

SUPPLIER DEVELOPMENT AND PERFORMANCE OF KAKIRA SUGAR LIMITED, UGANDA

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**UGANDA CHRISTIAN
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DECLARATION

I, **Nababi Grace Musoke**, declare that this dissertation, titled “***Supplier Development and Performance of Kakira Sugar Limited, Uganda,***” is my original work. It has not been submitted for assessment to any other University or Higher Education Institution (HEI) for an award. I have acknowledged all material used in the development of this proposal.



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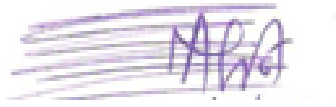
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APPROVAL

This dissertation, titled “*Supplier Development and Performance of Kakira Sugar Limited, Uganda*”, has been under my supervision at Uganda Christian University.



Sign

Date: *November 7, 2025*

ROBERT AGWOT KOMAKECH

Supervisor

DEDICATION

I dedicate this report to my family members, including Mr. Mufumba George Richard, who offered me tremendous support while I was studying.

ACKNOWLEDGEMENT

I owe special appreciation to Mr. Robert Agwot Komakech for his professional guidance, which contributed significantly to the completion of this dissertation.

I also thank the management, staff, and outgrowers of Kakira Sugar Limited, Jinja, Uganda, who sacrificed their precious time and energy to ensure its success.

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TABLE OF CONTENTS

DECLARATION	i
APPROVAL.....	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	x
LIST OF FIGURES.....	xi
LIST OF ACRONYMS AND ABBREVIATIONS.....	xii
ABSTRACT	xiii
CHAPTER ONE	1
INTRODUCTION	1
1.0 Introduction	1
1.1 Background of the Study	1
1.1.1 Historical Background.....	1
1.1.2 Theoretical Background.....	3
1.1.3 Conceptual Background	4
1.1.4 Contextual Background	5
1.2 Statement of the Problem	6
1.3 Objectives of the Study	6
1.3.1 General Objective	6
1.3.2 Specific Objectives.....	7
1.3.2 Research questions	7
1.4 Conceptual Framework.....	7
1.5 Significance of the Study	8
1.6 Justification of the study	9

1.7 Definition of Key Terms	9
CHAPTER TWO	11
LITERATURE REVIEW	11
2.0 INTRODUCTION	11
2.1 Theoretical Overview	11
2.2 Supplier training and organizational performance	12
2.3 Supplier financial support and organization performance	16
2.4 Supplier involvement and organization performance	17
2.5 Summary of literature review	19
CHAPTER THREE	21
METHODOLOGY	21
3.0 Introduction	21
3.1 Research Design	21
3.3 Study Population	22
3.4 Sample size and Selection	22
3.4.1 Population, Sample and Sampling Techniques	22
3.4.2 Sampling Techniques and Procedures	23
3.4.2.1 Simple Random Sampling	23
3.5 Data Collection Methods	23
3.5.1 Questionnaire survey	23
3.6 Data Collection Instruments	24
3.6.1 Questionnaires	24
3.7 Procedure of Data Collection	24
3.8 Data Analysis	24
3.9 Measurement of Variables	25

3.10 Ethical Considerations	25
CHAPTER FOUR.....	27
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS	27
4.1 Introduction	27
4.2 Response Rate.....	27
4.3 Respondents Characteristics	27
4.4.1 Link between financial support and performance in KSL	33
Table 4.5: Relationship between financial support and performance in KSL	34
4.4.1 Association between firm and supplier involvement and performance in KSL.....	35
Table 4.6: Relationship between firm involvement and organizational performance in KSL	35
4.5 Organizational Performance.....	36
4.5 Multiple Regression Analysis	37
CHAPTER FIVE.....	40
DISCUSSIONS, CONCLUSION AND IMPLICATIONS	40
5.0 Introduction.....	40
5.1. Discussions.....	40
5.1.1 Relationship Between Supplier Training and Organisational Performance	40
5.1.2 Relationship between Financial Support and Organizational Performance.....	41
5.1.3 Firm-Supplier Involvement and Organisational Performance	42
5.2 Conclusion.....	43
5.2.1 Relationship Between Supplier Training and Organisational Performance.....	43
5.2.2 Relationship between Financial Support and Organizational Performance.....	43
5.2.3 Firm-Supplier Involvement and Organisational Performance	43
5.3 Implications of the Study	44

5.4 Limitations and Areas for further Research	45
References.....	46
APPENDIX I: QUESTIONNAIRE.....	54
Appendix II: Introduction Letter to the Field.....	59
Appendix III: Acceptance Letter from KSL	Error! Bookmark not defined.

LIST OF TABLES

Table 1: Annual production in metric tonnes.....	5
Table 2: shows summary of sample selection	Error! Bookmark not defined.
Table 3. Respondents characteristics.....	23
Table 4. Mean and standard deviation results for Suppliers Training.....	26
Table 5: Correlation matrix between supplier training and performance of KSL.....	28
Table 6 : Mean and standard deviation results for financial support	29
Table 7 : Descriptive Results for Supplier Involvement.....	31
Table 8. Correlation Analysis between Supplier Involvement and Performance of KSL.....	32
Table 9: Descriptive Statistics for Organizational performance of KSL	33
Table 10: Multiple regression on effect of supplier development on organizational performance of KSL.....	36

LIST OF FIGURES

Figure 1: Conceptual Framework.....	5
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LIST OF ACRONYMS AND ABBREVIATIONS

KORD	Kakira Outgrower's Rural Development Fund
KSL	Kakira Sugar Limited
RDT	Resource Dependency Theory
SPSS	Statistical Package for Social Sciences

ABSTRACT

This research established the relationship between supplier development practices (supplier training, financial support, and firm-supplier involvement) and organisational performance at Kakira Sugar Limited (KSL). A quantitative, cross-sectional design was employed, with data collected through structured questionnaires from 34 respondents and analysed using descriptive statistics, correlation, and multiple regression techniques. Findings reveal a strong positive link between supplier training and organisational performance ($r = .715$, $p < .01$), making it the most significant predictor ($B = .458$) in the regression model. Supplier financial support showed a moderate positive relationship ($r = .576$, $p < .01$), but was not a significant predictor ($B = .025$). Meanwhile, firm-supplier involvement demonstrated a moderate positive relationship ($r = .503$, $p < .01$) and was a significant predictor ($B = .274$). Overall, supplier development explained 56.7% (R^2) of the variation in organisational performance. Therefore, supplier training and firm-supplier involvement are key drivers of organisational success at KSL, whereas supplier financial support requires restructuring. The study recommends that KSL enhance its supplier training programmes, strengthen firm-supplier collaboration, and redesign its financial support system to better improve supplier capacity and organisational performance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The present study examines the relationships between supplier development and organisational performance, focusing on Kakira Sugar Ltd (KSL). Supplier development is measured by supplier training, firm involvement, and financial support as independent variables. As a dependent variable, organizational performance was measured in terms of economic and operational performance. This chapter includes the following sections: background of the study, problem statement, objectives of the study, research questions, hypothesis of the study, scope of the study, justification of the study, significance of the study, and definitions of operational and conceptual terms.

1.1 Background of the Study

This section provides the study's historical, theoretical, conceptual, and contextual background. This is important because it explains where research on supplier development started, which theory supports it, and how the topic under study has evolved.

1.1.1 Historical Background

In the 1990s, Adam (1994) regarded organisational performance as heavily dependent on the quality of employees' performance. Adam argued that the key to achieving high-quality organisational performance is to constantly expose staff to new and updated knowledge and skills. This approach enables them to stay current with market changes and ultimately enhances organisational performance. In the first decade of the twenty-first century, the definition of organisational performance was primarily based on an organisation's ability to efficiently utilise available resources to achieve goals aligned with its objectives and meet the needs of its users (Peterson and Gijsbers, 2003). The concept of supplier development was first introduced by Leenders (1965) to describe

manufacturers' efforts to increase the number of viable suppliers and improve their performance. The earliest record of applying supplier development as a corporate strategy was by Toyota in Europe. Toyota took time to emphasise the importance of collaborating with suppliers to boost overall performance by supporting them financially, technically, and through early supplier involvement—strategies that would, in turn, improve organisational outcomes such as cost reduction, product quality, and profitability (Monezka et al., 2009).

In 1973, Nissan was the first to initiate a supplier development project. Later that same year, Honda also joined the initiative (Monezka et al., 2009). Supplier Development (SD) has evolved. Three distinct waves have been identified to illustrate its development and progression. The first, known as the "first wave, occurred from 1987 to 1993 and primarily focused on quality improvement (Wagner, 2006). The second wave, spanning 1995 to 2005, centered on buyer-supplier relationship management (Wagner, 2006). The third wave began in 2006, during which various theories such as transaction cost theory (Williamson, 1975), resource-based view (Barney, 1991), dynamic capabilities theory (Teece, Pisano & Shuen, 1997), resource dependence theory (Preffer & Salancik, 1978), and social exchange theory (Homans, 1958) were employed to explain SD activities and the resulting outcomes (Rawski & Rupak, 2010; Modi & Mabert, 2007; De Clercq & Rangarajan, 2008; Krause, Handfield & Tyler, 2007; Ghijssen, Semeijn & Ernstson, 2010).

During all these periods, the ongoing argument has been that the continued existence of manufacturing companies is primarily influenced by the performance of their suppliers. This is why enhancing suppliers' capabilities through supplier development practices has been found to be the most effective way to promote overall supply chain efficiency and is also the easiest method for purchasing firms to reduce costs (Shokri et al., 2012). Therefore, a supplier's performance is evaluated based on various factors such as product quality, delivery performance, price, physical distribution, services, flexibility, and relationships (Modi & Mabert, 2007). In Africa, supplier development is increasingly becoming a necessary step for companies involved in manufacturing, such

as cement producers in Libya and plastic manufacturers in Angola (Waiganjo & Obellah, 2015).

Now, African manufacturing enterprises have realized the value of supplier development in improving their operations. Companies now need to focus more on supplier development programs and the impact they have on performance, due to the various benefits associated with supplier development. For instance, East African Breweries Limited aimed to identify the importance of supplier development on the organizational performance of manufacturing sectors in East Africa, mainly in Kenya. The study found that supplier development positively affected the performance of certain industries (Wachiri, 2015).

In Uganda, supplier development has not been extensively implemented. The individual-driven motives such as profit, power, and prestige of key players like buyers, suppliers, and governments have led to underproduction, high prices, and sometimes low-quality products or raw materials. To ensure that manufacturing firms benefit fully from supplier development, all aspects of it must be thoroughly studied and properly executed. In Uganda, Kakira Sugar Limited has focused more on financial support, supplier involvement, and training, but the performance of KSL has not improved. A review of the literature on supplier development and performance within the Ugandan sugar processing industry has been limited. It is against this background that this study was conducted to examine the relationship between supplier development and the organizational performance of KSL.

1.1.2 Theoretical Background

This section provides the theories used in the study. The RDT (resource-dependency theory) was applied to illustrate how supplier development and organisational performance might work together. Pfeffer and Salancik's (1978) RDT proposes that organisations are coalitions that alter their structures and behaviours to obtain and sustain necessary external resources (Cai & Yang, 2008). The core idea of RDT is that firms reduce uncertainty and manage their dependence by intentionally shaping their exchange relationships through formal or informal links with other organizations, such

as suppliers. Informal linkages include negotiated environments and inter-organisational arrangements where firms can manage environmental uncertainty and interdependence. Firms are only willing to engage in such informal linkages when they anticipate mutual support and cooperation (Cai & Yang, 2008).

The need for suppliers in organizational performance has led to the recognition of developing suppliers as a critical success factor in a competitive market. Supply chain studies (Marin-Garcia, et al., 2018; Easterby-Smith et al., 2019) have shown that empowering suppliers through financial support, technical support, early supplier involvement, supplier audits, and supplier certifications has strategic effects on performance in various areas such as customer satisfaction, competitive advantage, cost efficiency, operational efficiency, and customer service delivery. Despite the recognized importance of supplier development and its impact on organizational performance, very few documented studies on this topic are available in Uganda. For example, studies (such as Babatunde et al., 2016; Adedokun et al., 2017; Erakpotobo, 2018) found a positive relationship, while others (such as Anand and Grover, 2015; Ogundare and Alalade, 2018) reported a negative relationship. This inconsistency in empirical findings suggests that RDT could play an essential role in explaining how supplier development initiatives can strategically enhance the performance of resource-intensive manufacturing firms like KSL.

1.1.3 Conceptual Background

Supplier development has been defined by Fogg (2009) as the practice of the purchasing firm providing finance, technology, or other assistance to the vendor to produce a product that meets the buyer's needs in a mutually acceptable way. Meanwhile, Laugen et al. (2015) described supplier development as a long-term, collective effort between a buying organization and its suppliers to improve suppliers' technical, quality, delivery, and cost capabilities and to promote continuous improvement. Additionally, "organizational performance" has been defined by Knies et al. (2016) as a set of overall desired results that an organization aims to achieve and measure at various levels of the hierarchy. It can be assessed for individuals, groups, and the organization as a

whole. Performance signifies success, which doesn't exist on its own but is a function of individual efforts and the results of actions (Anwar & Abdullah, 2021).

Natalja, Bardia (2023), defines performance as the process of explaining the quality of effectiveness and efficiency of past actions. Georgopoulos and Tannenbaum. On the other hand, Cherrington (1989) described organizational performance as a concept of success or effectiveness of an organization, and as an indication of the organizational manner in which it is performing effectively to achieve its objectives successfully. Adam (1994) proposed that organizational performance is heavily dependent on the quality of employees' performance. He supported his view by emphasizing that, to ensure high-quality organizational performance, it is vital to provide staff with regular exposure to new and up-to-date knowledge and skills, which would help them keep pace with market changes and ultimately improve the quality of organizational performance. In this study, organizational performance includes both financial and operational performance. (Gunasekaran, 2001).

1.1.4 Contextual Background

Kakira Sugar Limited (KSL) is one of the leading sugar producers in Uganda, playing a vital role in Jinja's economy and the country's agriculture sector. The company has made significant investments in production and supplier development over the years. However, recent increased competition has caused tension, as new competitors like Mayuge Sugar Ltd and Lugazi Sugar Ltd have successfully poached some of the top suppliers that KSL has been developing over the past years.

The circumstances have created a gap in KSL's supply chain and raised concerns about whether the supplier development initiatives implemented are effective. The issue of top suppliers being poached by competitors is not new but has persisted for some time. Despite this, the company's performance in terms of production has not improved; instead, it has remained stagnant over the past three years. For example, according to the management report (Kakira Sugar Limited Management Report, 2023), annual production has consistently been at 270,000 metric tons for three consecutive years, with annual investment of output around \$150-\$160 million (Kakira Sugar Limited

Management Report, 2023). The overall situation has become a concern and calls for an investigation into the relationship between supplier development practices and the performance of KSL.

1.2 Statement of the Problem

Kakira Sugar Limited (KSL) has used supplier development as a strategic tool to improve its performance. For example, 70% of KSL supplies are outsourced to ensure a smooth flow of supplies. Between 2021 and 2023, KSL invested \$150 million annually in training suppliers through seminars and workshops, provided financial support in terms of technical assistance, inputs, and capital, and involved suppliers through firm visits, evaluations, and feedback (Kakira Sugar Limited Annual Audited Report, 2022).

Despite this heavy investment by management, sugar production at KSL remained low, standing at 270,000 tonnes from 2021 to 2023, given the ongoing resources allocated to supplier development (KSL Internal Management Report, 2022). For instance, in 2022, KSL planned to increase production to better serve the foreign market, but this goal was not achieved. Additionally, reports indicated that some suppliers deliberately burned sugar canes due to delayed payments, paid uncompetitive prices, and even supplied competitors (KSL Internal Management Report, 2022). If these issues are not addressed promptly, the company risks reducing profitability, incurring higher production costs, and delivering poor-quality products. Therefore, this study aims to investigate how supplier development relate with the organizational performance of KSL.

1.3 Objectives of the Study

1.3.1 General Objective

The study's general objective was to examine the relationship between supplier development and organizational performance of Kakira Sugar Limited.

1.3.2 Specific Objectives

- i. To determine the relationship between supplier training and organizational performance of KSL.
- ii. To determine the relationship between supplier financial support and organisational performance of KSL.
- iii. To establish the relationship between supplier involvement and organisational performance of KSL.

1.3.2 Hypothesis

- i. There is a strong relationship between supplier training and organizational performance of KSL.
- ii. There is a strong relationship between supplier financial support and organizational performance of KSL.
- iii. There is a strong relationship between supplier involvement and organizational performance of KSL.

1.4 Conceptual Framework

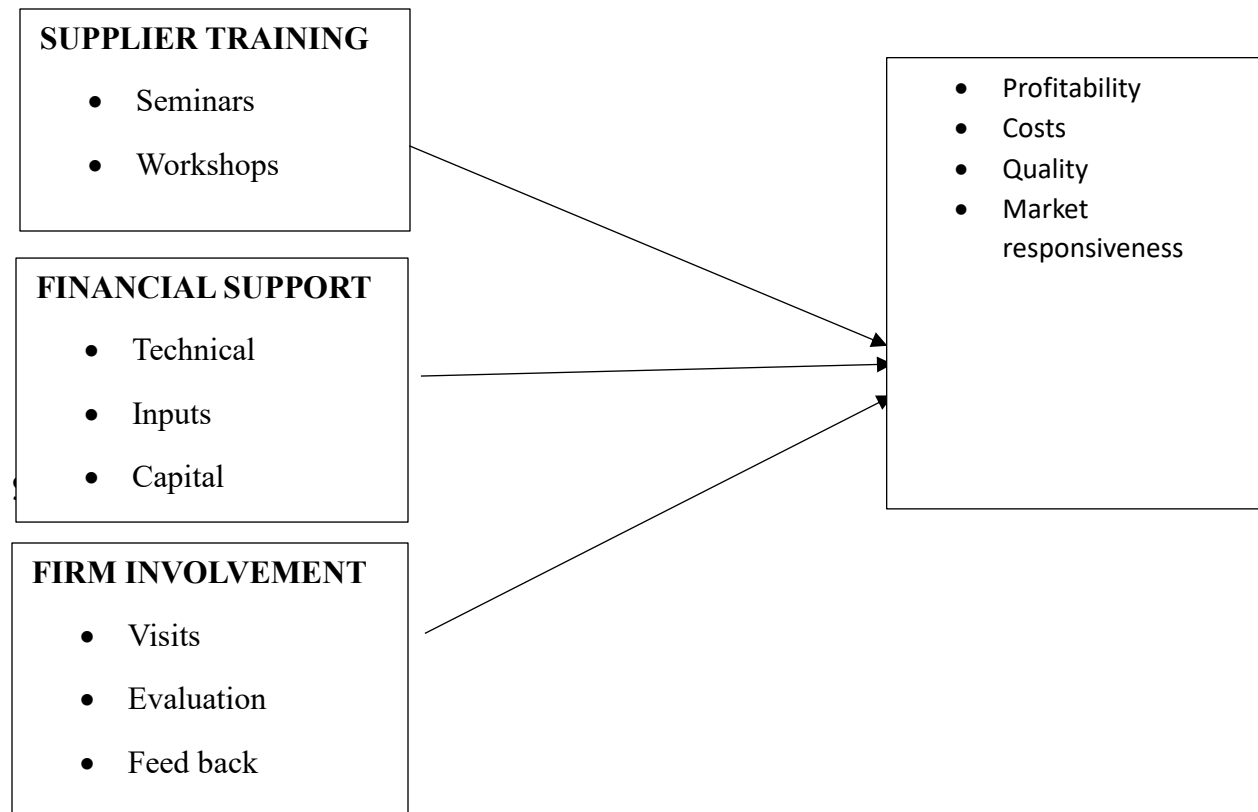
The researcher proposed a framework to describe the component constructs of supplier development and performance, and explored the relationship between supplier development and performance outcomes. The conceptual framework suggests that supplier development, defined by factors such as supplier training, financial aid, and active firm involvement, has a positive impact on organisational performance. By enhancing the capabilities of suppliers, companies can increase profitability, lower operational costs, improve market performance, and foster product innovation. Grounded in Resource Dependency Theory, this framework indicates that firms like Kakira Sugar Ltd. can address resource uncertainties and attain a competitive edge through investment in their suppliers. Consequently, strong supplier relationships lead to improved performance outcomes through increased efficiency, innovation, and responsiveness to market demands.

INDIPENDENT VARIABLE

DEPENDENT VARIABLE

Supplier Development

organizational performance



Source: Adopted from Kaplan & Norton, 1992; Wagner, 2006; Chips, 2013 and modified by the researcher

Figure 1: showing the relationship between supplier development and organizational performance.

1.5 Significance of the Study

This study may inform policymakers about gaps in suppliers' development and how these gaps have affected organisational performance. To consultants, the findings of this study may be significant as they provide updated information on appropriate supplier development practices and their impact on overall organisational performance. To the management of Kakira Sugar Limited Uganda, the generated data may help identify deficiencies in supplier development and assist in devising strategies for

improvement. To academics and researchers, this study may be useful as a reference for future studies.

1.6 Justification of the study

Sugar cane production is one of the businesses that has created jobs for Ugandans and as well as widen the tax base. Sugar is a commodity most used by many both for consumption and production thus, there is an ever a growing market for this same commodity (Easterby-Smith et al., 2019). This has attracted new sugar companies into this business on one hand and yet on another, this has created stiff competition between traditional sugar productions companies and new entrants (Essien et al., 2019). One underlying element in this competition is the issue of supplier development as a strategic path that once strengthened and aligned in company's supply chain, it will enhance production or performance of that particular company. A case in particular is the growing tension between Kakira Sugar Limited (KSL) and other new entrants that has led to poaching suppliers who had been developed by KSL. The performance is as it is probably because of supplier development initiatives that may not be working well. This is what necessitated the researcher to investigate the influence of supplier development on performance of a manufacturing firm.

1.7 Definition of Key Terms

Buyer refers to an entity purchasing resources for value-added purpose from the market (Ballou et al., 2000). For this research, buyer means Kakira Sugar Limited purchasing products from suppliers.

Supplier refers to an entity selling its product in the market for value-realization purpose (Ballou et al., 2000). For this research, supplier means the suppliers who sell their products to Kakira Sugar Limited.

Supplier Development is the process of working with certain suppliers on a one to one basis to improve their performance and capabilities for purposes of the buying organization (CIPS, 2013). For this research, supplier development means Kakira Sugar Limited working with or supporting its suppliers.

Performance of an organisation is defined by Kaplan & Norton (1992) as the actual outputs of an organization as measured against its intended outputs in four aspects namely financial, internal business, innovation and customer perspective.” Performance in the case of this research will be measured by considering the financial and internal business perspectives.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

This chapter reviews relevant literature related to the study variables, sourced from various scholars to provide the context of the research. It aims to clarify the main variables for the reader. The presentation aligns with the research objectives and questions.

2.1 Theoretical Overview

This section provides the theories used in the study. The RDT (resource-dependency theory) was applied to illustrate how supplier development and organisational performance might work together. Pfeffer and Salancik's (1978) RDT proposes that organisations are coalitions that alter their structures and behaviours to obtain and sustain the external resources they need (Cai & Yang, 2008). The core idea of RDT is “that firms reduce uncertainty and manage their dependence by intentionally shaping their exchange relationships through formal or informal links with other organizations, such as suppliers. Informal linkages include negotiated environments and inter-organisational arrangements where firms can manage environmental uncertainty and interdependence. Firms are only willing to engage in such informal linkages when they anticipate mutual support and cooperation (Cai & Yang, 2008).

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2.2 Supplier training and organizational performance

Ulrich and Smallwood (2012) described training as the knowledge, skills, and values needed for current and future jobs. To manage and empower suppliers, training programmes are crucial for any organisation because an effective training programme benefits both the organisation and the supplier. A training programme that includes technology-based learning, off-the-job training, coaching, and mentoring has a significant impact on supplier upgrading, job satisfaction, and morale, as well as enhancing supplier performance and ultimately leading to higher productivity and financial gains (Stephen et al., 2017). Salah (2006) found a significant positive correlation between training and performance. Another study also showed that supplier training has a notable positive influence on their performance (Habib et al., 2015). Supplier training also builds greater confidence among suppliers. Consequently, most suppliers agree that training and development improve their performance, while organisations concur that training has a beneficial and substantial effect on supplier performance.

A study conducted in Indonesia evaluated the effect of work training on supplier performance and found that training had a significant impact on suppliers' performance (Alnawfleh, 2020). Supplier performance can be assessed annually or quarterly to measure achieved goals and identify areas needing improvement (Khan et al., 2017). Additionally, supplier performance may be enhanced by training employees to foster teamwork skills. Supplier capabilities will also improve if an organisation enhances its suppliers' knowledge and skills through training, which in turn will lead to more

productive suppliers and foster a stronger bond between the organisation and its suppliers (Hafeez & Akbar, 2015).

Forkouh et al. (2012) argue that well-trained suppliers increase a firm's success potential since it leads to decreased waste. This is because value creation is critical to a firm's success and cannot be underrated if a firm is to have sustainable growth. The value creation process is characterised by a series of complex activities, with each stage involving a varying degree of supplier interaction within and outside an organisation (Heger, 2007). Buying organisations should create an enabling environment for suppliers; training results in equipping suppliers with the most recent skills and knowledge, which leads to improved performance (Markos & Sridevi, 2010).

Gill (2011) adds that supplier training helps to develop both analytical and problem-solving skills, enabling them to address real-time challenges proactively. This results in waste and cost reduction, which helps firms improve their performance (Ukpere, 2009). Training and development are essential tools for cultivating capable employees; therefore, for firms to benefit from these abilities, it is crucial to align strategic focus and goals with training activities. When training and development are integrated into a firm's corporate and overall business strategies, it allows employees to gain a comprehensive understanding of the expectations of their tasks and jobs, as well as their impact on the organisation's performance and sustainability (Noe et al, 2006). This study aims to establish the relationship between supplier training and organisational performance. KSL has invested significantly in supplier training as a means of enhancing its performance.

According to Grant (1996), instability in the business environment has led companies to focus on organisational capabilities and resources to compete effectively. The dynamic-competitive environment has made knowledge one of the most important resources. Grant (1996) categorised knowledge as explicit and tacit; explicit knowledge is documented, while tacit knowledge cannot be easily expressed as it is mainly based on know-how and practices. The processes demand a wide range of specialised knowledge; however, tacit knowledge resides in the minds of individuals. Modi and Mabert (2007)

argued that knowledge is transferred through routine training within companies. Operational knowledge transfer activities are organised to pass on the knowledge that resides in the minds of specialised individuals. Knowledge is also transferred across organisational boundaries, between buyers and suppliers, to improve manufacturing processes.

According to Nagati and Rebolledo (2013), training is an investment made by the buying firm, making strategic suppliers suitable candidates for training. Krause et al. (2000) argued that training suppliers significantly influences their performance levels. Modi and Mabert (2007) suggest that supplier training can be enhanced by providing them with skills in training and problem-solving; this also positively affects the supplier's productivity. Training offers an opportunity to transfer tacit knowledge, which in turn enhances suppliers' competences and overall performance. Ragatz et al. (1997) argued that training strengthens the relationship and improves the performance of both the buying firm and the supplier. They categorised training into periodic and ad hoc sessions. Periodic training helps suppliers gain a deeper understanding of buyers' requirements and areas for improvement, while ad hoc training tends to focus on new product development and building long-term relationships.

Brown & Sitzman (2011) note that the performance and success of any organisation depend on the skills possessed by suppliers and how effectively the organisation can tap into that resource and utilise it. Despite this opportunity, the dynamic nature of the business environment makes this process complex. Therefore, manufacturing firms such as KSL should adopt strategic processes to train their suppliers and recognise the significant role suppliers play in the overall performance of the firm. Supplier training modifies their behaviour, attitudes, and values, influencing the organisation as a whole. It is through training that suppliers can gain valuable skills, which contribute to the organisation's performance (Seiler, 2010).

Moreover, Boyatzis and Ratti (2009) state that competent suppliers are critical factors for performance. Generally, supplier training is a potential force that encompasses knowledge, behaviour, job performance, capabilities, and influences administrative

activities. Additionally, supplier training provides a strong foundation for achieving organisational performance (Webber et al. 2009). Supplier training also shapes the discipline of the suppliers (Setyaningdyah, Kertahadi & Thoyib, 2013). However, little attention is given to the relationship between developing a manufacturing firm's outgrowers as stakeholders in the firm's performance, hence the need to establish the connection between supplier training and the performance of firms such as KSL.

Similarly, Siwantara (2009) indicated that disciplined suppliers at any level affect organisational performance. This is why supplier training is a driving force for guiding and developing discipline within organisations (Sunthonkanokpong & Jitgarun, 2006). According to positive discipline theory, HR's relationship is shaped by discipline, which ultimately influences performance. However, little is known about how discipline among suppliers impacts organisational performance. This study therefore aims to examine how supplier training helps to enforce discipline to improve performance.

Sarkar and Mohapatra (2006) states that trained suppliers must demonstrate both performance and capability to meet the buyer's supply needs. It is worthwhile to note that, supplier performance is a determining factor towards the overall performance of the buying entity. This means a supplier's ability to meet the buyer's supply requirements, and supplier capability denotes a supplier's potential that can be leveraged to the buyer's advantage in the long run (Prajogo, Chowdhury, Yeung & Cheng, 2012). It is in this very interest that buying entities seeking to gain a competitive advantage in turbulent markets engage in supplier development to enhance their performance to contribute to buyer's outright performance. However, many time studies on supplier development have not been particular regarding market responsiveness hence the need to conduct this study.

Holsapple and Joshi (2004) highlight a strong positive link between supplier training and organisational performance. According to the authors, involving suppliers in technical and other training programmes enhances their abilities to meet the buyer's expectations fully. Therefore, supplier training is a key organisational purpose in managing its knowledge resources to create or add value to the organisation and its environment.

Prioritising knowledge and technical transfer through supplier training reflects organisational efforts to expand, develop, and utilise available knowledge resources by knowledge processors through knowledge processes to improve performance.

Furthermore, programmes for supplier training extended by the buying organisation can be regarded as buyer-supported training (Eamonn, Donna, Brian, & Daniel, 2008). They argued that buyers have various ways of supporting their suppliers, with some offering more support than others. The more appropriate the training provided to suppliers, the more the buying organisation improves its performance. The right type of training could then lead to increased performance for the supplier, which would, in turn, encourage more buyer-supported training. A buyer may send his employees or a team to train a supplier, or he may invite a group of suppliers facing similar problems to training at his firm (Eamonn, Donna, Brian, & Daniel, 2008).

2.3 Supplier financial support and organization performance

Financial investment refers to the buying firm's effort to develop its supplier by engaging human and capital resources, which includes direct investment in equipment and tools (Li et al, 2007) and technical support at the supplier site (Li et al, 2007). When the supplier receives evaluation feedback from the buying firm for improvements, the firm needs to provide suggestions or personnel to the supplier site (Krause et al, 2000; Prahinski and Benton, 2004). Such actions by the buying firm motivate the direct involvement of their potential suppliers, including financial resources (Wagner, 2006b). However, in the African context, financial support has not had a significant effect on the performance of firms.

Financial support requires the buyer to invest in developing its suppliers by committing both human and capital resources. These investments include equipment and tools (Effie & Willy, 2015). Capital resources might be in the form of loans to purchase equipment like tractors and lawn mowers, while human resources could involve providing suppliers with trainers and offering incentives for good performance. According to Elizabeth, Waiganjo, & Oballah (2015), financial support is a crucial

element in supplier development because it secures future business opportunities and enhances their productivity.

Kadzrina, Tam, & Ali (2011) suggest that buyers need support and funding for supplier development to happen because supplier's commitment needs to be rewarded with special funding as a recognition for the time invested, and also to serve as a bargaining tool in persuading top management that the investment is justified to utilise the firm's resources. According to Ronnquist & Wenner (2014), buyers should dedicate resources towards improving internal processes through the development and facilitation of supplier activities as a means of both enhancing and maintaining performance”.

Yegon & Lagat (2015) observed that suppliers who are adequately supported financially facilitate the buyer's potential to deliver high-quality and improved products to their clients, a factor which reduces the firm's operational risk. This is because financial support enables the supplier to remain in business and improves their ability to meet the buyer's demands. Justus & Barrack (2016) suggest that a supplier's financial ability significantly impacts the buyer's performance, as it allows suppliers to fulfil the buyer's needs. This is beneficial because, when analysing a supplier's financial capacity, the buyer protects themselves from potential risks associated with suppliers running short of capital and shields the buyer from costs and financial risks. There is also a likelihood of suppliers becoming committed and providing predictable deliveries and performance (Aspuro, 2015). The buyer should emphasise a purchasing strategy focused on value for money and operational efficiency, ensuring that both staff and suppliers are aware of these strategies. This includes implementing key performance indicators to measure supplier performance while striving for excellence (Purchasing & Procurement Center, 2017).

2.4 Supplier involvement and organization performance

The involvement of suppliers in the buyer's development process is regarded as a supplier development practice. The growing trend of outsourcing and the increased responsibility given to suppliers often require collaboration between the buyer and

supplier during this early stage of the product lifecycle. Therefore, integrating suppliers into the buyer's internal production process has been well documented in the literature as a key factor in improving quality outputs (Sanchez-Rodriguez et al., 2005).

According to Eisto et al. (2010), the level of supplier involvement increases with the supplier's innovation, valuable knowledge, and expertise. As a result, higher supplier involvement enhances quality, reliability, delivery, process flexibility, and customer service while reducing costs, which provides a competitive advantage to the purchasing firm. Moreover, the role of a supplier in design, production, and service is crucial for innovation, developing new designs based on customer demand, process development, and reducing time to market (Kadire et al., 2011). In other words, this engagement delivers a strategic advantage through quality improvement.

Furthermore, Utterback et al. (2006) argue that the integration of technology in supplier relationships is crucial for enhancing quality and coordination. Passing on technical and advanced technologies to suppliers helps improve product development. When suppliers are involved in the buyer's new product development, there should be a regular flow of information in both directions to ensure the desired results are achieved (Sivadas & Dwyer, 2000). According to Cousins and Handfield (2009), early integration of suppliers in the development process is vital for reducing time, enhancing market performance, improving quality, and lowering costs.

Ragatz et al (1997) states that supplier involvement as a development practice has numerous benefits in terms of product quality, purchasing cost, access to technology, and product development time. Such involvement is associated with risks related to information sharing, a resistant company culture, and suppliers' resistance to sharing information and technologies. This is because, without involving suppliers, it can lead to situations where sharing information may cause future problems, as there is a risk of unintentionally sharing this information with competitors or having the supplier act as a competitor of the buyer company. However, Wynstra et al (2001) argues that involving more suppliers directly increases costs, reduces product performance, and extends the

duration of product development. Additionally, suppliers may also be hesitant to share information and ideas with their buyers (Ragatz et al., 1997).

However, Witlox (2010) noted that involving suppliers in new product development has both positive and negative effects, especially at the critical process level of the manufacturing company. It is also claimed that involving suppliers in product development increases production costs, reduces performance, and extends development times (Von Corswant & Tunalv, 2002). Similarly, for example, after studying 106 companies in the information and communication technology industries, (Littler, Leverick & Wilson, 1998) concluded that product development was more costly and less efficient because supplier involvement introduces specific complexities into project management.

2.5 Summary of literature review

From the literature review above, many researchers have made significant progress in developing supplier competence through training programmes focused on quality improvements, new technologies, and new skills, among other areas. However, there is no information on the impact on market responsiveness. Extensive research on experiential learning has also been conducted by many scholars. However, further research is required to identify the specific training that a firm's suppliers need to address their gaps, especially in developing countries. Extensive work has been undertaken on information sharing between buyers and suppliers, and many researchers agree that it significantly reduces costs. However, all parties must be trustworthy to prevent the sharing of information with third parties. Nevertheless, the impact of supplier training on a business's organisational performance remains insufficiently explored.

Many scholars such as Sanchez-Rodriguez et al (2005), Eisto et al (2000), Kadir et al (2011), Utterback et al (2006) and Handfield (2009) who conducted research on the involvement of suppliers in the buyer's operations show that it increases the quality of products, reliability of the buying firm, and delivery times, though they agree that it's

better to involve suppliers at an early stage. However, others: Wynstra et al (2001) and Ragatz et al (1997) argue that there is a risk of increased costs and reduced performance if many suppliers are involved due to the long time taken to develop a product. Research focusing on firm involvement and organisational performance is still lacking.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter discusses the methods used to address research questions and achieve the study's objectives. It details the research design, study area, target population, sample size and design, data sources, data collection tools, quality control measures, data analysis techniques, ethical considerations, and the measurement of variables.

3.1 Research Design

A research design is a structured approach that provides an overarching framework for systematically collecting, analysing, and interpreting data to answer research questions in a methodologically sound and rigorous manner (Saunders et al., 2019). The researcher employed a quantitative research design, which relies on numerical and statistical methods for data collection and analysis (Saunders et al., 2019). The study utilised a correlational design, which is suitable for investigations in which the researcher does not manipulate variables but instead observes them (Bhandari, 2023; Creswell & Creswell, 2018). A correlational design was appropriate for this study because the researcher aimed to explore the nature and strength of the relationship between supplier development and organisational performance, including whether they co-vary positively or negatively and the predictive capacity of this relationship.

The researcher used a cross-sectional correlational survey design which enabled the researcher to generate numerical data showing the strength of the relationship between supplier development and organisational performance and to make generalisations using statistical inference.

3.3 Study Population

The target population is the group about which an investigator intends to draw conclusions. The total study population consisted of 68 members, including 10 from top management at Kakira Sugar Limited, 28 from middle management, 20 from the Kakira Out Growers Development Fund (KORD), and 10 supplier representatives. These respondents were selected because they are directly involved in deciding and implementing supplier development programmes at Kakira Sugar Limited.

3.4 Sample size and Selection

Sampling is defined as the statistical process of selecting a subset of a population of interest for the purpose of making observations and statistical inferences about that population (Etikan, Musa & Alkassim, 2016). The total sample comprised 59 members. The sample included 8 members from the top management of Kakira Sugar Limited, 23 from middle-level management, 16 from Kakira Out Growers Development Fund (KORD), and 8 supplier representatives as presented in Table 3.2.

3.4.1 Population, Sample and Sampling Techniques

Table 3.2: shows study population, sample and sample selection

Categories of Respondents	Population	Sample Size	Techniques
Top management	10	8	simple random sampling
Middle-level management	28	23	Simple random sampling
Kakira Out Growers Development Fund (KORD)	20	16	Simple random sampling
Suppliers (Outgrower) Representatives	10	8	Simple random sampling
Total	68	59	

Source: Primary data

3.4.2 Sampling Techniques and Procedures

3.4.2.1 Simple Random Sampling

The research employed simple random sampling to select employees and suppliers. The reason for this choice is that simple random sampling is a probability-based method that provides equal and independent chances for each member of the sampling frame to be included in the sample (Creswell & Creswell, 2018; Saunders, Lewis, & Thornhill, 2019). Simple random sampling has been shown to yield a representative sample from a large, statistically uniform population with respect to the study variables, using the most straightforward approach, with minimal selection bias and cost (Kothari, 2014). The researcher used a list of all employees and suppliers as a suitable sampling frame for simple random sampling (Bryman, 2016).

The list of employees and suppliers was not organised in any specific manner that would have created hidden patterns or regularity in the selection. This sampling approach ensured a proportionate inclusion of respondents from each relevant group, removing researcher bias and ensuring randomness in the selection process. Additionally, employing a probability-based method for selecting employees and suppliers guarantees that the study's findings are externally valid and can be generalised beyond the sample to the entire population of these stakeholder groups.

3.5 Data Collection Methods

The study used both questionnaires survey and interview methods so as to determine the objectivity of respondents and also to capture management of Kakira Sugar Limited, employees and supplier's perceptions towards supplier development.

3.5.1 Questionnaire survey

This method involves the use of questionnaires administered to respondents. According to Mugenda & Mugenda (1999), this enables the collection of data from many respondents in a short time. Therefore, self-administered questionnaires were used to gather data from employees. This method was primarily employed to collect both

qualitative and quantitative data. Additionally, questionnaires were chosen because they are both time and cost effective.

3.6 Data Collection Instruments

3.6.1 Questionnaires

A questionnaire is a research instrument that consists of a set of questions designed to gather information from respondents through surveys or statistical studies. A researcher used both close-ended and open-ended questions. The researcher employed a standardised questionnaire based on the specific objectives of the study. According to Saunders, Lewis, & Thornhill (2003), a questionnaire was self-administered. This tool was chosen because it is less expensive, saves time, ensures respondent anonymity, and has a high response rate since the researcher can follow up on unreturned questionnaires (Mugenda & Mugenda, 2003). The questionnaires will be administered to suppliers, management, and selected staff of Kakira Sugar Limited due to their large population size.

3.7 Procedure of Data Collection

The researcher obtained permission from Uganda Christian University (UCU) to proceed with data collection and analysis after successfully defending the proposal. The researcher also acquired an introductory letter from UCU addressed to the management of Kakira Sugar Limited requesting permission to conduct the research. The researcher explained to various respondents the purpose of the study, emphasising that their responses are confidential and intended solely for academic purposes.

3.8 Data Analysis

The data was collected through questionnaire surveys. The data obtained was analysed using SPSS version 23. The Statistical Package for Social Science (SPSS) is a commonly used statistical programme for analysing quantitative data in social sciences. After cleaning, coding, and cross-checking the data for completeness, accuracy, and validity,

it was entered into a computer using SPSS to generate various frequencies and percentages, as well as to test for associations (Ecel, Ntayi, & Ngoma, 2013). The process of preparing the data for entry and analysis involved ensuring that the raw data was cleaned, coded, and met the requirements for validity, accuracy, and completeness before being entered into SPSS for inferential analysis (Ecel, Ntayi, & Ngoma, 2013). Tables were utilised to present the research findings, summarising, comparing, and interpreting data related to the main variables and associations.

3.9 Measurement of Variables

Variables were measured using both nominal and interval scales, as described below. A nominal scale was used in the first part of the questionnaire to categorise respondents by gender and age brackets. A pre-structured, coded, standardised questionnaire, using a Likert scale (1 = strongly disagree to 5 = strongly agree), was used to gather quantifiable data from respondents. “Supplier development was assessed through variables such as supplier training, financial support, and firm involvement sharing (Wagner 2006; Lukhoba and Muturi, 2015). Organisational performance was evaluated using variables such as profitability, cost reduction, quality improvement, and market performance. A Likert scale was chosen because it is straightforward to construct and produces more reliable interval data than other scales (Schindler, 2006).

3.10 Ethical Considerations

The researcher received a letter of introduction from Uganda Christian University (UCU). The letter introduced the researcher to the participating organisation and clearly stated that the study was for academic purposes. The ethical process adhered to research ethics principles. Regarding the participants, the researcher obtained informed consent for their participation in the study. Informed consent was a process that informed respondents about the study's aim, procedures, time commitment, risks, and their voluntary decision to participate or decline. This consent was obtained prior to data collection, and participants were informed that their information would be used for academic purposes. Autonomy was respected by ensuring no one was forced to

participate. Justice, which requires the fair selection of participants (Belmont Report, 1979), was demonstrated by providing all employees and suppliers with an equal opportunity to participate. Participants were selected based on the inclusion criteria, and no one was excluded for any reason or deemed overburdened. Privacy and confidentiality were maintained as no names or identifying information were recorded in the research materials.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

The analysis in this chapter is organised around the study objectives and involves examining the impact of three supplier development practices (supplier training, supplier financial support, and firm-supplier involvement) on KSL's organisational performance. The chapter first presents the response rate and the demographic characteristics of respondents to establish the context for understanding the results. Next, descriptive statistics are provided for each supplier development dimension, followed by correlation analyses to examine the nature and strength of relationships between the dimensions and organisational performance.

4.2 Response Rate

Of the 59 respondents, 34 completed and returned questionnaires, yielding a response rate of 57.6%. This response rate of 57.6% is considered suitable for survey research and is practical in organisational and social science contexts. For example, Mugenda and Mugenda (2003), as cited by Komakech (2020), considered a 50-60% response rate acceptable in social science surveys, which allows for reliable statistical inference. Additionally, Saunders et al. (2019) state that a response rate above 50% is sufficient to ensure reliability, especially in organisational surveys where respondents and subjects have different roles. Therefore, this response rate provides a solid basis for generalisations and credible conclusions regarding supplier development and organisational performance in KSL.

4.3 Respondents Characteristics

This section contains the descriptive statistics on the demographic characteristics of the respondents as illustrated in table 3 below;

Table 4.1: Respondents characteristics

Gender	Frequency	Percent
Female	15	45.7
Male	19	54.3
Age		
18-25 years	4	11.4
26-35 years	14	40.0
36-45 years	9	25.7
46-55 years	6	17.1
56 and above	2	5.7
Length of service		
1-5 years	5	14.3
6-10 years	12	34.3
11- 15 years	10	28.6
16-20 years	7	20.0
21 and above	1	2.9
Highest Education level		
Secondary	12	34.3
Certificate	7	20.0
Diploma	8	22.9
Degree	6	17.1
Master's Degree	2	5.7
Position in KSL		

Deputy Out-Growers	1	2.9
Head Of Procurement	1	2.9
Cashier Out-Grower	1	2.9
Procurement Manager KSL	1	2.9
Human Resource Officers	1	2.9
Production Officers	2	5.7
Marketing Officers	3	8.6
Finance Manager	1	2.9
Security Officers Out-Growers	2	5.7
Cane Seed Supplier	4	11.4
Fertilizer Suppliers	2	5.7
Out-Growers	12	34.3
Farm Supervisors	4	11.4

Source: Primary data (2025)

From Table 4.1 above, the gender analysis showed that males comprised 54.3% of respondents, while females comprised 45.7%. This indicates that KSL has gender representation among its staff. However, males tend to undertake more physically demanding tasks, which can be challenging for females. Employees who had worked for 1-5 years accounted for 14.3%, those with 6-10 years were 34.3%, 11-15 years were 28.6%, 16-20 years were 20%, and those with over 21 years of service were 2.9%. The study's findings revealed that employees had varying lengths of service at KSL. This suggests that most employees have sufficient experience in supplier development, having worked for more than 2 years, making them proficient in their roles.

From the table above, the age distribution of respondents showed that those aged 18-25 comprised 11.4%, 26-35 were 40%, 36-45 made up 25.7%, 46-55 accounted for 17.1%, and 56 and above represented 5.7%. Therefore, the majority of respondents were aged 26-35 years (40%). This indicates that KSL employs mature individuals capable of providing relevant answers for the study. According to Table 4.2 above, 34.3% held a secondary-level qualification, 20% held a certificate, 22.5% held a diploma, 17.1% held a degree, and 5.7% had a master's degree. This demonstrates that the employees worked alongside growers with varying levels of education. The respondents were able to make informed decisions, read, write, and understand the information they encountered, enabling them to participate effectively.

Finally, in Table 4.1 above, the respondents held different positions, both within KSL and among outgrowers. The roles employed by KSL included procurement manager, human resource manager, production manager, marketing manager, finance manager, deputy manager of outgrowers, farm supervisors, security officers, cane seed suppliers, fertiliser suppliers, and outgrowers. This indicates that the study was comprehensive enough to provide thorough information about supplier development and performance.

4.3 Supplier Training and Organisational Performance

This section presents the findings related to the study's first objective, which was to determine the relationship between supplier training and organisational performance. In this context, descriptive statistics were used to explore respondents' views on how different training aspects affected organisational performance at KSL.

Table 4.2: Descriptive Statistics on Supplier Training

Supplier training	Mean	SD
Training helps to improve the quality of sugar	4.061	.987
There is sharing of knowledge in the firm	4.484	1.084
The firm provides technical and technical support to suppliers	4.424	.614

Sharing information with suppliers improves operational efficiency	4.333	.692
Environmental training helps to produce in sustainable manner	3.500	.877
Training of suppliers improves efficiency	3.827	.668
Training suppliers reduces operational costs	4.165	.634
Right training enhances buyer's responsiveness	4.360	.966

Source: Primary data (2025)

Respondents strongly agree that supplier training leads to better organisational outcomes. Training is shown to improve the quality of sugar produced (Mean = 4.061, SD = 0.987) and promotes increased knowledge sharing within the firm (Mean = 4.484, SD = 1.084). These findings support the idea that learning activities foster a firm characterised by greater coordination, responsiveness, and employee commitment. Technical support to suppliers also scored highly (Mean = 4.424, SD = 0.614), highlighting the importance of capability-building to strengthen supplier performance.

Additionally, information sharing, a key aspect of training, was found to enhance the firm's operational efficiency (Mean = 4.333, SD = 0.692). Environmental training, another aspect of training, scored relatively lower (Mean = 3.500, 0.877) but still above the scale's midpoint, indicating moderate agreement regarding its role in promoting sustainable production. Results in Table 2 show that training increases efficiency (Mean = 3.827, SD = 0.668), reduces operational costs (Mean = 4.165, SD = 0.634), and improves the buyer's responsiveness (Mean = 4.360, SD = 0.996). Overall, these results clearly indicate that supplier training is viewed as vital for improving operational and performance outcomes at KSL, with most mean scores exceeding 4.

4.3.1 The Correlation between Supplier Training and Performance

The subsection presents the correlation between supplier training and organisational performance as shown in Table 4.3.

Table 4.3: Showing correlation between supplier training and organisational performance

Correlations			
		Supplier Training	Performance
Financial support	Pearson Correlation	1	.715**
	Sig. (2-tailed)		.004
	N	34	34
Organisational performance	Pearson Correlation	.715**	1
	Sig. (2-tailed)	.004	
	N	34	34
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary data (2025)

The results show a significant positive relationship between supplier training and performance ($r = .715^{**}$, $p < 0.01$). This suggests that improvements in supplier training are linked to higher performance outcomes at KSL.

4.4 Financial support and organisational performance

This section presents the findings for the second study's objective, which was to determine the relationship between financial support and organisational performance, as shown in Table 4.4.

Table 4.4: Descriptive Statistics on Financial Support

Financial support	Mean	Standard deviation
Financial support from KSL reduces the lead time required for out-growers to deliver their products	3.064	1.326
Financial support helps the company mitigate the risk of out-growers failing to deliver sugar canes on time	4.326	1.076
Financial support fosters innovation among suppliers	3.391	1.291
Financial assistance contributes to reducing operational costs at the factory	4.348	0.994

Interest-free loans from KSL motivate suppliers to increase their production volumes	4.239	0.899
Financial assistance enhances suppliers' ability to deliver high-quality and improved products	3.182	1.226
Financial support boosts the productivity of suppliers	3.826	1.073

Source: primary data (2025).

From table 6 above, financial support from KSL reduced the lead time required for out-growers to deliver their products (Mean = 3.064, SD = 1.326), and such support helps the company mitigate the risk of out-growers failing to deliver sugar canes on time (Mean = 4.326, SD = 0.676). The findings suggest that the limited funding from KSL, which only a few suppliers receive, cannot reduce the lead time for out growers to their products is the period they must wait until the company comes for them. The findings also indicated that financial support encourages innovation among suppliers (Mean = 3.39, SD=1.291), and that financial assistance helps in lowering operational costs at the factory (Mean=.318, SD=0.994). The findings also indicate that the limited funding from KSL does not encourage innovation among suppliers, as they have to rely on bank loans at 8% for women and 10% for men.

The findings also showed that interest-free loans from KSL encourage suppliers to increase their production volumes (Mean=3.239, SD=0.599). The findings suggest that KSL does not offer interest-free loans, which increases suppliers' operational costs and may reduce performance. Furthermore, financial assistance improves suppliers' capacity to deliver high-quality and enhanced products (Mean = 3.18, SD = 0.626), and financial support increases suppliers' productivity (Mean = 3.26, SD = 1.073). The findings indicate that the funding from KSL is limited and has little impact on performance, causing suppliers to seek alternative sources of funding.

4.4.1 Link between financial support and performance in KSL

The subsection presents the correlation between supplier training and organisational performance as shown in Table 4.5.

Table 4.5: Relationship between financial support and performance in KSL

Correlations			
		Financial support	Performance
Financial support	Pearson Correlation	1	.576**
	Sig. (2-tailed)		.004
	N	34	34
Organisational performance	Pearson Correlation	.576**	1
	Sig. (2-tailed)	.004	
	N	34	34
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary data (2025)

Financial support showed a moderate positive relationship with performance ($r = 0.576$, $p < 0.01$). This indicates that while financial assistance does improve performance, its effect is less significant than that of training and organisational performance.

4.5 Firm involvement and organisational performance

The section presents the results for objective three, which establish the relationship between firm involvement and organisational performance.

Table 4.6: Showing the descriptive statistics on firm involvement

Firm involvement	Mean	Standard deviation
Frequent visits to supplier site	4.161	0.823
Committed to improve supplier's present and future capabilities	3.678	0.914
Joint problem-solving approach	4.233	0.986
Regularly evaluation of suppliers	3.656	0.798
Effective communication and feedback system	4.234	0.708
Provides a means of maintaining competition in core activities	4.344	0.619

Source: Primary data (2025)

The mean scores indicate that firms contribute to enhancing organisational performance. A strong consensus was observed that regular visits to supplier plants lead to better performance (Mean = 4.161, SD = 0.823). This suggests that suppliers under

supervision become more accountable, with issues identified and addressed on site. The average response also reflects general agreement that the firm is doing enough to improve both current and future supplier capacity (Mean = 3.678, SD = .914), demonstrating a clear understanding among respondents of the importance of long-term capacity building for performance. Additionally, a mean response of 4.233 and an SD of .968 were recorded for the statement that the firm engages in joint problem-solving, confirming active involvement in improving supplier performance.

The average response to the statement that the firm regularly reviews supplier performance (Mean = 3.656, SD = .798) indicates a perception of performance improvement. The data also shows that respondents strongly agree that the firm uses effective communication to enhance supply chain performance (Mean = 4.234, SD = .708). This suggests that improved information flow between parties will lead to more effective coordination and prompt action within the supply chain. The final average response reflects a strong agreement that the firm's involvement in its supply chain operations helps maintain competition in core activities (Mean = 4.344, SD = .619). This further demonstrates the firm's contribution to supply chain efficiency and accountability.

4.4.1 Association between firm and supplier involvement and performance in KSL

The subsection presents the correlation between firm involvement and organisational performance as shown in Table 4.6.

Table 4.6: Relationship between firm involvement and organizational performance in KSL

Correlations			
		Financial support	Performance
Firm and supplier involvement	Pearson Correlation	1	.503**
	Sig. (2-tailed)		.002
	N	34	34
Organisational Performance	Pearson Correlation	.503*	1
	Sig. (2-tailed)	.002	
	N	34	34
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary data (2025)

The correlational analysis (Table 4.6) reveals a moderate, statistically significant positive relationship between firm involvement and organisational performance ($r = 0.503$, $p < 0.01$). This indicates that higher levels of firm involvement, such as site visits, communication, and joint problem-solving, are associated with corresponding improvements in performance outcomes at KSL.

4.5 Organizational Performance

Table 4.7: Descriptive Statistics of Organisational Performance

Descriptive statistics	Mean	Standard deviation
In most cases, we expand due to high profits from sugar sales	4.484	0.939
KSL minimizes costs in order to make high profits in the sugar sector	4.363	0.783
Players in the sugar industry maximize sales in order to make profits	4.090	0.842
Negotiations are used to reduce purchase price in KSL	4.363	0.699
In KSL, we keep optimal inventory	4.212	0.696
All products delivered from our suppliers are always inspected	3.818	1.073
Conforming to specifications is a must for all our suppliers	3.812	0.692
Usually suppliers deliver as per the contract stipulated time.	4.515	0.507
Management ensures timely approvals are made.	4.363	0.603

Source: Primary data 2025

The findings reveal that respondents perceive KSL to perform strongly across various operational and financial areas. Profitability indicators received high ratings, with respondents agreeing that the company expands due to robust sugar sales (Mean = 4.484, SD = 0.939) and actively minimises costs to maximise profits (Mean = 4.363, SD = 0.783). The wider sugar industry was also seen as profit-oriented, with companies aiming to boost sales to stay competitive (Mean = 4.090, SD = 0.842).

Operational efficiency practices also received favourable ratings. Negotiations are commonly employed to secure advantageous purchase prices (Mean = 4.363, SD = 0.699), and the company maintains optimal inventory levels (Mean = 4.212, SD = 0.696), demonstrating deliberate cost-control measures. Quality assurance practices are clearly evident, with suppliers' deliveries consistently inspected (Mean = 3.818) and strict adherence to specifications emphasised (Mean = 3.812). These practices reflect a strong commitment to first-time quality production, reducing the likelihood of rework, recalls, or wastage that could undermine profitability.

Timeliness emerged as another vital pillar of performance. Respondents agreed that suppliers generally deliver punctually and that management ensures swift approvals (Mean = 4.363, SD = 0.603). By reducing delays, idle time, and process inefficiencies, KSL improves production flow and customer satisfaction, ultimately boosting sales performance. Overall, the results depict a firm that emphasises cost efficiency, quality management, timely processes, and strategic procurement practices as key drivers for achieving high organisational performance.

4.5 Multiple Regression Analysis

A regression model was used to determine how each of the three supplier development dimensions (supplier training, financial support, and firm-supplier involvement) contributed to organisational performance at KSL.

Table 4.8: Multiple regression

Model	R	R square	Adjusted R square	Std. error of estimate	
1	.753 ^a	.567	.513	.2144	
Coefficients^a					
Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.183	.414		5.289	.000
Supplier training	.215	.086	.458	4.503	.028
Financial support	.018	.137	.025	1.142	.987
Firm and Supplier involvement	.135	.159	.274	4.983	.031
a. Dependent variable: Performance					
b. Predictors: supplier training, financial support, and firm and supplier involvement					

Source: Primary data 2025

The equation $R = .753$ (Table 4.8) indicates a strong, positive relationship between the set of supplier development variables and performance at Kakira Sugar Limited. In other words, increases in supplier development are linked to a higher likelihood of improved performance at KSL. The R-squared value of 0.567 shows that 56.7% of the variation in performance is explained by the three supplier development practices in the model. The adjusted R-squared of 0.513 confirms a good fit for the model (after adjusting for sample size). This indicates that supplier development significantly and substantially explains performance at KSL. The standard error of estimate of 0.2144 reflects the model's predictive error.

Supplier training ($\beta = 0.458$, $t = 4.503$, $p = 0.028$) had the strongest and statistically significant positive effect on performance. The beta weight of 0.458 demonstrates that, among all predictors, supplier training makes the most significant unique contribution to explaining performance. Therefore, supplier development through capacity building, knowledge sharing, and technical support considerably enhances productivity, efficiency, and product quality along the KSL value chain.

Firm involvement ($\beta = 0.274$, $t = 4.983$, $p = 0.031$) in terms of site visits, joint problem solving, communication, and supplier evaluation is a statistically significant predictor of performance". Its positive and significant beta coefficient indicates that greater, more robust collaborative engagement between KSL and its suppliers is associated with higher performance. In other words, relational and interactive supplier development practices are essential for synchronising supplier capabilities with organisational requirements.

Financial support ($B = 0.018$, $B = 0.025$, $t = 1.142$, $p = 0.987$) had a positive but statistically insignificant impact on performance. In essence, providing economic aid, including inputs and farm subsidies to suppliers, is associated with performance at KSL, but the effect's magnitude is minimal. This is mainly due to limited financial packages, the lack of interest-free loans, and suppliers' strong preference for external borrowing. It may also explain the near-zero beta weight, indicating that financial support contributes little to performance independently.

CHAPTER FIVE

DISCUSSIONS, CONCLUSION AND IMPLICATIONS

5.0 Introduction

In this chapter, the results are presented with particular emphasis on the relationships between the three dimensions of supplier development (supplier training, financial support, and firm-supplier involvement) and organisational performance in the context of KSL. The study was fundamentally based on the hypothesis that improved relational mechanisms between a buyer and its suppliers lead to stronger performance outcomes within the supply chain.

5.1. Discussions

5.1.1 Relationship Between Supplier Training and Organisational Performance

The results indicated a strong and significant relationship between supplier training and organisational performance ($r = .715$, $p < 0.01$). The regression results further showed that the most influential predictor was supplier training ($\beta = .458$, $p < .028$). In other words, any increase in training efforts directed at suppliers is associated with notable improvements in operational efficiency, product quality, and responsiveness at KSL. The findings concur with Hafeez & Akbar (2015) and Sunthonkanokpong & Jitgarun (2006), who emphasise that performance is closely linked to supplier knowledge and competence, which tend to be significantly enhanced through training. The consistency with the relationship between knowledge and performance also relates to Lawson et al.'s (2009) view that learning mechanisms established within supplier networks support product innovation and improve output quality.

Similarly, the relational significance of training is also linked to the ideas of Krause et al. (1998; 2007) regarding the importance of supplier development being most effective when ties incorporate a formal training and capability-building component. The alignment with the average scores for technical support and knowledge sharing illustrates how KSL's training programmes can promote relational closeness among

parties, which positively influences performance through improved coordination and shared understanding. The strong connection between supplier training and performance further supports the RBV logic of Grant (1996), as supplier competencies developed within inter-organisational relationships are then transformed into strategic organisational resources that enhance performance.

5.1.2 Relationship between Financial Support and Organizational Performance

The correlation results showed a moderate positive and significant relationship between financial support and organisational performance ($r = .576, p < 0.01$). However, the regression analysis indicates that this relationship becomes non-significant ($\beta = .025, p > 0.05$) when combined with other predictors, suggesting that financial support alone does not directly or independently improve performance. This aligns with the conclusions of Ecel, Ntayi & Ngoma (2013), who argued that while financial incentives are vital for boosting performance in Uganda's agro-processing supply chains, they are effective only when embedded within a broader development framework that also includes training and engagement.

On one hand, the financial support might reduce risks and perceived barriers to smooth operations at KSL. On the other hand, its relational impact could be limited by the overall level of funding available or the lack of formalised financial support mechanisms. In the academic literature, several scholars have also noted that resource dependencies, in the form of financial or other critical resources, define the dependence configuration of a buyer-supplier relationship (e.g., Pfeffer & Salancik, 1978). In the KSL setting, suppliers may not be entirely dependent on KSL and may still access alternative sources of financial support. This weakens the relational impact of financial support. Similarly, previous studies such as Effie & Willy (2015) and Ogundare & Alalade (2018) have argued that the impact of financial support on performance is significant only when strong relational governance mechanisms, such as monitoring, communication, and capability development accompany it.

5.1.3 Firm-Supplier Involvement and Organisational Performance

Firm involvement was positively and strongly related to performance ($r = .503$, $p < 0.01$). The regression results also indicate that it was a significant predictor of performance ($\beta = .274$, $p < 0.05$). This suggests that increased relational engagement, as measured through site visits, joint problem-solving, communication, and evaluation, is associated with improved organisational performance. These findings align with the extensive body of research confirming the relational benefits of supplier involvement. For example, Heide & Miner (1992) and Eamonn et al. (2008) observed that as suppliers and customers interact more frequently, a more cooperative attitude, along with greater trust and performance, The strong positive relationship between joint problem solving and performance, identified as a highly important collaboration mechanism, corroborates the research by Ragatz, Handfield & Scannell (1997), as well as Eisto et al. (2010), indicating that relational collaborative mechanisms also enhance product and process efficiencies.

Supplier evaluation also constitutes a form of relational governance, a point reiterated by the literature. Sanchez-Rodriguez et al. (2005) indicate that continuous monitoring of suppliers (evaluations) enhances performance by influencing aligned expectations. The high rating and positive correlation between communication and performance, which was the third highest rated relational investment, further underscores the significance of relational routines as suggested by Prahinski & Benton (2004). Additionally, the findings support the social capital perspective proposed by Krause, Handfield & Tyler (2007), where relational investments (site visits, communication, and collaboration) serve as mechanisms through which trust, commitment, and shared norms are fostered, thereby positively impacting performance. Consequently, at KSL, the relationship involving firm-supplier engagement is constructive, with increased relational involvement associated with improved performance.

5.2 Conclusion

The study aimed to empirically examine the relationships between three supplier development practices namely supplier training, financial support, and firm-supplier involvement and the organisational performance of Kakira Sugar Limited (KSL). After thoroughly analysing the collected data and statistical results, the following conclusions were drawn.

5.2.1 Relationship Between Supplier Training and Organisational Performance

Supplier training is the most important factor and is strongly linked to performance. Activities such as technical assistance, knowledge sharing, and environmental training enhance suppliers' capabilities, which can lead to improvements in product quality, operational efficiency, responsiveness, and cost management. Regression analysis supported this, indicating training as the most significant predictor of performance in this study. This emphasises the vital role of training as a tool for building relationships and capabilities in supplier development.

5.2.2 Relationship between Financial Support and Organizational Performance

Financial support showed a positive but statistically insignificant link to performance when combined with other variables. This suggests that, although financial assistance can help reduce risk and support production activities, the current level or form of financial support provided by KSL is not enough to significantly impact performance. Financial support can influence performance when paired with more relational practices such as training and cooperative engagement.

5.2.3 Firm-Supplier Involvement and Organisational Performance

The study found that the involvement of the firm and supplier is connected to better organisational performance. This emphasises the importance of relational governance methods such as frequent site visits, mutual problem-solving, good communication, and regular assessments. These activities promote increased trust, coordination, and

agreement between KSL and its suppliers, resulting in improved operational performance and supply chain reliability.

5.3 Implications of the Study

The findings of this study have several implications for research and practice, and they include:

The results underscore the importance for Kakira Sugar Limited to further emphasise and strengthen supplier training programmes. The empirical evidence supports the idea that training has the strongest and most positive correlation with performance. KSL should, therefore, consider investing in expanded and ongoing technical, operational, and sustainability-related training to enhance supplier skills, quality standards, and operational efficiency.

The design of financial support mechanisms needs to be re-evaluated. Although the current interventions were not linked to performance in this particular context, offering financial support in a more structured and timely way—such as low-interest loans, input financing, or partnerships with financial institutions—could help suppliers overcome production challenges and meet delivery targets more effectively.

Firm-supplier involvement was positively linked to supplier performance. To achieve this, KSL should consider increasing the frequency of site visits, conducting regular evaluations, engaging in joint problem-solving, and establishing effective communication channels with suppliers. This approach will build trust, improve coordination, and foster greater interfirm alignment between KSL and its suppliers.

Supplier development activities lacked support from a formal, organisation-wide strategy. Therefore, developing a comprehensive supply chain strategy that formally incorporates supplier development interventions, coordinates activities across departments, and regularly monitors performance improvements is recommended. This will ensure alignment with organisational objectives and the sustainability of development efforts.

Building and maintaining strong relationships with suppliers is also advised. Collaborative and long-term ties with suppliers are vital for securing their commitment, which also boosts organisational performance. KSL should strive to ensure that supplier relationships remain a fundamental part of their procurement and overall supply chain strategy.

5.4 Limitations and Areas for further Research

The study focused on a single firm (KSL) and the relatively small sample size may have limited the generalisability of the study's findings. The cross-sectional design did not allow for assessing changes or developments over time. Future research should consider comparisons across multiple firms to improve generalisation. Since the study used only quantitative methods, qualitative research methods could offer valuable insights into the relational dynamics and contextual factors influencing supplier development and organisational performance.

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APPENDIX I: QUESTIONNAIRE

Dear Sir/Madam,

I am Nababi Grace Musoke a student at Uganda Christian University (UCU). It is my great honor to invite you to participate in a brief survey to gather information on supplier development and organizational performance. The information gathered by this survey will be analyzed in a thesis which will examine supplier development effects on the performance of Kakira Sugar Limited. Please take out 5-10 minutes to answer these question survey about your knowledge and experience. Please note that all the information provided by you will remain confidential and no individual responses will be identified. Please answer fully and honestly as you can. In order to express my sincere gratitude, I will be happy to share the conclusion and reports of my thesis upon request. I will greatly appreciate your time and contribution to this research.

With Best Regards,

Nababi Grace Musoke

SECTION A: INFORMATION BACKGROUND OF RESPONDENTS

NB: Please tick the most appropriate

1. Gender

	Gender	
1.1	Male	1
1.2	Female	2

2. Age

	Age bracket	
2.1	18-25 years	1
2.2	26-35 years	2
2.3	36-45 years	3
2.4	46-55 years	4
2.5	56 and above	5

3. Length of Service

	Years	
3.1	1-5 years	1
3.2	6-10 years	2
3.3	11- 15 years	3
3.4	16-20 years	4

3.5	21 and above	5
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4. Level of Education

4.1	Certificate	1
4.2	Diploma	2
4.3	Degree	3
4.4	Master's Degree	4
	Others Specify	

5. Category of Respondent

5.1	KSL Employee	1
5.2	Supplier	2

Section B:

6. To determine how supplier training affects the performance of KSL.				
Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree
1	2	3	4	5

Instructions: Please indicate the importance of supplier development activities on business performance in at KSL.

Suppliers Training	1	2	3	4	5
--------------------	---	---	---	---	---

Training programs for suppliers have a positive effect on the quality improvement of sugar cane supplies					
Sharing operational knowledge by organizing training and workshops for suppliers					
Provide technical support and technological assistance to supplier					
Sharing information with suppliers improves their operational efficiency					
Environmental performance training for suppliers leads to more sustainable practices					
Training and technology transfers improve the efficiency of out-growers					
Improving professionalism through knowledge accumulation reduces unnecessary costs in supplier operations					
Ensuring that stakeholders have the right knowledge at the right time enhances buyer responsiveness					
Financial Support	1	2	3	4	5
Financial support from KSL reduces the lead time required for out-growers to deliver their products					
Financial support helps the company mitigate the risk of out-growers failing to deliver sugar canes on time					
Financial support fosters innovation among suppliers					
Financial assistance contributes to reducing operational costs at the factory					
Interest-free loans from KSL motivate suppliers to increase their production volumes					

Financial assistance enhances suppliers' ability to deliver high-quality and improved products					
Financial support boosts the productivity of suppliers					
Providing financial incentives to suppliers leads to their long-term commitment to KSL					
Firm and Supplier Involvement (Working together)	1	2	3	4	5
Frequent visits to supplier site					
Committed to improve supplier's present and future capabilities					
Joint problem-solving approach					
Regularly evaluation of suppliers					
Effective communication and feedback system					
Provides a means of maintaining competition in core activities					
Organizational Performance	1	2	3	4	5
In most cases, we expand due to high profits from sugar sales					
KSL minimizes costs in order to make high profits in the sugar sector					
Players in the sugar industry maximize sales in order to make profits					
Negotiations are used to reduce purchase price in KSL					
In KSL, we keep optimal inventory					
All products delivered from our suppliers are always inspected					

Appendix II: Introduction Letter to the Field



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24th July 2024

To Whom It May Concern;

RE: MSC IN PROCUREMENT AND LOGISTICS MANAGEMENT(MSCPLM)

Ms. Grace Musoke Nababi Reg No. M22M40/007 is a student at Uganda Christian University, pursuing a degree of Master's in Procurement and Logistics Management.

In partial fulfillment of the requirements for the award of the Masters degree, she is conducting a research study titled: *"Supplier Development and Organisational Performance of Kakira Sugar Ltd. " Jinja District*

This communication therefore serves to formally request you to allow her access any information in your custody/organisation, which is relevant to his research .

Thank you for your cooperation on this matter

Yours Sincerely,

Dr. Henry Mugisha

Head of Department, Postgraduate Studies



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Appendix : Acceptance Letter



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