

**SUPPLIER DEVELOPMENT AND SUPPLIER PERFORMANCE IN
ORGANIZATIONS IN UGANDA: A CASE OF
KINYARA SUGAR WORKS**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS
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DECLARATION

I, declare that this research report is my original work and has not been presented for a degree or any other academic award in any University or Institution of Learning.

14th/August/2019

Date



Signature

APPROVAL

I, confirm that this research report is carried out by the candidate under my supervision is ready for submission to the board of examiners of University with Our approval.



Signature

14TH AUGUST 2019

Date

DEDICATION

I dedicate my research report my father and my mother for their commitment to my upbringing including educational support May almighty accord you reasonable value.

ACKNOWLEDGEMENT

In the first case I would like to accord gratitude to almighty God who has accorded me all I possess. I am profoundly grateful to my Supervisor Ms Kabasinguzi Christine who assisted in various ways to make this project a success through supervision.

I wish to however still first and foremost to express the great deal that I owe to my supervisor, whose suggestions and patience helped me greatly to bring this project to a successful completion. Secondly, I wish to say special thanks to my special brother and Sisters

I acknowledge contribution of my friends among others for their moral support throughout my education and especially during the writing of this project work.

ABSTRACT

The purpose of the study is to supplier development and supplier performance in private sector organizations: a case study of Kinyara sugar works. The study objectives were to determine the effect of supplier incentives on supplier performance in organizations in Uganda, examine the effect of supplier financial supplier support on supplier development in organizations in Uganda and explore the effect of supplier training on supplier performance in organizations in Uganda. The study was conducted from Kinyara sugar works where the data was collected from 60 respondents using the questionnaires, the study adopted a correlation descriptive design based frequency and percentages

The study concludes that supplier incentives are fundamental for suppliers performance though was provided to low levels. The study conclude that increasing incentives to suppliers can generate supplier performance and providing financial support to suppliers builds their base for improved supplier performance for the organizations. The study on training supplier does not only enhance supplier quality but provides avenues for increasing a base of the supplies provision in terms of quality, time and adequate in the organization. Supplier development in purchasing is fundamental and can increase the performance for improved suppliers' capacity.

The study recommend for continuous improvement in the supply base is critical to maintaining the advantages accrued from supplier development and this can be achieved by carrying out supplier appraisals from time to time. These favorable terms allow for expansion; enhance suppliers' capability and capacity to cope with the buyers' requirements, leads to more profits and greater stability. Otherwise, financial instability of strategic suppliers can quickly deteriorate toward bankruptcy leading to collapse of supplier and buyer business. Supplier training has an effect on supplier performance, It is also recommended that, technically proficient buyers need to provide technical support to its strategic suppliers so as to enhance supplier flexibility, supplier material improvement, supplier process improvement, product innovation improvements and supplier product quality in order to vitalize mutual collaboration. A firm may need the capabilities of other firms to complement its own in building sustainable competitive advantage, so securing those complementary capabilities will allow a firm to grow steadily by overcoming its resource-based constraints.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background, problem statement, purpose, objectives, and research questions, scope of the study, significance of the study, conceptual framework and operational definitions of key terms.

1.1 Background of the study

In the advent of intense business competitive environment, business organizations are relying more on their supply chain as a source of competitive advantage. Supplier development is key for suppliers as it plays strategic roles in organizations and are significantly engaged in creating a competitive advantage with their actions having a positive impact on the organizations' performance (Jabbour, 2009). In order for firms to compete effectively and survive in the global market, they need to develop operational strategy to ensure they maintain and build relationships with a capable and competent network of suppliers and extract maximum value from these relationships. To create and maintain such a network and to improve capabilities that are necessary for the buying organization to meet its increasing competitive challenges, the buying firm may need to engage in supplier development. Countries that have employed supplier development schemes have such as USA, Japan, Britain and Germany have registered high performance in their organizations (Wegner, 2006). The management of the organizations establish a mechanism for enhancing the suppliers work efficiency intended to generate value for the organization. Countries such as China that are realizing the value of developing suppliers also register performance excellence in their work a force that is making China an industrial nation in the world.

In African supplier development is mainly focused on the effects that affect the product aspects as well as the supplier's capabilities. This basically involves improvement of product aspects which include; quality, design, reliability, safety and conformance as well as total ownership cost of the product. Many African countries like Ghana, Nigeria and South Africa have embraced supplier development have built supplier performance. In supplier capacity aspects, supplier development basically works to improve and enhance supplier's performance related with; increased production capacity, shorter product development cycle, productivity, research and development, improved and reliable processes, shorter delivery lead times, flexibility and overall organizational visibility to the buying organization by adoption of information interchange (Wagner & Krause, 2009). Despite the fact that

manufacturing firms in developing economies have acknowledged the significant role of supplier development in promoting organizational performance and contributes strategically to overall operational effectiveness, little research has empirically examined the impact of supplier development on organization performance in the manufacturing sector of Nigeria. This study intends to fill the gap in knowledge and providing insight to the manufacturing organizations in Nigeria on how they can leverage on supplier development process to enhance their operational performance and to save them from distressed syndrome currently facing manufacturing sector in Nigeria.

Supplier development in East Africa despite the countries has not adopted a high degree of supplier development in their day to day operations. The countries like Kenya despite having a high manufacturing base have not developed the suppliers but to a low extent, Uganda, Tanzania, Burundi and Rwanda have adopted fewer mechanisms for development. Yegon, Kosgei and Lagat (2015) also investigate the effect of supplier development on buyer performance. A survey of sugar milling firms in Western Region of Kenya. Explanatory Research design was utilized to explain the cause-effect relationship between supplier development and buyer performance. A sample of 88 top level purchasing and marketing executives was selected through purposive sampling technique. Data from respondents were analyzed using correlation analysis and multiple regressions. The study finds out that supplier technical support and supplier financial support has positive effect on buyer performance.

In Uganda, despite the supplier development being recognized as key and fundamental trait for development, Uganda legal systems and the organizations have not adopted much supplier development schemes apart from the manufacturing organizations in the country. The sugar produced by the companies is marketed to the Eastern African countries of South Sudan, Democratic Republic of the Congo, Burundi, Rwanda, Tanzania, Kenya and Uganda.

1.2 Statement of the Problem

In order for firms to compete effectively and survive in the global market, they must maintain and build relationships with a capable and competent network of suppliers and extract maximum value from these relationships. To create and maintain such a network and to improve capabilities that are necessary for the buying organization to meet its increasing competitive challenges, the buying firm may engage in supplier development (Carr and Pearson(1999) Chidambaranathan et al. (2009); Trent and Monczka, (1999), Cox, (2001). According to Wagner (2006) and Krause et al. (2000), supplier development could be

employed to manage problems buying firms may experience in their supply networks. Problems arising within the supply chain may include a current supplier performing below expectation; a non-competitive supplier base; current suppliers unable to support a firm's strategic growth; or capable suppliers not available in a certain market. The foregoing findings have provided useful insights for understanding the nature of supplier development, but have not established a link between supplier development programs and performance outcomes. Furthermore, these studies have been replicated in Western countries but to our knowledge, limited research has examined the involvement of supplier development in Uganda. Kinyara sugar works has supplier development schemes especially supplier training and financial support were formers are given support to enable their performance (Job, 2015). Kinyara sugar works operate in an area where the information generation to the organization's undertakings is fundamental. The increase in the prices of sugar canes drove the companies into close connections with the suppliers in the bid to increase the supplies. The scheme has however not yielded much in providing utmost value (Report of Kinyara Sugar works, 2017). This indicates that there is limited literature available on effect of supplier development on supplier performance which has created a gap amongst procurement managers on how to improve supplier performance and thus procurement in food manufacturing companies. It is therefore against this background that this study will be undertaken to investigate the effect of supplier development on supplier performance in Kinyara Sugar works.

1.3 Purpose of the study

The purpose of the study was to assess the effect supplier development on supplier performance in organizations: a case study of Kinyara Sugar works.

1.4 Objectives of the study

- 1) To determine the effect of supplier incentives on supplier performance in organizations in Uganda.
- 2) To examine the effect of supplier financial support on supplier development in organizations in Uganda.
- 3) To explore the effect of supplier training on supplier performance in organizations in Uganda.

1.5 Research Questions

- 1) What is the effect of supplier incentives on supplier performance in organizations in Uganda?
- 2) What is the effect of supplier financial supplier support on supplier development in organizations in Uganda?
- 3) What is the effect of supplier training on supplier performance in organizations in Uganda?

1.6 Scope of the study

1.6.1 Subject Scope

The focus areas for supplier development was based on supplier incentives, supplier financial support and supplier training and it affects on supplier performance in terms of supplier operations growth, supplier quality improvement and supplier financial growth in organizations.

1.6.2 Geographical Scope

The study was conducted in Kinyara Sugar works located in Masindi district. The choice of the organization is because it has employed supplier development schemes in the organization operations.

1.6.3 Time Scope

The time scope of the study was limited to 4 months that is to say from March 2018- June 2018. The time chosen is significant and enabled collection of viable data necessary for this study.

1.7 Significance of the study

Policy makers

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

Management

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

Academia

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

General body of knowledge

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

1.8 Conceptual frame work

Independent Variable

Supplier Development

- Supplier Incentives
- Supplier Financial support
- Supplier training

Dependent Variable

Supplier Performance

- Supplier operations growth
- Supplier Quality improvement
- Supplier financial growth

Source: Ochieng (2014) and Van Hoek (2007).

Explanation of the framework

The conceptual framework shows the relationship between supplier development and supplier performance. The supplier development is measured through supplier incentives, supplier financial support and supplier training, the presence of positive supplier development transform into supplier performance. Supplier performance is measured through supplier operations growth supplier quality improvement and supplier financial growth in the organization. The presence of positive supplier development promotes supplier performance.

1.9 Operation definitions of key terms

- i. Supplier development is defined as any effort by a buying firm to increase the performance and capabilities of their supplier. It is the process of working collaboratively with suppliers to improve or expand their capabilities.
- ii. Supplier incentives are a strategy which encourages suppliers to improve their performance including increased business volume, priority consideration for future business and recognition of good supplier performance in the form of awards or certificate.
- iii. Supplier financial support refers to the buying firm's effort to develop their supplier by engaging in human and capital resources which includes direct investment in equipment and tools and technical support at the supplier site.
- iv. Supplier training is focused on improving efficiency and effective systems which are reliable and can ensure excellent which exceed customer expectations. To get such sustainable operational results, operations strategy is developed which supports the organization in ensuring the key operational aspects of the firm
- v. Supplier performance is measured by various criteria. Several key competitive factors were broadly used to assess the supplier performance. For examples, product quality, delivery performance, price, physical distribution, services, flexibility, relationships are considered to be important factors for measuring the supplier performance.
- vi. Supplier quality improvement
Supplier quality improvement is the measures established for enhancing the value mix of the organization. This involves the management of the fitness for the purpose in the organization.
- vii. Operation growth
Operation growth is the growth of the organization in terms of day management schemes for the organization undertaking that generate value for the organization.
- viii. Supplier financial growth
This is the increase in the value of the financial resources that are owned by the organization. The financial resources management drive the means for improving the management of the organization.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents literature in line with the objectives of the study which presents the detailed information about supplier development and supplier performance. The literature was retrieved from internet library, research journals and articles together with text books, magazines and newspapers. The aim was to evaluate the views of other researcher and scholars in regard to the study problem and hence being able to make the summary.

2.1 Supplier development

Supplier development as any effort of a buying firm with its supplier to increase the performance and/or capabilities of the supplier and meet the buying firm's supply needs. Supplier development is defined as any effort by a buying firm to increase the performance and capabilities of their supplier. It is the process of working collaboratively with suppliers to improve or expand their capabilities (Dominick, 2006). It is a bilateral effort by both the buying and supplying organization to jointly improve the supplier's performance or capabilities in one or more of the following areas: cost, quality, delivery lead time, technological advancement, safety and environmental responsibility, managerial capability and financial viability (Krause & Handfield, 2011).

Supplier development should lead to improvement in the total added value from the supplier in question in terms of quality of product or service offered, business processes and performance, improvements in lead times and delivery to overall performance of the buying firm (Modi & Mabert, 2007). Supplier development is normally undertaken with existing suppliers that can be, and agree to being, improved. Suppliers can be categorized in respect of supplier development in three ways; they are, being developed, on hold as a potential for development or, identified as not being worth the investment of development. The following are the supplier development techniques.

Supplier Evaluation:- First step of supplier development is supplier's evaluation because after this buyer can identify areas of supplier where improvement is needed. This step helps to point out exact cause of problem i.e. whether the problem is in material or in design or in production process or in workmanship. Suppliers basically get evaluated on the basis of parameters like technical capabilities, quality, cost, delivery, managerial capabilities. On basis of these parameters suppliers are classified in to groups. So supplier evaluation is

integral part of supplier development which serves as a platform for launching supplier development program. This phase will mention problem of supplier which will be basically related with product, process and operating system. Combining supplier's problem and supplier development program a matrix will form which will give guideline that which supplier development plan is necessary for which problem (Cormican and Cunningham, 2007)

Cormican and Cunningham (2007) worked on performance evaluation in a large multinational organization. Here they evaluated suppliers based on parameters like on time delivery, quality and total cost. He gave 40 % weight to on time delivery, 40% weight to quality (Parts per million) and 20 %weight to total cost. Then found the total score by adding score of these 3 parameters and rank suppliers.

Communication;- Smeltzer (2007) in the study of selection of communication media in buyer supplier relationship found that communication media selection is affected by need of participants and stage of relationship. If relationship is new then communication media will be face to face for more clarity in communication. As relations goes on increasing media choice becomes less rich focusing on either telephone or email depending on the needs of buyer or supplier. As relationship reaches to mature stage face to face media is preferred to take advantage of richness and which also helps to take social benefit of relation. They also found that in product purchasing buyer is more central to the relationship and has greater influence over the communication media choice and buyer is interested in informal communication like telephone communication. In case of service purchasing buyer is less central to relationship and for communications he uses legalistic means such as email

McIvor and Mabert (2007) indicate that buyer-to-supplier information sharing, buyer-to-supplier performance feedback and buyer investment in inter-organizational information technology are key enablers of buyer-to-supplier communication openness. However only buyer-to-supplier communication openness plays the direct and critical role in achieving significant performance improvement. They mainly focused on openness in communication and openness acts as a key parameter for supplier improvement and this improvement will mainly move in the direction that buyer wants.

Supplier incentives:- Supplier incentives is a strategy which encourages suppliers to improve their performance including increased business volume, priority consideration for future business and recognition of good supplier performance in the form of awards or certificate (Monczka, Trent & Callahan, 2011). Incentives are important to develop and improve supplier performance. The buying firm provides incentives to motivate suppliers who desire for increased volume of business and priority consideration for future business. Therefore, this supplier is more likely to continue business operations and open their facilities, extend their resources investment, including provide greater commitment in joint knowledge transfer (Modi and Mabert, 2007). Supplier incentives involve a process involved in managing preferred suppliers and finding new ones whilst reducing costs, making procurement predictable and repeatable, pooling buyer experience and extracting the benefits of supplier partnerships. SRM has been shown to have an impact on performance of firms but majority of the studies have concentrated on developed countries.

The buying firm provides incentives to motivate suppliers who desire for increased volume of business and priority consideration for future business (Krause, 2010). Therefore, this supplier is more likely to continue business operations and open their facilities, extend their resources investment, including provide greater commitment in joint knowledge transfer (Modi and Mabert, 2007). Humphreys, (2011), note that rewards for supplier's improvement area stimulating tool that indicates buyer's recognition and provides incentive for further outstanding achievement. Supplier incentives are offered to suppliers who succeed in increasing performance and capabilities in supplier development program and serve a least two roles ((Krause, 2010) by firstly being a motivating tool for suppliers, since suppliers may strive for award status if it means recognition in the marketplace and allows them to attract new business; secondly, it marks the culmination of the supplier development effort with a particular supplier through its supplier development efforts

Supplier training:- Programs for supplier development that receive assistance from buyers can be regarded as buyer supported training. The literature suggests that buyers have various ways of supporting their suppliers with some buyers giving more support than others. Some buyers focus on short-term benefits while others look at supplier development as a long-term investment. Thus suppliers have access to different types of supplier development programs depending on their buyers. This implies that the types of training that would most benefit suppliers could be best assessed through studies focusing on the supplier perspective. By

identifying the relevant types of training buyer-supported training programs could increase. This would be because buyers could select the type of training suitable for specific groups of suppliers. The right type of training could then lead to an increase in performance for the supplier which would in turn encourage an increase in buyer-supported training. Buyer may send his employees or group of team to train supplier or he may invite group of suppliers facing same problem for training in his own firm Ambrose et al (2008).

O'Toole and Donaldson (2002) made a case study in Malaysian automotive industry on Patterns of Supplier Learning. Here they found that supplier development programs support the development of a supplier's capabilities usually with the assistance of a buyer. Supplier development also depends on supplier's interest and how they explore them self to increase their capabilities. Although local suppliers do receive assistance from their buyers but this type of assistance is still not adequate to improve supplier capabilities. Therefore analyzing environment that provides buyer-support training could help to identify factors that suppliers themselves seem important for development of their capabilities. It is claimed that support from buyers for supplier training has been deficient. Thus there is a need to identify the types of training that suppliers themselves prefer. Buyers themselves have significant knowledge of the training that a supplier might need but as technology development happens the buyer no longer has a hold on all of the technology that is involved or coming. Thus it is important that suppliers looking to develop their capabilities have access to the type of training that they require which may or may not be provided by their buyers. For suppliers that have access to buyer-supported training their training needs might often change as they develop their own capabilities (Chen, Lin & Huang, 2006).

Financial Support:- Financial investment refers to the buying firm's effort to develop their supplier by engaging in human and capital resources which includes direct investment in equipment and tools and technical support at the supplier site (Lambert, Emmelhainz and Gardner (2006). When the supplier gets evaluation feedback from the buying firm for improvements, the firm needs to provide suggestions or personnel to supplier site. Such action of the buying firm motivates the direct involvement of their potential suppliers including financial resources (Wagner, 2006).

Supplier financial support refers to the buying firm's effort to develop their supplier by engaging in human and capital resources which includes direct investment in equipment and

tools technical support at the supplier site Mikkola and Skjoett (2005). When the supplier gets evaluation feedback from the buying firm for improvements, the firm needs to provide suggestions or personnel to supplier site (Krause, 2010). According to CIPS (2007), financial appraisal of supplier should be geared towards reducing financial risk and providing information that could be used to help firms make rational decisions on source of suppliers or evaluation of tenders. Useful information for supplier financial performance evaluation can be derived from secondary data on suppliers and markets published financial statements, networking with existing clients of the supplier, and credit rating firms.

Early supplier Involvement in new product development:- Involving suppliers in new product development decisions and continuous improvement efforts enables the manufacturers to share knowledge and increase learning so that better solutions can be found to complex, inter-company problems that impact performance (Yegon, Kosgei and Lagat, 2015). Dowlatshahi (2007) stated that if a company or a supplier waits until a design specification or a bill of materials is available, it will be too late to reap the benefits of the knowledge and expertise of a supplier without a costly re-design, measured in time and money.

As today firms focus on their core competences, they become more dependent on their suppliers to meet ever-increasing competition. According to Mikkola and Larsen (2003) due to greater complexity, higher specialization, and new technological capabilities, outside suppliers can perform many activities at lower cost and with higher value added than a fully integrated company can. Supplier can have a significant impact on a manufacturer's performance, through their contributions towards cost reduction, eliminate inconsistency in the designer's manufacturing processes, minimize high-cost material items, share technical expertise and processes within each other, enabling the constant improvement of quality, share technology capabilities, and increase responsiveness of buying companies. A buyer's bases of power estimated that suppliers account for 30% of the quality problems and 80% of product lead-time problems.

2.2 Supplier Performance

According to a number of studies, supplier performance is measured by various criteria. Several key competitive factors were broadly used to assess the supplier performance. For examples, product quality, delivery performance, price, physical distribution, services,

flexibility, relationships are considered to be important factors for measuring the supplier performance Modi and Mabert (2007). The supplier performance improvement was used as the key indicator for the success of supplier development strategies (Gil and Ramaseshan, 2007). Based on the review of previous work and field interview with the purchasing managers in electrical components industry, this study focuses on buyer's perception on the supplier's improvement in the aspects of cost, quality, and delivery which are the critical supplier improvement areas.

Kakira sugar works has a raising the rate of supplier performance expectations, worldwide sourcing strategy, early supplier design involvement, supplier performance improvements rewards and direct supplier development are suggested to improve supplier performance (Kulabako, 2013). Supplier performance management (SPM) is a business practice that is used to measure, analyze, and manage the performance of a supplier's performance in an effort to cut costs, alleviate risks, and drive continuous improvement. It is a function often associated with Third Party Management. The ultimate intent is to identify potential issues and their root causes so that they can be resolved to everyone's benefit as early as possible.

2.3 Supplier development and Supplier Performance

Supplier development has played strategic roles in organizations, and has significantly engaged in creating a competitive advantage and their actions have a positive impact on the organization's performance (Jabbour and Jabbour, 2009). Supplier development in establishing and maintaining the competitive advantage, purchasing research has tended to focus on supplier development programs and exploring how these initiatives impact on buyer and supplier performance. In the manufacturing setting, supplier development at its basic level can involve undertaking evaluation of supplier's performance and giving feedback to them, sourcing from a limited number of suppliers, Parts standardization and Supplier qualification. At advanced stage, provision of equipment or capital, on-site consultation, education and training programs, temporary personnel transfer, inviting supplier's personnel, taken as a whole the transfer of knowledge and qualifications to the supplier firm (Humphreys, 2011).

Supplier development is mainly focused on the effects that affect the product aspects as well as the supplier's capabilities. This basically involves improvement of product aspects which include; quality, design, reliability, safety and conformance as well as total ownership cost of the product. In supplier capacity aspects, supplier development basically works to improve

and enhance supplier's performance related with; increased production capacity, shorter product development cycle, productivity, research and development, improved and reliable processes, shorter delivery lead times, flexibility and overall organizational visibility to the buying organization by adoption of information interchange (Wagner & Krause, 2009). According to Wagner (2006), supplier development could be employed to manage problems buying firms may experience in their supply networks. Problems arising within the supply chain may include a current supplier performing below expectation; a non-competitive supplier base; current suppliers unable to support a firm's strategic growth; or capable suppliers not available in a certain market.

Programs for supplier development that receive assistance from buyers can be regarded as buyer supported training. The literature suggests that buyers have various ways of supporting their suppliers with some buyers giving more support than others. Some buyers focus on short-term benefits while others look at supplier development as a long-term investment. Thus suppliers have access to different types of supplier development programs depending on their buyers. This implies that the types of training that would most benefit suppliers could be best assessed through studies focusing on the supplier perspective. By identifying the relevant types of training buyer-supported training programs could increase. This would be because buyers could select the type of training suitable for specific groups of suppliers. The right type of training could then lead to an increase in performance for the supplier which would in turn encourage an increase in buyer-supported training. Buyer may send his employees or group of team to train supplier or he may invite group of suppliers facing same problem for training in his own firm (Ambrose, 2008). For supplier development to be successful, the buying organization must conduct the process with great prowess and caution. The process starts by Identifying critical commodities to ensure that the organization develop suppliers for commodities strategic to their business operations. The procurement team then embarks on the next stage of selecting suppliers for the said critical commodities. This helps in identifying prospective suppliers for development (Gordon, 2008). A cross functional team is thereby formed by the buyer organization to facilitate the development of the key capabilities of the supplier to ensure that the process is done professionally. The formed team meets the supplier top management to discuss the development process, resource allocation and strategies to be adopted (O'Toole, and Donaldson, (2013).

Supplier development can be a strategic weapon for the buying firm. This perspective becomes especially important in light of the fact that manufacturing firms spend approximately 55% of their sales dollars on purchased goods and services (Tully, 2009). Several supply chain researchers have done research on the subject of supplier development subject and filed their findings. Among them are; Dyer and Nobeoka, (2010) conducted a study on Buyer-supplier collaboration and the aim of facilities management procurement. The study established that there emerged a general consensus that a more relational procurement process has a positive influence on the relationship established and also that the perceived benefits of relational approaches included clarity of service requirements, value delivery, and cultural alignment. For many years, the supplier development measures were based on price variation while giving less consideration to order receipt and on time delivery. More recent approaches have now turned towards attention towards the evaluation of supply link, which involves concentrating on measures that are crucial at strategic, operational and tactical level. As per Gunasekaran et al. (2014), strategic level measures include cost saving initiatives, quality, lead time relative to industry norm, and supplier pricing relative to the market. Measures at operational level comprise of ability to avoid complaints, adherence to developed schedule and achievement of zero defect deliveries. Tactical level measures, on the other hand, entail capacity flexibility, booking in procedures, cash flow, and efficiency of order cycle time. In addition, supply link evaluation also looks at the supplier's ability to meet the company's long term goals by focusing on key areas such as supplier's strategic planning, potential future production capacity, and supplier's general growth plan (Van Hoek, 2007).

2.3.1 Effect of supplier incentives on supplier performance in organizations

Supplier incentives are a strategy which encourages suppliers to improve their performance including increased business volume, priority consideration for future business and recognition of good supplier performance in the form of awards or certificate. The buying firm provides incentives to motivate suppliers who desire for increased volume of business and priority consideration for future business (Krause, 2010). Therefore, this supplier is more likely to continue business operations and open their facilities, extend their resources investment, including provide greater commitment in joint knowledge transfer (Modi and Mabert, 2007). Humphreys, (2011), note that rewards for supplier's improvement area stimulating tool that indicates buyer's recognition and provides incentive for further outstanding achievement. Supplier incentives are offered to suppliers who succeed in

increasing performance and capabilities in supplier development program and serve a least two roles ((Krause, 2010) by firstly being a motivating tool for suppliers, since suppliers may strive for award status if it means recognition in the marketplace and allows them to attract new business; secondly, it marks the culmination of the supplier development effort with a particular supplier through its supplier development efforts (Berlow, 2012).

Mukasa and Mukhwana (2010). Contends that Providing incentives and recognition can be adopted by some buyers to show appreciation of their supplier achievement and improved performance. The supplier incentives are used as a starting point for all organization's stakeholders, including investors, customers and intermediaries, employees, suppliers, regulators and communities etc. According to PP proponents, strategy should follow from stakeholder analysis. The PP framework also focuses on the reciprocal relationship between the organization and its stakeholders as opposed to just stakeholder needs. The five facets of the performance Prism are stakeholder satisfaction, strategies, appropriate processes, level of capabilities and stakeholder contribution (Neely, 2012). Through the balanced scorecard, an organization monitors both its current performance (finance, customer satisfaction, and business process results) and its efforts to improve processes, motivate and educate employees, and enhance information systems, its ability to learn and improve (Kaplan, 2010).

2.3.2 Effect of supplier financial support on Supplier performance

Supplier financial support refers to the buying firm's effort to develop their supplier by engaging in human and capital resources which includes direct investment in equipment and tools (Li et al, 2007 and technical support at the supplier site Mikkola and Skjoett (2005). When the supplier gets evaluation feedback from the buying firm for improvements, the firm needs to provide suggestions or personnel to supplier site (Krause, 2010). According to CIPS (2007), financial appraisal of supplier should be geared towards reducing financial risk and providing information that could be used to help firms make rational decisions on source of suppliers or evaluation of tenders. Useful information for supplier financial performance evaluation can be derived from secondary data on suppliers and markets published financial statements, networking with existing clients of the supplier, and credit rating firms. Key considerations in evaluating the supplier's financial performance include assessing the supplier's turnover over a three years period; the supplier's profitability (net profit) for three years, the value of the firm's capital assets and the associated returns (ROA and ROE); the magnitude of borrowings; and the possibility of merger or takeover that may affect the firm's ability to supply (CIPS, 2007).

Waraporn (2012) in the study of the impact of supplier financial support on supplier performance investigated the role of buyer-supplier commitment in supplier performance improvement in Thailand. The study revealed that the buying company would implement the supplier development strategies by focusing on buyer-supplier relationship commitment for performance improvement. The authors therefore recommended that managers should place strong emphasis on developing specific relationship with suppliers. The buying firm expected to develop the key suppliers who have long-term relationship with a sharing of information and benefits including joint problem solving. Ochieng (2014) also investigate the role of supplier incentives in organizational performance in terms of first time quality, delivery and order cycle time, cost and technology at the National Cereal and Produce Board. Simple random sampling technique was used to select fifty (50) respondents. Data were analyzed with the aid of correlation analysis and multiple regressions. Results show that information exchange, suppliers understanding of goals, suppliers' participation and buyers' coordination had had very good impact on procurement function. However supplier participation was found to be more significant followed by buyer coordinator presence, information exchange and supplier understanding of goals. In another study, Job (2015) argues that supplier incentives techniques consist of supplier rewarding program, offer of packaging materials and free off loading at the place of destination, supplier certification, free supplier audits, and providing incentives and recognition. Wachiuri, Waiganjo and Oballah (2015) subscribe that supplier development techniques involve training of suppliers, rewards, financial support and firm involvement.

2.3.3 Effect of supplier training on supplier performance in organizations

Supplier training is focused on improving efficiency and effective systems which are reliable and can ensure excellent which exceed customer expectations. To get such sustainable operational results, operations strategy is developed which supports the organization in ensuring the key operational aspects of the firm are met; cost reduction, speed of product development and production, flexibility of the production system and quality assurance for the product (Wiley, 2010). As business organizations compete in the market place where prices are driven by the market forces, most of the firms seek to device other means of influencing customers to buy their products. This will call for methods like lowering product cost, reducing lead times, improving quality of product, showing sincere attention to safety and environmental protection etc.

Supplier training programs are designed by the buyer focused on enhancing and improving supplier technical capability in terms of key competencies like quality, production processes and management best practices to enhance firm's productivity. Communication between buyer and supplier is considered a critical mode of supplier development. Sanders et al. (2011) found out that buyer-to-supplier information sharing, buyer-to-supplier performance feedback and buyer investment in inter-organizational information technology are key enablers of buyer-to-supplier communication openness. Supplier training and assessment is done to uplift potential supplier's capability of controlling quality (delivery, quantity, price, and all other factors to be embedded in a contract). Such evaluation is carried out at the pre-contract phase of supplier sourcing. This exercise helps in enabling the suppliers rate their capabilities relative to the buying organization expectations and hence establish areas to invest in so as to match expectations.

Mukhwana (2010) discussed effects of supplier training practices on performance in the telecommunication industry in Kenya. The study found that indeed supply chain management practices have an effect on the organizational performance. However this study was general in referring to supplier training management practices and not specific areas in supply chain management that affect performance. The study was also very specific on the telecommunication industry and hence not sufficient for generalization of its findings in all other sectors. Kamau (2013) in the study of the relationship between supplier training relationships and business performance among large manufacturing firms in Nairobi, Kenya concluded that supplier training relationships had assisted the large manufacturing companies to enhance the performance of their organizations. The study though pointed out that indeed supplier relationship improved performance, it had a general application on relationships but did not focus on supplier development concepts. By maintaining good relationships with their suppliers, manufacturing companies ensure that they perform well and also help the suppliers themselves to perform well and also achieve their goals.

2.4 Related Studies

Njeru (2013) in her case study of Kenya power investigated factors which influence supplier development in public entities in Kenya. The study concluded that the management of KPLC recognized supplier development as a means to improving their efficiency. The researcher pointed out that for effective supplier development process, there should be management support, commitment and good communication channels between the two parties. Use of

Enterprise Resource Programs systems should be adopted to shorten the time taken in the supplier development. However, the study was too narrow to only supplier communication as the only tool in supplier development. It also focused on public entity narrowing on a case study context of KPLC hence no enough scope to generalize on the effect of supplier development on other organizations particularly in the private sector.

Harp (2001) affirms this as his study focused on the relationship between supplier development and its impact on the firms' performance using both financial and market criteria, including return on investment (ROI), market share, profit margin on sales and overall competitive position. The global sugar industry is one of the world's oldest agriculturally based industries, which is estimated to yield approximately 167 million tons of sugar with an ever growing consumption rate, which on average, increases at 1.8% per annum. Furthermore, joint action between both parties is part of transaction-specific supplier development as a non-equity mode of governance in which both buyers and suppliers cooperate on certain activities that are important for improving the performance of both parties. Research by Humphreys, (2011) established that supplier development encourages preferential buyer status and supplier adaptability. Supplier development also helped in developing mutual trust between buyers and suppliers (Reed and Walsh, 2008).

Wachiuri (2015) in a case study of east Africa breweries limited investigated the Role of supplier development on organizational performance of manufacturing industries in Kenya. The case study was carried out to establish the effect of buyer supplier relationships on organizational performance for east African breweries in Kenya. The study recommended that the organization should fund training programs that they administer to their suppliers to enhance better performance. In addition, enhanced communication should be put into practice in the supplier development program. In firm involvement firms ought to evaluate and give feedback to their suppliers more often. This gives the suppliers an opportunity to know their weaknesses and shortfalls as well as adjust their operations to meet the needs of the manufacturing firms.

Lukhoba and Muturi (2015) also examine the effect of supplier development on supplier performance in food manufacturing companies in Kisumu County. The study focuses on the specific objectives of analyzing four methods of supplier development, which are: early supplier involvement, financial support, supplier training and supplier incentive in food

manufacturing industries. Data was collected using secondary and primary sources.. Primary data was collected using questionnaires which were employed to collect quantitative data in an attempt to answer the research questions. Descriptive statistics was used to analyze the data. The data was analyzed and presented in form of tables and pie charts. Results reveal that early supplier involvement, financial support, supplier training and supplier incentives have a positive effect on supplier performance.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter covered the method that is used in the study. It included the research design, the study population, target population and sampling size population, sampling techniques, data collection instrument, reliability, and validity of the instruments, data collection procedure, data processing and analysis, ethical consideration.

3.1 Research and Design

In this study, correlation research designs were used to determine the relationship between supplier developments on supplier performance in organizations. The design is chosen because it provides and elaborates explanation on the association between the variables (Kothari, 2005). The correlation design on the other hand involved inferential statistics to determine the relationship between supplier development and supplier performance in Kinyara Sugar sugar works. The research designs will be guided by both quantitative research approaches (Mark, Philip & Adrian, 2007). The quantitative data collection approach undertook using closed ended questions in collecting quantitative data or numerical data or data which was presented statistically or mathematically into mean and standard deviation.

3.2 Study Population

The population of the study include the employees of the Kinyara sugar work located in Karira in Jinja district and the selected suppliers of Kinyara sugar works. The target population is therefore the suppliers 40, Procurement and operations staff of Kinyara sugar (25) and administration of Kinyara sugar works 10. The total population of the study is therefore 60 who are the target and accessible population of the study. The population is courtesy of the human resource manual of Kinyara sugar works of 2017.

3.2.2 Sample Size

The researcher used Taro Yamane's sample size calculation formula to determine the sample size of this study. The researcher preferred to use this sample size formula because it users friendly, had a minimal margin of error, it was more accurate and statistical in nature hence it provided an adequate sample size population for this study.

$$n = \frac{N}{1+N[e]^2}$$

Where; N = total population [70]

n= total sample size.

E= desired margin error [0.05]

$$n = \frac{70}{1 + 70[0.05]^2}$$

n= 60 respondents

Table 1: Target and Sample Size Population

Respondents	Target population size	Sample size
Suppliers	40	35
Procurement and Operations	20	17
Administrators	10	08
Total	70	60

Source: Primary data (2018) Sampled using Taro (1980) formula

3.2.3 Sampling Procedure

The researcher used simple random and purposive sampling technique in order to get target respondents (Mark, Philip & Adrian, 2007). The random sampling technique was used in order to give each targeted respondents' equal chance to participate in the study by being part of the sample. Simple random sampling was used through rotary to select the respondents on the basis of pick and play. The simple random techniques were solved biasness as each client were given equal chance to be selected and provide data for this study. The suppliers were purposively selected from the many suppliers in this case those on the supplier development schemes was selected purposively.

3.4 Data collection Methods

3.4.1 Questionnaire

The method of data collection used a self-administered questionnaire. The questionnaires were set carefully, prepared and logically ordered based on supplier development and supplier performance. The questionnaire were self-administered by the researcher to ensure that the intended respondents participated in the process of information provision for the study.

Section A of the questionnaire included general information of respondents like gender, and education level etc. Section B presented the questionnaire on the Supplier development while section C provided a questionnaire on supplier performance. The questionnaire were closed-ended based on a 5 likert scale whereby liker scale were used on closed-ended question as with 1=Strongly disagreed, 2= Disagreed 3= Not sure, 4=Agree and 5=Strongly Agree for the respondents.

3.5.1 Validity of the research instrument

In testing the validity of research instrument, the researcher formulated the research questions according to the study objectives and questions after which the researcher presented the formulated questions in the questionnaire to the supervisor for verification on whether the set questions were answering the intended research objective. Once the research supervisor approves the items in the questionnaire, the researcher calculated the content validity index as illustrated underneath. The required minimum value of CVI according to Orodho (2009) is 0.7.

$$CVI = \frac{RQ}{TQ}$$

Legends: CVI = Content Validity Index

RQ = Relevant Questions

TQ = Total number of Questions

From the computation that will be done, the results of 0.7 indicated a valid research instrument.

3.5.2 Reliability of the research Instrument

The reliability of the research instruments were established using Cronbach Alpha Coefficient test. Specifically, this test over the research items systematically arranged in the questionnaire. According to the research questions, all the variables reflected in these grouped research items of the questionnaire particularly tested using the Cronbach's Alpha Coefficient (CAC). As a result, the SPSS reliability test that yields a CAC output that reveals the instruments' reliability. According to Reynaldo (1999), a research instrument is reliable within the range of 0.7- 1.0.

3.6 Data Processing and Analysis

3.6.1 Data Processing

The process of data processing was done after collecting all the data to ensure complete and uniform data is used. This necessitated editing and checking of errors as well as omissions that might have influenced the study.

3.6.2 Data Analysis

Upon collection of Necessary data from the field, the researcher analyzed, and interprets it in relation to the objectives of the study. The researcher presented the findings in form of tables, graphs and pie charts. Data from field was tabulated to show the frequency of responses to the questionnaires and these was used to compute percentages in different attributes under the study. The data was presented in the form of frequency and percentages where the data was structured on the likert scale of 5 based on strongly disagree to strongly agree on the aspect of frequency and percentages.

3.7 Ethical considerations

While undertaking this study care was taken not to offend the respondents and other stakeholders involved. In order to achieve this, the following measures were taken. The respondents consent form before they were allowed to take part in the study.

They were not forced to give their sensitive information if they did not feel like. In each question found in the questionnaire there was an option for the respondent to claim neutrality.

The research instruments were coded in order to provide the respondents with anonymity. The workplaces were visited during busy hours of the day so that the employees.

3.8 Limitation of the Study

The study research has the following Limitations and solutions

- i. Lack of co-operation by some respondents was a possible constraint to this study. In Uganda it is common that researchers are viewed in a negative way, usually staff thinks it is a problem of finding exercise that rendered most of the jobless at the end of the exercise. This study however emphasized to the respondents that the study is purely for academic purposes also were people feel redundant to participate in spite of the assurance the study resorted to willing and available respondents.

- ii. The cost of the research was high in regard to the already incurred cost of accessing relevant stationary, printing and the yet to be incurred cost of photocopying, binding, transport, and telephone charges. The financial constraints were solved by asking my friends and family to raise some money for my research work.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

4.0 Introduction

The data is presented and interpreted in view of the topic, on assessing the effect supplier development on supplier performance in organizations: a case study of Kinyara Sugar works. The focus was on 60 respondents who included the selected employees of Kinyara Sugar works. The interpretation also sought to answer the research questions that were raised in chapter one. Presentation and interpretation of data in this chapter has been done with the aid of quantitative and qualitative methods. Quantitative methods involved the use of tables, graphs, percentages and personal analysis and interpretation presented in essay form.

4.1 Demographic information

This part presents the background information of the respondents who participated in the study. The purpose of this background information was to find out the characteristics of the respondents in terms of gender, age, level of education, time of stay in the organization and position in organization as per the study.

4.1 Demographic aspects of respondents

4.1.1 Findings on the gender of respondents

Here the researcher was interested in gathering information on the gender of respondents and information got was presented in the table below.

Table 1: Showing Gender respondents

Gender	Frequency	Percentage
Male	36	60
Female	24	40
Total	60	100

Source: Primary data, 2019

From table 1, it can be seen that the majority of respondents are male that is (36) representing 60% of the total number of respondents, 24 respondents are female representing 36.7% of the respondents. This is an indication that gender sensitivity was taken care off so the findings therefore cannot be doubted on gender grounds; they can be relied for decision making. It further indicates that the researcher sought for information from both genders that means that

the aspect of private organizations is done by both genders, contributions to development is for all gender.

4.1.2 Findings on Age distribution of respondents

Here the researcher was interested in gathering information on the age of respondents and information got was presented in the table below.

Table 2: Show the age distribution of respondents

Age	Frequency	Percentage
20 –29	8	13.3
30 - 39	27	45
40 – 49	15	25
50+	10	16.7
Total	60	100

Source: Primary data, 2019

Table 2 above shows that, majority of respondents were aged between 30–39 years 27(45%) respondents followed, by 40-49 years represented by 15(25) respondents, followed by 50+ represented by 10 (16.7%) respondents and 20-29 represented by 8 (13.3%). From the above analysis, it can be construed that majority of the respondents are mature hence the information obtained from them can be trusted and looked at as true and good representation of the information the researcher was looking.

4.1.3 Findings on education of respondents

Here the researcher was interested in gathering information on the education of respondents and information got was presented in the table below.

Table 3: Show education of the respondents

Academic qualifications	Frequency	Percentage
Certificate	17	28.3
Diploma	8	13.3
Degree	27	45
Others	8	13.3
Total	60	100

Source: Primary data, 2019

Results in table 3 indicate that majority of the respondents were 27 for degree holders representing 45% followed by certificate level with 17 respondents representing 28.3% , diploma followed with 8 respondents representing 13.3% and others with the same with 13.3%. This implies that the respondents are well educated and therefore the information obtained from them can be relied on for the purpose of this study. It is of no doubt therefore that information is attained from highly educated respondents. Information can therefore be relied on for decision making in this topic.

4.1.4 Marital Status of respondents

Table 4: Showing Responses on marital Status

Marital Status	Frequency (f)	Percentage (%)
Single	15	25
Married	35	58.3
Separated/ Divorced	10	16.7
Total	60	100

Source: Primary Data, 2019

The results in table 4 show that 58.3 percent of the respondents were married, and 25 percent were single and 16.7 percent divorced or separated. The presentation indicates that most respondents involved are married. This is perhaps because of the high responsibility therefore information attained from them can be trusted for decision making.

4.2 Effect of supplier incentives on supplier performance in organizations in Uganda

The first research objective was to determine the effect of supplier incentives on supplier performance in organizations in Uganda. The data collected from the respondents is provided as follows.

Table 5: Effect of supplier incentives on supplier performance of Kinyara Sugar works

Weight	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		Total	
	f	%	f	%	F	%	f	%	F	%	F	%
Suppliers incentives enhance good quality products	28	46.7	17	28.3	14	23.4	1	1.7	0	0	60	100
Supplier incentives gives recognition to outstanding supplier performance	40	66.7	7	11.7	3	5	5	8.3	5	8.3	60	100
Supplier incentives provide ground for improved supplies performance	39	65	2	3.3	7	11.7	4	6.7	8	13.3	60	100
Supplies incentives helps suppliers in production process standardization	20	33.3	19	31.7	6	10	10	16.7	5	8.3	60	100
Supplier incentives enables communication to the suppliers about performance and customer feedback	39	65	6	10	0	0	15	25	0	0	60	100
Supplier incentives facilitate the development of tools for efficient performance of purchasing	17	28.3	13	21.7	15	25	5	8.3	10	16.7	60	100

Source: Primary Data, 2019

The table 6 illustrates field data collected on the effect of supplier incentives on supplier performance of Kinyara Sugar works, the responses were captured in form of those who strongly agree, agree, not sure, disagree and strongly disagree. The following was collected.

Supplier's incentives enhance good quality products had 46.7% of the respondents who strongly agreed, 28.3% agreed, 23.4% were not sure, none of the respondents strongly disagreed and 1.7% of the respondents disagreed.

Supplier incentives gives recognition to outstanding supplier performance had 66.7 % of the respondents who strongly agreed, 11.7 agreed, 5% were not sure and 8.3% and 8.3% strongly disagreed and disagreed respectively on this cause.

Concerning the question of supplier incentives provide ground for improved supplies performance had 65% of the respondents who strongly agreed, 3.3 agreed, 11.7% were not sure, 6.7% disagreed and 13.3% strongly disagreed.

Supplies incentives helps suppliers in production process standardization had 33.3% of the respondents who strongly agreed, 31.7% agreed, 10% were not sure, 16.7% disagreed and 8.3% strongly disagreed.

Supplier incentives enables communication to the suppliers about performance and customer feedback had 65% of the respondents who strongly agreed, none agreed, 10% were not sure and strongly disagreed and 25% disagreed.

Supplier incentives facilitate the development of tools for efficient performance of purchasing had 28.3% of the respondents who strongly agreed, 21.7 % agreed, 25% were not sure, 8.3% disagreed and disagreed 6.7% strongly

The study results reveal that 60% respondents agreed that supplier incentives affect supplier performance of Kinyara Sugar works. Suppliers incentives enhance good quality products had 75% agreement, supplier incentives gives recognition to outstanding supplier performance had 78.5%, supplier incentives provide ground for improved supplies performance 68.3%, supplies incentives helps suppliers in production process standardization had 65%, supplier incentives enables communication to the suppliers about performance and customer feedback 65% and finally supplier incentives facilitate the development of tools for efficient performance of purchasing 40%. The study results indicate that supplier incentives exist in Kinyara sugar works, the presence of incentives have had some effect on financial performance.

4.3 Effect of supplier financial supplier support on supplier development in Kinyara

Sugar works

The second research objective was to examine the effect of supplier financial supplier support on supplier development in organizations in Uganda. The data collected from the respondents is provided as follows.

Table 6: Effect of supplier financial supplier support on supplier development in Kinyara Sugar works.

Effect	Strongly Agree		Agree		Disagree		Strongly Disagree		Total	
	F	%	F	%	F	%	F	%	F	%
Financial support to suppliers to enhance their production capacity	36	60	3	5	12	20	0	0	60	100
Financial support assists supplier in acquiring certification by agencies	20	33.3	19	31.7	14	23.3	7	11.7	60	100
Supplier financial support audits to ensure suppliers maintain expected standards	15	25	24	40	11	18.3	10	16.7	60	100
Suppliers provided with finance for the purchase of the equipment hence facilitate purchasing	17	28.3	13	21.7	20	33.3	10	16.7	60	100
Suppliers financial support provide finance for the attainment of farm inputs	20	33.3	19	31.7	14	23.3	7	11.7	60	100
Financial support facilitate the provision of extra work values	15	25	24	40	11	18.3	10	16.7	60	100

Source: Primary Data, 2019

In reference to the table above, the effect of effect of supplier financial supplier support on supplier development in Kinyara Sugar works. Financial support to suppliers to enhance their

production capacity according to 60% of the respondents strongly agreed with reduce defaults in payment, 5% agreed 16 while 20% disagreed and 15% of the respondents strongly disagreed.

Financial support assists supplier in acquiring certification by agencies had 33.3% of the respondents who strongly agreed, 31.7% agreed, 23.3% disagreed and 11.7% strongly disagreed.

Supplier financial support audits to ensure suppliers maintain expected standards had 25% of the respondents who strongly agreed, 40% agreed 18.3% disagreed and 16.7% strongly disagreed.

Suppliers provided with finance for the purchase of the equipment hence facilitate purchasing had 28.3% of the respondents who strongly agreed, 21.7 % agreed, 33.3% disagreed and disagreed 6.7% strongly.

Suppliers financial support provide finance for the attainment of farm inputs had 33.3% of the respondents who strongly agreed, 31.7% agreed, 23.3% disagreed and 11.7% strongly disagreed.

Financial support facilitate the provision of extra work values had 25% of the respondents who strongly agreed, 40% agreed, 18.3% disagreed and 16.7% strongly disagreed.

The study results concerning the effect of financial incentives on financial performance, the financial support to suppliers to enhance their production capacity had 65% agreement in regard to the factors, financial support assists supplier in acquiring certification by agencies had 65%, supplier financial support audits to ensure suppliers maintain expected standards with 65% while that of suppliers provided with finance for the purchase of the equipment hence facilitate purchasing had 40%, suppliers financial support provide finance for the attainment of farm inputs 65% on agreement and financial support facilitate the provision of extra work values had 65% of the respondents on agreement. The study respondents indicate that financial incentives contribute to supplier performance.

4.4 Effect of supplier training on supplier performance in organizations in Uganda

The third research objective was to assess the effect of supplier training on supplier performance in organizations in Uganda. The study results based on the data collected is presented in the assessment below.

Table 7: Effect of supplier training on supplier performance in Kinyara Sugar works

Effect	Strongly Agree		Agree		Disagree		Strongly Disagree		Total	
	F	%	F	%	F	%	F	%	F	%
Conducting training programs for key suppliers has reduced our product cost	12	20	35	58.3	13	21.7	0	0	60	100
Conducting training programs for key suppliers has improved our product quality	30	50	12	20	12	23	6	10	60	100
Conducting training programs for key suppliers has improved on our speed to market	28	46.7	12	20	15	24.3	0	0	60	100
Conducting training programs for key suppliers has improved our operational flexibility	32	53.3	10	16.7	11	18.3	10	16.7	60	100
Conducting training has increased the efficiency of the suppliers	15	25	23	38.3	13	21.6	9	15	60	100
Supplier training has enhanced provision of supplier information management	18	30	21	35	4	6.7	4	6.7	60	100

Source: Primary Data, 2019

The data collected above shows that in relation to the effect of supplier training on supplier performance in Kinyara Sugar works, the research was based on the agreement parameters of strongly agreed, agreed, disagree and strongly disagreed.

Conducting training programs for key suppliers has reduced our product cost 20% of the respondents who strongly agreed, 58.3% agreed and 21.7% disagreed and none strongly disagreed.

Conducting training programs for key suppliers has improved our product quality had 50% of the respondents strongly agreed, 20% agreed, 8% disagreed, 23% disagreed and 10% strongly disagreed.

Conducting training programs for key suppliers has improved on our speed to market had 46.7% of the respondents who strongly agreed, 20% agreed, and 24.3% disagreed and none strongly disagreed.

Conducting training programs for key suppliers has improved our operational flexibility had 53.3% of the respondents who strongly agreed, 16.7% agreed, 18.3% disagreed and 16.7% strongly disagreed

Conducting training has increased the efficiency of the suppliers had 25% of the respondents who strongly agreed, 38.3% agreed, 21.6% disagreed, and 15% strongly disagreed.

30% of the respondents strongly agreed with supplier training has enhanced provision of supplier information management, 35% agreed, 28.3% disagreed and 6.7% strongly disagreed.

The study results concerning the effect of supplier training on supplier performance in Kinyara Sugar works, conducting training programs for key suppliers has reduced our product cost had 78.3%, the results on conducting training programs for key suppliers has improved our product quality had 70%, conducting training programs for key suppliers has improved on our speed to market had 67%, conducting training programs for key suppliers has improved our operational flexibility had 70% respondents, conducting training has increased the efficiency of the suppliers 63.5% and supplier training has enhanced provision of supplier information management had 65% of the respondents. The results indicate that supplier training has contributed to increase in the performance of the suppliers in Kinyara sugar works.

CHAPTER FIVE

SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings, conclusions, recommendations and suggested areas that need further research following the study.

5.1 Summary of findings

The study results reveal that 60% respondents agreed that supplier incentives affect supplier performance of Kinyara Sugar works. Suppliers incentives enhance good quality products had 75% agreement, supplier incentives gives recognition to outstanding supplier performance had 78.5%, supplier incentives provide ground for improved supplies performance 68.3%, supplies incentives helps suppliers in production process standardization had 65%, supplier incentives enables communication to the suppliers about performance and customer feedback 65% and finally supplier incentives facilitate the development of tools for efficient performance of purchasing 40%. The study results indicate that supplier incentives exist in Kinyara sugar works, the presence of incentives have had some effect on financial performance.

The study results concerning the effect of financial incentives on financial performance, the financial support to suppliers to enhance their production capacity had 65% agreement in regard to the factors, financial support assists supplier in acquiring certification by agencies had 65%, supplier financial support audits to ensure suppliers maintain expected standards with 65% while that of suppliers provided with finance for the purchase of the equipment hence facilitate purchasing had 40%, suppliers financial support provide finance for the attainment of farm inputs 65% on agreement and financial support facilitate the provision of extra work values had 65% of the respondents on agreement. The study respondents indicate that financial incentives contribute to supplier performance.

The study results concerning the effect of supplier training on supplier performance in Kinyara Sugar works, conducting training programs for key suppliers has reduced our product cost had 78.3%, the results on conducting training programs for key suppliers has improved our product quality had 70%, conducting training programs for key suppliers has improved on our speed to market had 67%, conducting training programs for key suppliers has improved our operational flexibility had 70% respondents, conducting training has increased the efficiency of the suppliers 63.5% and supplier training has enhanced provision

of supplier information management had 65% of the respondents. The results indicate that supplier training has contributed to increase in the performance of the suppliers in Kinyara sugar works.

5.2 Discussion of findings

There was a 60% effect of supplier incentives and supplier performance. The study results are in line those of Wagner (2006), supplier development could be employed to manage problems buying firms may experience in their supply networks. Problems arising within the supply chain may include a current supplier performing below expectation; a non-competitive supplier base; current suppliers unable to support a firm's strategic growth; or capable suppliers not available in a certain market. The results are in agreement with Humphreys, (2011), note that rewards for supplier's improvement area stimulating tool that indicates buyer's recognition and provides incentive for further outstanding achievement. Supplier incentives are offered to suppliers who succeed in increasing performance and capabilities in supplier development program and serve a least two roles. The results are in agreement with those of Mukasa and Mukhwana (2010). Contends that Providing incentives and recognition can be adopted by some buyers to show appreciation of their supplier achievement and improved performance. The supplier incentives are used as a starting point for all organization's stakeholders, including investors, customers and intermediaries, employees, suppliers, regulators and communities etc. According to PP proponents, strategy should follow from stakeholder analysis.

On the second objective, the study findings revealing that there exists a significant effect of financial supplier support on supplier performance; the study findings imply that improving the financial supplier support will facilitate supplier performance in Kakira sugar works. The study results are in agreement with previous authors such as Waraporn (2012) who argued that supplier financial support on supplier performance investigated the role of buyer-supplier commitment in supplier performance improvement in Thailand. The study revealed that the buying company would implement the supplier development strategies by focusing on buyer-supplier relationship commitment for performance improvement. Even Ochieng (2014) also investigate the role of supplier incentives in organizational performance in terms of first time quality, delivery and order cycle time, cost and technology at the National Cereal and Produce Board. Simple random sampling technique was used to select fifty (50) respondents. Data were analyzed with the aid of correlation analysis and multiple regressions. Results

show that information exchange, suppliers understanding of goals, suppliers' participation and buyers' coordination had had very good impact on procurement function. However supplier participation was found to be more significant followed by buyer coordinator presence, information exchange and supplier understanding of goals. Even Job (2015) argues that supplier incentives techniques consist of supplier rewarding program, offer of packaging materials and free off loading at the place of destination, supplier certification, free supplier audits, and providing incentives and recognition.

The study findings on the third objective show that supplier training and supplier performance have a significant effect on each other. Supplier training and supplier performance in Kakira sugar works. This means that a unit change in supplier training leads to increase in supplier performance. The study results are in agreement with previous authors. Even Sanders et al. (2011) found out that buyer-to-supplier information sharing, buyer-to-supplier performance feedback and buyer investment in inter-organizational information technology are key enablers of buyer-to-supplier communication openness. Supplier training and assessment is done to uplift potential supplier's capability of controlling quality (delivery, quantity, price, and all other factors to be embedded in a contract). Even Mukhwana (2010) discussed effects of supplier training practices on performance in the telecommunication industry in Kenya. The study found that indeed supply chain management practices have an effect on the organizational performance. However this study was general in referring to supplier training management practices and not specific areas in supply chain management that affect performance. On the same line, the results are in agreement with those of Kamau (2013) in the study of the relationship between supplier training relationships and business performance among large manufacturing firms in Nairobi, Kenya concluded that supplier training relationships had assisted the large manufacturing companies to enhance the performance of their organizations.

5.3 Conclusions

The purpose of the study is to supplier development and supplier performance in private sector organizations: a case study of Kinyara sugar works. The study objectives were to determine the effect of supplier incentives on supplier performance in organizations in Uganda, examine the effect of supplier financial supplier support on supplier development in organizations in Uganda and explore the effect of supplier training on supplier performance in organizations in Uganda.

The study concludes that supplier incentives are fundamental for suppliers performance though was provided to low levels. The study conclude that increasing incentives to suppliers can generate supplier performance and providing financial support to suppliers builds their base for improved supplier performance for the organizations.

Thirdly training supplier does not only enhance supplier quality but provides avenues for increasing a base of the supplies provision in terms of quality, time and adequate in the organization. Supplier development in purchasing is fundamental and can increase the performance for improved suppliers' capacity.

5.4 Recommendations

On the basis of the study conclusion concerning the first objective, there is need for creating a supply base with fewer suppliers with whom to work with closely is likely to effectively carry out supplier development. Secondly continuous improvement in the supply base is critical to maintaining the advantages accrued from supplier development and this can be achieved by carrying out supplier appraisals from time to time. Finally good buyer-supplier relationships and ethical practices are important in order for supplier development to have a positive effect on supplier performance.

Financial support to suppliers was low and affects supplier performance. The study recommend that financial stability compounds to grow profits for the suppliers and cause lenders, investors and employees more willing to deal with such financially stable businesses upon favorable terms. These favorable terms allow for expansion; enhance suppliers' capability and capacity to cope with the buyers' requirements, leads to more profits and greater stability. Otherwise, financial instability of strategic suppliers can quickly deteriorate toward bankruptcy leading to collapse of supplier and buyer business.

Supplier training has an effect on supplier performance, It is also recommended that, technically proficient buyers need to provide technical support to its strategic suppliers so as to enhance supplier flexibility, supplier material improvement, supplier process improvement, product innovation improvements and supplier product quality in order to vitalize mutual collaboration. A firm may need the capabilities of other firms to complement its own in building sustainable competitive advantage, so securing those complementary capabilities will allow a firm to grow steadily by overcoming its resource-based constraints.

5.5 Areas of further study

Though the study was intended to analyze the effect of supplier development on supplier performance in Kinyara sugar works, the scope so defined could not be exhaustive for a more objective and reliable generalization.

- There is a wide range of equally significant issues supplier development that needs further scholarly considerations prior to drawing conclusive deductions in regard to variable relationships.
- In addition, a study on supplier development is suggested but involving a wider population scope than food manufacturing industries so as to generate a more inclusive relational picture.

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Appendix I: Research Questionnaire

I, Bosa William pursuing a Bachelors degree of supplies and procurement management carrying out a research on” Supplier development and supplier performance in organizations: A case of Kinyara sugar. This questionnaire is mainly for data collection and has been designed for academic reasons and as a partial fulfillment of academic award. Be informed that information will be kept confidential.

PART A: Respondent’s particulars

1. Gender:

Male ☐

Female ☐

2. Age brackets

20 – 29 ☐

30 – 39 ☐

40 - 49 ☐

50 + ☐

3. Educational level of respondents

Certificate ☐

Diploma ☐

Degree ☐

Masters ☐

Others ☐

4. Marital status

Single ☐

Married ☐

Separated/divorced ☐

Under the following sections, please tick according to your level of agreement

SA strongly Agree

A Agree

N Not sure

D Disagree

SD Strongly Disagree

SECTION B: Effect of supplier incentives on supplier performance in organizations in Uganda

5. How do supplier incentives affect supplier performance in organizations?

	Effect of supplier incentives on supplier performance	SA	A	D	SD
1	Suppliers incentives enhance good quality products				
2	Supplier incentives gives recognition to outstanding supplier performance				
3	Supplier incentives provide ground for improved supplies performance				
4	Supplies incentives helps suppliers in production process standardization				
5	Supplier incentives enables communication to the suppliers about performance and customer feedback				
6	Supplier incentives facilitate the development of tools for efficient performance of purchasing				

SECTION C: Effect of supplier financial support on supplier development in organizations in Uganda.

6. What is the effect of supplier financial support on supplier development in organizations in Uganda?

	Effect of supplier financial support on supplier development	SA	A	D	SD
1	Financial support to suppliers to enhance their production capacity				
2	Financial support assists supplier in acquiring certification by agencies				
3	Supplier financial support audits to ensure suppliers maintain expected standards				
4	Suppliers provided with finance for the purchase of the equipment hence facilitate purchasing				
5	Suppliers financial support provide finance for the attainment of farm inputs				
6	Financial support facilitate the provision of extra work values				

Section D: Effect of supplier training on supplier performance in organizations in Uganda.

7. How does supplier training affect supplier performance in organizations?

	How supplier training affect supplier performance	SA	A	D	SD
1	Conducting training programs for key suppliers has reduced our product cost				
2	Conducting training programs for key suppliers has improved our product quality				
3	Conducting training programs for key suppliers has improved on our speed to market				
4	Conducting training programs for key suppliers has improved our operational flexibility				
5	Conducting training has increased the efficiency of the suppliers				
6	Supplier training has enhanced provision of supplier information management				