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PERFORMANCE

INFLUENCE OF SUPPLIER SELECTION ON ORGANIZATIONAL PERFORMANCE IN FOOD AND BEVERAGE MANUFACTURING COMPANIES IN KENYA

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ABSTRACT

Purpose of the study: In Kenya the food-processing sector, including food, beverages and tobacco, remains the largest component of the manufacturing industry in terms of structure, economic contributions, and performance within the manufacturing sector, as it comprises 1,200 businesses, encompassing everything from small family organizations to large companies. The study sought to determine the influence of supplier selection on the organizational performance of food and beverage manufacturing companies in Kenya.

Research Methodology: The study employed a descriptive research design. The target population was 651 respondents from whom a sample size of 248 respondents comprising 65 procurement managers and 183 procurement officers was selected from food and beverage manufacturing companies in Kenya. Stratified simple random and purposive sampling were used to select respondents. Primary data was collected by the use of a questionnaire. Analysis of data was done using descriptive and regression analysis.

Findings: The model, (R2 = .490) shows that supplier selection accounts for 49% variation in the organizational performance of food and beverage manufacturing companies in Kenya. There was a significant influence of supplier selection (β=.520) on the performance of food and beverage manufacturing companies in Kenya.

Conclusion: The study concluded that supplier selection influences the organizational performance of food and beverage manufacturing companies in Kenya.

Recommendations: The study recommended that manufacturing organizations should enhance the implementation of the policy framework to guide supplier selection through supplier identification, removal of hidden wastes and cost drivers in a supply chain to ensure the competitive advantage of the firms.

Keywords; *Supplier selection, Organizational, Performance, Food and beverage, Manufacturing companies.*

INTRODUCTION

Organizational performance starts from purchasing efficiency and effectiveness in the procurement function to change from reactive to proactive to realize set performance objectives. Generally, organizational performance is an accumulation of independent functional performance metrics (Osoro & Shale, 2019). The management of any company would like to identify and eliminate the underlying causes of inefficiencies, thus helping their firms to gain competitive advantage and attain sustainable competitive advantage, or at least, withstand the challenges from others. In other words, for market share to grow, product quality must be improved. For customer satisfaction to be achieved quality must be improved and lead times reduced. For financial growth to be realized, product cost must be lowered since the final product price is dictated by market forces. In this research therefore, we take a critical look at the elements of performance which are directly attributable to the operational performance parameters i.e quality, cost, lead time, and production capacity of a firm.

It is widely recognized that to compete and survive, companies must seek, build, and maintain collaborative relationships with capable suppliers to realize the maximum value through such relationships (Schiele, 2017). With the changing environment in which the organizations are operating coupled with unpredictable technology development, organizations have to rethink their relationship with their partners and more so their suppliers. It is widely recognized that to compete and survive, companies must seek, build up and maintain relationships with capable suppliers and realize the maximum value through such relationships (Bailey, Farmer, Jessop & Jones, 2016). Andrew (2016) suggests that good supplier relationships and development

programs allow organizations to enhance their procurement performance. Supply chain management practices have become widely recognized as an important contributor to strategic success, helping firms meet the challenges of an increasingly competitive and dynamic environment (Njeri & Were, 2017).

These pressures have driven companies toward forming closer relationships with a smaller number of suppliers who have become increasingly involved in many aspects of strategy-making and day-to-day operations (Masinde & Osoro, 2019). Such relationships are highly interactive and require constant monitoring and interpersonal liaison between employees of both parties to be effective. Traditionally, the role of a supplier in contributing to the procurement performance of the buyer has never been accorded strategic importance. This has been due to the simple reason that the inter-organizational linkages between the buyers and sellers have been of arm's length and often adversarial with individual firms in the supply chain seeking to achieve cost reduction, profitability and growth at the expense of each other (Araz, & Ozkarahan, 2017). However, researchers, such as Basheka and Tumutegyereize (2016) state that successful buyers recognize the role working closely with their suppliers plays in inventory management and handling, demand management, purchasing processing management, and achievement of success in the face of industry competition and increasing material scarcity in the global arena.

Bessant (2016) put forth that the specialized competencies residing with suppliers may influence a buying entity's innovativeness, performance and ability to offer high-quality products. Most organizations experience inconsistency in the supply chain, lack of trust between the supplier and buyer, experience low supplier performance and inflexibility to change, lack of coordination and training, poor motivation and fragmentation of information between supplier and buyer (Johnson & Scholes, 2015). The impact of this on any organization is reduced procurement performance, high inventory, a decreased capability to meet customer needs, decreased market share, long lead times and decreased profits. A study conducted by Sako (2013) in the Japanese automotive industry and other Western manufacturing industries, established that there is a positive relationship between the supplier partnership and the buying firm's overall performance i.e. based on the resultant improvements in the supplier product and delivery performance and their capabilities.

Ana et al. (2011) in their study of the competitive effects of buyer-supplier collaboration in the Sawmill industry, also found that cooperation between buyer and supplier leads to increased

productivity and organizational performance. In USA-based research, Solomon and Ayebale (2017), further identified that some buying firms used minority suppliers to satisfy official government statistics rather than for genuine business reasons. According to (Schiele, 2017), efficient supplier involvement, raising performance expectations, evaluation, exchange of personnel, and information exchange among others are vital for effectiveness in the procurement function of the National Cereal and Produce Board in Kenya. Osoro and Shale (2019) relate current poor procurement performance at the NCPB to inadequate support to farmers, arm's length relationship between the buying firms and international suppliers, unpredictable weather conditions, escalating costs, failure to apply modern technology in operations and uncertain pricing.

The manufacturing sector is a major contributor to Kenya's GDP as indicated by KIPPRA (Schiele, 2017). KIPPRA's report on economic growth states that the manufacturing sector in Kenya constitutes 70 per cent of the industrial sector's contribution to GDP. Much of the discussion in this part consists of the research commissioned by The Overseas Development Institute (ODI) and compiled by (Araz & Ozkarahan, 2017). In his document he observes that the manufacturing sector in Kenya grew at 3.5% in 2015 and 3.2% in 2014, contributing 10.3% to the gross domestic product. On average, however, manufacturing has been growing at a slower rate than the economy, which expanded by 5.6% in 2015. While Kenya remains an attractive investment destination for manufacturing, other countries are aggressively courting such investment (Osoro & Shale, 2019). However, the good news from a regional perspective is related to the fact that the East African Community (EAC) is aligning itself as the next global manufacturing destination. Such regional initiatives can be leveraged by the manufacturing sector in Kenya to catalyze its growth. There is room for growth, evidenced by the fact that the combined manufacturing sector in the seven countries in Eastern Africa as a whole is only about one-third the size of the manufacturing sector in Vietnam, which has a population one-third the size of the seven countries (Araz & Ozkarahan, 2017).

Overall, it should be noted that sector strength is informed by the size of the market, both local and external. According to the Economic Recovery Strategy for Employment and Wealth Creation Report, the manufacturing sector in Kenya is a major source of growth, and still with high potential for growth and investment (Cheptora et al., 2018). The role of the manufacturing sector in Vision 2030 is to create employment and wealth. The strongest subsectors in formal

manufacturing include; agro-industry, firms in the Export Processing Zones (EPZs), pharmaceuticals and sectors related to construction, such as cement and metals, and high-end furniture. The Kenya Institute of Public Policy and Analysis (Araz & Ozkarahan, 2017), says that in the past five years' average growth in real terms in manufacturing has been at about 3.4%; manufacturing firms have been growing at about 6% and non-manufacturing firms have been growing at about 2%. Manufacturing firms are closely linked to agro-processing.

In Kenya the food-processing sector, including food, beverages and tobacco, remains the largest component of the manufacturing industry in terms of structure, economic contributions, and performance within the manufacturing sector, as it comprises 1,200 businesses, encompassing everything from small family organizations to large companies (KAM, 2017). Large firms are those with a turnover of £ 5.75 million per annum or employ more than 250 employees. High production and ingredient, high duty on inputs, duplication of laws and regulatory agencies, competition from sectorial associations, inadequate supplies of raw materials, high material handling, distribution and marketing costs, slow development and implementation of policies, and the use of obsolete technology and skills were partially blamed for this contraction (KAM, 2016). With these and many other challenges, companies need to evaluate their suppliers. The goal of supplier selection is to secure valued resources and technologies of the selected suppliers in situations that preclude the option of vertical integration due to resource limitations and managerial constraints.

According to KAM (2016), there are 1200 SMEs in the food and beverage industry ranging from small to large SMEs. Out of 1200 SMEs, only 187 of them practice procurement functions with 151 (80%) based in Nairobi; the rest are located in other major towns and regions, including Coast and Nyanza/Western provinces, and Nakuru, Eldoret, Athi River, Nyeri and Thika. Many manufacturing firms are faced with the problems of suppliers' inability to improve themselves. Supplier selection 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. From the above discussion, many past studies focused on case studies targeting individual companies. Thus the current study aims to investigate the influence of supplier selection on the performance of food and beverage manufacturing firms in Kenya.

OBJECTIVE OF THE STUDY

To determine the influence of supplier selection on the organizational performance of food and beverage manufacturing companies in Kenya.

LITERATURE REVIEW

Concept of Organizational Performance

Organizational Performance refers to how well an organization achieves its objectives (Ali, Namusonge & Sakwa, 2016). Overall organizational performance can be divided into three parts: financial performance, product performance, and operational performance (Das & Buddress, 2017). The organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives. Different researchers have proposed different variables as being the fundamental variables that ensure good buyer-supplier relationships (Njeri & Were, 2017). Performance, a quality of any company, is achieved by valuable outcomes such as higher returns, level of competitiveness and brand presence. It can also be measured by the levels of operational efficiency and this can be analyzed by a variety of methods, such as the parametric (stochastic frontier analysis) and non-parametric (data envelopment analysis) (Cheptora et al., 2018).

According to Osoro and Shale (2019), some of the key indicators of operational performance are production efficiency, waste reduction, improved quality of goods, decreased production defects, reduced customer complaints, reduced worker injury, improved production accuracy, decreased production cost, improved level of product completeness, reduced cycle time, improved workflow and compliance with environmental and industry regulations and requirements. Solomon and Ayebale (2017) claim that performance in all the areas of an organization in one way or another other can be affected by the kind of supplier relationship management strategies adopted by a firm. Bearing in mind that the competitive advantage in most manufacturing industries is based upon its network of suppliers, it behoves the companies to have an influence over their suppliers in ways that touch on degree and intensity. To explain this further, almost all the time, the competitive ability and performance of manufacturing firms are grounded upon the supply base thus the only way out is designing, set up and management of the entire network of suppliers (A Raz & Ozkarahan, 2017).

Scholars continue to ventilate on various factors that inform performance in diverse organizations. Odero and Shitseswa (2017) for instance focus on examining the role organizational structure plays in the performance of large firms in the manufacturing sector in Kenya. Their study uses the cross-sectional survey of large manufacturing firms to show that non-financial measures such as customer satisfaction, internal firm processes and firm image influence the performance of large manufacturing firms. On the other hand, Das and Buddress (2017) contend that strategic innovation has the potential to impact positively the performance of public universities in Kenya. The influence of human capital on organizational performance has also been investigated. Njeri and Were (2017) focused on analyzing the effect of investment in human capital on organizational performance from a pharmaceutical perspective. Using the inferential tests of association, the study revealed that organizational performance was associated with an investment in quality, relevance, and reliability in human capital. Odero and Shitseswa (2017) while focusing on the internal organizational environment in the context of community-based organizations specializing in HIV and AIDS, established that the organization's internal environment tends to impact on relevance, efficiency and effectiveness of organizations. Before selecting suppliers, various methods can be used to evaluate their performance, the most common being the compilation of supplier profiles. This involves the identification of Key Performance Indicators (KPIs) such as service level, quality of products, delivery reliability and price competitiveness. These are then weighted or prioritized to signify their overall importance to the firm. The supplier's rating on a standard scale over the identified KPI is then conducted and its weighted score is summed to arrive at the total supplier evaluation score (Das & Buddress, 2017).

Concept of Supplier selection

Supplier selection is the process in which suppliers are inspected, evaluated and selected to eventually become part of the supply chain of an organization (Rajesh & Ravi, 2015). Supplier selection is mostly seen as the most vital role in organizational performance since the organization's suppliers can affect the price, quality, delivery reliability and availability of its products (Das & Buddress, 2017). Organizations feel that proper supplier selection would assist reduce product and material costs whilst ensuring a high degree of quality and after-sales service. The implication here is that an efficient appraisal should be in place for successful supply chain management. The selection and evaluation of suppliers is an area which has attracted the

attention of many studies, and there are several approaches to support decision-making on this issue (Cheptora et al., 2018). One of the most important aspects of companies' success is the relationship between companies and their suppliers. Consequently, the way that a supplier is selected is crucial to the outcome of the business. Cheptora et al. 2018) observed that the supplier selection problem is a multi-criteria decision-making problem in the presence of various criteria and sub-criteria be they quantitative or qualitative.

Due to this characteristic, there arises the need to use more robust tools for decision support. Therefore, it is important to note that cost and quality dominate more in the supplier selection process. Suppliers have to be selected carefully, as they can have a very positive or a very adverse impact on the overall organizational performance of manufacturing firms (Akudo, 2016). It has been reported that the majority of quality problems of an organization are due to defective material and carefully selected, competitive suppliers can go a long way in minimizing adverse impacts and enhancing positive impacts on the quality of output of an organization. Selection of the right suppliers is one of the critical strategies for enhancing the quality of output of any organization, which has a direct influence on the company's reputation since they can have a very positive or a very adverse impact on the overall performance of the organization (Das & Buddress, 2017). Akudo (2016), asserts that, in the current context of globalization, companies are increasing the focus on their core business and outsourcing non-core activities.

This behavior increases the importance of the process of selecting suppliers. While small firms select partners based on criteria which determine the lowest costs, large companies must select their suppliers more carefully, by considering different criteria that seek a long-term relationship with their suppliers. In a supply chain, a collaboration between the company and the supplier is the most important connection of the distribution channel. The global competitive environment makes organizations highly dependent on the success of the supplier selection process. The lack of coordination or error in this process may lead to an excessive delay or poor customer service. In this sense, as it has a direct influence on reducing the costs, profitability and flexibility of a business, decisions taken by the purchasing department significantly affect the efficiency and effectiveness of the business (Alatas, Banerjee, Chandrasekhar, Hanna & Olken, 2016). Supplier selection is vital for a company operating in a competitive environment. Supplier selection is a strategic decision. Because of the strategic importance, the risk and the uncertainty it involves, it requires the participation of decision-makers from marketing, finance and from other

departments such as production. With this aspect, it is a group decision-making process (Das & Buddress, 2017).

Supplier selection utilizes both quantitative and qualitative criteria. Some of these measures may include uncertainty and sometimes they may be conflicting. While some of the criteria can be measured numerically, some of them can be expressed verbally as they may involve uncertainty. (Alatas et al., 2016) Pointed out that supplier selection is often a complex process as this process is under the influence of several unforeseen factors and uncontrollable factors which affect the decisions to be taken. Supplier selection is a Multiple Attribute Decision Making (MADM) problem that are affected by several quantitative and qualitative factors, some of which may conflict. The decision-making preferences are always expressed on alternatives or on the attributes of suppliers that can be used to help rank the suppliers. Generally, the input information, DMs' judgments, is often uncertain and cannot be estimated by an exact mathematical value. Thus, the supplier selection problem has many uncertainties and becomes more difficult. To overcome this drawback, Alatas et al. (2016) proposed a new grey-based approach to deal with the problem of selecting suppliers in an uncertain environment (Das & Buddress, 2017).

Masinde and Osoro (2019) point out that supplier selection is one of the most important decision-making problems since selecting the right suppliers significantly reduces purchasing costs and improves corporate competitiveness. However, the supplier selection decision-making problem involves trade-offs among multiple criteria that involve both quantitative and qualitative factors, which may also be conflicting. In other words, buyer-supplier relationships based on only the price factor have not been appropriate in supply chain management recently. Considerations have been given also to the other important strategic and operational factors such as quality, delivery and flexibility. Supplier selection decisions must include strategic and operational factors as well as tangible and intangible factors in the analysis. Das and Buddress (2017) explained that an ideal supplier is defined by the procuring enterprise which fixes the ideal scores (e.g. the best-performing suppliers in the market of every relevant criterion. They also agree that the best suppliers should be selected on the main criteria of price, quantity, quality, logistics and service. By relevant logistics literature, these criteria are of great importance for supplier selection.

The price i.e. the offer price including discounts and payment terms. Quantity refers to the ability of a supplier to deliver small amounts as well as large amounts of the goods, while quality focuses on the product attributes, e.g. failure rate and durability. Logistics summarizes all delivery performances and service includes additional items such as after-sales service (Masinde & Osoro, 2019). Tobias (2017) observed that the opinion of suppliers offering a fair price provides the benefit of cost reduction to the manufacturing firms, while also providing themselves with a fair profit. A mutually beneficial price allows suppliers to remain profitable and continue business hence there will be continuous supply. Firms that earn extremely low-profit margins relative to their competitors are likely to either cut corners on quality or exit the relationship by buying cheaper materials. According to Drumwright (2016), firms and suppliers share pricing information, whereby the elements of both company's profit margins are revealed, so that both can reap benefits.

Theoretical framework

Grey system, originally developed by Deng (1982) based on grey sets, is an important methodology for solving problems which involve uncertainties and aims at handling systems with unknown or incomplete information. Here, on the grounds of grey relations "grey" means poor, incomplete or uncertain information. Thus, the systems which lack information are referred to as Grey Systems (Deng, 1989). A grey system is a system which contains both known and uncertain unknowns (Zheng & Lewis, 1993). According to the theory, the information is classified into three categories. This classification depends on the degree of information obtained. It is said to be white when it is completely certain; black when it is unknown and grey when it is insufficient (Yang et al., 2014). According to in grey method, the buyer calculates a grey possibility degree between compared suppliers' alternatives set and the ideal referential supplier alternative to determine the ranking order of all alternatives of supplier and to select the ideal supplier based on grey numbers. The drawback of the method is that the negative ideal referential alternative is not considered to evaluate and rank the alternatives (Deng, 1989).

Sometimes, the selected solution (candidate supplier) which has the minimum grey possibility degree from the ideal solution may also have a lower grey possibility degree from the negative ideal solution as compared to other alternatives. In manufacturing industries, the raw materials and parts can equal up to 70% of the product cost. In such circumstances, the purchasing department can play a key role in cost reduction, and supplier selection is one of the most

important functions of purchasing management. When relatively few parts are procured externally, the total demand can be provided by only one supplier (Sternberg & Lubart, 1991). Such a sole sourcing scenario appears to be tenable, especially in the last decade, which has seen an important shift in the sourcing strategy of many firms, moving from the old concept of having many suppliers to relying largely on one supplier with which a long term win–win partnership is established. In this situation, the decision consists of selecting one supplier for one order to meet the total buyer's demand (Deng, 1989). Supplier selection is a multiple-attribute decision-making problem since it involves various criteria to be considered. Besides, it includes both quantitative and qualitative criteria which some of which may include uncertainty and sometimes they may be conflicting.

In resolving such decision-making problems, there are many relevant methods. The grey theory is a new and different approach which handles the uncertainty of a system. And supplier selection problem which sometimes involves uncertainty can be seen as a grey system. The importance of the attributes and the ratings of attributes can be expressed in grey numbers which give the flexibility to express decisions more easily (Sternberg & Lubart, 1991). Grey theory model is suitable for decision-making under more uncertain environments. Grey theory provides a viewpoint on the attribute values in a rough set decision table under the condition that all alternatives are described by linguistic variables that can be expressed in grey numbers (Deng, 1989). The most suitable supplier can be determined by grey relational analysis based on grey number.

The grey theory is a new and different approach which handles the uncertainty of a system. Supplier evaluation problem sometimes involves uncertainty and it can be equated as a grey system. The importance of the attributes and the ratings of attributes can be expressed in grey numbers which give the flexibility to express decisions more easily. The theory of the Grey System considers the following factors in deciding on the best supplier; the existence of key factors important to the buyer, the numbers of factors that are limited and countable and can be directly attributed to potential suppliers, in the dependability of factors and factor expandability. In a supplier selection environment, this theory can be applied in the evaluation of critical performance areas by the procuring entities. This theory is important to the study since the criteria of evaluating the performance of the supplier is very critical because if the performance of the supplier is good then such suppliers are chosen. This theory gives criteria that can be used

in the evaluation. Grey theory is considered relevant in understanding the effect of supplier selection on the organizational performance of manufacturing firms in Kenya and hence provides the theoretical background for this study.

Conceptual Framework

The objective of the study is to establish the influence of supplier selection on the organizational performance of food and beverage manufacturing companies in Kenya. The conceptual framework for this study was based on the independent variable: supplier selection which influences the dependent variable organization performance and Figure 1 shows this relationship.

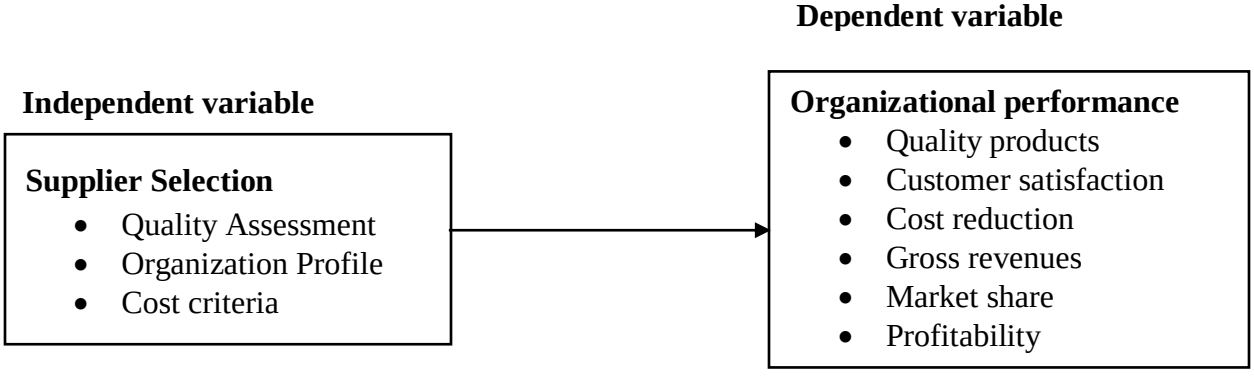

Figure 1. Conceptual Framework

RESEARCH METHODOLOGY

The researcher used a descriptive survey research design. The target population was 651 respondents from whom a sample size of 248 respondents comprising 65 procurement managers and 183 procurement employees from 217 food and beverage manufacturing companies registered with KAM as at 2017. The study employed simple random sampling technique using Yamane's (1967) formula;

$$n = \frac{N}{1 + N(e)^2}$$

The study employed a questionnaire to collect primary data from the respondents. After all data has been collected, the researcher conducted data cleaning, which involved identification of incomplete or inaccurate responses and corrected them to improve the quality of the responses. The data was coded and entered in the computer for analysis using the Statistical Package for

Social Sciences (SPSS V23). The research yielded quantitative data. Quantitative techniques such as descriptive statistics and inferential statistics were used to understand relationships between different variables. The main descriptive statistical analyses that were used include mean, percentages, standard deviation and frequencies to cater for the Likert scale that has been used in the study. Inferential statistics was used to analyze the relationship between variables using linear regression analysis.

Linear regression model assumed the following form:

$Y=\beta_o+\beta_1X_1+ \varepsilon$……Equation 3.1

Y is Organizational performance.

β_o, β_1 -coefficients of organizational performance.

X_1 – Supplier selection

ε –Error Term

FINDINGS AND DISCUSSIONS

The regressions results were presented in summary tables as shown in Table 1, Table 2 and table 3.

Table 1: Model Summary on Supplier selection and organization performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.700[a]	.490	.487	.28630

Table 1 shows a linear regression model was used to explore the relationship between supplier selection and organization performance. From the model, (R^2 = .490) shows that supplier selection accounts for 49% variation in organization performance.

Table 2: Analysis of Variance on Supplier selection and organization performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.198	1	16.198	197.62	.000[b]
	Residual	16.885	206	.082		
	Total	33.083	207			

The regression model with supplier selection as a predictor was significant (F=197.62, p =0.000) as shown in (Table 2). This shows that there is a significant influence of supplier selection on organization performance.

Table 3: Supplier selection and organization performance Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.140	.153		13.990	.000
	Supplier selection	.520	.037	.700	14.058	.000

Table 3 shows the estimates of β-value and gives contribution of the predictor to the model. From the findings the t-test associated with β-values was significant and supplier selection as the predictor made a significant contribution to the model. The β-value for supplier selection had a positive coefficient, depicting positive relationship with organization performance as summarized in the model as:

$Y = 2.461+0.440x + \varepsilon$ …… Equation 1

Where: Y = Organization performance, X = Supplier selection, ε = error term

The study findings depicted that there was a positive significant influence of supplier selection on organization performance ($\beta1=0.520$ and $p<0.05$). Supplier selection had a significant influence on organization performance. Therefore, an increase in supplier selection led to a rise in the performance of food and beverage manufacturing companies. The null hypothesis (HO1) was rejected.

The results indicated that there was a significant relationship between supplier selection and organizational performance. This is in line with the findings of Dametew et al. (2018) who observed that Supplier selection and improving supplier performance using the quality and production capacity criteria can lead to the resultant reduction in supplier quality problems and eliminate wasteful steps in a firm's processes. At the same time, it helps improve understanding of supplier performance and supplier's business policies and processes and thus assists the buyer help suppliers to drive waste and inefficiency out of procurement. This results in higher-quality

suppliers and lower costs which in turn improves the profitability of the buyer. The implication here is that an efficient appraisal should be in place for successful procurement.

This is in line with the findings of Tobias (2017) that the selection of appropriate suppliers is one of the fundamental strategies for enhancing the quality of output of any organization, which has a direct influence on the company's reputation since they can have a very positive or a very adverse impact on the overall performance of the organization. The study findings agree with Cooper (2016) who noted that supplier selection criteria ensure compatibility between buyer and supplier in terms of shared business ethics, standards of excellence, and commitment to continuous improvement which are important in the performance of suppliers. Organizations, therefore, select the best criteria for selecting suppliers by quantifying the abilities of the supplier. The buying institution evaluates to stimulate the behavior of the supplier. Selection criteria support the organization to realize its interest about purchasing.

CONCLUSION

The study concluded that there was a significant relationship between organizational performance and supplier selection. Supplier selection had a significant effect on organizational performance. Supplier selection criteria and supplier involvement are used by the manufacturer's firm for the development of suppliers. Manufacturing firms use of supplier selection criteria as an important part of their supplier selection process. Supplier selection enables organizations to remove hidden waste and cost drivers in the supply chain. Through supplier, selection organizations can set a threshold for their suppliers that can lead to higher-quality results.

RECOMMENDATIONS

The government through its agents should enhance the policy framework to guide supplier selection practices in a supply chain. The manufacturing firms should target the training on the selection committees on how best to select the suppliers. The study also recommends a replication of this study using different variables from the one utilized in this study.

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