EFFECTS OF STRATEGIC SOURCING ON ORGANIZATION PERFORMANCE:

A CASE STUDY OF ADMINISTRATION POLICE TRAINING COLLEGE
QUATERMASTER STORES EMBAKASI

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FUFILMENT FOR THE REQUIREMENT OF AWARD FOR BACHELORS DEGREE IN MANAGEMENT AND LEADERSHIP OF MANAGEMENT AND LEADERSHIP UNIVERSITY OF AFRICA

OCTOBER 2017
DECLARATION

This research project is my original work and has not been presented in any other university.

Signature …………………… Date …………………

JOAKIM MATHU

ADMN. No. BML 10/00322/1/2015

This research project has been submitted for examination with my approval as the university supervisor.

Signature …………………… Date………………

DR. E. AWOUR

MANAGEMENT UNIVERSITY OF AFRICA
DEDICATION

I wish to dedicate this work to almighty Father for his gift, strength health and knowledge to complete this project and I also dedicate it to my lovely wife and my children who have been tirelessly sacrificing a lot for me support, patience and all that they had to put up with during the course of this program. I also dedicate this to my supervisor for his continued encouragement and support all through my studies. Finally, I wish to register my great appreciation and gratitude to all others who made contributions in one way or another and whose names are not mentioned here.
ACKNOWLEDGEMENT

I pass my appreciation and gratitude to our Almighty Father for He has enabled us reach this moment of time His favor throughout the duration of my undergraduate program and for giving me the strength to complete it. I wish to place on record, my sincere gratitude to my supervisor, Dr. E. Awour, whose professional guidance, stimulating suggestions and encouragement made this research project a success.

I owe a horde of gratitude to the Management University of Africa MUA (South C Campus) lecturers and the board of management for their efforts to catapult me to the standards my career. Special thanks go to colleagues and friends for their special dialogue, advice, critics and encouragement.
ABSTRACT

The motivation behind this study was to investigate the effect of strategic sourcing on organizational Performance. The connection between different factors of the investigation is shown utilizing the guide of a reasonable structure. To accomplish the goal of the investigation, a very much organized poll was utilized to gather the information from essential sources, enlightening insights was utilized to break down the information and comprises of charts where the target population comprises 33 respondents. This study used a case study research design involving quantitative methods. Purposive examining strategy was utilized to choose the chiefs while straightforward irregular was utilized to choose the rest of respondents. Quantitative data was analyzed using descriptive statistics (frequencies and percentages). The findings revealed that strategic sourcing at Administration Police Service positively contributed to cost efficiency. The study established that outsourcing at APS somehow positively contributed to improved productivity. It was established that strategic sourcing at positively contributed to profitability. It is concluded that outsourcing positively affects Performance APS. It is recommended that strategic sourcing at should be improved in order to improve on cost efficiency. Strategic sourcing should be improved in order to improve productivity. Strategic sourcing at APS should be improved in order to improve profitability.
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QUESTIONNAIRE
CHAPTER ONE: Introduction

This study was about strategic sourcing, as the independent variable and its effects on outsourced services and organizational performance in Administration Police Service, as the dependent variables. In Chapter one we will present the background to the study, a statement of the problem, general objective of the research, specific objectives, research questions(hypotheses), the scope and significance of the study. The specific objectives were to: Establishing the effect of strategic sourcing on cost efficiency, establishing the effect of strategic sourcing on productivity, establishing the effect of strategic sourcing on profitability in, effect of strategic sourcing on quality, effect of strategic sourcing on lead time in Administration Police Service. We used a descriptive contextual analysis outline and measurable investigation was completed utilizing SPSS.

1.1 Background Information

Over the most recent 20 years, organizations have thought of approaches to both solidify and make objective their provider base. More often than not, these legitimization programs have thought of a solitary sourcing system for generally merchandise. This technique has engaged associations to build more grounded and more shared associations that pass on an extent of points of interest; upgraded managing vitality to cost lessening, enhanced provider reactivity, enhanced arrangement synchronization and trade of data lastly, there is a diminished push to screen provider execution and administer connections.

The current global business field is becoming increasingly competitive firms and companies have made competitiveness a major focus area. (IMD, 2006; WEF, 2007; Pillania, 2007). Organizations all around the globe confront morgen weight than any time in recent memory to stay dynamic and receptive in all their engaged unsettled areas. Various associations have now
watched the need to upgrade the regular procurement ability to exhibit day key sourcing to incorporate an impetus over the production network. Sourcing costs represent 40 to 80 percent of the cumulative cost of products sold, and 30 to 50 percent of incomes. This proportion has stayed consistent in about all ventures throughout the years.

Organizations that exceed expectations in vital sourcing save around 10 to 20 fold the amount of as it expenses to run their sourcing forms. The exertion required to decrease 10 percent of the sourcing cost is considerably less than increasing comparable measure of income (Chopra &Meindl, 2003).

Vital sourcing is researching the market for potential input sources, ensuring the continuity of these sources, looking for different sources and ensuring that all the relevant information is updated. (Vollman, Berry, and Whybark, 2004). Basically, the objective of all companies is sustainable and competitive selling of goods and/or services. Input is needed in order to produce these goods and services. This input can be tangible, like raw materials or personnel, or intangible, like skills or information. They all originate from certain source and this is where sourcing activities come into place. On the off chance that sourcing expenses can be diminished, this can enhance rates of return by expanding both net revenues and resource turnover rate (Dobler& Burt,1996; Leenders&Fearon, 1997).

More than two decades, the acquiring limit has changed from expecting a supporting part to transforming into a key development, and now makes an enormous sense of duty regarding the high ground of an affiliation (Quayle, 2002; Carr&Smeltzer, 1997). Vital sourcing includes a wide scope of exercises, for example, thinking of a general sourcing system, examining and picking providers, getting merchandise/benefits and overseeing provider connections (Anderson
Since economic environment is very turbulent and the need for organization to be competitive in the global market place cannot be over stated, firms are under intense pressure from consumers for strategic sourcing that meet high service level requirement. The public procurement system in Kenya has changed and an orderly, legally regulated system governed by the PPDA 2005 has come up. In central it was govern by treasury circulars from 1969 then the supplies manual of 1978 before the public procurement regulation 2001, Juma 2009. All these reforms initiatives were geared towards improving the public procurement systems with the aim to enhance accountability and transparency and achieving value for money.

Descriptive study configuration was utilized as a part of directing this investigation. The target population of the study was the staff of APS, QM. They used a sample size of 33 members of staff, including the highest administration, center level administration, first line administration and low level administration, all chose from over the distinctive divisions. They utilized polls as their information gathering device.

Information was dissected utilizing SPSS. To test the legitimacy of the examination instruments, the analyst counseled a specialist for their sentiment and reliability was done to a couple of workers who did not participate in the last investigation. The gathered information was translated and talked about. These discoveries were spoken to utilizing recurrence circulation tables and diagrams to unmistakably demonstrate the gathered reactions.

1.2 Statement of the problem

Procurement in administration police is clearly spelled out in Public Procurement and Disposal Act. The procedure and emphasis is meant to ensure that there is fairness in the distribution of tenders besides giving the AP service to get the best out of the contractors or bidding companies.
There have been cases of corrupt practices that affect the quality of strategic sourcing procured by public organization. However, it is not clear whether public sector adherence to the laid out procedures affect the quality of strategic sourcing by such institutions. Therefore the study seeks to find out effects of strategic sourcing on organization performance.

The challenge of demand for quality service and upcoming competitions for most of the organizations has realized the need for quality service delivery and efficiency. Strategic sourcing plays a key role in ensuring that this is achieved, therefore there is a need for firms to ensure that they don’t only source but source strategically. According to (Presutti, 2003; Lo & Yueng, 2004; Tayles and Drury, 2001) 70 for every penny of an association's arrangements earnings or total gathering costs is spent on gaining rough materials, sections, finished items or organizations along these lines if sourcing costs can be lessened, this can upgrade degrees of benefit by growing both net incomes and asset turnover rate. Studies relating to strategic sourcing have been done but a few deals with impact on organizational performance. A study done by Odhiambo (2013) on strategic sourcing practices and factors influencing strategic sourcing practices of manufacturing multinational corporations in Kenya, he found that the most outstanding strategic sourcing practice were strategic purchasing, internal integration, and information sharing. Nyagariet.al.,(2014) have looked at the relationship between strategic sourcing and the triple bottom line in commercial banks in Kenya. (Chiang, Hillmer, & Suresh, 2012), has conducted a study on the effect of strategic sourcing and flexibility on a firm's supply chain swiftness, which the study found out that strategic supplier partnership, supplier evaluation, sourcing flexibility and confide in store network individuals are the key measurements of vital sourcing.
With all this studies it implies that little research have been conducted on its impact on organizational performance itself. With these knowledge gaps this study therefore tends to investigate the influence of strategic sourcing on organizational performance specifically looking at Administration police service.

1.3 General objective
The general objective of this study is to examine the effect of strategic sourcing on organization performance. A case study was conducted on Administration Police Service Kenya.

1.3.1 Specific objectives

i. Establishing effect of cost efficiency on performance of Administration Police Service.


iii. Establishing effect of profitability on performance of Administration Police Service.

iv. Establishing effect of the lead time on performance of administration police service.

1.4 Research questions
The research questions were

i. What is the effect of cost efficiency on performance of Administration Police Service?

ii. What is the effect of sourcing in quality on performance of Administration Police Service?

iii. What is the effect of lead time on performance of administration police service?

iv. What is the effect of profitability on performance of Administration Police Service?
1.5 Significance of the study

1.5.1 To research

The researcher is certain that this examination will outline a preface of which future research can be created, for the most part with practices of open elements concerning vital sourcing and furthermore it will enable APS to perceive sourcing deliberately can be of worthwhile to associations regarding absolute cost diminishment, thus affecting on authoritative execution by and large, in conclusion this investigation will very add to the pool of information in the field of key sourcing out in the open elements when all is said in done.

1.5.2 To organizations

Strategic sourcing is an important aspects in today’s firm, for organizations to achieve competitive advantage, most of institutional expenses is spend on obtaining of crude material, completed merchandise and even administrations, with this vital viewpoint the analyst is sure that the discoveries of this examination will be of an important help to procurement professionals in all sectors especially public entity where the public is the watchdog for the expenditure, this study will enlighten various procurement managers in understanding how sourcing if properly done can immensely cut down on organizational cost, hence improving the overall organizational performance.

1.5.3 To Government

The Government may use the research findings for purposes of policy formulation. The researcher is also positive that this study will form a basis of which future research can be developed, mostly with practices of public entities with respect to strategic sourcing and also it will help Kenya Power recognize sourcing strategically can be of advantageous to organizations
in terms of total cost reduction, hence impacting on organizational performance in general, lastly this examination will profoundly add to the pool of learning in the field of key sourcing out in the open elements when all is said in done.

1.6 Scope

The study was confined to the administration police service QMS at APTC Embakasi in Nairobi county. The target population was 33 working staffs at the administration police service procurement department. The study evaluated the effects of strategic sourcing on organizational performance. Only the departmental heads that were involved in the shared the tendering committee and therefore were given questionnaires.

1.7 Chapter summary

Strategic sourcing, has well demonstrated furthermore, many organizations have possessed the capacity to pick up an aggressive edge by expanding their abilities of production network. The fulfillment of cost sparing has been additionally enhanced by another super pattern in store network and the utilization of minimal effort open sourcing.
CHAPTER TWO

LITERATURE REVIEW: INTRODUCTION

This chapter presents the literature review. It is divided into segments as indicated by the destinations of the examination. The principal segment surveys writing about the impact of vital sourcing on cost productivity while the second segment audits writing about the impact of sourcing on esteem expansion. The third segment surveys writing about the impact of sourcing on benefit and organization performance, and finally the effects of strategic sourcing on lead time and organization performance.

2.1 Theoretical literature review

2.1.1 Institutional theory

This is a theory on the underlying and more irrepressible aspects of structure on the social sense. It tables into account the procedures by which structures including standards, policies, routines and schemes are built up as legitimate rules for social conduct. In this study, it explains how a businesses environment through regulations, normal and subjective components regulates and approves methodologies (Scott, 1995). Although the institutional theory and “neo-institutional” theory (e.g. March and Olsen, 1984) have distinctive perspectives on whether definitive modification is acknowledged by aware decision methods made to consent to the affiliation's condition (the last attributes more centrality to such decisions), both gauge that institutional weights may influence the relationship to grasp sourcing courses of action that hold quick to its condition. Diverse institutional weights may influence relationship to source unmistakably which may have financial outcomes and may provoke moral dilemmas. Notwithstanding, it is essential for firms to adhere to the scope of legal sourcing strategies on the grounds that a legitimate firm
gets assets of higher quality at more good terms than an unlawful firm. On the other hand, if firms are too similar deliberately, their execution may fall apart. Therefore, it could be stated that select sourcing strategies that help legitimize them, but do not lead to isomorphism.

Observing changes in government strategies and laws such as the trade accords between states or tax laws, or the legislation supporting low salary organizations as they are relatable to the sourcing choices and may prompt a firm being a pioneer of sourcing developments.

We should however note that outsourcing may incur some serious short and long term effects such as increased expenditure and lowered performance, and the loss of crucial skills and knowledge and therefore managers should be keen to make these sourcing decisions by placing them against their strategic merit. (Gimeno and Woo, 1996 Deephouse, 1999 ,Scott, 1995, DiMaggio and Powell, 1983, Rosetti and Choi, 2005, Jennings, 2002)

2.1.3 Agency theory

The agency theory is a notion that clarifies the connection between the principals and operators in a business.

From this perspective, the principal is the firm’s strategic sourcing function while the agent is represented by the supplier. It keeps up that the settle on against the purchase choice is to be decided by the economic relationship between the cost of producing goods and the cost of transacting. Where production costs fall below transaction costs, the business should come up with and run the process internally and vice versa. By transaction costs we are referring to the actual sourcing costs and what's more additional checking and control costs that are normal by the chief. Observing costs allude to any expenses brought about by the primary to guarantee that the specialist's practices and exercises that may make misfortunes for the central, and
furthermore guarantees that the key meets the simple terms and states of the sourcing contract. Control expenses are the binding costs that the principal assumes to enforce the terms of the sourcing contract upon term violation. (Eisenhardt, 1989; Jensen and Meckling, 1976). Agency theory statutes recommend that lower exchange costs are pushing firms far from sourcing inside and toward buying or partnership key sourcing connections. Certain fundamental forces are accepted to drive the advancement towards more progressive and more grounded sourcing securities among principals and authorities. Additionally, the extended use of key sourcing as a fundamental contraption has given more firms extended association in enhancing effective watching and control systems to manage master hones. On account of the advancement of the information reachable by sourcing principals, more masters and an extended contention among administrators, pros expect more perils if they partake in rehearses that adventure the principals. (Logan, 2000, Zsidisinet...al, 2004)

2.1.4 Network theory

The network theory studies the complex interactions of systems of systems that can be represented graphically with extra structures. It focuses on the interactions between firms and how these interactions affect the firm’s behaviours and results. It however, does point out the choices to trade with or ally themselves with as partners.

Centrality is how essential a firm is within the network. A firm with a higher centrality is very attractive as an accomplice. Being in the center inside a system offers four prime worries inside supply chains: speed, quality, cost, and adaptability. A very focal firm can exploit it's associations with surge orders when the need emerges, distinguish the supplier offering the most elevated quality materials at the least cost and make cover advances up time. Therefore, as far as
sourcing is concerned, a firm should work hard to be key to its network and should seek sources that are central to their networks. (Gulati et...al, 2000, Thorelli, 1986, Hult et...al, 2006)

2.2 Empirical literature review

2.2.1 Cost efficiency and organizational performance

Organizations ought to consider sourcing when it is trusted that different help capacities can be done speedier, less expensive, or better by an outside association (Barthelemy&Adsit, 2003). Those functions that are not key to the organization should be considered as options to contract out. However, any skill or knowledge that are vital to the organization to serve its customers better, directly related to the product or service it is trying to sell out, is one that must remain in-house. Cost efficiency is as yet the essential clarification for the advancement of sourcing. Firms assess sourcing to decide whether current operation expenses can be diminished and if spared assets can be reinvested in forms that are more aggressive. A few scientists battle that an imperative wellspring of cost diminishments is the sourcing company's entrance to economies of scale and the interesting ability that a vast sourcing merchant can convey., all of which in turn will serve to boost the Organizational performance (Bin, 2004).

2.2.2 Organizational performance and the quality of goods and services rendered.

As opposed to the above authors, it has established that successful undertaking of strategic sourcing procedure has been attributed with expanding the limit, enhance the limit, and enhance the quality (Lau and Hurley 1997; Kotabe, Murray and Javalugi 1998). According to D'Aveni and Ravenscraft (1994), all business substances have reducing assets, and each administrator has decreasing time and consideration. Key sourcing can make your business occupy its concentration from remote exercises toward work that better serves the client, and it can help
managers set their priorities more clearly. According to Elmuti (2003), staff costs were the essential explanation for vital sourcing; be that as it may, it likewise enhances the working productivity.

### 2.2.3 Effect of strategic sourcing on lead time and organization performance

A principal thing to ask is whether vital sourcing improves quality and, particularly, paying little respect to whether the firm that grasps sourcing shows higher efficiency in this way. Fundamentally this request renders down to the trades cost question routinely posed: should an affiliation create its own specific commitments by some kind of vertical merger or would it be a smart thought for it to endeavor to get maybe more forcefully esteemed commitments on the open market? To the best of a couple of experts' data, there are only an astoundingly set number of more careful quantifiable or econometric examinations looking issue. The verification that has been made in such papers, regardless, recommends that the regard updating join among sourcing and profitability isn't unmistakably settled. Specifically, Kimura (2002) did not find any evidence that sourcing led to higher profits in Japanese manufacturing firms.

Separating between sourcing of administrations and non-administrations inputs, Görzigand Stephan (2002) discovered that sourcing of materials is decidedly associated with benefits, while there is a negative connection amongst gainfulness and sourced administrations for a specimen of German assembling firms. The confirmation that has been delivered in such papers, nonetheless, recommends that the esteem improving connection amongst sourcing and productivity isn't unmistakably settled. Specifically, Kimura (2002) does not find any evidence that subcontracting leads to higher profits in Japanese manufacturing firms.
2.2.4 Profitability margin and organization performance

Lau and Hurley (1997) found a notable connection amongst sourcing and benefit edge where they found that Chrysler’s profit margin is four times as high as that of General Motors (GM) as a result of effective sourcing through strategic alliances. In an examination of the Japanese machinery manufacturing industry, Kimura (2002) discovered that inadequately performing firms (low surplus to deals and low esteem added to deals) will probably utilize subcontractors. He reasons that benefits are most astounding for those organizations that don't included themselves with any subcontractors, be they providers or outsourcer.

Both of these results align with those for Germany by Görzigand (2002). Holger, G. & Aoife, H. (2004) who practically analyzed the relationship between sourcing and profitability at the plant level, utilizing information for the electronics sector in the Republic of Ireland. Their outcomes proposed that the benefit/sourcing relationship is reliant on the qualities of the plant, especially its size. They found that plants that were extensively bigger than the mean work estimate profited from sourcing materials inputs, while for littler plants this was not the situation.

Inside this reasonable examination they were not able clarify this size drawback, in spite of the fact that there was theory based of the theoretical work by Grossman and Helpman (2002) this demonstrated higher exchange costs for little plants. Especially they may experience bring down bartering power concerning providers and additionally higher expenses in finding adequate providers. The advantages from administrations sourcing are less obvious, be that as it may. As we decipher these outcomes we have to recall that their observational philosophy recommended that they were basically breaking down short run impacts. Because of the moderately brief time of information secured, they were not able analyze the long run impacts of sourcing on benefit.
Persuaded by the advantages to sourcing asserted by a few specialists and the relating absence of any immediate confirmation with regards to reality behind these cases, this examination plans to build up in the case of sourcing genuinely does benefit.

2.3 Summary and research gaps

Starting up any strategic sourcing decision making process demands much effort, hence Douglas and Scott (2005) declare that some fundamental considerations should be adhered to. They propose that the organization should set their strategic direction, highlight their core competence and determine its strategic objectives, produce a list of suppliers/vendors to consider and constitute a team for the strategic sourcing and governance process. It is worth emphasizing that the organization should consider the choice of partner – they should focus on partnering with the right vendors, institute an efficient governance system that foster’s good relationship, and also handle employees’ dealings with caution. Above all, the senior management must set the overall direction. Strategic sourcing decisions, according to Justin et al (2006) should really be a strategy-driven process.

First and foremost is to have a clear definition of the strategic objectives and target variables that can be used to evaluate the success of the strategic decision; this is the most vital for the success of sourcing move.

Second is to define a suitable sourcing model with a clear definition of objectives and variables that will help figure out the business gains and set goals. Validation of the sourcing model should include some stakeholders, who are involved in the strategic sourcing projects within the organization. This will strengthen the benefits and risks of the sourcing decision and may consider benchmarking data for similar businesses. The next step would be to define
requirements and partner selection criteria. This involves a clear definition of the requirements and specifications of parameters for the vendor selection criteria. Finally is to select the right vendor based on the selection criteria then followed by the initiation of negotiations procedure.

Quinn and Hilmer (1994) maintain that the idea of strategic sourcing hinges on the strategic end of the make-or-buy decision. They stress that the strategic sourcing decision should be grounded upon the strategic objectives and goals of an organization and the fundamental view of the aim of that organization.

Barney (1991) backs the ‘resource based view’ where a company’s competitiveness advantage rests on their resource portfolio. Others, view sourcing decision from the strategic perspective and which rest on a clear focus on core competences (Prahalad et al., 1990). Thus, to successfully source business functions, top management needs to clearly state the basic indicators for such an action and which will enable them evaluate the strategic objectives related with the strategic sourcing activity.

### 2.4 Conceptual framework

- Conceptual framework is a set of wide thoughts and speculations that empowers the analyst to recognize issues in the examination, outline addresses and talk about the pertinent writing for the investigation (Stratman & Roth, 2004). The independent variables of the study are cost efficiency, quality of goods and services, lead time, profitability margin while the dependent variable is organizational performance.
2.5 Operationalization of variables

Profitability

Quality of goods and services

Lead time

Cost efficiency

Organizational Performance
Return on investment
Supplier responsiveness
Benchmarking
Performance indicators
Achievement of set goals


2.5.1 Quality of goods and services

Quality is characterized as the gathering of highlights and qualities of an item that rides on the capacity to delight expressed or inferred needs in the ISO (1995) as cited in Lysons (2006), Crosby (1980, cited in Lysons, 2006, P 266) characterizes quality as the adjustment to necessities not goodness. The performance and success of an organization is highly dependent on quality.

2.5.2 Profitability

Controlling the quality benefits benefit and development. The nature of merchandise and ventures controls the capability of a business substance through developing deals, holding clients and making the business feasible. (Barker, 2006) The goods produced by a business advance over time and it is important to form bonds with providers that can without much of a stretch adjust to Applying quality administration hones with vital ramifications, for example, add up to quality administration, process change, zero imperfections, factual process control, and persistent process change will bring about substantial upgrades in quality and chopping down the expenses. the changing prerequisites from the perspective of concocting new items, outline, enhancing producing procedures and assembling capacity while bringing down the expenses. These providers have a higher probability in future to have the associations and hierarchical potential to adequately take into account the changing requests of the clients.

2.5.3 Cost of goods and service

Key sourcing has been productive in yielding a reduction in costs, a development in execution or gainfulness and this prompts better quality and a predominant rate of benefit. When we see sourcing as fundamental, this is considered as a factor for advancement in the affiliation. Key sourcing stipends a business to exchange information with its suppliers once in a while and this goes for cutting the cost of materials, restricting stock, controlling insufficiencies, and animating transport of stock and endeavors.

It can diminish costs by securing buys with a couple of providers and by giving the solidified buying divisions a chance to consult for use through a higher volume buy. It can likewise help diminish the expenses brought about while requesting merchandise and the expenses of purchasing requests and along these lines decrease the expenses caused in taking care of the stock. (Rendon, 2005, and Van Weele, 2010, Thomas, 1999)

2.5.4 Timely delivery of goods or service

According to Baily, et...al, (2005), To have the capacity to convey on time is a standard obtaining objective. On the off chance that the crude materials are conveyed late or work isn't finished at the correct time this may prompt misfortunes related with deals, the creation procedure might be halted and this may prompt disappointed clients prompting misfortunes because of a decrease in the association's effectiveness and productivity. A standout amongst the most vital elements of key sourcing is to decrease the lead-time and enhance the conveyance to meet the clients ask. Lead time is characterizes as the period between a client's request and conveyance of the last item. Lysons and Farrington (2006).
2.6 Chapter summary

This chapter gives an outlook on various theories in relation to strategic sourcing, conceptual framework which captures both dependent and independent variables, review of variables, an appraisal of existing literature which is related to the study, research gaps and synopsis.
CHAPTER THREE

RESEARCH METHODOLOGY: INTRODUCTION

This chapter clarifies the methodologies the analyst will use to pick up data on the examination issue and incorporates the exploration configuration, think about populace and test estimate, inspecting plan and methodology, information accumulation strategies, estimation of factors. Method of information gathering, information handling, information investigation and introduction expected issues to the examination.

3.1 Research design

This study embraced an expressive contextual investigation configuration to legitimize the connection between the autonomous and ward factors. A contextual investigation is a strategy used to downsize a wide field of research into one effortlessly researchable topic Kothari (2008). The plan empowered the analyst to get the data relating current status of the issue under investigation and depict it as far as the reliant and free factors. The choice of individual perception is proposed to yield some learning about a populace of concern particularly to the point of factual surmising. The quantitative approach was used to quantify incidences in order to describe current conditions and to investigate the relationships between procurement management and organizational performance using information gained from the questionnaires. The qualitative approach was used to explain the events and describe findings using interviews and documentary analysis. This empowered the scientist to gain in-depth data that will be utilized to discover answers for the examination inquiries of the investigation.
### Reasons for selecting quantitative or qualitative research paradigm

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Qualitative paradigm</th>
<th>Quantitative paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialist’s reality seen</td>
<td>A scientist’s solace with the ontological, epistemological, axiological, expository and methodological suppositions of the subjective ideal models</td>
<td>An analyst’s solace with the ontological, epistemological, axiological, explanatory and methodological presumptions of the quantitative ideal models</td>
</tr>
<tr>
<td>Preparing and experience of the specialist</td>
<td>Scholarly written work abilities, PC content examination abilities, library aptitudes</td>
<td>Technical composing abilities, Computer measurable abilities, library aptitudes</td>
</tr>
<tr>
<td>Researcher’s psychological</td>
<td>Solace with standards and</td>
<td>Solace with absence of</td>
</tr>
<tr>
<td>attributes</td>
<td>rules for leading exploration; low resilience for uncertainty; time for an investigation of short length</td>
<td>particular guidelines and systems for leading research; high resilience for vagueness; time for extensive examination</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Nature of issue</td>
<td>Exploratory research; variables unknown; context important; may lack theory base for study</td>
<td>Beforehand examined by others so that assemblage of learning exists; known factors, existing hypotheses</td>
</tr>
<tr>
<td>Audience for the study</td>
<td>People usual to strong of subjective examinations</td>
<td>Individuals accustomed to supportive of quantitative studies</td>
</tr>
</tbody>
</table>

(Source: Creswell. 2003, p. 9)
3.2 Target Population

The investigation populace will include staff of APS QMS. The total population will include 33 staff from various departments of the organization.

3.3 Sample and sampling technique

The sample size will consist of 33 respondents as shown below.

<table>
<thead>
<tr>
<th>Category of staff</th>
<th>population size</th>
<th>sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Low cadre staff</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>33</td>
</tr>
</tbody>
</table>

3.4 Instruments

The utilization of studies is an examination procedure in which data is assembled from an example of individuals through a poll (Zikmund 2003), furthermore, is a standout amongst the most well known research procedures utilized as a part of quantitative business look into (McMurray et al. 2006). “In utilizing reviews the specialist methodically solicits an extensive number from individuals similar inquiries and after that records their answers” (Neuman 2006, p. 43). Overviews might be ordered by the correspondence medium utilized: mail and self-controlled polls; telephone interviews; face-to-face interviews; and web surveys (Neuman 2006). Purposive sampling technique was used to select the managers. Random sampling technique was used to select low level staff to participate in the study.
3.4.1 Data Source and Type

The study used both primary and Optional data a wide written work review of the parent and provoke order. Secondary information a broad writing audit of the parent and prompt orders was done as it connected to F&AO and SMEs. The secondary data search was an ongoing process that included textbooks, electronic journals and publications, and web based literature on business process reengineering (BPR), business process outsourcing (BPO), outsourcing and F&AO.

Essential information is information that has been gathered at a source and incorporates overview information gathered from respondents in uncontrolled circumstances by making inquiries or mentioning objective facts; and exploratory information gathered in controlled conditions using tests (Collis& Hussey 2003). In this study, the essential information was gathered using an online poll review circulated to each of the sub-gatherings..

3.4.2 Questionnaire

Self-administered questionnaires covering all the aspects of the study variables and accompanied with a five-point Likert scale response continuum, that is 5 = firmly concur, 4 = concur, 3 = undecided, 2 = differ and 1= emphatically dissent, will be utilized for this examination to gather information from low level staff.

3.4.3 Document Analysis

The study will also review existing information materials related to the study problem and variables in form of reports, journals, websites and databases to gain information on the topic.
3.5 Pilot study

3.5.1 Validity

To guarantee the exploration was substantial, dependable and significant, it was important to build up an examining methodology to give an adequate cross-area from the back and bookkeeping specialist organizations' populace and independent company populace.

3.5.2 Reliability test

The examination started with a survey of the writing, trailed by a pilot think about with a national bookkeeping group of bookkeeping specialist co-ops, to elucidate the issues and define the exploration inquiries for consideration in the polls to be appropriated to bookkeeping specialist organizations and independent venture. The investigation included information accumulation from this populace, and with the end goal of this examination it was viewed as the essential wellspring of information would originate from the utilization of a pilot ponders survey dispersed to every individual from the QMS.

3.6 Data collection procedures

A letter of authorization from Senior Assistant Deputy Inspector General APS was provided as a request for permission to conduct the study. A covering letter accompanied the questionnaires explaining the purpose of the study and the questionnaires was distributed directly to the respondents in their respective areas for filling and will be collected after 1 week following its dispatch and filling. The data will be edited and decisions made on whether to use it or not and how.
3.7 Data Analysis and Presentation

Two types of analyses will be conducted and there are quantitative and qualitative analyses. The following subsections explain the analyses in detail.

3.7.1 Quantitative Analysis

Quantitative information will be gathered, altered and coded utilizing the Statistical Package for the Social Sciences (SPSS). Two sorts of investigations will be figured. The will incorporate expressive insights (frequencies and rates) and the second will incorporate inferential measurements (relationships). The frequencies and percentages will be used to determine the respondents’ views on each of the study variables. Pearson’s correlation will be used to test for significant relationships between the variables.

3.8 Ethical Considerations

“Ethics is the study of what constitutes good and bad or great and awful human conduct”

(McMurray et al. 2006, p. 19)

3.8.1 Informed consent

In this research, respondents were instructed of the commitments and obligations of both the master and the school and the purpose behind the examination by techniques for an information clarification nearby the other option to recognize or diminish the offer to appreciate the survey.
3.8.2 Voluntary participation

The study is outlined so a respondent does not endure physical damage, inconvenience, torment, shame or loss of security and, in that capacity, all poll reviews contained a data sheet clarifying the normal advantages of the examination, and that their rights and prosperity would be enough ensured. Respondents were prompted their support is willful, and that they had the privilege to pull back from the overview whenever.

3.8.3 Privacy

All poll reviews contained a data sheet clarifying the normal advantages of the examination, and that their rights and prosperity would be enough ensured.

3.9 Chapter summary

This chapter examined multiple aspects of research methodology accessible in the direct of this examination, including research configuration; develop and thing age; information accumulation strategies; and information investigation. Because of the idea of the deductive testing, the analyst utilized quantitative techniques, with a solitary study led to give the specialist substantial, solid and useful outcomes.
CHAPTER 4

FINDINGS AND DISCUSSIONS: INTRODUCTION

Chapter Four will deliberately exhibit the discoveries of the examination contemplate and decipher their criticalness in light of the information investigation, and present the outcomes to distinguish the parts and build a hypothetical structure supporting the key sourcing in view of the information examination. The information was assembled utilizing an organized poll which was outlined in accordance with the destinations of the investigation which was to investigate the effects of procurement of strategic and sourcing in Kenya a case study of Supply chain. The results of this study are represented in tables.

4.1 Presentation of research findings

4.1.1 Background Information

Respondents were gotten some information about their sex, age, level of education and tenure with their organization. Findings are presented in Figures 1 to 4 followed with an analysis and interpretation.
Gender of Respondents

Source: Field

Figure 1: Gender of respondents

Findings in Figure 1 show that most respondents (55%) were male compared to the female respondents (45%). This implies that there are more male staff members compared to the female staff members.

Age Range of Respondents

Source: Field
**Figure 2: Age range of respondents**

Findings in Figure 2 show that a large proportion of respondents (36%) were in the age range of 30-39 years compared to the respondents in the age range of less than 30 years (27%), 40-49 years and over 50 years (18%), respectively. This implies that there is large proportion of staff members in the age range of 30-39 years.

**Level of Education of Respondents**

![Bar chart showing the level of education of respondents]

**Source: Field**

**Figure 3: Level of education of respondents**

Findings in Figure 3 show that a large proportion of respondents (55%) had a 1st degree level of education compared to the respondents with a diploma level of education (32%) and with a secondary level of education (14%), respectively. This implies that there is large proportion of staff members are in the age range of 30-39 years.
Tenure with the Organization

Figure 4: Tenure with organization

Findings in Figure 4 show that a large proportion of respondents (48%) had served for a period of 6-10 years compared to the respondents who had served for a period of 2-5 years (27%), above 10 years (16%) and less than 2 years (9%), respectively. This implies that there is large proportion of staff members in the age range of 6-10 years.

4.2 Effect of strategic sourcing on Cost Efficiency

Five proclamations about impact of vital sourcing on cost effectiveness were introduced to respondents. There were asked for to react to the announcement utilizing a five Likert scale from "Firmly differ to "Unequivocally concur". Findings are presented in Table 2 followed with an analysis and interpretation.
Findings on effect of strategic sourcing on cost efficiency

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic sourcing has led to cost reduction in purchase price</td>
<td>3 (9%)</td>
<td>5 (15%)</td>
<td>4 (12%)</td>
<td>16 (48%)</td>
<td>5 (15%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>2. Strategic sourcing has enable this organization to purchase higher volumes</td>
<td>7 (21%)</td>
<td>6 (18%)</td>
<td>7 (21%)</td>
<td>10 (30%)</td>
<td>3 (9%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>3. Strategic sourcing has enabled this organization with long term cash flows</td>
<td>4 (12%)</td>
<td>6 (18%)</td>
<td>5 (15%)</td>
<td>10 (30%)</td>
<td>8 (24%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>4. Strategic sourcing has enabled this organization to spend less</td>
<td>5 (15%)</td>
<td>10 (30%)</td>
<td>3 (9%)</td>
<td>5 (15%)</td>
<td>10 (30%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>5. Strategic sourcing has enabled efficiency this organization</td>
<td>4 (12%)</td>
<td>7 (21%)</td>
<td>9 (27%)</td>
<td>8 (24%)</td>
<td>5 (15%)</td>
<td>33 (100%)</td>
</tr>
</tbody>
</table>

Source: Field
To dissect the outcomes, respondents who emphatically differ and the individuals who differ were registered to one class of respondents who contradicted the announcements and respondents who unequivocally concurred and the individuals who concur were figured to one classification of respondents who agreed with the announcements. Hence, three extents of respondents were looked at and included respondents who "restricted the announcements", "didn't know with the announcements" and "agreed with the announcements". The same procedure was adopted in analyzing the results.

Therefore, discoveries demonstrate that couple of respondents (24%) restricted the announcement that vital sourcing has prompted lessened price tag in this association contrasted with the individuals who agreed (63%) while just 12% didn't know. This infers by and large, vital sourcing has prompted diminishment in decreased price tag.

Less respondents (39%) restricted the announcement that key sourcing has empowered this establishment to buy higher volumes of buys contrasted with the individuals who agreed (40%) while 21% didn't know. This suggests as a rule, vital sourcing has empowered to higher volumes of buys.

Less respondents (30%) contradicted the announcement that key sourcing has empowered this association with long haul money streams contrasted with the individuals who agreed (54%) while just 15% didn't know. This infers as a rule, vital sourcing has empowered to foresee on money streams.

Less respondents (44%) restricted the announcement that vital sourcing has empowered this association to spend less contrasted with the individuals who agreed (46%) while 9% didn't know. This infers key sourcing has empowered the association to spend less.
Less respondents (33%) contradicted the announcement that key sourcing has helped this association to be more productive contrasted with the individuals who agreed (39%) while 27% didn't know. This infers, key sourcing has helped association to be more productive. Thus, the following deduction is made in this study basing on the above analysis and interpretation. The findings show that strategic sourcing at Aps has positively contributed to cost efficiency.

4.3 Effect of Strategic sourcing on quality

Five explanations about impact of key sourcing on quality were displayed to respondents at the association. They were asked for to react to the announcement utilizing a five Likert scale from "Firmly differ to "Unequivocally concur". Discoveries are given and took after an examination and translation.

Table 1: Findings about strategic effect of strategic sourcing on quality

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic sourcing has helped this organization to conform to requirements</td>
<td>9 (9%)</td>
<td>6 (14%)</td>
<td>3 (7%)</td>
<td>11 (50%)</td>
<td>4 (20%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>2. Strategic sourcing has enabled this organization to improve on quality</td>
<td>1 (2%)</td>
<td>8 (18%)</td>
<td>6 (5%)</td>
<td>12 (45%)</td>
<td>6 (30%)</td>
<td>33 (100%)</td>
</tr>
</tbody>
</table>
3. Strategic sourcing has helped this organization to improve capacity

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>8</th>
<th>4</th>
<th>17</th>
<th>3</th>
<th>33</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2%)</td>
<td>(18%)</td>
<td>(9%)</td>
<td>(62%)</td>
<td>(9%)</td>
<td>(100%)</td>
</tr>
</tbody>
</table>

4. Strategic sourcing has helped this organization increase its output

<table>
<thead>
<tr>
<th></th>
<th>4</th>
<th>3</th>
<th>9</th>
<th>11</th>
<th>6</th>
<th>33</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(9%)</td>
<td>(5%)</td>
<td>(20%)</td>
<td>(25%)</td>
<td>(41%)</td>
<td>(100%)</td>
</tr>
</tbody>
</table>

5. Strategic sourcing has helped this organization on its sustainability of its services

<table>
<thead>
<tr>
<th></th>
<th>3</th>
<th>7</th>
<th>4</th>
<th>6</th>
<th>13</th>
<th>33</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(7%)</td>
<td>(36%)</td>
<td>(9%)</td>
<td>(41%)</td>
<td>(7%)</td>
<td>(100%)</td>
</tr>
</tbody>
</table>

From findings fewer respondents (23%) opposed the statement that strategic sourcing has helped this organization to conformity of its requirements compared to those who concurred (70%) while only 7% were not sure. This implies that in most cases, strategic sourcing has helped to conform to its services at NPS.

Fewer respondents (20%) opposed the statement that quality and growth in this organization has increased due to strategic sourcing compared to those who concurred (75%) while only 5% were not sure. This implies that in most cases, quality and growth has increased due to strategic sourcing at APS.

Fewer respondents (20%) opposed the statement that strategic sourcing has helped this organization to improve capacity compare to those who concurred (71%) while only 9% were not sure. This implies that in most cases, strategic sourcing has helped to improve capacity.
Fewer respondents (20%) opposed the statement that strategic sourcing has helped this organization to improve quality of its products/services compare to those who concurred (66%) while 20% were not sure. This implies that in most cases, strategic sourcing has not helped to improve quality of products/services at APS.

Fewer respondents (43%) opposed the statement that strategic sourcing has helped this organization be sustainable compared to those who concurred (48%) while only 9% were not sure. This implies that strategic sourcing has helped some employees set their priorities more clearly.

Thus, the following deduction is made in this study basing on the above analysis and interpretation. The findings show that strategic sourcing at has somehow positively contributed to improved services.

### 4.4 Effect of Strategic sourcing on lead time

Five articulations about impact of key sourcing on profitability were displayed to respondents. They were asked for to react to the announcement utilizing a five Likert scale from "Firmly differ to "Emphatically concur". Discoveries are given and took after an examination and elucidation.

**Findings about strategic effect of strategic sourcing on lead time**

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic sourcing has enabled this organization to</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>16</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td></td>
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<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>manage bottleneck</td>
<td>(9%)</td>
<td>(15%)</td>
<td>(12%)</td>
<td>(48%)</td>
<td>(15%)</td>
<td>(100%)</td>
</tr>
<tr>
<td>2. Strategic sourcing has enable this organization with enhanced forecasting</td>
<td>7</td>
<td>6</td>
<td>7</td>
<td>10</td>
<td>3</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>(21%)</td>
<td>(18%)</td>
<td>(21%)</td>
<td>(30%)</td>
<td>(9%)</td>
<td>(100%)</td>
</tr>
<tr>
<td>3. Strategic sourcing has enabled this organization to manage safety stock level</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>10</td>
<td>8</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>(12%)</td>
<td>(18%)</td>
<td>(15%)</td>
<td>(30%)</td>
<td>(24%)</td>
<td>(100%)</td>
</tr>
<tr>
<td>4. Strategic sourcing has enabled this organization to forecast</td>
<td>5</td>
<td>10</td>
<td>3</td>
<td>5</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>(15%)</td>
<td>(30%)</td>
<td>(9%)</td>
<td>(15%)</td>
<td>(30%)</td>
<td>(100%)</td>
</tr>
<tr>
<td>5. Strategic sourcing has helped this organization to customer responsiveness</td>
<td>4</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>(12%)</td>
<td>(21%)</td>
<td>(27%)</td>
<td>(24%)</td>
<td>(15%)</td>
<td>(100%)</td>
</tr>
</tbody>
</table>

To dissect the outcomes, respondents who emphatically differ and the individuals who differ were registered to one classification of respondents who restricted the announcements and respondents who firmly concurred and the individuals who concur were figured to one class of respondents who agreed with the announcements. Accordingly, three extents of respondents were thought about and included respondents who "contradicted the announcements", "didn't know with the announcements" and "agreed with the announcements".
Findings show that few respondents (24%) opposed the statement that strategic sourcing has led to forecasting in this organization compared to those who concurred (63%) while only 12% were not sure. This implies that in most cases, strategic sourcing has led to forecasting in lead times.

Fewer respondents (39%) opposed the statement that strategic sourcing has enabled this organization to hire people to meet safety stock levels compared to those who concurred (39%) while 12% were not sure. This implies that in most cases, strategic sourcing has enabled organization meet safety stock levels.

Fewer respondents (30%) opposed the statement that strategic sourcing has enabled this organization to economize on bottlenecks compared to those who concurred (54%) while only 15% were not sure. This implies that in most cases, strategic sourcing has enabled the organization to economize on bottlenecks.

Fewer respondents (44%) opposed the statement that strategic sourcing has enabled this organization to forecast compared to those who concurred (47%) while 8% were not sure. This implies that strategic sourcing has empowered the association to forecast the future request.

Fewer respondents (33%) opposed the statement that strategic sourcing has helped this organization to supplier responsiveness compared to those who concurred (39%) while 27% were not sure. This implies that, strategic sourcing has helped organization to be more efficient.

Thus, the following deduction is made in this study basing on the above analysis and interpretation. The findings show that strategic sourcing at the organization has positively contributed to responsiveness to suppliers.

4.5 Effect of Strategic Sourcing on Profitability

Five statements about effect of strategic sourcing on profitability were presented to respondents. There were requested to respond to the statement using a five Likert scale from “Strongly
disagree to “Strongly agree”. Findings are presented in Table 5 followed with an analysis and interpretation.
Table 5: Findings about effect of strategic sourcing on profitability

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic sourcing has helped this organization to increase value of its services</td>
<td>4 (9%)</td>
<td>10 (23%)</td>
<td>6 (7%)</td>
<td>10 (41%)</td>
<td>3 (20%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>2. Strategic sourcing has helped this organization to increase return on investment</td>
<td>5 (11%)</td>
<td>7 (16%)</td>
<td>3 (7%)</td>
<td>15 (41%)</td>
<td>3 (25%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>3. Strategic sourcing has helped this organization to expedite deliveries</td>
<td>5 (11%)</td>
<td>9 (20%)</td>
<td>6 (14%)</td>
<td>9 (48%)</td>
<td>4 (7%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>4. Strategic sourcing has helped this organization to become more competitive amongst public entities</td>
<td>1 (2%)</td>
<td>10 (30%)</td>
<td>9 (20%)</td>
<td>11 (43%)</td>
<td>2 (5%)</td>
<td>33 (100%)</td>
</tr>
<tr>
<td>5. Strategic sourcing has helped this organization to save on administrative cost</td>
<td>2 (5%)</td>
<td>12 (36%)</td>
<td>6 (7%)</td>
<td>8 (43%)</td>
<td>5 (9%)</td>
<td>33 (100%)</td>
</tr>
</tbody>
</table>
From Table 4, findings show that fewer respondents (32%) opposed the statement that strategic sourcing has helped this organization to increase value of its services compared to those who concurred (61%) while only 7% were not sure. This implies that, strategic sourcing has helped to increase value of its services.

Fewer respondents (27%) opposed the statement that strategic sourcing has helped this organization to increase its quality of services compared to those who concurred (66%) while only 7% were not sure. This implies that, strategic sourcing has helped to increase on quality of services in the organization.

Fewer respondents (31%) opposed the statement that strategic sourcing has helped this organization to expand compared to those who concurred (55%) while 14% were not sure. This implies that in most cases, strategic sourcing has helped this organization to expand.

Fewer respondents (32%) opposed the statement that strategic sourcing has helped this organization to become more competitive than other government agencies compared to those who concurred (48%) while 43% were not sure. This implies that sometimes, strategic sourcing has helped this organization to become more competitive.

Fewer respondents (36%) opposed the statement that strategic sourcing has helped this organization to increase compare to those who concurred (52%) while only 7% were not sure. This implies that in most cases, strategic sourcing has helped to save on administrative cost on at the organization.

Thus, the following deduction is made in this study basing on the above analysis and interpretation. The findings show that strategic sourcing has positively contributed to profitability.
4.6 Limitations of the study

Most research thinks about have restrictions, also, in that capacity various impediments not apparent when this examination started were experienced over the span of this exploration venture. The investigation was constrained to Australian private ventures; along these lines the conclusions drawn from this examination confront a potential issue of generalizability. In spite of the fact that the aftereffects of this investigation have been drawn just from Australian associations, there is a plausibility of getting comparative outcomes, if an examination were repeated in other industrialized nations. Should one discover similitudes and additionally contrasts amongst Australia and different nations, it might call for promote examinations. It is additionally recognized that social contrasts may affect upon comes about, where such issues could be tended to by additionally examine.

4.6.1 Service provider limitations

As expressed in Chapter Three at 3.4.2.1 (page 58), the quantity of specialist co-op respondents were 34, from a specimen populace of 61. This modest number could influence speculation as far as quantitative outcomes and factual tradition.

The issue of one-sided discernments from specialist organizations ought to likewise be considered as a confinement, as their essential business action lies in giving vital sourced bookkeeping administrations to independent venture. Thusly, this may affect upon respondents' recognitions with respect to choice, advantage and effect factors identifying with the vital sourcing of finance and accounting activities.
4.6.2 Analytical limitations

As a result of the limited number of respondents noted in Sections 5.4.1 and 5.4.2, descriptive analysis and simpler inferential statistics were used in preference to a more formal multivariate approach. It was considered necessary to adopt a trade-off between the exploratory issues being investigated and the scope of the research. Thusly, this examination construes a causal connection amongst autonomous and subordinate factors. Uncertainty concerning these causal connections may give potential introduction to the issue of inside legitimacy.

The speculation of discoveries, measures and populaces incorporated into this examination reflects issues of outside legitimacy, and may be viewed as a conceivable constraint to this exploration think about.

4.6.3 Small business limitations

As stated, the number of small business respondents was 33 from a sample population, it is considered satisfactory for the purposes of this study. However, this relatively small sample could affect generalization in terms of quantitative results and statistical convention

4.7 Chapter summary

The results of the data collected are presented in frequency tables. The study targeted a sample of 33 respondents. The examination centered to diagram people with more years of contribution in the business to ensure precision of results. 73% of respondents had more than 5 years association in the business. The wide parameters contemplated and analyzed consolidate positions that are well while in transit to be essential sourced, clarifications behind key sourcing, top key sourcing objectives, and key sourcing accessory assurance among various segments.
CHAPTER 5

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS: INTRODUCTION

This chapter presents the findings, conclusions and recommendations. It is separated into three segments. The primary segment displays the discoveries. The second area exhibits the suggestions. The third area shows the conclusions.

5.1 Summary of findings

5.1.1 Effect of Strategic on Cost Efficiency

The findings revealed that strategic sourcing at Administration Police Service positively contributed to cost efficiency. This was because strategic sourcing led to cost reduction at APS, it has enabled the Administration Police Service to hire people to do its work cheaply, enabled APS to economize on lead times, strategic has also enabled APS to spend less and it has helped to be more efficient on service delivery.

The study findings support some authors and argue that the main motivation for STRATEGIC sourcing is found to be cost reduction (Altinkemer et al. 1994, Gilley & Rasheed 2000). This is because paying for strategic sourcing generally costs less than maintaining equivalent services in-house. The findings of the study concur with some academicians that fruitful usage of sourcing technique has been attributed with cutting expense (Bowersox 1990; Gupta and Zeheuder 1994; Greer, Youngblood and Gray 1999). Findings agree with Abraham and Taylor (1996) that sourcing may provide a viable strategy if firms aim to save on labor costs. Findings support Abraham and Taylor (1996) who emphasized that strategic sourcing can be utilized to conserve on generation cost, specifically work cost by substituting in-house creation with the purchasing in of segments. The study findings support Barthelemy and Adsit (2003) that firms
ought to consider vital sourcing when it is trusted that specific help capacities can be finished speedier, efficiently, or better by an outside association.

5.1.2 Effect of Strategic on Productivity

The study established that strategic at APS somehow positively contributed to improved productivity. This was because, strategic helped to increase productivity in the organization, performance per employee increased due to strategic sourcing at APS, strategic sourcing has helped to improve capacity at APS, strategic sourcing has also helped to improve on quality of services at APS, and strategic sourcing helped some employees at APS set their priorities more clearly.

Findings of this study concur with academicians who emphasized that strategic is viewed as a means to provide enhanced productivity. The findings support Evans and Lindsay (2001) who asserted that the decision to outsource can lead to increased productivity for businesses. The findings of this study support academicians who established that fruitful usage of a sourcing methodology has been attributed with expanding limit, improve capacity, and improve quality (Lau and Hurley 1997; Kotabe, Murray and Javalugi 1998).

5.1.3 Effect of strategic sourcing on Profitability

It was established that strategic sourcing at APS positively contributed to profitability. This was because, strategic sourcing helped to increase value of its services at APS, strategic sourcing helped to increase its profits at APS, strategic helped to expand into other markets., strategic helped this organization to become more competitive.

The findings of the study support the view that a principal thing to ask is whether key is esteem upgrading and, specifically, regardless of whether the firm that attempts key shows higher productivity accordingly. The discoveries of this examination are in opposition to Kimura
(2002) who did not discover any confirmation that sourcing prompted higher benefits in Japanese assembling firms. They are likewise in opposition to Kimura (2002) who did not discover any proof that subcontracting prompts higher benefits. The discoveries of the investigation are like Lau and Hurley (1997) who found a noteworthy connection between vital sourcing and productivity edge.

5.2 Recommendations

i. Strategic sourcing at APS should be improved in order to improve on cost efficiency.

ii. Strategic sourcing at APS should be improved in order to improve on productivity of services.

iii. Strategic sourcing at APS should be improved in order to improve on profitability to the organization.

iv. Strategic sourcing should be improved in order to improve on lead times

5.3 Conclusions

The findings revealed that strategic sourcing at APS positively contributed to cost efficiency.

The study established that strategic sourcing somehow positively contributed to improved productivity, profitability, and lead times reduction.
REFERENCES


Rundquist, J. (2007). Outsourcing of New Product Development - A decision Framework. Luleå University of Technology, Department of Business Administration and Social Sciences, Division of Industrial Management.
QUESTIONNAIRE

Dear respondent,

I am an undergraduate student of Management University of Africa conducting a research titled “The Effect of Strategic sourcing on Organizational Performance: A Case Study of Administration Police Service Quarter Master Stores”. You have been chosen to participate in this research by providing your views. Information provided will be treated confidentially and so you do not need to write any of your identity on the questionnaire. The information will be used only for academic purposes. Follow the instructions while filling in this questionnaire.

Section A: Background information

Note: For each of the questions, tick against your response or write your response in the blank space provided.

1. Gender a) Female □ b) Male □

2. Age range a) Less than 30yrs □ b) 30-39yrs □ c) 40-49yrs □ d) 49-50yrs □ e) over 50yrs

3. Level of education a) Secondary □ b) Diploma □ c) 1st Degree □

4. Period you have served in this organization a) Less than 2 years □ b) 2-5 years □ c) 6-10 years □ d) Over 10 years □

Section A: Effect of strategic sourcing on cost efficiency
Note: Use the following scale in this section: Strongly disagree (1) Disagree (2) Not sure (3) Agree (4) strongly agree (5)

Please show your level of agreement to indicate the extent to which the following statements have been applying your organization by ticking your response corresponding to the number in the scale given above in box against statement.

<table>
<thead>
<tr>
<th>No.</th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Strategic sourcing has led to cost reduction in this organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2.</td>
<td>Strategic sourcing has enable this organization to hire people to do its work more cheaper</td>
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<td>3.</td>
<td>Strategic sourcing has enabled this organization to economize on production cost</td>
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<tr>
<td>4.</td>
<td>Strategic sourcing has enabled this organization to spend less</td>
<td></td>
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<tr>
<td>5.</td>
<td>Strategic sourcing has helped this organization to be more efficiency</td>
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</tbody>
</table>
**Section C: Effect of strategic sourcing on quality**

*Note: Use the following scale in this section:*

*Strongly disagree (1)  Disagree (2)  Not sure (3)  Agree (4)  strongly agree (5)*

Please show your level of agreement to indicate the extent to which the following statements have been applying your organization by ticking your response corresponding to the number in the scale given above in box against statement.

<table>
<thead>
<tr>
<th>No.</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Strategic sourcing has helped this organization increase quality of services</td>
<td></td>
<td></td>
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<tr>
<td>2.</td>
<td>Performance per employee in this organization has increased due to strategic sourcing</td>
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<td>3.</td>
<td>Strategic sourcing has helped this organization to improve capacity</td>
<td></td>
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<td>4.</td>
<td>Strategic sourcing has helped this organization to improve quality of its products/services</td>
<td></td>
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<tr>
<td>5.</td>
<td>Outsourcing has helped this organization help employees set their priorities more clearly</td>
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</tbody>
</table>
Section D: Effect of strategic sourcing on profitability

Note: Use the following scale in this section:

Strongly disagree (1) Disagree (2) Not sure (3) Agree (4) strongly agree (5)

Please show your level of agreement to indicate the extent to which the following statements have been applying your organization by ticking your response corresponding to the number in the scale given above in box against statement.

<table>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Strategic sourcing has helped this organization to increase value of its products/services</td>
<td></td>
<td></td>
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<tr>
<td>2.</td>
<td>Strategic sourcing has helped this organization to increase its profitability</td>
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<tr>
<td>3.</td>
<td>Strategic sourcing has helped this organization to access to lower priced goods</td>
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<tr>
<td>4.</td>
<td>Strategic sourcing has enhanced this organization to more competitive position</td>
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</tbody>
</table>
5. Strategic sourcing has helped this organization to worldwide technology

Section E: Effect of strategic sourcing on lead time

Note: Use the following scale in this section:

Strongly disagree (1) Disagree (2) Not sure (3) Agree (4) strongly agree (5)

Please show your level of agreement to indicate the extent to which the following statements have been applying your organization by ticking your response corresponding to the number in the scale given above in box against statement.

<table>
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<th>No</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic sourcing has led to just in time deliveries in this organization</td>
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<tr>
<td>2</td>
<td>Strategic sourcing has helped departmental heads make efficient decisions on bottle neck supplies</td>
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</tbody>
</table>
Strategic sourcing has helped this organization forecast on demands and supply of materials

Strategic sourcing has helped this organization secure short term and long term supply

Strategic sourcing has helped this organization have timely delivery of goods and services

**Thank you for your cooperation!**