP and key suppliers will improve on the delivery time had a mean score of 3.65 and a standard deviation of 1.667. The statement that joint sourcing between WFP and key suppliers will enhance our operational flexibility had a mean score of 3.83 and a standard deviation of 0.879. The statement that, there is a mutual consent in solving problems between WFP and suppliers because of joint sourcing had a mean score of 4.33 and a standard deviation of 0.834.

The study therefore established that joint sourcing leads to superior performance because it creates long-term collaboration based on trust between the buyer and the supplier. Joint sourcing implies a radical change in the way

people work, including teamwork, mutual decision making, and collaborative activity.

Supplier Training

Table 2: Supplier Training

Descriptive Statistics

	N	Mean	Std. Deviation
WFP offers training programs and facilities to their key suppliers.	52	3.69	.701
Administering training programs for key WFP suppliers will cut down the product cost.	52	3.88	1.745
Administering training programs for key WFP suppliers will enhance the product quality.	52	3.44	1.056
Administering training programs for key WFP suppliers will improve on the delivery time.	52	4.50	.939
Administering training programs for key WFP suppliers will improve the operational flexibility.	52	3.98	1.407
WFP continuously trains employees across the ranks involved in the procurement process.	52	3.48	.918
WFP encourages individual learning.	52	4.12	.900
WFP assists supplier in acquiring certification by agencies.	52	4.31	1.112
Valid N (listwise)	52		

The second objective of the study was to establish the effects of supplier training on procurement performance of World Food Programme in Kenya. Respondents were required to respond to set questions related to supplier training and give their opinions. The statement that WFP offers training programs and facilities to their key suppliers had a mean score of 3.69 and a standard deviation of .701. The statement that administering training programs for key WFP suppliers will cut down the product costs had a mean score of 3.88 and a standard deviation of 1.745. The statement that administering training programs for key WFP suppliers will enhance the product quality had a mean score of 3.44 and a standard deviation of 1.056. The statement that administering training programs for key WFP suppliers will improve on delivery time had a mean score of 4.50 and a standard deviation of 0.939. The statement that administering training programs for key WFP suppliers will improve the operational flexibility had a mean score of 3.98 and a standard deviation of 1.407. The statement that WFP continuously trains employees across the ranks involved in the procurement process had a mean score of 3.48 and a standard deviation of 0.918. The statement that WFP encourages individual learning had a mean score of 4.12 and a standard deviation of 0.900. The statement that WFP assists supplier in acquiring certification by agencies had a mean score of 4.31 and a standard deviation of 1.112. This is in agreement with Olendo & Kavele, (2016) that supplier training is the cornerstone of supplier delopment.

Thus, there is a need to identify the types of training that suppliers themselves prefer and it is also 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.

Supplier Financial Assistance

Table 3: Supplier Financial Assistance

Descriptive Statistics

	N	Mean	Std. Deviation
WFP offers financial support to suppliers in form of advance payments.	52	3.87	.525
WFP offers financial support to key WFP suppliers in form of credits.	52	4.63	.841
Offering financial support to key suppliers will cut down our product cost.	52	2.98	1.502
Offering financial support to key suppliers will boost our product quality.	52	4.63	.841
Offering financial support to key suppliers will improve on the delivery time.	52	3.83	1.543
Offering financial support to suppliers will enhance our operational flexibility.	52	3.52	1.674
Valid N (listwise)	52		

The third objective of the study was to establish the effects of supplier financial assistance on procurement performance at World Food Programme in Kenya. Respondents were required to respond to set questions related to supplier financial assistance and give their opinions. The statement that WFP offers financial support to suppliers in form of advance payments had a mean score of 3.87 and a standard deviation of 0.525. The statement that WFP offers financial support to key WFP suppliers in form of credits had a mean score of 4.63 and a standard deviation of 0.841. The statement that offering financial support to key suppliers will cut down our product cost had a mean score of 2.98 and a standard deviation of 1.502. The statement that offering financial support to key suppliers will boost our product quality had a mean score of 4.63 and a standard deviation of 0.841. The statement that offering financial support to key suppliers will improve on the delivery time had a mean score of 3.83 and a standard deviation of 1.543. The statement that offering financial support to suppliers will enhance our operational flexibility had a mean score of 3.52 and a standard deviation of 1.674.

The study thus established that a supplier who is properly and adequately financially supported increases the buying organisations ability to deliver high-quality and innovative products to its customers and thus reduces buyers operational risks.

Supplier Participation

Table 4: Supplier Participation

Descriptive Statistics

	N	Mean	Std. Deviation
WFP always shares procurement related information with suppliers.	52	4.00	1.283
WFP has put in place measures and platforms for effective information sharing with suppliers.	52	3.98	.960
Our suppliers always inform us in advance when they expect disruptions in supplies.	52	4.15	1.055
My organization rewards suppliers who share procurement related information.	52	4.29	.997
At WFP, procurement employees freely interact with suppliers.	52	4.37	.841

The organization communicates to the suppliers about performance and client feedback.	52	4.60	.748
WFP gives recognition to outstanding supplier performance.	52	3.83	1.294
Valid N (listwise)	52		

The fourth objective of the study was to establish the effects of supplier participation on procurement performance at World Food Programme in Kenya. Respondents were required to respond to set questions related to supplier participation and give their opinions. The statement that WFP always shares procurement related information with suppliers had a mean score of 4.00 and a standard deviation of 1.283. The statement that WFP has put in place measures and platforms for effective information sharing with suppliers had a mean score of 3.98 and a standard deviation of 0.960. The statement that our suppliers always inform us in advance when they expect disruptions in supplies had a mean score of 4.15 and a standard deviation of 1.055. The statement that my organization rewards suppliers who share procurement related information had a mean score of 4.29 and a standard deviation of 0.997. The statement that at WFP, procurement employees freely interact with suppliers had a mean score of 4.37 and a standard deviation of 0.841. The statement that the organization communicates to the suppliers about performance and client feedback had a mean score of 4.60 and a standard deviation of 0.748. The statement that WFP gives recognition to outstanding supplier performance had a mean score of 3.83 and a standard deviation of 1.294

The study therefore concluded that early supplier participation in new product development, Involving suppliers in new product development decisions and continuous improvement efforts enables the buying organisations to share knowledge and increase learning so that better solutions can be found to complex, inter-company problems that impact performance.

Procurement Performance

Table 5: Procurement Performance

Descriptive Statistics

	N	Mean	Std. Deviation
Introduction of supplier development will lead to reduction in product and material costs.	52	4.17	.923
Introduction of supplier development will lead to provision of error-free products or services that conform to customer requirements.	52	3.31	1.528
Introduction of supplier development will lead to delivery of goods and services to the organization as fast as possible or within the specified time	52	4.13	1.415
Introduction of supplier development will lead to the ability of the supplier to introduce new or modified products, services and to change volume of output over time	52	3.81	1.030
Introduction of supplier development will lead to eliminating wasteful steps in production process	52	3.23	1.688
Introduction of supplier development will lead to transparency in procurement about winning bids and prices.	52	4.08	1.007
Valid N (listwise)	52		

The statement that introduction of supplier development will lead to reduction in product and material costs had a mean score of 4.17 and a standard deviation of 0.923. The statement that introduction of supplier development will lead to provision of error-free products or services that conform to customer requirements had a mean score of 3.31 and a standard deviation of 1.528. The statement that Introduction of supplier development will lead to delivery of goods and services to the organization as fast as possible or within the specified time had a mean score of 4.13 and a standard deviation of 1.415. The statement that Introduction of supplier development will lead to the ability of the supplier to introduce new or modified products, services and to change volume of output over time had a mean score of 3.81 and a standard deviation of 1.030. The statement that Introduction of supplier development will lead to eliminating wasteful steps in production process had a mean score of 3.23 and a standard deviation of 1.688. The statement that Introduction of supplier development will lead to transparency in procurement about winning bids and prices had a mean score of 4.08 and a standard deviation of 1.007.

The study consequently established that for any organization to change its focus and become more viable, 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 failure of the purchasing function.

Correlation Analysis

To establish the relationship between the independent variables and the dependent variable the study conducted correlation analysis which involved coefficient of correlation and coefficient of determination.

Coefficient of Correlation

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (Procurement Performance) and the independent variables (Supplier training, supplier financial assistance, supplier participation and joint sourcing). According to Sekaran, (2015), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari and Gang, 2014).

In trying to show the relationship between the study variables and their findings, the study used the Karl Pearson's coefficient of correlation (r). This is as shown in Table 6 below. According to the findings, it was clear that there was a positive correlation between the independent variables, joint sourcing,supplier training, supplier financial assistance and supplier participation and the dependent variable procurement performance. The analysis indicates the coefficient of correlation, r equal to 0.302, 0.729, 0.291 and 0.347 for supplier training, supplier financial assistance, supplier partipation and joint sourcing respectively. This indicates positive relationship between the independent variable namely supplier training, supplier financial assistance, supplier participation and joint sourcing and the dependent variable procurement performance.

Table 6: Pearson Correlation

Correlations

	Procurement Performance	Joint Sourcing	Supplier Training	Supplier Financial Assistance	Supplier Participation
Procurement	1				

Performance					
	52				
Joint	.347*	1			
Sourcing	.012				
	52	52			
Supplier	.302*	.852**	1		
Training	.029	.000			
	52	52	52		
Supplier	.729**	.621**	.519**	1	
Financial	.000	.000	.000		
Assistance	52	52	52	52	
Supplier	.291*	.921**	.885**	.543**	1
Participation	.036	.000	.000	.000	
	52	52	52	52	52

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Coefficient of Determination (R^2)

To assess the research model, a confirmatory factors analysis was conducted. The four factors were then subjected to linear regression analysis in order to measure the success of the model and predict causal relationship between independent variables (Supplier training, Supplier financial assistance, Supplier Involvement and Joint Sourcing), and the dependent variable (Procurement Performance).

Table 7: Coefficient of Determination R^2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743[a]	.552	.514	2.32363

a. Predictors: (Constant), Supplier Involvement, Supplier Financial Assistance, Supplier Training, Joint Sourcing

The model explains 55.2% of the variance (Adjusted R Square = 0.514) on procurement performance. Clearly, there are factors other than the four proposed in this model which can be used to predict procurement performance. However, this is still a good model as Cooper and Schinder, (2013) pointed out that as much as lower value R square 0.10-0.20 is acceptable in social science research.

This means that 55.2% of the relationship is explained by the identified four factors namely Supplier training, supplier financial assistance, supplier participation and joint sourcing. The rest 44.8% is explained by other factors in the procurement performance not studied in this research. In summary the four factors studied namely supplier training, supplier financial assistance, supplier involvement and joint sourcing, or determines 55.2% of the relationship while the rest 44.8% is explained or determined by other factors.

Regression Analysis

Analysis of Variance (ANOVA)

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is as per Table 8 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is

statistically significant in predicting factors of sustainable performance. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at F = 14.461, p = 0.000.

Table 8: ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	312.312	4	78.078	14.461	.000[b]
	Residual	253.765	47	5.399		
	Total	566.077	51			

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Supplier Involvement, Supplier Financial Assistance, Supplier Training, Joint Sourcing.

Multiple Regression

The researcher conducted a multiple regression analysis as shown in Table 9 so as to determine the relationship between procurement performance and the four variables investigated in this study.

Table 9: Multiple Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	7.549	4.265		1.770	.003
	Joint Sourcing	.116	.197	.162	2.592	.000
	Supplier Training	.098	.244	.086	3.402	.000
	Supplier Financial Assistance	.856	.129	.833	6.656	.000
	Supplier Participation	.048	.158	.088	4.306	.001

a. Dependent Variable: Procurement Performance

The regression equation was:

$Y = 7.549 + 0.116\mathbf{X_1} + 0.098\mathbf{X_2} + 0.856\mathbf{X_3} + 0.048\mathbf{X_4}$

Where;

Y = the dependent variable (Procurement Performance)

X_1 = Joint Sourcing

X_2 = Supplier Training

X_3 = Supplier Financial Assistance

X_4= Supplier Participation

The regression equation above has established that taking all factors into account (Procurement performance as a result of joint sourcing, supplier training, supplier financial assistance and supplier participation) constant at zero procurement performance will be 7.549. The findings presented also shows that taking all other independent variables at zero, a unit increase in joint sourcing will lead to a 0.116 increase in the scores of procurement performance; a unit increase in supplier training will lead to a 0.098 increase in procurement performance; a unit increase in supplier financial assistance will lead to a 0.856 increase in the scores of procurement performance; a unit increase in supplier participation will lead to a 0.048 increase in the score of procurement performance. This therefore implies that all the four variables have a positive relationship with supplier financial assistance contributing most to the dependent variable.

From the table we can see that the predictor variables of joint sourcing, supplier training, supplier financial assistance and supplier partipation got variable coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

Hypothesis Testing

The study was based on the premise that supply development practices influenced performance. Accordingly, four relevant hypotheses had been set to guide the study as highlighted in the conceptual framework in chapter two. In order to establish the statistical significance of respective hypotheses, simple and multiple linear regression analysis were conducted as appropriate at 95 percent confidence level ($\alpha = 0.05$).

Hypothesis 1

H_0: Joint Sourcing has no significant effect on procurement performance at World Food Programme in Kenya.

β_1=0,

H_1: Joint Sourcing has a significant effect on procurement performance at World Food Programme in Kenya.

$\beta_1 \neq 0$,

In relation to the variable joint sourcing, the results in Table 10 above indicate that joint sourcing has a significant effect on procurement performance. This is supported by regression analysis t-value of 2.592 which is greater than the critical value 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05

After testing the hypothesis by comparing the scores of calculated t-value and critical t calculated t-values was 2.592 for joint sourcing, which is greater than the critical $t_{36-}(0.05)$= 2.0, the study rejected the null hypothesis that there is no effect of joint sourcing on procurement performance at World Food Programme in Kenya

Therefor the study accepted the alternative hypothesis that joint sourcing has a significant effect on procurement performance at World Food Programme in Kenya.

Hypothesis 2

H_0: Supplier training has no significant effect on procurement performance at World Food Programme in Kenya.

β_1=0,

H_1: Supplier training has a significant effect on procurement performance at World Food Programme in Kenya.

$\beta_1 \neq 0$,

In relation to the variable supplier training, the result in Table 10 above indicates that supplier training has a significant influence on procurement performance. This is supported by regression analysis t-value of 3.402which is greater than the critical value 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05

After testing the hypothesis by comparing the scores of calculated t-value and critical t; Calculated t-values was, 3.402 for, which is greater than the critical $t_{36-1}(0.05) = 2.0$,

The study rejected the null hypothesis that there is no significant effect of supplier training on procurement performance at World Food Programme in Kenya.

Therefore, the study accepted the alternative hypothesis that there is an effect of supplier training on procurement performance of World Food Programme in Kenya.

Hypothesis 3

H_0: Supplier financial assistance has no significant effect on procurement performance of World Food Programme in Kenya.

β_1=0,

H_1: Supplier financial assistance has a significant effect on procurement performance of World Food Programme in Kenya.

$\beta_1 \neq 0$,

In relation to the variable supplier financial assistance, the results in table 10 above indicate that supplier financial assistance has a significant influence on procurement performance of World Food Programme in Kenya.

This is supported by regression analysis t-value of 6.656 which is greater than the critical value 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05.

After testing the hypothesis by comparing the scores of calculated t-value and critical t ; Calculated t-values was, 6.656 for supplier financial assistance, which is greater than the critical t_{36-1} (0.05) = 2.0,

The study rejected the null hypothesis that there is no effect of supplier financial assistance on procurement performance of World Food Programme.

Therefore, the study accepted the alternative hypothesis that there is an effect of supplier financial assistance on procurement performance of World Food Programme in Kenya.

Hypothesis 4

H_0 Supplier partipation has no significant effect on procurement performance of World Food Programme in Kenya.

$\beta_1 = 0$,

H_1: Supplier participation has a significant effect on procurement performance of World Food Programme in Kenya.

$\beta_1 \neq 0$,

In relation to the variable supplier participation, the results in Table 10 above indicate that supplier participation has a significant influence on procurement performance of World Food Programme. This is supported by regression analysis t-value of 4.306 which is greater than the critical value 2.0 and a p-value of 0.000 at 95% level of significance which is less than 0.005.

After testing the hypothesis by comparing the scores of calculated t-value and critical t; Calculated t-values was, 4.306 for supplier participation, which is greater than the critical t_{36-1} (0.05) = 2.0, the study rejected the null hypothesis that there is no effect of supplier participation on procurement performance of World Food Programme in Kenya.

Therefore, the study accepted the alternative hypothesis that there is an effect of supplier participation on procurement performance of World Food Programme in Kenya.

Table 10: Summary of hypotheses Test Results

Hypothesis	P Values	Decision
Joint Sourcing has a significant effect on procurement performance of World Food Programme in Kenya	0.000	Accepted
Supplier training has a significant effect on procurement performance of World Food Programme in Kenya.	0.000	Accepted
Supplier Financial Assistance has a significant effect on procurement performance of World Food Programme in Kenya	0.00	Accepted
Supplier participation has a significant effect on procurement performance of World Food Programme in Kenya	0.001	Accepted

CONCLUSION

The conclusions were based on the objectives of the study that supplier development influences procurement performance at WFP. The results established that supplier development was found to significantly and positively influence procurement performance in WFP in Kenya. When

all the stated hypotheses were tested in the regression model they were found to have a significant relationship between themselves and procurement performance. Supplier financial assistance was the driver which had the highest effect on procurement performance followed by, joint sourcing, supplier training and supplier participation. The findings of the study established that supplier development was operating under a highly competitive environment.

It was concluded that WFP needed to embrace supplier development in order to achieve procurement performance. The results obtained from this study were important in terms of reflecting the situation on the usage and performance levels of supplier development of procurement performance in WFP. The results further revealed a positive relationship between the individual supplier development and procurement performance.

Recommendations

The study recommended the following:

- That WFP should continually carry out supplier development in order to encourage good governance among the suppliers
- Joint sourcing between WFP and the suppliers must be supported from the entire organization. A buyer must have the authority to negotiate with a supplier and come to an agreement that carries mutual trust and benefit
- That WFP should continually train supplier on the need to embrace e-procurement that will reduce paper work and human interaction thus creating a transparent tendering system where only the suppliers that are qualified can be awarded contracts to supply.
- That WFP should not offer financial support to suppliers instead they should pay suppliers within the shortest time possible.

Suggestion of Further Studies

This study focused on the effects of supplier development on procurement performance in WFP. Since only 55.2% of results were explained by the independent variables in this study, it is recommended that a study be carried out on other factors on procurement performance in the non-governmental sector. The research should also be done in other government corporation or private sector and the results compared so as to ascertain whether there is consistency on procurement performance.

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