# EFFECTS OF GLOBAL SOURCING TOWARDS ORGANISATIONAL PERFORMANCE: A CASE STUDY OF GENTEX

BY

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# A RESEARCH REPORT SUBMITTED TO COLLEGE OF ECONOMICS AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS

## FOR THE AWARD OF BACHELORS IN SUPPLY AND

PROCUREMENT MANAGEMENT OF

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UNIVERSITY

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## **DECLARATION**

I Ssemugenze Peter, hereby declare that this research report is my own work towards the fulfillment of the requirements of Bachelor's Degree in Supply and Procurement management, this research proposal has not been presented or for degree or any other academic award in any university or institution.

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## APPROVAL

This is to certify that this research report has been under my supervision and is now ready for submission to Kampala International University for the award of the degree of bachelor of Supplies and Procurement management.

Signed:

Date:

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(Supervisor)

#### **DEDICATION**

I Ssemugenze Peter here by dedicate this report to my family and friends especially those that have been very important, like moral support and I love to show them my gratitude by dedicating them this ultimate report, the first one is my father Dr. Mukasa Fred, my mum Mrs. Namirimu Justine Antonio , my brothers Kaliika Adrian , Migadde Solomon, Mukasa Ivan. My sisters Nakayima Solomy, Muliika Hamida. My friends Mawanda Yasin, Ssenkungu Amon, Kyagulanyi George and my supervisor Mr. Bagaya Ramathan for the motivation and encouragement that they have helped me through my research study.

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#### ABBREVIATIONS AND ACRONYMS

IGD - Institute of Grocery Distribution

EAC - East African Countries

LTD - Limited

BPO - Business Process Outsourcing

EOQ - Economic Order Quantity

SCRC - Supply Chain Resource Cooperative

SLA - Service Level Agreement

MAN - Materials As Needed

SaaS - Software as a Service

JIT - Just In Time

SOW - Statement of Works

MSA - Multiple Service Agreement

TAC - Total Acquisition Cost

PPDA - Public Procurement and Disposal of Public Assets Authority

#### ABSTRACT

This study was on the effect of Global sourcing towards organizational performance with the case study of GENTEX Enterprise Limited, Kampala. The objectives of the study were to; challenges of Global sourcing towards organizational performance, establish the relationship between Global sourcing and organizational performance, and identifying the criteria of adopting a Global sourcing strategy.

The review of the literature revealed the relationship between Global sourcing and organizational performance and a number of challenges facing Global sourcing in organizations, and the criteria of adopting a Global sourcing strategy. The literature was reviewed in accordance to the stated objectives.

In order to achieve the objectives, both qualitative and quantitative methods were used is this study. The study used probability sampling and most specifically stratified sampling method. Data was got from both primary and secondary sources. Primary data was collected using questionnaires that were administered to a sample size of 75 staff of GENTEX Enterprise Limited, Kampala. Interviews were also carried out by the researcher on 3 heads of departments and some respondents. Secondary data was gathered from; publications, internet, and unpublished documents. Data was analyzed and presented both in tables and graphical forms.

The findings of the study revealed that, GENTEX Enterprise Limited, Kampala had evidence of the Global sourcing techniques for example E- procurement, TAC Total Acquisition Cost. It was also evident that GENTEX Enterprise Limited, Kampala carried out Global sourcing. It also asserted by the findings that Global sourcing and organizational performance had a relation and the earlier impacted on the latter. However, the findings reported that although GENTEX Enterprise Limited, Kampala had adopted Global sourcing, there was still delay in the materials and also defects of the sourced products. The finding also highlighted complexity of supplier selection in GENTEX Enterprise Limited, Kampala, lack of use of modern systems and technology. The findings finally revealed a number of challenges faced by GENTEX Enterprise, Kampala towards undertaking a Global sourcing strategy such as; delay in supply of materials, fluctuation in the exchange rate, complexity in selecting suppliers among other.

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.0 Introduction

This chapter presents the background of the study, statement of the problem, purpose of study, objectives of the study, research questions, and scope of the study and significance of the study.

## 1.1 Background of the study

Global sourcing is a procurement strategy in which a business seeks to find the most cost efficient location for manufacturing a product even if the location is foreign country. For example if a toy wages of foreign employees the company might close the domestic factory and use a foreign manufacturer. See also outsourcing, international procurement organization. (Business Dictionary)

Global sourcing is a phenomenon tentatively studied by scholars. during these studies, global sourcing is a widely used term in the area of our purchasing, in other wards the definitions differ widely (motwani and ahua,2000), worldwide sourcing(Monckza and Trent 1992), import sourcing(swamidass,p,1993), off sore sourcing (Frear et al., 1992), international procurement (Scully and Fawcett,1994)

According to Murray et al, 1995, p.181 defined global sourcing as setting up production operations in different countries to serve various markets, or buying and assembling components, finished products worldwide.

In the literature of Monckza et al, (2008.p.38) sourcing refers to the process used to identify user requirements, evaluate the need effectively and efficiently, identify suppliers, ensure payment occurs promptly, ascertain that the need was effectively met, and drive continuous improvement

Global sourcing is the practice of sourcing from the global market for goods and services across geopolitical boundaries. Global sourcing always aims to exploit global efficiencies in delivery of a product or service. Theses efficiencies include low skilled labor, low cost of raw materials and other economic factors like tax breaks and low trade tariffs. A large number of information technology projects and services including IT applications and mobile apps with data base

services are outsourced globally from countries like Pakistan, India for economical pricing (Wikipedia)

Furthermore Global sourcing can be referred to as buying raw materials, components or services from companies outside the home country. In a flat world, raw materials are sourced from wherever they can be obtained for the cheapest price (including transportation costs and the highest comparable quality)

However Global sources takes in to account activities such as identifying and developing key suppliers across sourcing categories and with this it helps to satisfy periodic sourcing requirements of the parent organization (Roth et.al.2008). Such set ups help to provide focus in country based sourcing efforts. Another important activity that is taken in to consideration according to worldwide purchasing, engineering and operating locations(p.304 2004) is Electronic procurement where by acquisition of requirements is undertaken through the use of electronic devices that can access the global potential suppliers. Furthermore Handfield (2005) explains other Global sourcing activities that can be adopted by an organization and these are specification of the needs and this is usually done by the user department where by it helps the organization to determine what is exactly needed to be sourced for the operations to be undertaken. Awarding of contract where by once the suppliers are determined and selected one that best suites the components that the organization needs then there is possibility to award the contract, monitoring and controlling and with this there is need for the organization to be in touch with the awarded supplier in order to know the status of the sourcing process.

However global sourcing enables organizations to achieve efficiencies (Cavusgil 2007) by formalizing the way spend information is gathered, analyzed and factored in to procurement process. It is a process that considers factors far beyond just cost of a product or a service. Driven by experience, evidence and fact, Global sourcing eliminates the potentially high cost of opinion or emotion based procurement decisions

Global sourcing also helps allows organizations to consolidate purchasing power in order to secure the best value available in the market place (Mathew G Anderson International Journal of Logistics 2002)

Further still Global sourcing gives an opportunity for full filling their dual roles of supply and cost management (Faustine 2015). Rather than taking a reactionary or fulfillment approach to procuring what a company needs, strategic sourcing takes proactive, and information guided approach to procurement

But why does it remain so difficult for so many industrial companies to find the right approach in to global sourcing while at the same time a few are very successful in the implementation and were spared the adverse effect of the recent economic crisis

Some of the content of global sourcing describes how the Publication ''manager magazine '' in 2004 article still timely today, pointed out that 90% of all companies could reduce their procurement cost by about 10%. The transparency of expenses and the qualification of the employees are decisive. (Global sourcing tools 2004)

A number of theories widely applied in global sourcing are significant to the current. The specific theories adopted are resource based, resource dependency theory and the theory of comparative advantage. Resource based theory assert that ownership and control of strategic resources and capabilities determines which organizations will receive superior returns and enjoy a position of competitive advantage (Peteraf and Barrney, 2003). The main reasons why firms undertake global sourcing is so that they can gain some kind of competitive advantage. resource dependency is a of a view that member firms in any process of production or service provision should collaborate with each other to achieve a higher performance in the long term instead of the short term gains at the expense of others. Finally comparative advantage theory tries to explain why nations should still be involved in international trade and global sourcing even in circumstances where absolute advantage doesn't exists

However Procurement trends – Uganda (2009) explained how global sourcing was being adopted by the local organizations and with this it explains how Tororo cement sourced the packaging materials of cement from Egypt which by then those of Uganda were not suitable to frost condition(Tajuba Paul 3 September 2015). Flyk.com (2014 research about flight services) explained how Civil Aviation Authority outsourced inflight services from France there by choosing Newrest as their supplier to the Planes that land at the international Airport of Uganda since the local inflight companies were not capable to meeting the desired wants of different

Airlines. Globefeed.com(2018) explains how DOBA Enterprise a leading local distributor of plumbing materials began to source from other international plumbing industries like Pegler industry from UK, BT industry from china and among other countries to mention a few. All these are being in to consideration in need to discover better quality that might suit the customers or the need to promote efficiency for the organization.

## 1.2 Statement of the problem

Global sourcing refers to a procurement strategy in which an organization seeks to find the most cost efficient location for manufacturing a product even if the location is in a foreign country (Elhanan Helpman 2004 Global sourcing), for example if a toy manufacturer finds that manufacturing costs are lower in a foreign country due to lower wages of the foreign employees, the organization may close the domestic factory and use a foreign manufacturer. However Global sourcing can play a vital role in cost savings as being a major benefit in that foreign suppliers and manufacturers offer their services at a competitive price especially in the low cost regions. Manufacturing costs are generally lower and business can often buy goods at a lower unit price. With business with tight budgets, this can be a great way to maximize their bottom-line

GENTEX Enterprise Limited having found in 1991 with its products having an ISO 9001:2000 (Ram Singh) is one of the plumbing industries in Uganda that has adopted global sourcing in Uganda. This has enabled it to have access to fresh research, design and specialized intellectual capital (Dave Raghiv Finance assistant manager GENTEX). Further still there has been availability of new technology and capacity. This is because the local supplier's technology is outdated there by advocating for new technology from overseas.

Even though GENTEX Enterprise has been able to adopt Global sourcing during its functions, it has not fully met the benefits of Global sourcing and with this it creates risks of defects of the sourced products which is majorly brought upon by limited control and monitoring of the globally sourced products. This is because there is no facial interaction with the suppliers that might enable GENTEX Enterprise Limited to maintain and control the status of the global sourcing transaction (Kisolo Paul store manager GENTEX), therefore it is upon this background that the researcher will assess the effect of global sourcing towards organizational performance.

## 1.3 Purpose of the study

The purpose of this study is to clearly identify the effect of global sourcing towards organizational performance a case study of GENTEX Enterprises limited Uganda.

## 1.4 Objectives of the study

- (i) To determine the challenges of Global sourcing towards organizational performance.
- (ii) To identify the criteria for assessing organizational performance.
- (iii) To determine the relationship between Global sourcing and organizational performance.

## 1.5 Research Questions

- (i) What are the challenges of global sourcing towards organizational performance?
- (ii) What are the criteria of assessing organization performance?
- (iii) What are the possible relationships between Global sourcing and organizational Performance?

#### 1.6. Scope of the study

This is categorized in to three concepts, that is to say content scope, geographical scope and time scope of the study

#### 1.6.1 Content scope

The study is confined to relate the effect of global sourcing towards GENTEX Enterprise's performance. The study then refocuses on how global sourcing can be adopted in GENTEX Enterprises in order to achieve its goals and objectives there by also achieving value for money in the long run.

#### 1.6.2 Geographical scope

The research was carried out at GENTEX Enterprises Limited located in Ntinda Industrial area

#### 1.6.3 Time scope

The study covered a period of 4 months that is, between April and October 2019. This period was chosen in order to help the researcher obtain enough data relevant to the study about the effects of global sourcing.

## 1.7 Significance of the study

The findings of the study will benefit GENTEX Enterprises Limited and other private entities in such a way that enables them to discover the gaps that are hindering their success, knowing about these inconsistences in global sourcing and will enable them to plan effectively and avoid making mistakes in the future

The research will be of great importance to the researcher because the researcher hopes to acquire skills which will be applied to conduct research in other subjects. Skills like developing questionnaires, interacting with new people and getting the necessary information and analyzing data.

It may also be useful to the government of Uganda in ensuring value for money through proper procurement management and adoption of effective global sourcing strategy.

The study is to act as reference material for other scholars who may wish to carry out a study in the same field.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.0 Introduction

This chapter emphasizes greatly on the existing literature of the global sourcing with its performance well as the relationship between global sourcing and organizational performance. the challenges affecting global sourcing towards organizational performance, steps that are under taken, previously studied by other researchers, authors and experts about Global sourcing with its effects in the organizations

#### 2.1 Theoretical Literature Review

There are many misconception about sourcing. What should we source and when should we not.

Many people do train sourcing as and either or decision, either we advocate or not. However all training organizations source some part of activities, however the question is what sourcing strategy should we use?

Sourcing business models can be very complex to understand them, it is impossible to cover all the variations in a short blog. But what we can cover are some of the basic terms and concepts that will help you decide what strategy is best for you and your organization. Then depending on the complexity of the strategy you choose, you may not want to seek an advisor to help you through the process (Flynn 2006)

So starting with the basics, there are four types of sourcing strategy, or what some call engagement models for sourcing. According to Benton Jr. (2007) the first two are considered Business Process Outsourcing (BPO) engagements, and the other two are considered out tasking models. The BPO models are comprehensive and selective. And the out tasking models are licensing and contracting with being clear all four are forms of out sourcing. A common question is what the difference between BPO and out tasking is

The easiest way to explain it is to think about the training organization as an integrate group of business process that must be managed by someone, we call these processes the training process

frame work. The frame work defines 26 bu8siness processes across the four functional areas of training organization, administration, delivery and technology

The number of processes a supplier manages the complexity integrating those processes and the duration of time a supplier is expected to manage those processes all help define the differences in sourcing strategies.

BPO refers to those engagements that are e more complex, longer in duration integrated across sourcing models functional process areas and considered most strategic in the business. Out tasking. Refers to the models that are less complex fewer process and limited to one functional area more tactical and more labor oriented. (Tonya m Leary)

#### 2.2 Challenges of Global Sourcing

Along with the benefits that come from sourcing outside the organization such as low cost manufacturing, several issues must be properly managed to ensure successful supply chain. Finding a rock bottom price is not the problem from the low out sourced countries like china and India, but landing great costs while avoiding distance, timing, quality, and language problem. However the challenges of global sourcing towards organizational performance include:

Quality levels and defects; it is very hard for an organization to classify the defect as either being minor or a major one (Fisher R 2004). Sometimes they are referred to as untrimmed threads or consequences that fall out once management and control are not taken in to full capacity (Patton 2001). However the minor defects might not affect the scalability of the product and once the products is being distributed then it is termed as a major defect. Manufacturing process aren't perfect, so the industry typically accepts a certain quality level for the products. Complexity and variability are part of any production process (Ury W L 2005), and unfamiliar sources might not adhere to the accepted levels of an organization or a country. Therefore this arises questions about which party is liable for defect percentages that rise above normal. (New York penguin books 2009)

Accountability and compliance; accountability is the obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the

results in a transparent manner (Narasimham R 2010). It also includes the responsibility for money or any other entrusted property. However compliance means confirming rule such as specification, policy, standard or law (Talluri 2008). Regulatory compliance describes the goal that organizations aspire to achieve in their efforts to ensure that they are aware of and take steps to comply with relevant laws, policies and regulations (Ross 2007). Companies should consider social compliance every time they look at global sourcing. They need to conduct due diligence about child labor practices, acceptable working conditions, forced labor, and fair compensation practices. Barring the hiring of local staff members, however there isn't a sure fire way to ensure social compliance from across the globe. Risks come in the form of severe brand damage due to unfair or illegal practices that come to light. (e- Procurement solutions 2013)

Language barriers; little communication may occur unless one or both parties learn a new language that might simply communication between the parties (Westring 2004). According to a new report by the Economist intelligence unit, a business research unit of the economist magazine interviewed admitted that misunderstandings and messages lost in transactions have halted major global transactions deals for organizations (Hinson C 2007). 64% of the business executive in the world said that poor communication skills have negatively affected their plans to expand globally (pettijohn 2014). Global partner's offer competitive pricing and efficiencies, but still often conduct day to day business in a different language (communication and requirement analysis 2017). Managers will likely speak English but their directions must be relayed to line staff, and your own words might be lost in translation. Errors are bound to happen when communication aren't translated and interpreted perfectly.

Fluctuation of currency exchange in global sourcing; exchange rates represents the external value of currency (Babich K 2002). Changes in exchange rates of currency may affect the relative position of an organization in the global trade in global sourcing the money has to be moved between domestic countries and foreign partners (Cook 2006). Stability of currency enables the international trade to be easier while instability makes it more complex and creates risks. If trade amounts to tens of millions of dollars, a 0.5% deviation of exchange rate could affect the effectiveness of a global sourcing strategy and profitability of the whole supply chain Moreover 4% deviation could result in a disastrous end (sourcing in the public sector 2006)

Supplier selection complexity in global sourcing; how to handle global sourcing effectively and efficiently are additional challenges (De Boer 2004). Supplier selection is a vital aspect in the performance of global sourcing implementation. Unlike dealings with domestic suppliers, the costs involved in identifying, selection, and evaluating foreign suppliers can be prohibitive (Harink 2006). Supplier selection and evaluation have an important role in the supply chain process and are critical to the success of a manufacturing firm (Hartley and choi 2000). There are several supplier selection methods which persist in the contemporary business world. (Procurement, European journal of purchasing and supply management 2007)

Volatile economic and political environment in global sourcing; local and regional economic environment can be primary risk factor for global sourcing due to the cheap labor and other factors developing countries may be experiencing uncertain economic situation(cook 2006). A financial crisis happened in 1999 leading to a decline in almost every Asian economy and currency decreased sharply over the one weekend (Barrat 2004). Plenty of banks and organizations were bankrupt in Asian countries. Even as late as 2006, although many Asian countries have seen their economies revived, some still have not totally recovered (Rosdahl 2005). Many European and American companies were financially stricken by this horrible occurrence, according to the study of Thomas there are more than 50 countries in the globe were the political environment is not conducive to deals with local business. (European journal of purchasing and supply management)

Different standards and regulations in global sourcing; due to the various places of industrialization in different countries, industrial standards vary among different countries in the world (Turban 2004). Therefore evaluation of the situations and clarifying the difference are highly important and necessary before the companies share designs with their suppliers who may use different technical standards (King D 3003). Once again misunderstandings may filter in to the scenario (Accenture, 2007). But actually it takes an inordinate amount of time for the suppliers to understand complicated explanations of requires industrial standards which may be self-explanatory in the buyers country. Although many international business organizations are striving to unitize different standards in order to facilitate global co-operations. existing industrial standards which are not synchronized with international standards or expectations still

can cause costly troubles and even the failure of global sourcing. (Managerial perspective third edition 2008)

Complicated logistics in global sourcing; in global sourcing international management of logistics is definitely a necessary and critical procedure. Logistics in global sourcing refers to plenty of additional problems such as transportation, delays, boarder costing procedures and longer inventory management (Bradley, Thomas 1999). Moreover, lack of holistic logistic knowledge in the low cost developing countries would trouble the procurement executives when implementing global sourcing. Now day's logistic management has dramatically improved in the developed countries. On the other hand less developed country suppliers are short of experience with the most advanced approaches and are usually unfair with high standard requirement such as sequence deliveries combined with JIT, electronic data interchange communication and vendor management inventory solutions (Cho and Kang 2001). The capabilities of supply chain management are important in determining how much benefits a company can derive from global sourcing. (Procurement booklet and guide 2006)

Time consuming; Global sourcing widens the cycle time which is, time it takes to find supplies that you really need at the right price hence consuming buyers time, (Phillips 2010). For example the sourcing cycle time is widened when the supplier does not clearly identify the standards of what the organisation needs, (Phillips 2010). When awarding a contract it consumes lot of time procurement specialists spend on the tendering process, and therefore, delaying on performing on other tasks, (Harvey 2014). A lot of beauracratic measures in finding new suppliers by browsing the thousands of suppliers registered with online sourcing platforms and attracting global suppliers with a published e-request which is time consuming, (Aberdeen 2002)

**High costs**; Global sourcing solutions increase bottom line cost delivered by sourcing and procurement functions, for example these costs are increased through streamlining tender processes and also still the shipment costs that may be incurred by the organisation(Spring 2019). According to Santema (2016), Global sourcing systems may result in to high expenses for both buyers and sellers particularly in print and paper work costs. Global sourcing increases costs by accessing a broader range of suppliers by simplifying and accelerating source to procure processes for goods and services, (Aberdeen 2002

## 2.3 Criteria for assessing Organization Performance

**Productivity**; although related to profit, some researchers instead compute the productivity of employees. Roughly productivity is revenue divided by the total number of employees. Many researchers however, prefer to compute the natural log of revenue divided by the total number of employees (Huselid, 1995 and subramony, Krause 2005). Perception of pay can affect productivity which in later also affects the performance of the organization (Norton and Burns 2006).that if productivity as measured by the natural log of revenue divided by the total number of employees, increases employees there by also increasing on the rate at which the operations are being undertaken. (Assessing organizational performance Janice Edwards 2013)

Sales and market share; Sales is often used to gauge the performance of organizations. Nevertheless, several variants of sales have been utilized. In one study conducted by salmon and Robinson (2008), sales relative to targets was calculated. That is senior management had estimated the sales target of each site, depending on the product lines, characteristics of the clientele and other factors. To compute actual sales performance, actual sales was divided by the target sales and then multiplied by 100.this study showed that sites in which employees felt trusted by management experienced a sense of responsibility and accountability which translated into improvements in the sales index. Many related measures of sales are also used. Typical examples are total sales growth rather than merely sales as well as market share (Gong, Law, chang 2009). Studies indicate that HR systems that relate to productivity have been shown to enhance performance as measured by similar measures. These systems include extensive training, competitive pay that is contingent upon performance, career, planning, performance appraisal and participation in decision making. (New York Times Journal June 2010)

Learning and growth measures; Learning and growth measures of performance relate to the future. Such measures provide insight to tell the organization whether they can continue or improve and create value (Palmer, T, 2003). Learning and growth measures focus on innovation and proceed with an understanding that strategies change over time (Short, J, C 2004). Consequently developing new ways to add value will be needed as the organization continues to adapt to evolving environment. An example of a learning and growth measure is the number of new skills learned by employees every year. One way companies encourages its employees to learn skill that may benefit both the firm and individuals in the future is through its tuition

reimbursement program (Miller 2010). Employees who have worked with it for more than a year eligible. There are hopes that the knowledge acquired while earning a college degree might provide employees with the skills needed to develop innovation that will benefit the organization in future. Another benefit of this is that it helps organizations reward and retain high achieving employees. (Starbucks Corporation journal 2014)

Accountability; This applies to organizations as well as projects where by it is desirable that organizations are accountable to the people whom they claim to serve, not just to funders and this also contributes to the empowerment of those involved in highly running operations in the organization (Burke and Litwin 2002). It can also be valuable to the organizations and or companies with a positive impact being likely to achieve and sustain the organizations programs and operations (nohria 2003). There are chances of adapting the changing circumstances if the clear mechanism for getting feedback from the beneficiaries are in place. (In this way there are parallels with customer satisfaction information used by the organization). Assessing accountability is perhaps more difficult with indicators that it is likely to focus on process, e.g. meetings at which feedback could be received and grievance aired, attendance, was anything changed in response to the feedback received? There should perhaps be an equity dimension to assessment of accountability since the poorest are often less comfortable speaking out in public forums about their concerns than those who are better educated or perceived as having higher social standards. (Wang 2006)

Time requirements; certain tasks require completion in a specified time frame .evaluate the employees ability to meet deadlines. Indian university human resource suggests that considering factors beyond the employee's control that could affect a job rating, such as excessive work load, lack of proper equipment, inadequate clerical support or unclear objectives(Richardson 2002). If you expect an employee to spend no more than five minutes entering a record into a computer. determine if he meets or exceeds this goal or fails to meet the goal. Other time goals might be less stringent, but still important. Responding to customers whose email promptly might be an important goal for your department (Kotler 2003). If regularly receive complaints from customers whose emails have been ignored then you might note this as an area in which your employee could improve. Look at your employee's ability to prioritize multiple duties and note if

he or she is able to adequately perform all assigned tasks in a timely manner with minimal assistance. (Walters 2006)

Financial analysis; best practice financial management involves planning and forecasting financials based on the strategic goals of your business, and regularly reviewing actual performance against your forecast(Tikkanen 2010). To conduct a financial analysis of your business, there is need to analyze the current financial statements including profit and loss and cash flow. Look for trends such as declining sales that may put the business or organization at risk there by creating a reason to think about the impact they could have on your organization's financial performance (Hendrik 2008). There few key factors to take in to account in financial analysis and these include trends in cash flows (positive or negative, revenue and expenses, current sales of various products or services, level and turnover of stock, review of debtor and creditor days, debt and how the organization services debt. Financial ratios can extract from financial statements by the use of this there is possibility of comparing the organization's performance during different time periods. (Agelo 2010)

Customer success; Mostly customers may be the purchasers but however they might not be the end users of what they purchase from the organization. However customer success indicators are increasingly seen as the most important performance metric. Some of the main customer centered KPISs include conversion rates, customer retention, Net promoter score (NPS), etc. due to differing objectives, companies that focus on customer centered indicators focus more on gaining a loyal customer base by producing great quality products, utilizing different marketing techniques and emphasizing a strong customer support service(Marwan 2010). An example of this is Riot Games free to play games which helped them to gain a loyal customer base by allowing the gamers to play some of their best games for free online. Zappos customer service is famous for providing unsatisfied customers with gifts and free shoes to improve their customer experience. Creating a customer service culture is an essential part of their business strategy and the focus of CEO. (Ton Hsieh 2012 Delivering happiness to customer)

Employee attitude and engagement; Studies show that higher employee engagement is linked to higher customer satisfaction. When employees are happily at work and believe in their product/company this comes across to customers. (Gallup 2014) revealed that organizations with high employee engagement levels outperformed companies with lower levels of engagement in

customer ratings by 10%. Engaged employees take less sick days where by engaged employees take an average of 2.69 sick days annually compared to disengaged employees who take an average of 6.19 days (joseph 2012). Most important they motivated to achieve more. Further still engaged organizations outperform others in productivity by 21% and profitability by 22%.

Innovation and invention levels; Innovation and inventions is all about creating something unique in the market in order to replace a certain product that was less effective to the customers of the organization (Tonkin 2003). Questions will arise why innovation and invention criteria have to be taken in to control. With innovation and invention creates an opportunity for the organization to defeat its competitive rivals on matters concerning quality and quantity there enabling the organization to gain a high market share compared to its competitive rivals (Baumer 2004). Innovation is not only about promoting quality and quantity, it also creates opportunity for the employees of the organizations to gain and tap new skills and in return promoting efficiency of the organizational tasks and operations. (Mills and Reeve 2007)

Authority and leadership levels; Authority and leadership may be similar in different aspects since they all focus about supreme heading other members in the organization, (Brady 2002). Authority basically focuses about having the ability to delegate and assign duties and responsibilities to the members in the organizations these include the top management of the organization and heads of departments (Chiang 2007). However the leaders are being selected by those with the authority and leaders in the organization include supervisors, operational managers and among others (Pierra 2006). However with leadership and authority levels show and determine how tasks are being performed in the organization and with this it clearly indicates the flow of information in the organization that enables them to perform duties in the right path.

## 2.4 Relationship between global sourcing and organizational performance

In the manufacturing sector there has been a greater level of economies of scale as a result of taking in to account activities that can be adopted when carrying global sourcing in organizations. Sourced materials usually have an impact on raw material inventory and finished goods inventory in terms of days and supply. Below are the relationships between global sourcing towards and organizational performance and they include the following:

Tapping skills and resources that are not available in the home nation; according to Fearon, HE (2012) Sometimes low developed countries fall in to inappropriate measures to afford or poses resources inform of raw materials that may be necessary during the manufacturing and production process, technology that will be necessary in the advancement of the production materials and also promoting efficiency with tasks that have to be performed (Tonkin 2005). Therefore due to the insufficiency of resources, organizations decide to source from countries with abundant resources. When resources are being sourced, measures are being indicated on how they are supposed to be used (purpose fit for), and still sometimes they (resources) come with personnel that are experienced with skills thereby training the local labor how these resources can be put in to use hence gaining skills that they didn't possess. (Globalimpact.org.com 20013)

Increase in productivity; as a result of undertaking global sourcing, at times organization are addressed to new technology that might be essential during undertaking some tasks and operations (Telgen 2004), mostly in the manufacturing industries. However still when also services are being sourced, the local employees are trained which enables them to tap new skills that may simplify their work creating efficiency in the organization hence leasing to an increase in productivity (Schneider 2006). A company can have a staff working for 24 hours a day nonetheless, it is difficult to attract staff with requisite skills to work less attractive shifts Leenders (2006).sourcing is a very helpful intervention that allows your staff to work round the clock without adding to staff turnover and loss of productivity time zones variations allow companies to cover the 24 hour cycle and to be productive to their own consumers. However with increased productivity results to an increment in sales and also favors customer retention of organizations. (European procurement group and public procurement 2007)

Superior quality; with so many options available to customers, you may be wondering whether or not quality still matters (Thai K 2010). The answer is a resounding yes and quality is not just about offering a product or service that exceeds the standard, but it also about the reputation you gain for consistently delivering a customer experience that is above and beyond managing quality is crucial for all business(Kimberly 2015). Quality products help to maintain customer satisfaction and loyalty and reduce the risk and cost of replacing faulty goods. Companies can build a reputation for quality by gaining accreditation with a recognized quality standard (Tim 2016). Many organizations praise the quality of internationally sourced products compared to the domestic products, mainly because of supplier investment in technology and capacity to attract global business. In most cases once internationally sourced products are being addressed to the natives in a nation, it creates awareness among them there by an organization gaining opportunity to win the market share from its competitive rivals.

Access to Raw materials; it is easy to lose sight for the importance of raw materials can have development or maintenance of the organizational economy or participation in the growth sector (Kotler 2004). In recent years china started to restrict access to earth materials and downstream products for various reasons including the desire to secure leading positions in various growth of technology. procurement and managers desk (2007) by Fred Sollish describes how raw materials are scarce due to the over utilization, then there is need to lower a supply risk in the organization by sourcing internationally if the availability of those materials is grater in other countries. Economies of scale in removal may also mean cheap prices even with additional cost of transportation and taxes factored in. In other wards raw materials mean all the tangible non processed items that can be necessary for production process in an organization.

**Scalability**; scalability is a property of a system to handle a growing amount of work by adding resources to the system (Farrington 2010). In an economic text a scalable business model implies that a company can increase sales given increased resources. Scalability enables speed in the organization in that it allows an organization to move more quickly, there is an opportunity of putting an organization a head of the competition rate (pinar 2012). Whether the organization is building the next generation product, or upgrading an existing product sourcing locally or globally is a great way to assemble a team experienced professionals and test the solution of any

magnitude, and once the task is being accomplished, the team can be dispersed low tariffs and tax relations

Effective communication; Global sourcing is a quick way of exchanging information and enables you to send out details of requirements to your suppliers and communicate with them throughout the process in an electric way, (Aberdeen 2002). For example, e-sourcing software can be used as an effective communication tool, whether it be to one supplier or as a broadcast communication to multiple suppliers within the supplier base, (Aberdeen 2002). Global sourcing helps to centralize information and ensure auditability of the sourcing process by allowing the supplier respond which creates interaction between professionals and their potential suppliers, (Alun 2015)

Saves money; Global sourcing portals achieve administrative cost reductions by eliminating time spent on the phone, wading through paper work, juggling spread sheets and waiting for tenders in the post (Debenham 2012). Also Shaikh (2010) explained how Global sourcing allows you to easily run an e-auction at the end of the evaluation process which can be an effective way to achieve further price savings and saves money. For example Global sourcing provides the ability to access a broader range of suppliers, and the different bidding approaches through the e-sourcing systems facilitate which can provide incredible outcomes for the buyers, (Aiim 2009)

Comparative efficiency; This is usually available across dissimilar nation and can be related to everything from economic raw materials to cheap labor costs(Aberdeen 2010), feasible regulations or other government introduced financial incentives such as tax free holidays. This increases resources for systems in critical to improving production in the organization and also as whole as a state which later results to important gains to be perceived as an organization or firm (Farrington 2010)

Wealth distribution; Although global sourcing is controversial and have received criticism for the human rights activists and various economic autonomists Robert J Trent (2003), yet the practices have considerably provided options for the overall economic growth which otherwise didn't have many options, in addition in the transfer of wealth from efficient countries, there is also a transfer of technology and knowledge which has by far been the reason for economic success of a number of organizations.

#### CHAPTER THREE

#### **METHODOLOGY**

## 3.1 Introduction

This section provides for research methodology including the research design, sample size, population study, tools for data collection, analysis of data and presentation, limitation to the study.

#### 3.2 Research Design

The study used qualitative and quantitative methods of data collection. Quantitative approach will be used because numerical calculations are necessary to determine the demographics of the target respondents in the area. Qualitative approach was used to capture some comments from the respondents that are relevant to the study. The descriptive research design was adopted with the intension of obtaining both qualitative and quantitative aspect of data.

## 3.3 Study Area

The study was conducted at GENTEX Enterprise Limited an Indian owned organization with its head offices are located in Ntinda Industrial area.

#### 3.4 Study Population

The organization employs 35. The table below shows the employees as they are deployed in different departments.

Table 3.1: Showing the population of employees in each department.

Department	Population
Auditing	2
Finance and accounting	. • 4
Procurement	6
Marketing	5
Top management	3
Transport	5
Casual	4
Public relations	6
Total	35

Source; Human Resource Report GENTEX Enterprise Limited (2019).

## 3.5 Sample size

The researcher investigated the research using 35 respondents that represented the whole population of GENTEX Enterprise Limited and a sample size of 32 was selected. The table was drafted below to determine the sample size. This sample size was determined using formula of Krejice and Morgan (1970).

Table 3.2: Showing the population and sample size of employees in each department.

Department	Population	Sample size
Auditing	2	2
Finance and accounting	4	4
Procurement	. 6	5
Marketing	5	4
Top management	3	4
Transport	5	4
Casual	4	4
Public relation	6	5
Total	35	32

HR Report (2019); Krejice and Morgan (1970)

#### 3.6 Sampling techniques

The study adopted stratified random sampling technique where respondents were divided into general staff members and those in administration. The researcher was granted acceptance request to access registers for both general staff members and those in administration. These registers helped him formulate the sampling frames for both the general and administrative staff of GENTEX Enterprise Limited. Simple Random sampling was used and each department was able to get an equal chance of being selected for sample.

#### 3.7 Data Collection

The study used primary data which is collected using a questionnaire and interviews. The questionnaire was designed to obtain information related to the research objectives. Like questions asked the respondents to indicate the extent to which the variables are practiced. The self-administered questionnaires were sent through official e-mails and others will be dropped at the respondent's office where possible. Interviews will also be used in order to get face to face conversation and help him clarify information obtained using questionnaires.

#### 3.8 Sources of Data

To meet the aims of the research it were of great importance to use primary and secondary methods of obtaining data. The primary source provided first hand data through interviews and questionnaires while secondary source was used to gather information from company records, the library and internet.

## 3.8.1 Primary Data.

Primary data is information or data collected by the researcher from first hand sources using methods like survey interviews or experimental studies, (Driscoll and Brizze 2017). Primary data collection has variety methods ranging from survey research, in-depth interviews to observation and experimentation which was discussed to justify the method to be used in this research. Survey research method is considered as the most common primary data collection method and it is related to questionnaires' administration.

#### 3.8.2 Secondary Data.

Secondary data for the research was generated from the internet, newspapers, magazines records journals and published text books which helped the researcher to compare information generated from the field and what was written by other scholars, (Driscoll 2017). Secondary data is used to increase the sampling size of research studies and also is chosen for the efficiency and speed that comes with using an already existing resource.

## 3.9 Reliability and Validity.

## 3.9.1 Reliability of Data

According to Surbhi(2017), reliability refers to the extent to which the measurement tools provides consistent outcomes if the measurement is repeatedly performed. To access reliability approaches used are test retest internal consistence methods and alternative forms. There are two key aspects which requires being indicated separately are stability and equivalence. Stability degree can be checked by making a comparison of the results of repeated measurement whereas equivalence can be gauged when two researchers compare the observations of the same events. A research is seen being reliable when it can be used by a number of different researchers under stable conditions, with consistent results and the results not varying, (Wallen 2003). In order to ensure reliability to the study, the researcher will on arranged dates have a face to face with the supervisor in order to measure of internal consistency (i.e. coefficient of reliability).

#### 3.9.2 Validity of Data

In statistics, the term validity implies utility. It is the most important yardstick that signals the degree to which research instruments gauges, what it is supposed to measure (Surbhi 2017). The questions' appropriateness and generalization to the topic was validated through consultation with the supervisor. The study was carried out in such a way that there is consistency between theory and practice. This also was achieved through careful design of directions for measurements with no variation from group to group.

#### 3.10 Tools for Collecting Data

#### 3.10.1 Interview.

An interview is a specialized form of conversion conducted for a specific task related purpose (whetton and Cameroon). Interviews were used because they are convenient for the researcher for example the unstructured interview where the respondent is free to explain a question according to the existing situation, this helped the researcher to get more information. The

interviews were based on the answers that were provided in the questionnaires from the respondents.

#### 3.10.2 Questionnaire.

Questionnaire is a set of printed or written questions with a choice of answers, devised for the purposes of a survey or statistical study, (Foddy 2011). Questionnaires are to be used because they give respondents enough time to answer the questions accurately. Here, the researcher sent semi structured questionnaires to the respondents because the sample size is quite large, and given the time constraints, target population is literate and unlikely to have difficulties in responding to questionnaire items, hence questionnaire is ideal tool for collecting data for the survey. They are also time saving and convenient for busy employees and administrators as they were given time to fill in the questionnaires hence giving accurate results to the researcher, since the questionnaire were self-administered after two weeks of submission to the respondents, the researcher went and collected them from the respondents.

#### 3.11 Data Presentation and analysis

Data collected from the field was presented in tabular form, semi tabular, percentages and Graphical form. After the collection of the questionnaires, editing, coding and classification are carried-out, information was examined with the use of questions in the questionnaires which ascertained the correctness and authenticity of responses given. The data was processed and analyzed using tables. During this process of data analysis, the researcher used Descriptive statistics including; frequencies, percentage distribution.

#### 3.12 Ethical Considerations.

The researcher first seeked permission from respondents before gathering data from them. During data collection the researcher will observe the following ethical considerations, voluntary participation, informed consent and anonymity. The researcher also minded about treating the respondents' views with utmost confidentiality.

#### 3.13 Limitations to the study

Misinterpretation of the questions by the respondents whereby since the questionnaire is read and answered by the respondents without interpretation of the researcher, there may be cases of misinterpreting the questions which may lead to wrong information collected by the researcher hence making the study ineffective.

Weather changes like a lot of sunshine, unexpected rains, within the study area affected the researcher's movement schedules. And a lot of time was wasted, but some of these problems were minimized by moving with some equipment like raincoats, umbrellas and other facilities.

Respondents withholding information due to fear of being victimized but however, the researcher convinced the respondents that are sent to them to fill the questionnaire.

Respondents having a view of not obtaining any direct benefit from the research results. The researcher tried his level best to convince the respondents to spare some little time to answer the questions. The information was kept safely.

Unwillingness of respondents to fill the papers. The researcher tried to be in constant touch with the respondents and made sure to remind them.

#### CHAPTER FOUR

#### DATA PRESENTATION, ANALYSIS AND PRESENTATION

#### 4.0 Introduction

This chapter shows the outcome of the study as they were presented, analyzed and interpreted. Both primary and secondary data is presented in this chapter. Data collected from the primary sources using questionnaires and secondary data obtained through observations are presented and analyzed herein according to the research objectives and questions in chapter 1 as seen below

#### 4.1 Demographic information.

Demographic information contains the gender, categories of respondents, Age. working experience and education level of respondents. The response rate was 100%

#### 4.1.1 Gender of respondents.

Table 4.1: Gender of respondents.

Sex	Frequency	Percentage
Male	24	75%
Female	8	25%
Total	32	100%

Source: Primary data (2019)

The study results in table 4.1 above reveal that 8(25%) of the respondents were females and then 24(75%) of the target respondents were males. This gives an implication that male respondents dominated the study and this is due to the company policy to employ more male employees than females because males perform better on average at certain tasks than females in the company.

#### 4.1.2 Level of Education

Respondents were asked their level of education and the findings are presented in the table below:

Table 4.2: showing the level of education of the respondents

Level of education	Frequency	Percentage
Certificate	6	18.7%
Diploma	6	18.7%
Degree	5	15.6%
Master's degree	3	9.3%
PHD	3	9.3%
Others	9	28.1%
Total	32	100%

Source: Primary data 2019

From the table 4.2 above, it can be observed that 6 respondents representing 18.7% of the sample were certificate holders, 6 (18.7%) were Diploma holders, 5 (15.6%) were Bachelor's degree graduates, 3(9.3%) were Masters holders an 3(9.3%) were for PHD and 9(28.1%) of the respondents had other holder. This implies that GENTEX Enterprises Limited hires mostly other holder's candidates to join their work force because of the relevant affordable salary the company offers to them compared to the master's holders and degree holders who are least in the company and are paid highly and compromise of the senior management personnel

9.30%
9.30%
15.60%

\* Certificate \* Diploma \* Degree \* Masters Degree \* PHD \* others

Figure 4.1: Education Level of the Respondents

Source: Primary Data 2019

From the figure 4.1 above, most respondents were other holders with 9(28.1%), 6(18.7%) were certificate holders, 6(18.7%) of the respondents had diplomas, 3(9.37%) were on master level and 3(9.37%) were also with a PHD. These statistics indicates that GENTEX Enterprise limited has qualified staff and these would adequately have comprehended the questions in the questionnaire used in the survey and answer the questions appropriately. Hence valid and reliable information was got as most of the respondents were well versed about the topic of study.

#### 4.1.3 Working Experience with GENTEX Enterprise Limited

Respondents were asked how long they had been working with GENTEX enterprise limited and the findings are presented in the table below:

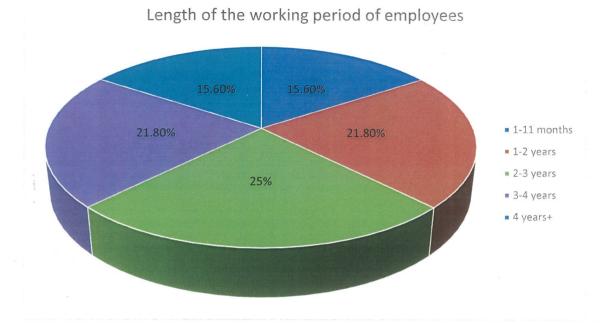
Table 4.3: Period of Employment of Respondents

Length	Frequency	Percentage	
1-11 months	5	15.6%	
1-2 years	7	21.8%	
2-3 years	8	25%	
3-4 years	7	21.8%	
4 years +	5	15.6%	
Total	32	100%	

Source: Primary Data 2019

Table 4.3 Shows that 5(15.6%) of the respondents had spent over 1-11 months,7(21.8%) had spent between 1 - 2 years working in GENTEX enterprise, 8(25%) had worked with GENTEX enterprise for 2 - 3 years,7(21.8%) had been in GENTEX enterprise for 3-4 years and 5(15.6%) of the respondents have spent over 4 years in GENTEX Enterprise Limited. These statistics indicate that GENTEX has motivation policies in place also there is job security for the workers. Thus the majority of the respondents had information about the GENTEX Enterprise Limited and the topic under study

Figure 4.2: Showing length of the working period of employees



**Source: Primary Data 2019** 

From the above chart it describes the length of working of the employees where by 5(15.6%) represents members who have worked for GENTEX Enterprise Limited for a period of 1-11 months, 7(21.8%) of the respondent have worked for a period of 1-2 years in GENTEX Enterprise limited, 8 (25%) of the respondents have spent a period of 2-3 years in GENTEX Enterprise Limited, 7(21.8%) of the respondents have spent a period of 3-4 years in GENTEX Enterprise Limited and further still 5(15.6%) of the respondents spent more than 4 years in GENTEX Enterprise Limited.

#### 4.2 challenges of Global sourcing in GENTEX Enterprise Limited

Respondent's response below shows that the various challenges of global sourcing were responded to in the following ways stated below;

Table 4.4: showing challenges of Global sourcing in GENTEX enterprise limited

Challenges	SA	A	SD	D	NS	Total
Quality levels and	8 (25%)	9 (28.1)	14(42.8%	1(3.1%)	0(0%)	32(100%)
defects					- - -	
Fluctuation of currency	3(9.4%)	2(6.3%)	9(28.1)	2(6.3%)	16(50%)	32(100%)
exchange						
Different standards and	9(28.1)	10(31.3%)	0(0%)	5(15.6%)	8(25%)	32(100%)
regulations in global						<b>!</b>
sourcing						
Complicated logistics	15(46.8)	7(21.8%)	4(12.5%)	0(0%)	6(18.7%)	32(100%)
in global sourcing						
Time consuming	16(50%)	4(12.5%)	9(28.1)	0(0%)	3(9.4%)	32(100%)
High costs	7(21.8%)	10(31.3%)	1(3.1%)	7(21.8%)	7(21.8%)	32(100%)
Volatile economic and	0(0%)	2(6.3%)	8(25%)	5(15.6%)	17(53.1%)	32(100%)
political environment					1	
Supplier selection	15(46.8)	9(28.1)	0(0%)	3(9.4%)	5(15.6%)	32(100%)
complexity						

#### Source: Primary Data 2019

From the above table, it clearly shows how respondents replied according to the challenges of global sourcing towards organisational performance of GENTEX Enterprise limited and from that for the challenge of Quality defects 8(25%) of the respondents were strongly agreeing(SA), 9(28.1%) of the respondents in the organisation were agreeing(A), 14(42.8%) of the respondents were strongly disagreeing(SA) about the challenge of quality defects and only 1(3.1%) of the respondents was disagreeing(D) yet none of them was none was not sure about the challenge. Most of the respondents were strongly disagreeing because of the perception that they have that

all what is outsourced globally is in the right form of what is being speculated since many of the respondents have the mentally that global organisations have fine and superior technology that limits the rate of defects while carrying out production operations or tasks.

However for the concern of fluctuation of currency exchange in global sourcing as a challenge, 3(9.4%) of the respondents were strongly agreeing (SA), 2(6.3%) of the respondents were agreeing (A), 9(38.1%) of the respondents were strongly disagreeing (SD), 2(6.3%) of the respondents were disagreeing (D) and only 16(50%) of the respondents were not sure of the specified challenge. Majority of the respondents were suggesting "Not sure (NS)" because most of the respondents in the organisation are not well addressed with the currency market and the exchange rate hence advocating for not sure (NS).

Different standards and regulations in Global sourcing as a challenge was addressed to the respondents and 9(28.1%) of the respondents were strongly agreeing (SA), 10(31.3%) of the respondents were agreeing (A), none of the respondents was strongly disagreeing (SD), 5(15.7%) of the respondents were disagreeing (D) and only 8(25%) of the respondents were not sure (NS) of the challenge addressed to them. Many of the respondents were agreeing (A) because at times different countries have different standards of the products that they do purchase. At times once an organisation purchases materials that are not a t a legalised standard as specified in the country, It can be banned from operating until it takes in to account that standards that are specified by a given state or region.

Another challenge of complicated logistics in global sourcing was addressed to the respondents and from this 15(46.9%) of the respondents were strongly agreeing (SA), 7(21.9%) of the respondents were agreeing, 4(12.5%) of the respondents were strongly disagreeing (SD) and none of the respondents was disagreeing (D) yet only 6(18.7%) of the respondents were not sure of the challenge that was being addressed to them. Most of the respondents were advocating for a strongly agree(SA) because at times they find hardships in the transfer of the shipments whereby they have to clear a lot of documents before the supplies reach the final destination hence becoming a challenge to them.

Volatile economic and political environment as a challenge was also being addressed to the respondents and none of the respondents was strongly agreeing (SA), 2(6.3%) of the respondents

was agreeing (A), 8(25%) of the respondents were strongly disagreeing (SD). 5(15.6%) of the respondents were disagreeing (D) and only 17(53.1) of the respondents were not sure of the addressed challenge. Many of the respondents were advocating for a not sure (NS) because they have less concern about the political and environmental status of other countries were the materials or equipment are being purchased from hence being not sure.

Time consuming is also another challenge that was addressed to the respondents in the organisation and from this 16(50%) of the respondents were strongly agreeing (SA), 4(12.5%) of the respondents were agreeing (A), none of the respondents was strongly disagreeing (SD), 9(28.1%) of the respondents were disagreeing (D) and 3(9.4%) of the respondents were not sure (NS) of the challenge being addressed. Many of the respondents are advocating for a strongly agree(SA) because with global sourcing it consists of a long process which have to be accomplished from time to time and with this a lot of time is being spent there by neglecting other tasks that have to be carried out in the organisation.

Further still high costs as a challenge was addressed and how it affects the organisational performance and from this, 7(21.9%) of the respondents were strongly agreeing(SA), 10(31.3%) of the respondents were agreeing(A), only 1(3.1%) of the respondent was strongly disagreeing(SD),7(21.9%) of the respondents were disagreeing(D) and also still 7(21.9%) of the respondents were not sure(NS) of the challenge and how it affects organisational performance. Most of the respondents were agreeing because once global sourcing is being taken in to consideration, there has to be a lot to invest for example the costs of transportation, costs of inspection among others. Therefore once the costs are high, also the organisation is expected to rise the price of its commodity which may be a disadvantage as customers may resort to their competitors.

And lastly supplier selection complexity was also addressed and from this, 15(46.9%) of the respondents were strongly agreeing (SA), 9 (28.1%) of the respondents were agreeing (A), none of the respondents was strongly disagreeing (SD), 3(9.4%) of the respondents were disagreeing (D) and only 5(15.6%) of the respondents were not sure of the challenge being addressed and how it affects organizational performance

#### 4.3 criteria of assessing organisational performance

Respondents were asked to identify criteria of assessing organisational performance. The responses are presented in the table below;

Table 4.5: showing the criteria for assessing organisational performance

Criteria	SA	A	NS	D	SD	Total
Productivity	32(100%)	0(0%)	0(0%)	0(0%)	0(0%)	32(100%)
Sales and market	15(46.8%)	13(40.6%)	4(12.5%)	0(0%)	0(0%)	32(100%)
share						
Knowledge and	5(15.6%)	8(25%)	15(46.8%)	2(6.3%)	1(3.1%)	32(100%)
learning measures						
Accountability	3(9.3%)	3(9.3%)	11(34.3%)	9(28.1%)	6(18.8%)	32(100%)
Time requirement	5(15.6%)	7(21.8%)	3(9.3%)	10(31.3%)	7(21.8%)	32(100%)
Employee attitude	5(15.6%)	9(28.1%)	7(21.8%)	5(15.6%)	6(18.8%)	32(100%)
and engagement						
1(3.1%)	25(78.1%)	1(3.1%)	4(12.5%)	1(3.1%)	1(3.1%)	32(100%)
Authority and	0(0%)	10(31.3%)	5(15.6%)	8(25%)	9(28.1%)	32(100%)
leadership						
pathways						

Source: Primary data 2019

From the above table, it clearly shows respondents views concerning about the criteria of assessing organizational performance. However when productivity as a criteria was being addressed as a criteria for assessing organizational performance, all the 32(100%) respondents in the organization strongly agreed(SA) there by none of them agreeing(A), not sure(NS), disagree(D) and strongly disagree(SD). All the respondents strongly agreed because they explained that for any organizational performance to be realized then it should be determined by the output it produces within a specific time period.

However still sales and market was also another criteria that was addressed to the respondents and 15(46.8%) of the respondents strongly agreed (SA), 13(40.6%) of the respondents agreed (A), 4(12.5%) of the respondents were not sure about the addressed criteria and none of the respondents was disagreeing (D) nor strongly disagreeing (SD). Many of the respondents were strongly agreeing because they perceived that for any indicator of performance in an organization, there has to be aspect of sales and market share. In that with the absence of sales and market share, there is no performance levels in the organization.

Knowledge and learning measures was another criteria introduced to the respondents as a question and 5(15.6%) of the respondents were strongly agreeing (SA), 8(25%) of the respondents were agreeing, 15(48.8%) of the respondents were not sure (NS) about the criteria being formulated, 2(6.3%) of the respondents were disagreeing (D) and only 1(3.1%) of the respondents was strongly disagreeing (SD). Many of the respondents were not sure about the criteria being introduced because they think that they skills they acquire or learn are irrelevant in the organization since the organization has a form of state of activities are supposed to be carried out. They also stated that even though they acquire knowledge from the organization, they don't think that it increases on the organizational performance.

Accountability was another criteria being addressed to the respondents and 3(9.4%) of the respondents were strongly agreeing (SA), 3(9.4%) of the respondents were also agreeing (A), 11(34.4%) of the respondents were not sure about the issue brought on the table, 9(28.1%) of the respondents were disagreeing and then 6(18.8%) of the respondents were strongly disagreeing (SD). Many of the respondents were not sure (NS) because most of the population in GENTEX Enterprise are not graduates there by finding it hard to understand the status of accountability towards assessing organizational performance.

Time requirement once it was being addressed, 5(15.6%) of the respondents were strongly agreeing (SA), 7(21.8%) of the respondents were agreeing (A), 3(9.4%) of the respondents were not sure (NS), 10(31.2%) of the respondents were disagreeing and lastly 7(21.8%) of the respondents were strongly disagreeing (SD). Many of the respondents were disagreeing because they think that time does not matter once you are head of your competitors. Even though the organization does not consider time management but once it's the leading firm in the competitive market then it's considered to be performing.

Employee attitude and engagement was another important criteria addressed to the respondents and 5(15.6%) of the respondents were strongly agreeing (A), 9(28.1) of the respondents were agreeing (A), 7(21.8%) of the respondents were not sure (NS) of the issue brought forward, 5(15.6%) of the respondents were disagreeing (D) and only 6(18.8%) of the respondents were strongly disagreeing. Most of the respondents were agreeing because they think was once absenteeism is reduced or minimized then output of the organization increases thus improving on the performance of the organization.

Innovation and invention was also addressed to the respondents and 25(78.1%) of the respondents were strongly agreeing (SA), 1(3.1%) of the respondents was agreeing (A), 4(12.5%) of the respondents were not sure (NS), 1(3.1%) of the respondents were disagreeing (D), and also 1(3.1%) of the respondents was strongly disagreeing (SD). Many of the respondents were strongly agreeing because they suggested that the introduction of a new different item that serves multiple purpose and different in quality from the existing products in the market clearly identifies improvement in the performance of an organization.

Lastly authority and leadership pathways was being discussed about with the respondents and from this none of the respondents strongly agreed (SA), 10(31.2%) of the respondents were agreeing (A), 5(15.6%) of the respondents were not sure (NS), 8(25%) of the respondents were disagreeing (D) and only 9(28.1%) of the respondents were strongly disagreeing (SD).

## 4.3 Relationship between global sourcing and organisational performance of GENTEX Enterprise Limited

Table 4.6: Showing relationship between Global sourcing and organisational performance of GENTEX Enterprise Limited

EFFECTS	SA	A	NS	D	SD	TOTAL
Access to raw materials	16(50%)	10(31.3%)	4(12.5%)	2(6.3%)	0(0%)	32(100%)
Increase in productivity	20(62.5%)	8(25%)	0(0%)	1(3.1%)	1(3.1%)	32(100%)
Tapping new skills	18(56.3%)	2(6.3%)	7(21.8%)	3(9.3%)	1(3.1%)	32(100%)
Superior quality	32(100%)	0(0%)	0(0%)	0(0%)	0(0%)	32(100%)
Saves time	2(6.3%)	3(9.3%)	10	15(46.8%)	2(6.3%)	32(100%)
Effective communication	7(21.8%)	4(12.5%)	16(50%)	2(6.3%)	3(9.3%)	32(100%)
Economic competence	5(15.6%)	1(3.1%)	3(9.3%)	18(56.3%)	1(3.1%)	32(100%)

Source: Primary data 2019

From the above table showing the relationship between global sourcing and organisational performance of GENTEX Enterprise Limited where by access to raw materials was introduced to the respondents as an effect and 16(50%) of the respondents were strongly agreeing(SA). 10(31.3%) of the respondents were agreeing(A), 4(12.5%) of the respondents were not sure(NS) of the effect, 2(6.3%) of the respondents were disagreeing(D) and none of the respondents was strongly disagreeing(SD). Many of the respondents were strongly agreeing because they reasoned that once global sourcing is undertaken, there is availability of severe suppliers who possess much material than the local ones.

When increase in productivity was introduced to the respondents, 20(62.5%) of the respondents were strongly agreeing (SA), 8(25%) of the respondents were agreeing (A), none of the

respondents was sure about the issue brought forward, 1(3.1%) of the respondents were disagreeing (D) and still again 1(3.1%) of the respondents was strongly disagreeing (SD). Many of the employees were strongly agreeing because once global sourcing is carried out, there is easy access to dated technology there by increasing in the level of productivity.

Tapping new skills was addressed to the respondents o GENTEX Enterprise and 18(56.3%) of the respondents were strongly agreeing (SA), 2(6.25%) of the respondents were agreeing (A), 7(21.9%) of the respondents were not sure (NS), 3(9.4%) of the respondents were disagreeing (D) and only 1(3.1%) of the respondents was strongly disagreeing (SD). Many of the respondents were strongly because once global sourcing is adopted, there are chances of acquiring knowledge from other professionals from other countries were the materials were being sourced from there by enabling them to tap new skills in the long run.

Superior quality was addressed to the respondents and from this all the 32(100%) respondents were strongly agreeing (SA) implying that none of the respondents neither agreed (A), not sure (NS), disagree (D) nor strongly disagree (SD). All of the respondents were strongly agreeing because once global sourcing is adapted in the organization, there are possibility if it to access new products that are not in the local market hence promoting superior quality

Saving time was also addressed to the respondents and 2(6.25) of the respondents were strongly agreeing (SA), 3(9.4%) of the respondents were agreeing (A), 10(31.3%) of the respondents were not sure (NS), 15(46.9%) of the respondents were disagreeing (D) and only 2(6.25%) of the respondents were strongly disagreeing (SD). Many of the respondents were disagreeing because global sourcing requires a lot of stages to be carried there by neglecting other tasks that have to be accomplished.

Respondents were asked about whether effective communication can be an effect of global sourcing and 7(21.9%) of the respondents strongly agreed (SA), 4(12.5%) of the respondents agreed (A), 16(50%) of the respondents were not sure (NS), 2(6.25%) of the respondents disagreed (D) and 3(9.4%) of the respondents strongly disagreed (SD). Many of the respondents were not sure (NS) because they don't see any possible measures of how communication is being carried between the purchasing and the supplier from abroad.

Another significance that was being discussed about was economic competence where 5(15.6%) of the respondents strongly agreed (SA), 1(3.1%) of the respondents agreed (A), 3(9.4%) of the respondents were not sure (NS), 18(56.3%) of the respondents were disagreeing (D) and lastly only 1(3.1%) of the respondents was strongly disagreeing (SD)

#### CHAPTER FIVE

#### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter shows the detailed discussions of major findings, summary of the findings in relation to the objectives, conclusion drawn, recommendations and suggestions on areas of future research

#### 5.1 Discussion of the study findings

#### 5.1.2 Global sourcing challenges and organizational performance

The study revealed that there are a lot of limitations towards the adoption of Global sourcing in the organization. However in order to reduce on the rate of the limitations there is need to carefully carry it out in the right procedure and stages or if not the following will result as being listed in table 4.1

Quality defects. Kisolo Paul (GENTEX store manager) explained that once this procedure is being adopted, there is need to clearly and carefully manage it. He further more explained that in 2012 they global sourced marble and plastic from china but unfortunately the material that was being delivered was not of a resisting standard and as products were being manufactured they could easily reach the customers when they have cracks and other defects as being discussed by fisher (2004) and Patton (2001).

High costs was another challenge that was being revealed where by Dave Raghiv the finance assistant manager of GENTEX Enterprise explained a lot of money is being spent when carrying out Global sourcing. Costs included the cost of shipment, cost of communication network in order to connect with the global suppliers, cost of raw materials among others. He further more explained that when costs are high, even the products that will be manufactured for sale will also be of a high price as being suggested by Santema(2016) and this explains why the PVC pipes and PPR tanks are of a high pipes because the cost of their materials is high.

Complicated logistics. This was another challenge that was revealed in GENTEX Enterprise and many of the respondents urged that whenever materials are to be purchased from other national

boundaries, there are a lot of precautions and regulations that have to be undertaken in order to be completed. The explained that sometimes agreements are made between the company and the supplier on whom is supposed to pay for the shipments. This sometimes makes the organization to fall in to crisis of costs due to the complexity as urged by Bradley Thomas (1999).

Time consuming is also another important challenge that was also revealed GENTEX Enterprise where by respondents explained how it widens the cycle of carrying out tasks. At times the organization may be in state of emergency when the local suppliers can handle the situation but instead they opt for the global supplier where by it takes a lot of time to determine, evaluate and select the right possible supplier who can meet the demands and the desires of the organization. Respondents still urged that it is a long procedure and it is mostly done by the top management leaving no choice for those under the top management as being discussed earlier by Philips (2010)

Supplier selection complexity is yet another challenge GENTEX Enterprise is facing as a result of undertaking Global sourcing strategy were by respondents urge that is very difficult to find a Global supplier in the local means minus having a flight to meet him or her. They further more urged that there is need for members in the organization to take a flight the country were the materials are to be sourced from in order to have proper and good terms with the suppliers and this was being discussed earlier by Hartley and Choi (2000)

### 5.1.3 Criteria for assessing organizational performance of GENTEX Enterprise Limited.

Table 4.2 as earlier drawn showed the several criteria for assessing organizational performance. In other wards the key identities that describe the performance of a given entity or organization. However from that respondents were able to urge a few criteria that determine whether GENTEX Enterprise is performing or not and these include the following;

Productivity. Many of the respondents described productivity as a rate output that the organization produces with in a specific period of time. All the respondents strongly agreed that GENTEX is enterprise is the leading plumbing manufacturer of plumbing materials there by also being the leading company in manufacturing and producing the plumbing materials. SEROMA hardware a distributor of GENTEX materials urged that the main reason why GENTEX is out

competing other companies is that it produces a variety of unique products over time there by, enabling it to have a standing performance in the plumbing industry as being discussed earlier by Krause(2005).

Sales and market share was also criteria that was being urged by the respondents on whether it can be an indication for assessing GENTEX organizational performance. However many of the respondents agreed as being indicated in the table 4.2 where by many of them urged that for any organization to have a good performance, there is need for it to be outstanding in matters concerning market share and sales. They still urged that GENTEX is the dominated industry in relations of plumbing materials and their materials are being demanded highly on the market since they are reliable and durable hence having a good sales margin and market share as being urged by Robinson (2008).

Employee engagement and attitude was another criteria that was urged by the respondents on assessing organizational performance of GENTEX Enterprise LTD. However Kisolo Paul( store manager) urged that many of the employees in GENTEX are highly motivated and have a high positive attitude towards the organization, and this has enabled the organization to obtain a good performance where by cases of absenteeism in the organization are completely rare and this was being urged earlier by Joseph(2012)

Innovation and inventions was yet another criteria that respondents urged that for any performance of the organization there has to be innovation and invention levels. Still Kisolo Paul (store manager) that GENTEX Enterprise was the first company to manufacture plastic tanks in Uganda. He also urged that from so doing that many of the people in Uganda purchased them because they had got rid of the metallic tanks which were not resistant from trust. This has enabled it to increase on its performance as a result of introducing the unique product as being urged earlier by Tonkin (2003).

### 5.1.4 Relationship between Global sourcing and organisational performance of GENTEX Enterprise Limited

The findings in table 4.3 reveal that Global sourcing has helped GENTEX Enterprise to access raw materials. This is because when GENTEX Enterprise focuses on how their operations are running, they are in a better position to capture raw materials from other countries and see if their objectives are still on truck This is consistent with the findings from respondents who strongly agreed that Global sourcing has greatly aided in accessing raw materials thereby increasing on the performance of the organisation

Increase in productivity was also another significance that was verified and revealed by the respondents as a result of GENTEX Enterprise to undertake Global sourcing. Many of the respondents strongly agreed that Global sourcing has enabled them to increase in the output of the organisation as a result of expose to new technology from other countries hence ensuring that the objectives are finally met. This is consistent with the study that was being made by Fearon (2012)

Tapping new skills was also another significance that respondents revealed from adopting Global sourcing where by, many of the respondents strongly agreed that sourcing from other countries enables employees of the organisation to attain skills and knowledge on how to operate on the new technology that is being addressed as a result of Global sourcing. Kisolo Paul (GENTEX Store manager) urged once materials are being sourced, sometimes they arrive with officials who are responsible for teaching and directing employees on their use which in turn enables them to attain new skills as being urged earlier by Telgen(2004)

Superior quality was another significance that respondents revealed from adopting Global sourcing where they urged that not only skills are attained but also superior quality is introduced to them and to the consumers of their products. This explains why it was able to be the first organisation to manufacture plastic tanks followed by smile in 1997. This created a path for a new unique product that is free from rust there by attracting the customers attention hence improving on the performance of GENTEX Enterprise Limited. This is consistent with the respondents view where by all of them strongly agreed about superior quality.

#### 5.2 Summary of Findings.

The research was to examine the effect of Global sourcing on organisation performance..

The researcher used the questionnaires, interviews and observation as the research instruments which were designed according to the research questions and objectives of the study. The sample size was 32 respondents. Arising from this research, below were the findings;

The male respondents were 75 %( 24 respondents) and the females were 25 %( 8 respondents) which implied that the males were more than females

28.1%(9) of the respondents were other holders followed by 18.8%(6 respondents) who were diploma holders and certificate holders, 15.6%(5 respondents) were of degree holders, 9.4%(3) of the respondents were both masters and PHD holders. Implying that, the respondents had expert knowledge and working experience as most of them were educated.

15.6%(5) of the respondents had spent a period of over 4 years in GENTEX Enterprise Limited, 21.8%(7 respondents) had spent a period of 3-4 years, 25%(8 respondents) had spent a period of 2-3 years, still 21.8%(7 respondents) had also spent a period of 1-2years and then lastly 15.6%(5 respondents) had spent a period of 1-11 months

#### 5.3 Conclusion

Global sourcing is the mostly common strategy that organisations have adopted in Uganda both on the side of the private and public sector. Major areas of Global sourcing are in several aspects such as goods (products), services and works. However for the ideology of works and services, global companies are being selected to offer services that the local organisations or firms cannot offer. The study aimed at portraying the challenges of Global sourcing were several were being drafted in the literature review. It also aimed at identifying the criteria for assessing organisational performance and also the relationship between Global sourcing and organisational performance. This study provided evidence that Global sourcing has a positive effect towards organisational performance, thus implying that effective Global sourcing strategy leads to an increase in the performance of GENTEX Enterprise Limited as an organisation. Therefore as a result the study portrays that Global sourcing strategy was positively initiated in the organisation.

It is therefore urged in the study that Global sourcing resulted to Access of raw materials, introduction of superior quality in the organisation, tapping new skills among others. However there are still limitations as a result of its adoption for example results in to high costs, supplier complexity, among others. The study revealed aspects of productivity, employee engagement and attitude, innovation and inventions as some of the criteria that assess the performance of the organisation as drafted earlier. This study provides substantive support for previous findings on global sourcing and organisational performance. In overall, global sourcing was found to be highly adopted in both private and public entities. The study concludes that collectively global sourcing has highly improved the performance of GENTEX Enterprise Limited.

#### 5.4 Recommendations

Based on the study, it was limited to portraying the effects of global sourcing towards organisational performance, however several challenges were being urged that are facing Global sourcing and these included quality defects, high costs, supplier selection complexity among others. Therefore the study recommends towards the following;

- i. Adoption and Implementation of guiding principles that promote achieving Value for Money through Global sourcing. Procurement Entities and State Departments are recommended to adopt and implement these proposed guiding principles that promote achieving Value for Money in their procurement activities. This will help them to make judicious and productive use of the Tax Payers 'money to ensure that Government delivers on its mandate which is to meet the needs of citizens.
- ii. Effective communication between the organisation and the Global suppliers. This should be done in order to minimise delays and also reduce on the rate of quality defects, thereby giving an opportunity for the organisation to be exposed to superior quality hence resulting in to customer satisfaction and retention.
- iii. Better supplier selection methods. Through undertaking better supplier selection methods, there is need to introduce a better approach of selection which promotes efficiency in the organisation and also money value through global sourcing. It can be through those of e-mails or any other tendering method. However this reduces on the complexity of selecting suppliers there by reducing on the supplier selection process which results in to saving of time for other tasks.

#### 5.5 Areas of Future Studies.

Although conscious efforts have been made to ensure that the data was valid and findings are reliable, nevertheless there could be some errors. These include the use of a sample of only few respondents only using GENTEX Enterprise Limited as case study. The short coming among others in the design and the execution of this research work lies on the scarcity of resources in the form of financial constraints, time constraint and materials needed for the project work which were difficult to come by. Global sourcing being a vast area it cannot be explored in this dissertation and within this short span of time. The following areas can be made for the extension of this study:

- i. The solutions to Global sourcing challenges in organizations
- ii. The other factors influencing organizational performance
- iii. The reasons why Global sourcing is not fully embraced by the private sector

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#### APPENDICES

#### **Appendix I: Questionnaires**

#### STAFF QUESTIONAIRE

Dear respondent,

I am conducting a research on the effects of Global sourcing towards Organizational performance: A case study of GENTEX Enterprise LTD, Kampala. This is to request you to participate and contribute to this study. It's purely an academic research and all the information given will be handled with confidentiality. Thank you for accepting to contribute to this study. (Where alternatives are given, tick the appropriate box)

#### SECTION A (PERSONAL DATA)

Gender		
Male		
Female		
Level of Education	on	
PHD		
Master's degree		
Degree		
Diploma		
Certificate		
Others		• • • • • • • • • • • • • • • • • • • •
For how long have	e you worked with GENTEX Enterprise Limited?	
1-11 Months	an,	
1-2 Years		
2-3 Years		
3-4 Years	·	
4 Years plus		

#### **SECTION B**

#### CHALLENGES OF GLOBAL SOURCING IN GENTEX ENTERPRISE LIMITED

In your own view, rate your degree of agreement about the extent to which you agree with the following statements concerning global sourcing activities and GENTEX Enterprise Limited Performance

Where SA= strongly agree, A= Agree, NS= Not sure, D= Disagree, SD= strongly disagree

Statement	SA	A	NS	D	SD
Quality levels and defects					
Accountability and compliance					
Language barriers					
Fluctuation of currency exchange				0.00	
Different standards and regulations in global sourcing					
Complicated logistics in global sourcing					
Time consuming					
High costs					
Volatile economic and political environment	-				
Supplier selection complexity					

#### SECTION C

## CRITERIA FOR ASSESSING ORGANIZATIONAL PERFORMANCE OF GENTEX ENTERPRISE LIMITED

In your own view, rate your degree of agreement about the extent to which you agree with the following factors affecting the performance of GENTEX Enterprise Limited Performance Where SA= strongly agree, A= Agree, NS= Not sure, D= Disagree, SD= strongly disagree

Factors	SA	A	NS	D	SD
productivity					
Sales and market share					
Growth and learning measures					
Accountability					
Financial analysis					
Innovation and invention levels					

#### SECTION D

## RELATIONSHIP BETWEEN GLOBAL SOURCING AND GENTEX ENTERPRISE LIMITED PERFORMANCE

In your own view, rate your degree of agreement about the extent to which you agree with the following factors affecting the performance of GENTEX Enterprise Limited Performance Where SA= strongly agree, A= Agree, NS= Not sure, D= Disagree, SD= strongly disagree

Effects	SA	A	NS	D	SD
Access to Raw materials					
Increase productivity					
Wealth Distribution					
Comparative Efficiency					
Tapping skills and resources					
Cost savings				-	

### Appendix II: Time Frame 2019

ACTIVITY	April	May	June	July
Copic formulation				
ntroduction writing				
Literature review writing				
<b>√</b> lethodology				
Typing and correction		arasta sa		
leviewing				
inal copy formulation				

### Appendix III: Study Budget

The study is estimated to cost a total of Ug sh. 195000/= as shown below.

ITEM	Quantity	AMOUNT
Communication	Air time	40,000
Transport	To &fro	50,000
Meals	Lunch (10)	50,000
Printing	3copies	20,000
Binding	3copies	20,000
Papers	1 ream	15000
Total		195000/=

End

Appendix IV: Table for Determining Sample Size from a Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384
Tatas			O. T22	1					

Note:

"N" is population size

"S" is sample size.

Source:

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size

for Research Activities", Educational and Psychological Measurement, 1970.



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# COLLEGE OF ECONOMICS AND MANAGEMENT DEPARTMENT OF HUMAN RESOURCE AND SUPPLIES MANAGEMENT

15<sup>th</sup>/08/2019

To whom it may concern

Dear Sir/Madam,

RE: <u>INTRODUCTORY LETTER FOR SSEMUGENZE PETER 1163-05084-05726</u>

This is to introduce to you the above named student, who is a bonafide student of Kampala International University pursuing a Bachelor's Degree in Supply and Procurement Management, Third year Second semester.

The purpose of this letter is to request you avail him with all the necessary assistance regarding his research.

TOPIC: -

EFFECTS OF GLOBAL SOURCING TOWARDS ORGANIZATIONAL PERFORMANCE

CASE STUDY: - GENTEX ENTERPRISES LIMITED

Any information shared with him from your organization shall be treated with utmost confidentiality.

We shall be grateful for your positive response.

Yours truly

MR. MUGUME TOM

HOD, HR & SUPPLIES MANAGEMENT

0777295599



Date: 20th AUG 2019

Your Ref:

Our Ref:

GENTEX ENTERPRISES LIMITED P. O. BOX 1494 PLOT M513 NTINDA, KAMPALA TEL: 0393286080

TO WHOM IT MAY CONCERN

Dear Sir/ Madam

#### RE: <u>ACCEPTANCE LETTER FOR SSEMUGENZE PETER 1163-05084-05726</u> TO CARRY OUT HIS RESEARCH STUDY ON OUR PREMISES

This is to inform you that the above mentioned personel, is a student of Kampala International University pursuing a Bachelor's degree in supply and procurement management.

The purpose for this document is to inform the Institution that SSEMUGENZE PETER Reg. No: 1163-05084-05726 has been accepted to carry out his research study concerning the effects of global sourcing towards organizational performance on our premises. However we will be glad to share any relevant information to him.

We will be looking forward towards your utmost treatment as being promised in the introductory letter.

Yours sincerely

MR. RAM SINGH

HR. Gentex Enteprise Ltd

Tel: 0703-718-278