

**FACTORS AFFECTING NEGOTIATION AS A COST REDUCTION TOOL
OF RAW MATERIALS PURCHASE IN THE MANUFACTURING
INDUSTRY: A CASE STUDY OF KAPA OIL REFINING INDUSTRY**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF
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AFRICA.**

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DECLARATION

This research project is my original work and has not been presented for a diploma in any other University

Signature.....Date.....

Mumbua Diana Munyiva

This research project has been submitted for examination with my approval as University Supervisor

Signature.....Date.....

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DEDICATION

I dedicate this research project to my parents for being patient, tolerant and supportive throughout our study.

ACKNOWLEDGMENT

I wish to express great gratitude to my supervisor Johnson Muteke for accepting to correct and guide me all through my project. I thank The Management University of Africa for giving me the required knowledge to carry out the project. Finally, I would also like thank the Kapa Oil Refining Industry for providing me with the required resources throughout my project.

ABSTACT

The aim of the study was to find out factors affecting negotiation as a price reduction tool of raw materials purchase in the manufacturing industry. The general objective of the study was to evaluate factors affecting negotiation as a price reduction tool of raw materials purchase in the manufacturing industry with reference to Kapa Oil Refining Industry. The study intended to achieve the following objectives: to find out the effect of price, quality, capital and training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. The study will benefit the management of Kapa Oil Refining Industry and the Academicians. The researcher used descriptive research design. The study targeted a population of 460 people who were selected from top, middle and support staff levels of management. Stratified random sampling was used to cover the total population and a sample size of 138 respondents was selected randomly. Data was selected from both primary and secondary sources whereby questionnaires and literature review were done respectively so as to get detailed information. Both primary and secondary data was analyzed qualitatively and quantitatively and presented in pie charts, graphs, figures and tables. From the study findings 83% of the respondents were of the view that price affects negotiation as a cost reduction tool while 17% of the respondents disagreed, 85% of the respondents were of the opinion that quality affects negotiation as a cost reduction tool while 15% of the respondents disagreed, 88% of the respondents agreed that capital affects negotiation as a cost reduction tool while 12% of the respondents disagreed and 84% of the respondents were of the view that training affects negotiation as a cost reduction tool while 16% of the respondents disagreed. The researcher recommended that the customer should control price in subtle elements and allocate considerable assets to tie undertaking. Fixed value states add up to price and conveyance information, quality should concern keeping up the strategies and methods of value control, i.e. methodically watching that they are connected effectively. Interior organization evaluation of these issues is frequently called inspecting outside appraisal is alluded to as confirmation; the method for overseeing capital can significantly affect both the liquidity and gainfulness of the organization. The fundamental reason for any firm is to augment benefit and manager as well as other employees who perform non-routine should solve problems on their jobs, reports.

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LIST OF ACRONYMS AND ABBREVIATIONS

SMB	Small Medium Enterprise
SPC	Statistical Process Control
TQM	Total Quality Management

OPERATIONAL DEFINITION OF TERMS

Capital	Capital is the most imperative factor for taking care of liquidity, endurance, dissolvability and profit of business. Capital administration is a champion among the most basic zones while making the liquidity and benefit investigation among firms.
Price	Price is an art of specialty of supervising money and equivalent resources that can be used as an aspect of the exchanging of buying of a particular management.
Quality	Quality is wellness for use. The definition gathers nature of plan, quality conformance, openness and adequate field advantage.
Training	Training influences the worth chain investigation. The hierarchical exhibition depends upon the representative execution since human resource capital of affiliation expects a crucial part in the turn of events and the authoritative usage.

CHAPTER ONE

INTRODUCTION OF THE STUDY

1.0 Introduction

This chapter introduces the research study. It covers the background of the study, statement of the problem, objectives of the study, research questions, significance of the study, limitations of the study and scope of the study.

1.1 Background of the Study

Negotiations with regards to cross-fringe merger and procurement require the securing firms not exclusively to go to the nearby customs and manners, but understand the deeper and subtle governance and dynamic processes formed by national cultures. A contextual investigation on SMI, an Italian copper-items firm, which explored through and arranged fruitful cross-fringe merger and procurements in France and Germany, delineates the advantages of understanding national social contrasts. An explorative investigation on merger and obtaining cross European outskirts discovered that national culture contrasts assume a significant job in influencing acquirer's view of target organizations, which have significant ramifications for the negotiation of negotiations. One commendable investigation from a socio-social viewpoint built up a business negotiation measure model dependent on Swedish global Ericsson and its negotiation process for different activities in China (Fang, 2011).

Negotiation has been examined for the most part from social mental and behaviour choice points of view (Wang, 2010). Local business negotiations got expanding consideration as a full aspect of the administrative process, exceptionally applicable to the usage of universal business methodologies running from large scale vital viewpoint on organizations to miniaturized scale social points of view on people. From the negotiation process point of view, Ghauri (2003) structures the universal business negotiation measure regarding the pre-negotiation, negotiation, and post-negotiation stages. These stages are affected by factors, for example, culture, procedure, foundation, and air.

As an illustration, between social negotiation measure looks like a move, where one individual does a three step dance with another doing a tango (Adair, 2015). Review a sort of 'predicament of contrasts', the diverse social contents present procedural clash

at the dealing table, while contrasts in inclinations present open doors for the two players. Different models of negotiation exist, for example, the gatherings' relationship and gatherings' practices, the stages perspective on negotiation, social impacts, self guideline and elements of social self. There is expanding writing on culture and negotiation, be that as it may, the impact of culture on negotiation strategies and results anticipates further academic request. Culture is a significant determinant of methodologies and strategies in universal business negotiation, since dealings include correspondence, time, and power and these factors shift across various cultures. It is accepted cross-fringe merger and securing can offer the ideal exact setting to propel our comprehension by exploring the negotiation process.

Negotiation is a fundamental phenomenon in inter- firm negotiation behaviour in industrial markets (Perdue, 2016). The negotiating practices that a firm receives are segments of the organization's general serious technique that will empower it to augment its serious position versus its opponents (Porter 2012). It is a dyadic (two-sided) measure intended to take care of issues such that benefits all the gatherings in question. In the buying zone, negotiation is vital to the dynamic process through which a provider and a client build up the provisions of a buying understanding. The idea of negotiation introduced here is wide. While numerous individuals consider negotiation bartering or the real communication between the gatherings, for this exploration, haggling has been characterized as just one phase of a bigger negotiation measure, which additionally incorporates the phases before dealing, for example, ecological appraisal and negotiating, just as the phases that occur after the bartering, for example, result assessment. "Negotiation is an governance process including the groundwork for haggling, the connection of at least two gatherings in a bartering circumstance, and the goal or result of this communication.

Negotiation is a significant aspect of the sourcing process used in procurement. The advancement from the customary acquirement process to procurement measure all the while supports the use of negotiation measures dependent on electronic processes. Each advanced organization works inside an unpredictable snare of connections which requires some type of negotiation, especially concerning the plan of buying and redistributing contracts with providers. As the utilization of procurement moves the level of influence from providers to purchasers, there is a requirement for buying

organizations to put deeper prominent incentive on the significance of negotiation as a component of the sourcing process engaged with acquirement. By perceiving the significance of such negotiation, buying organizations will receive rewards at operational and vital levels, including solidifying buying practices that will prompt deeper important limits and better governances for providers, quicker reactions to profoundly serious new market participants, the end of desk work and its expenses, and the decrease of stock levels In request for accomplices inside both the private and open divisions to accomplish these advantages, they need to understand that the usage of e-procurement, and explicitly the negotiation between accomplices as an aspect of the sourcing technique, is one of the key elements of the procurement process(Attaran, 2018).

1.2 Statement of the Problem

Most problems are related with negotiation, particularly when the problems of price are the turn; buyers tend to overlook the variables that determine the price itself. This most time leads showing up at an extremely significant expense for the purchase or contract. More so, lack of proper planning before approaching the negotiation table is very high fundamental for any successful negotiation. Many studies have been conducted on negotiation in procurement but there are limited studies that show the relationship between negotiations and material purchase. Nyile (2015) assessed negotiation site selection and its impact on the outcome of purchaser- supplier agreements. Martina, (2011) conducted a study on studies and strategies of effective business negotiation. From these two studies is an indication that there is gap to be filled on the relationship between negotiation strategies and material purchase. The researcher therefore sought to assess the factors affecting negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of the study was to evaluate factors affecting negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

1.3.2 Specific Objectives

- i. To find out the effect of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

- ii. To determine the effect of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.
- iii. To establish the effect of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.
- iv. To examine the effect of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

1.4 Research Questions

- i. To what extent does price affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?
- ii. How does quality affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?
- iii. To what extent does capital affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?
- iv. How does training affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

1.5 Significance of the Study

1.5.1 Management of Kapa Oil Refining Industry

The study will help the management to formulate strategies that enhances negotiation as a cost reduction tool operation effectively enabling the company to achieve its objectives. It will also enable the management to utilize this study for effective formulation of policies that could streamline implementation in the overall organization and hence eliminate price centers, meet competitive advantage through information and communication technology to enhance quality and effectiveness.

1.5.2 Academician

The study will also be beneficial to academicians and researchers to enhance their knowledge of the Kenya industry and identify areas for further research. The government, particularly the policy making will have a better understanding of typical operations of the company in order to formulate appropriate legislation for the industry.

1.6 Limitations of the Study

1.6.1 Lack of Cooperation

There were some employees in the organization that were uncooperative hence they did not give the required information because of confidentiality nature of the information. The researcher solved the problem by assuring the respondents that the research would be strictly for academic purpose and no part of it would be opened in the public.

1.6.2 Accessibility

It was difficult for the study to be carried out promptly as the researcher was limited to enter some sections of the firm. For the confidentiality of the study, the researcher had to show them her school identification card and the letter of the school to assure them that the study was for academic purpose only and was allowed to visit some section of the firm.

1.7 Scope of the Study

This study was limited to factors affecting negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry with reference to Kapa Oil Refining Industry located in Nairobi County. The study targeted 460 employees where a sample size of 138 respondents was drawn. The study covered a period of three months from July 2020 and September 2020.

1.8 Summary

This chapter included the background of the study that gave an overview of what negotiation as a cost reduction tool is all about. The researcher finds out that the research will benefit the management of Kapa Oil Refining Industry by knowing what is to be considered as most in negotiation. At the same time it will benefit the academicians who would wish to engage in the practice of developing research projects. This project will form their basis as a guideline by which reference will be made to come up with a presentable research studies. Price, quality, capital and training will be seen as the factors affecting negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry and lack and cooperation and accessibility will be seen as challenges to successful research undertakings.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the various past studies that has been carried out in relation to factors affecting negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. The chapter presents the various literature existing in the subject in terms of introduction, theoretical reviews, critical reviews, summary and conclusion.

2.1 Theoretical Review

The study relied on the theory of negotiation as a cost reduction tool. This theory was discussed in the section that follows.

2.1.1 The Negotiation Theory

Negotiation theory may be prescriptive, descriptive, or normative in nature. Moreover, theorists and experts from different controls have created and used an assortment of approaches or levels of examination to improve their comprehension of specific parts of negotiations. The resulting theories are diverse, and every now and again feature includes that reflect notable worries from the viewpoint of the orders from which they came. It is obvious at that point, that proper meanings of negotiation mirror the assortment normal for the useful, reasonable, and disciplinary beginnings of the theory created to clarify it.

Noted legislator and mediator Henry Kissinger characterized negotiation as, "a cycle of consolidating clashing situations into a typical situation, under a choice standard of unanimity" (Kissinger, 1969). Somewhere else, theorists have depicted negotiations as occasions of conciliatory imaginativeness, mechanical impressions of relative force, and weighted connections between character types or objective dynamic cycles. While formal meanings of negotiation fluctuate, theorists do acknowledge certain fundamental precepts. Chief among them is the suspicion that parties who arranges concurred in any event one major regard; they share a conviction that their individual purposes will be ideally serviced by going into negotiation with the other party. Verifiably at that point, negotiating parties have arrived at the decision, at any rate for a second, that they might have the option to fulfill their individual objectives or concerns all the more well by going to a settled upon negotiation with the opposite

side, than by endeavoring to meet their objectives or concerns singularly. It is this common discernment that prompts the beginning of negotiations and sells out the reliance that exists (to whatever degree) between negotiating parties. This basic enthusiasm for a mutual understanding is the beginning stage for the "regular intrigue and common reliance that can exist between members in a contention with which, Schelling expresses, "negotiation is concerned" (Schelling, 1960).

2.2 Empirical Review

In the business world, there are five negotiation strategies which are used in the process of negotiating. Despite this fact, most of business negotiators use only one or two negotiation strategies. Nevertheless, a successful experienced negotiator knows these negotiation approaches and he can choose to apply the most appropriate one which would comply with the type of negotiation. It is an effective skill to adapt the strategies to the elements of negotiation. The most common division of negotiation strategy is: competing, accommodating, collaborating, avoiding and compromising (Lum, 2010).

2.2.1 Price

A study conducted by Saxena (2016), indicated that price is an imperative choosing of esteeming; in fact the cutoff to assessing is the organizations price structure. It is fundamental for retailers to survey the price of gathering and retailing the thing. It is similarly basic to realize how price continues conducted time span and sums made. Another factor to be eaten up is that different retail firms, inside a comparable industry, work at different degrees of efficiency, reflecting their price structure. The findings of the study indicated that a firm may have the most important price structure than the business ordinary by righteousness of a couple of components, some of them behind oddball rates, nonappearance of co-negotiation between things sub-optional utilization of plant limit and soon.

A study by Girtman (2016), prices set the floor at the price than the organization can change for its things. The organizations need to change a worth that both deal with all its price for making, coursing and offering the things and pass on issue pace of return for its effort and threats. An esteeming procedure various organizations work to wind up "negligible exertion system" in their industry. The findings of the study indicated that organizations with cut down price can set lower prices that result in more

important negotiations and advantage. He moreover found that an organization's price takes two structures; settled and variable. Settled price (in any case called overheads) is the price that doesn't move with the general population or negotiations level. Variable prices vary explicitly with the degree of age. Mean prices are entire of the settled and variable prices for some random degree of creation. The board needs to change a worth that will at any rate spread the total production of a given degree of age.

Price is a craft of art of regulating money and equivalent resources that can be used as an aspect of the exchanging of buying of a particular management. A study conducted by Gitman (2017), indicated that price can also be portrayed as the course of action of money when it is required. Each adventure huge, medium or little expect back to carry out its responsibility and achieve its goal or destinations back is so imperative today that it is appropriately said that it is the spirit of an undertaking. Without palatable price no attempt would conceivable have the option to accomplish its objective. The findings of the study indicated that fund are money arranged in the negotiation as a price reduction tool, study of blended beverages to the management and private portion genuine foundation the plans with back fuse bank and other Small Medium Enterprise (S.M.B). This is basically basic before setting up a recommendation to ascertainment of various exercises inside an organization consistently need. At the most part prices are necessities in a negotiation as a price reduction tool whereby the determined included may require a degree of money and various resources in real money proportionate for trade and movement of the organization.

A study conducted by Naylor (2012), there are two basic structures, price reimbursement under this negotiation frequently called price esteem; the clients agree to address the entire supplier price notwithstanding a reasonable edge for advantage. It's fit to circumstance when various movements are typical in the midst of created by various risks must be adjusted to. There are issues for the impermanent specialist there is insignificant rousing power to control price except for in and to the degree the firm will hope to make sure about its reputation of giving a motivating force for money. The client should control price in unobtrusive components and distribute significant resources for tie undertaking. Repaired esteem states add to price and transport data. The findings of the study indicated that there are for the most part

disciplines for late zenith on its substance the client is in an ideal circumstance with all his anxiety of danger and controls are capacity over by the authoritative laborer. Given the letter the endeavor the executives' capacities the enjoyment may be in better hands. Anyway inconvenience rises when a cheerful condition or the client has a distinction as a fundamental need on some bit of the assurance these prompts an issue of progress solicitation to change the understanding term.

A study carried out by Destroy (2014), indicated that the expansion term and the price and agreement are far from being obviously true with sway with each change. in genuine assignments there are various exercises in these solicitation for instance in the midst of the advancement of the channel tunnel the British and the French government charges the bearing and the particulars of the undertaking license considering new concern over fire possibility. Normally it's said that the key assuages in the management of the key conciliates in the management of settled worth agreement lies in the plan of profitable change orders. Given the difficulties in the two kinds of understanding it isn't tidying that various highbrows exist. For instance under a settled worth get a supplier may be protected from the expanding or transformation standard danger by agreed change procedure. At another circumstance a price notwithstanding agreement may consolidate check of time and price with a spark to beat certain goal consequently the supplier must give information on natty coarse inward price and assented to surveying and intercession in banter.

As indicated by Gitman (2016), price is the study of how to apportion uncommon resources over a chance to ensure that errand of the organization are conducted successfully. The essential point why back is considered as a principle thought is to manage the advantages that are uncommon for a business to empower everybody to get benefits as they require. He continues to lament that decisions inside an organization are made possible in view of the openness of budgetary resources that are apportioned to such portions thusly upgrading the economy and the board movement to the regular nationals and other little scope back organization.

Negotiation as a price reduction tool requires a budgetary transportability this in like manner whereby the management of the organization needs to set up all of the structures so as the system can take off. Huge complements are set up to avoid any coordination sneak past inside the study of an management administrative prices are

furthermore achieved in the midst of the whole method of huge worth chain assessment thusly proper and mastermind stream of back in the midst of the whole strategy of coordination's. Emergencies may moreover shape some segment of unavoidable in the midst of the method thusly requiring gigantic aggregates of money that would incite directions to perform more key managements for their organization remembering the ultimate objective to make and finish in the significant field with compelled open entryways with the ascent of e-procurement gaining specialists and organizations official need to substitute other getting limits and move their advantages for develop more on key exercises as opposed to endeavoring to profit in the business as shown by (Alphones, 2015).

2.2.2 Quality

A study conducted by Crosby (2009), indicates that quality as the acclimation to necessities net goodness. He moreover centers around that the significance of significant worth can never look good except if it relies upon what the customer needs. That is a thing is quality exactly when it changes with the customers' essentials. At the point when they state that quality wellsprings of data achieves quality yield then it takes after that readied work should be used so to ensure that they make the right quality reliably. Usage and profitability is a fundamental segment to satisfying customer and remaining centered requires making a lean creation' administrations structure which has seen to be incredibly irksome both operationally and financially. The findings of the study indicated that the idea of things an organization should offer must satisfy the need of their customers, organizations practicing Total Quality Management Principle make a customer focused administration system and companions culture that hopes to address their customers' issues the initial go through and as a general rule. Successful organization studies their customers' needs, needs and wants, make a translation of them into specific and sort out their key business undertakings in like way. This organization ensure that their power makes and realizes essential plans that spotlights on what is crucial to their customers and market accordingly effective is required and fill in as the center of the of the resulting purchase organize and to set up the norm against which study test, and quality cheeks are modes.

There are three viewpoints for portraying the overall idea of a thing. In any case is the viewpoint of the maker, who is essentially stressed over the negotiation, structuring and collecting measure, related with assembling the thing. Quality is assessed by the degree of conformance to destined specifics and standards can provoke bad quality and low dependability. Attempts for quality change are away for executing blemishes (parts and subsystems that are out of conformance), the necessity for scrap and overhaul, and therefore broad abatements in progress costs. Second is the viewpoint of the customer or customer. To customers, a high bore is one that well satisfies their tendencies and wants. This idea can fuse different traits, some of which contribute basically nothing or nothing to the convenience of the thing anyway are basic in giving shopper steadfastness. A third view relating to quality is to consider the thing itself as a structure and to combine those credits that relate explicitly to the errand and handiness of the thing. This approach should incorporate the producer and customer sees (Marconi, 2010)

A study carried out by Juran (2006), indicates that quality is wellbeing for use. The definition gathers nature of plan, quality conformance, availability and adequate field advantage. There is anyway no broad significance of significant worth as frequently as conceivable is described as 'health, legitimize and shocking'. This is the definition a large number individual have as a principle need when they think about quality. The moves rice is belittled to be a quality conformance. The valuable stone is recognized without question to a quality gem. People generally conviction the high is something appealing free from any other individual. The findings of the study indicates that the best quality is the thing that can be purchased at the most marked down value possible to fulfill or satisfy the arranged limit with regards to which the thing is being acquired. This will manufacture organization undertakings with non-focus limits under the administration of an untouchable, the consortium for getting negotiation as a cost reduction tool investigate authenticates that the re-appropriating gives 100m for organizations to regulate capable age system and improve the idea of their product to extend power of the business community

A study conducted by Peter (2017), indicating that organizations practicing Total Quality Management Principle make a customer focused administration structure and companions culture that attempts to address their customers' issues the initial go

through and unfailingly. Successful organization surveys their customers' needs and wants, make an understanding of them into specific and sort out their key business assignments in like way. This organization ensures that their drive makes and completes crucial plans that spotlights on what is indispensable to their customers and market from now on suitable. These elective implications of significant worth every now and again spread and may battle. Perspective for quality may moreover change as thing moves from the framework to the advancing stage hence; it crucial to consider all of the above properties when encompassing general quality rationale. As indicated by Gardins eight estimations, quality is implementation of the things working properties.

A study carried out by David (2018), indicates that quality control is the amassing of techniques and systems for ensuring that a thing or the board is made and passed on by given necessities. This fuses the progression of specifics and standards, implementation measures, and following procedure, and remedial exercises to care for control. The findings of the study indicates that the data social event and assessment capacities with respect to quality control incorporate genuine testing, assessment of boundaries, and advancement of various control diagrams for checking the methods in making things. This district of significant worth control is officially known as measurable cycle control (SPC) and close by affirmation analyzing, addresses the customary impression of significant worth administration. Genuine cycle control bases generally on the conformance part of significant worth, and somewhat less degree on working implementation and durability. Due to all of these systems drew in with making a quality thing, it thusly makes it insignificant altogether more cost than the helpless things.

A study conducted by Lyson (2016), indicate that it is imperative of acquisition staff being found out about subtleties. The principle job of procurement is to add to the efficiency of an undertaking by getting the best quality, things or administrations to the extent liters for the use in any occasion possible total cost. The essential piece of securing limit in (quality administration was first stressed in the early work, of acclaimed-"quality gum". Based OO their work, even more starting late speculation in absolute quality administration (TQM) perceived this standards part by considering the sort of buyer supplier relations a key segment of TQM.

According to Arnod (2015), quality control includes all activities and decisions went for taking the organizations' things and administrations to the pined for quality level and keeping up that level. Quality control as such requires genuine gathering and sound tuning between the various workplaces in the organization and with the external suppliers and customers. After the pined for quality level has been developed, the complete creation measure must be sifted through with the end goal that this degree of significant worth is come to and kept up in a controllable manner sum assertion is a basic model for supplier decision. Quality assertion concerns keeping up the techniques and strategies for esteem control, for example deliberately watching that they are associated adequately. Inside organization assessment of these issues is habitually called investigating outside evaluation is suggested as affirmation. An external assessment develops how much the strategies or approach used satisfy the conditions which have been recorded in public and worldwide standards.

2.2.3 Capital

A study conducted by Shin (2017), indicate that gainful Capital Management was basic for making a motivator for the financial specialists. The manner in which capital was regulated essentially influenced both productivity and liquidity. The findings of the study indicate that the organization between the length of Net Trading Cycle, corporate profitability and risk adjusted stock return was assessed using relationship and backslide assessment, by industry and capital power. They found a strong negative organization between lengths of the organization's net-trading Cycle and its advantage. Also, shorter net trade cycles were connected with higher peril adjusted stock returns.

Deloof (2003), discussed that most firms had a ton of exchange contributed out working capital. It can therefore be ordinary that the way capital is directed will fundamentally influence advantage of those organizations. Using relationship and disintegration tests he found a basic negative organization between net working compensation and the amount of days records of deals, inventories and records payable of Belgian firms. One reason of these results he suggested that bosses could make a motivation for their speculators by reducing the amount of days' records receivable and inventories to a reasonable least. The negative organization between

lender liabilities and advantage is consistent with the view that less profitable firms hold up longer to take care of their tabs.

A study conducted by Krueger (2015), indicate that capital management viability is essential especially to produce and advancement firms, where a critical bit of favorable circumstances is made out of current assets. It direct impacts the productivity and liquidity of firms. The advantage liquidity tradeoff is basic considering the way that in the event that capital management is not given due studies, at that point the organizations are likely going to miss the mark and face bankruptcy. The criticalness of capital management efficiency is self-evident. Capital is known as sustaining power for any money related unit and its management is considered among the most basic limit of corporate management. The findings of the study indicate that every organization whether, advantage arranged or not, free of size and nature of business, requires significant proportion of working capital. Capital is the most indispensable factor for caring for liquidity, endurance, dissolvability and productivity of business. Capital management is a champion among the most basic zones while making the liquidity and benefit study among firms, including the decision of the total and plan of current assets and the financing of these focal points. The more conspicuous the general degree of liquid assets, the lesser the peril of missing the mark on cash, each and every other thing being identical. Each and every individual section of capital including cash, alluring protections, account receivables and stock management accept a central part in the execution of any firm.

A study carried out by Han (2016), indicate that the possibility of capital management watches out for organizations' directing of their temporary capital and the goal of the management of capital is to propel a great liquidity, advantage and speculators' arrangement as a cost decrease instrument. Capital management is the ability to control suitably and capably the current assets and current liabilities such that gives the firm most prominent benefit for its advantages and cutoff points portions for its liabilities. The findings of the study indicate that the summarizing capital suggests the capital that organizations use in their ordinary errands and it contains organizations' current assets and current liabilities. An especially supervised capital advances an organization's flourishing accessible to the extent liquidity and it similarly acts in help for the improvement of speculators arrangement as a cost decrease apparatus.

A study conducted by Smith (2017), indicate that successful management of capital expect a basic piece of general corporate system to make financial specialist exchange as a cost decrease device. Capital is seen as the delayed consequence of the time slack between the utilization for the purchase of unrefined material and the gathering for the proposal of the finished items. The findings of the study indicate that the technique for managing capital can altogether influence both the liquidity and profit of the organization. The central explanation behind any firm is to increase advantage. Regardless, keeping up liquidity of the firm moreover is an imperative objective. The issue is that extending benefits at the cost of liquidity can pass on troublesome issues to the firm. Therefore, method of firm should keep up amicability between these two focuses of the organizations. Trouble in capital management is to achieve needed tradeoff among liquidity and efficiency. Insinuating theory of risk and return, hypothesis with more perils will result to more return. Along these lines, firms with high liquidity of capital may have commonly sheltered and low benefit. On the other hand, a firm that has low liquidity of capital faces high danger which results to high efficiency.

2.2.4 Training

A study carried out by Peter (2017), indicates that once training organization has been set up the essential need is to set up the planning and headway needs of the organization are. This will incorporate the use of a lot of working obligations, agent assessment records and other data which may exhibit such needs. The accompanying stage is to structure the arrangement needed to address the issues recognized. The findings of the study indicated that the usage of the game plan ordinarily a joint endeavor between the arrangement experts and their line and handy partners having executed the necessary training it is basic to survey the negotiation as a cost reduction device with the objective that subsequent changes to substance and strategies can be made if basic.

Any change method goes with new techniques which the laborers must be set up in. these consolidates new enumerating systems and particular methodology of uncovering and creation and reporting. A study conducted by Bowman (2015), indicates that watches that prepared delegates don't remain gifted interminably and especially even with reliably developing condition. Their aptitudes with time end up

old or, most ideal situation may rot. The findings of the study indicate that the accomplishment of an arrangement as a cost reduction tool depends upon how well the laborers are set up to play out the as of late introduced endeavors. This is the inspiration driving why consistently, organizations consume billions around the world delegate training, and he closes.

A study conducted by Richard (2009), training affects the negotiation as a cost reduction tool. The authoritative presentation depends upon the representative implementation since human resource capital of organization expects a fundamental part in the turn of events and the various leveled implementation. The findings of the study indicate that to improve the hierarchical exhibition and the specialist usage, training is given to the delegate of the organization. Therefore the inspiration driving this study is to exhibit the impact of training and the framework of training on the delegate implementation.

A study conducted by Bennet (2018), indicates that preparation is skill arranged and commonly is normal for the short run government assistance of the organization. In case laborers are not readied, the executives will have little achievement in negotiation as a cost reduction device with various kinds of inspiring criticism and various sorts of affirmation. The findings of the study demonstrate that especially arranged proficient invests heavily in their work, gives less oversight issues and easily recognizes new controls. It is furthermore raised that it's fundamental that appraisal of training be seen as an essential bit of the whole veritable sense. A strong methodology is to get a bearing that at whatever point a decision is taken to address training issues, plans should be pulled in up to survey the equivalent.

Training can be put in a contact essential to class managers. In any case, learning is the limit, the capacity, the appreciation, and the information, which every individual requires securing remembering the ultimate objective to have the ability to work effectively and perform adequately. HR, are the most significant assets of any organization, with the machines, materials and even the money, nothing finishes without work. Abadan (2009), introduced that: readiness is a deliberate headway of the learning, aptitudes and perspectives required by delegates to perform adequately on a given task or occupation. It can happen in different courses, at work or off the

action; in the organization or outside organization to propel the negotiation as a cost reduction apparatus study.

Despite focusing on capability and value control the spending on training should augment since organization get greater efficiency, practicality out of the specialist training. This exhibits training grows the profitability and the amplex of the organization. People are talking more about implementation and results and results. They are not so much achieving more about it. From this doubtlessly training and improvement is the fundamental factor. So the centrality of our assessment is that the readiness upgrades the implementation. Therefore the inspiration driving this assessment is to indicate the impact training on the negotiation as a cost reduction apparatus (Richard, 2009).

As indicated by Kemal (2015), training can be formal or easygoing, which can either be off the-work or at work. In the masterminding periods of a change technique, managers of progress should have the ability to imagine the capacities that would be needed to complete the change and have an unquestionable plan on the arrangement program for the zeroed in on workers. This makes up the part that is formal specialist training. Anyway watches that organizations are dynamically picking easygoing laborer training unstructured and successfully got to conditions and individuals for keeping agents current. Truth be told, easygoing training in just delegates getting each other out by bestowing information on works related issues to one another. He watches that possibly the most basic of this outcome is that various bosses are directly solid of what used to be seen as "sit out of rigging jibber jabber." Delineation is that of Siemens plant in North Carolina, where for instance the board currently sees that people require not being on the age line to work. Talks around the water cooler were not about non work topics, for instance, wealth and legislative issues as the executives suspected, yet about handling business related issues. The administration stimulates such easygoing social affairs for negotiation as it is one way through which delegates acquires aptitudes and improves the arrangement as a cost reduction device study.

Training manufactures the laborer implementation like the researcher said in his study that arrangement is a basic development to extend the implementation of microfinance. Another researcher said that agent implementation is the fundamental factor and the structure piece which extends the cash related advancement in the

microfinance foundations. Laborer implementation depends upon various components like occupation satisfaction, learning and the board anyway there is organization among training and implementation. This exhibits specialist implementation is basic for the implementation of the dealing with a record sections and the readiness is helpful for the agent to improve. The essential objective of our study is the way the readiness increase the laborer implementation (Chris, 2010).

2.3 Summary of the Gaps

The literature review demonstrates that price and agreement are disputable with sway with each change. in genuine errands there are various exercises in these solicitation for instance in the midst of the advancement of the channel tunnel the British and the French government charges the bearing and the particulars of the undertaking grant considering new concern over fire possibility. Normally it's said that the key pacifies in the management of the key conciliates in the management of settled worth agreement lies in the course of action of profitable change orders. Given the difficulties in the two sorts of arrangement it isn't tidying that various highbrows exist.

The literature review shows that the best quality is the thing that can be purchased at the most scaled down value possible to fulfill or satisfy the arranged limit with respect to which the thing is being gotten. This will fabricate association undertakings with non-focus limits under the management of an outcast, the consortium for getting exchange as a price decrease device investigate authenticates that the re-appropriating gives 100m for organizations to administer capable age structure and improve the idea of their product to grow force of the business community.

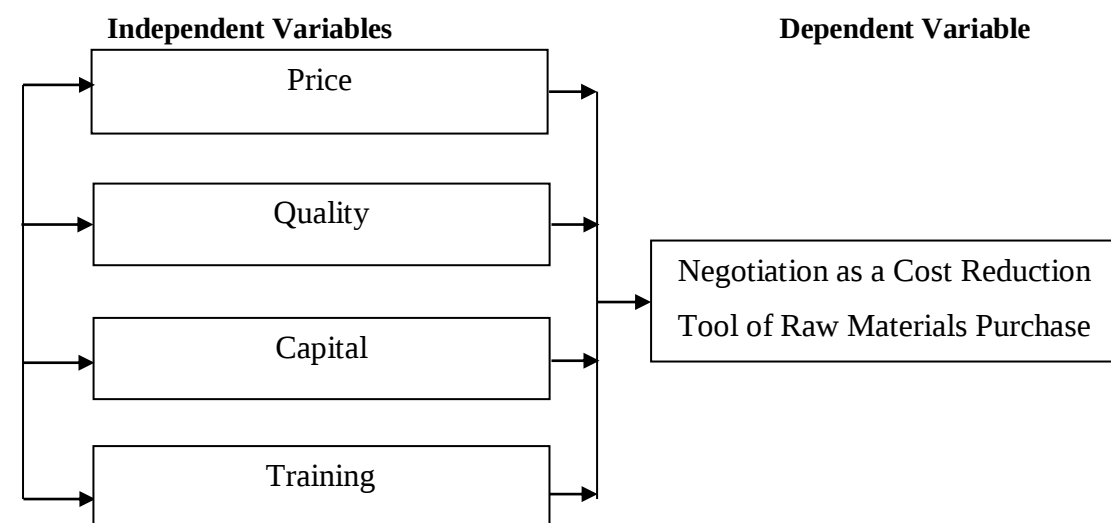
The literature audit shows that capital management is the ability to control feasibly and capably the current assets and current liabilities such that gives the firm most noteworthy benefit for its advantages and cutoff points portions for its liabilities. The transient capital suggests the capital that organizations use in their ordinary errands and it involves organizations' current assets and current liabilities. An especially managed capital advances an association's success accessible to the extent liquidity and it moreover acts in help for the improvement of speculators exchange as a price decrease device.

The literature review demonstrates that particularly arranged authority invests wholeheartedly in their work, gives less management issues and easily recognizes new controls. It is moreover raised that it's basic that evaluation of training be seen as an essential bit of the whole real sense. A strong methodology is to get a heading that at whatever point a decision is taken to address training issues, plans should be pulled in up to review the equivalent.

2.4 Conceptual Framework

Conceptual framework is explained as diagrammatical illustration of the relationship between independent variables and dependent variable. The study independent variables were: price, quality, capital and training which were assumed to affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. This illustration was represented in figure 2.1

Figure 2.1 Conceptual Framework

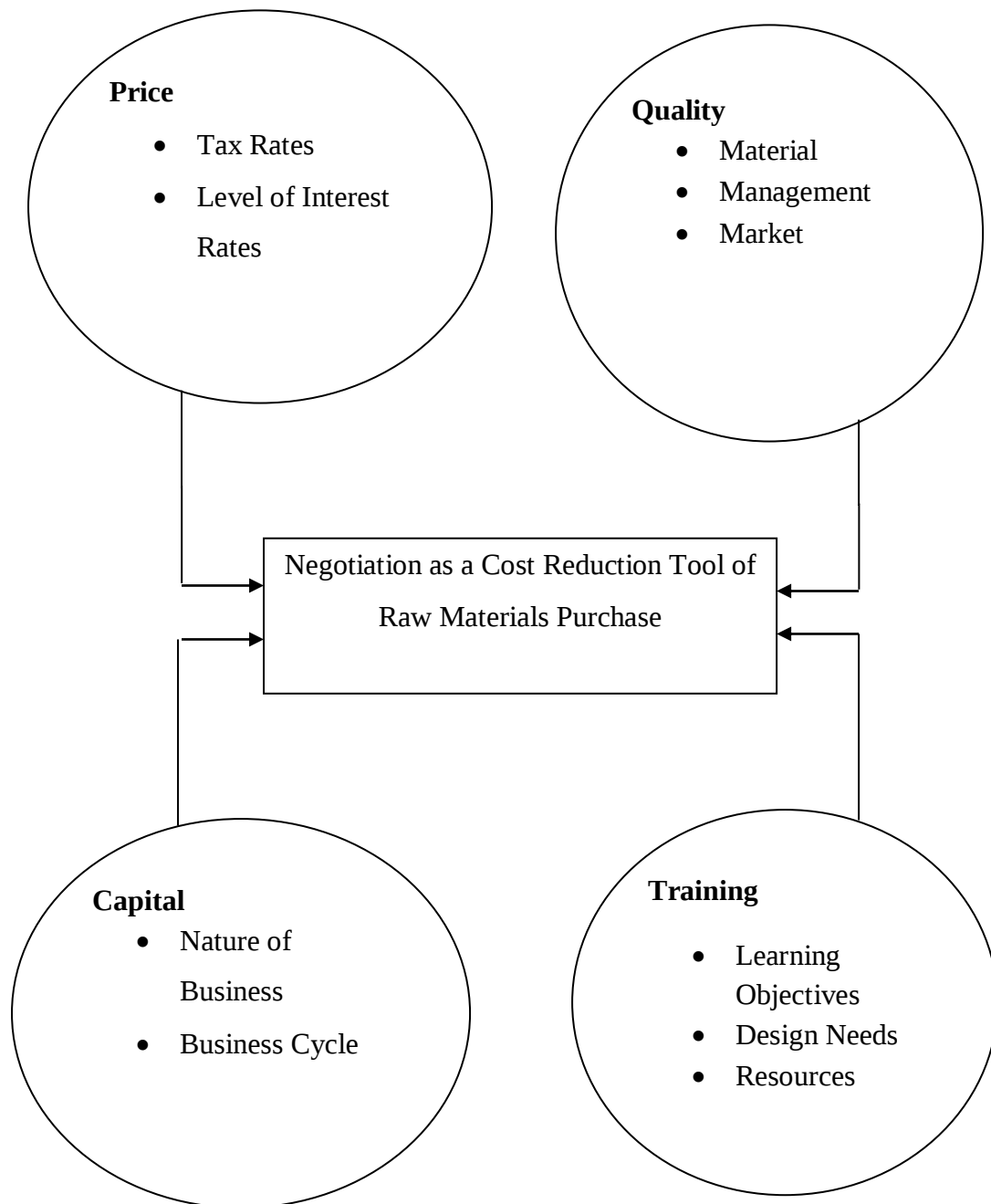


Source: Author (2020)

2.5 Operationalization of Variables

The study evaluated how price, quality, capital and training affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Figure 2.2 Operationalization of Variables



2.6 Chapter Summary

This chapter has covered the theoretical part of the study, it is the optimal information of the study and it is completed to give the hypothetical record of the examination where it has one theory for example the theory of negotiation as a cost reduction tool

analysis. The study has tackled the literature review with major concern on the independent variables .for example price; quality, capital and training. Previous studies made by other researchers in relation to factors affecting negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. A brief critique of available literature on previous studies has been tackled based on the perceptions and understanding of the researcher and research gap has been developed on other areas, which former researchers have not touched in their studies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This study focuses on the research design and methodology used to gather data for the study. In this chapter, the researcher talks about research design, sources and kind of information, sampling design and information gathering systems and instruments and besides information accumulation techniques and information examination.

3.1 Research Design

Research design is the structure, plan or plan that was used to deliver answers to the examination issue. It is basically the course of action and structure of examination. Descriptive research was used to develop factors related with specific events, results, conditions or kinds of direct. Descriptive research is a consistent technique for study in which data was gathered and dismembered remembering the ultimate objective to portray the musical development conditions, terms or organizations concerning an issue (Mugenda and Mugenda, 2003).

3.2 Target Population

Donald (2016), noted that target population is the sum of all the targeted respondents from general population of components in the organization. This will be the part of the population the researcher will be interested in researching or the totality of cases of people, organization or institutions, which represent certain characteristics. It will be important for the researcher to find out possible elements about the study population which includes age, gender class and classes of the population. The target population includes top managers, middle managers and support staff of employees of the Kapa Oil Refining Industry totaling to 460 respondents. Table 3.1 shows the target population.

Table 3.1 Target Population

Category	Target Population	Percentage
Top Level Management	10	2
Middle Level Management	50	11
Support Staff	400	87
Total	460	100

Source: Author (2020)

3.3 Sample and Sampling Techniques

According to Kothari (2012), sampling is the procedure by which a for the most part humble number of individual, dissent or event is picked and separated with a particular ultimate objective to find something about the entire people from which it was picked. A model is a little degree of centered people picked using purposeful shape. The researcher used stratified random sampling since it enabled theory of a bigger population with a space for give and take that was really unequivocal (Mugenda and Mugenda, 2003). The example size of 30% of a target population was picked as this was sufficient to offer responses to the research questions under study.

Table 3.1 Sample Size

Category	Target Population	Sample Size	Percentage
Top Level Management	10	3	2
Middle Level Management	50	15	11
Support Staff	400	120	87
Total	460	138	100

Source: Author (2020)

3.4 Instruments

Questionnaires were hand-delivered and collected after a few days. The types of questionnaires included both open and closed ended questions. Closed ended questions were used to ensure that the appropriate responses given are applicable. The researcher needed to stage the questions unmistakably so as to clarify measurements along which respondents were investigated. In open ended questions, the respondents were offered opportunity to communicate their emotions in the provided spaces to significant clarifications. This method was considered effective to the study in that; it created confidentiality. The presence of the researcher was not required as the questionnaires were self-administered.

3.5 Pilot Study

3.5.1 Validity

Validity refers to whether the study measures what it is expected to. Unwavering quality can be distinguished as the degree to which the estimation of a test stays predictable over repeated trial of a similar subject under indistinguishable conditions.

Particular study was fused in the questionnaires which were sent to the respondents to fill and return for assessment. A pre test was also done on the questionnaires using the picked test of respondents and information obtained assessed. The pilot study was used to pre test the preliminary of information gathering.

3.5.2 Reliability Test

Reliability can be distinguished as the degree to which the estimation of a test stays steady finished rehashed trial of a similar subject under indistinguishable conditions. A pilot test was done to recognize parts of study population and unit of study. Created studies were sent to some picked trial of respondent from each sub store up that is, senior, focus and backing stuff then the information picked up was surveyed to assess their unfaltering quality. The researcher recognized that the study was strong for the study and the information required can be assessed. The questionnaires were given out unpredictably to respondents from each sub gathering. The researcher gave out questionnaires to a few people not in the looking at for pre testing unwavering reliability and validity.

3.6 Data Analysis Methods

According to Kothari (2015), data analysis procedure includes the process of packaging gathered information putting in order and structuring its main components in a way that the findings can be effectively and adequately communicated. After the fieldwork, before analysis, all questionnaires were adequately checked for reliability and verification. Editing, coding and tabulating were carried out. The data was analyzed using qualitative method and quantitative techniques. Quantitative method involved content analysis and evaluation of text material and qualitative method involved the use of diagram such as tables and charts.

3.7 Ethical Considerations

3.7.1 Informed Consent

Before conducting the research the researcher conducted a pre visit to the organization and sought the information from the organization management and the researcher involved the management on the extent and what information the researcher sought (James, 2014).

3.7.2 Voluntary Participation

The research was voluntary and none of the respondents was forced to take part in the research however the researcher took time to explain to the respondents the significance of this research to them and to the research and any participation was highly appreciated (Philip, 2015).

3.7.3 Confidentiality

All data that was collected in the organization was only for education purpose and no information was reproduced without the consent of the organization and the researcher (Cole, 2016).

3.7.4 Privacy

The respondents were assured that the information they shared would be confidential and all the respondents were not allowed to give their personal details and all information was coded (Liang, 2014).

3.7.5 Anonymity

A "strictly anonymous" study design is one in which it is difficult to follow information or data back to the exploration subject from whom it was acquired. At the end of the day, the information cannot be recognized to a specific research member, not even by the researcher. The study did a collective separation, the study design was associated with the making of a code connecting the subject's character to a pen name, the personality of the subject can be followed to the information, composed consent framework was gathered, and this agree shape must be isolated from the information that the subject gives (Oliver, 2015).

3.8 Chapter Summary

This chapter presents the introduction of study, research design, target population, sample and sampling techniques, pilot study, data analysis methods as well as ethical considerations.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

In this chapter, the researcher carried out an analysis of data using both quantitative and qualitative methods. The analysis and interpretation of data is done by the help of analyzed tools such as graphs, pie charts and through judgment due to the observations made.

4.1 Presentation of Research Findings

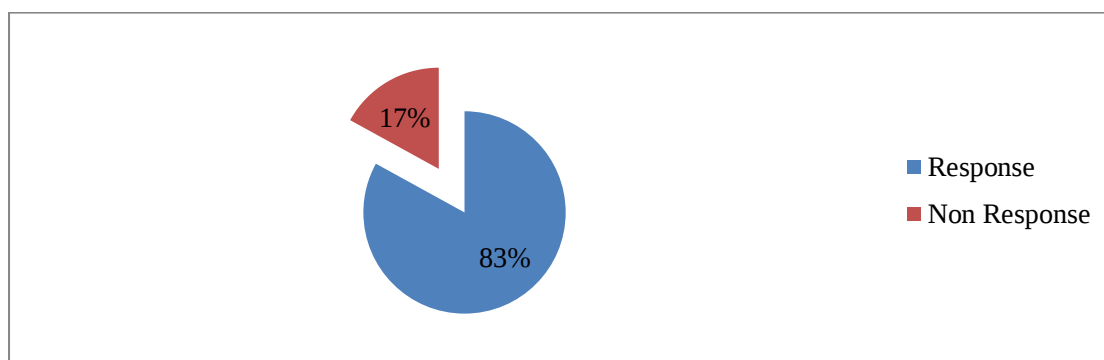
4.1.1 Response Rate

Table 4.1 Response Rate

Category	Frequency	Percentage
Response	115	83
Non Response	23	17
Total	138	100

Source: Author (2020)

Figure 4.1 Response Rate



Source: Author (2020)

Table 4.1 and figure 4.1 indicate the response rate of the respondents. From the findings it was clear that the study targeted the sample size of 138 respondents from which 115 respondents filled in and returned the questionnaire making a response rate of 83% while 23 comprising of 17% never returned their questionnaire. This rate was satisfactory to make a conclusion on the factors affecting negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

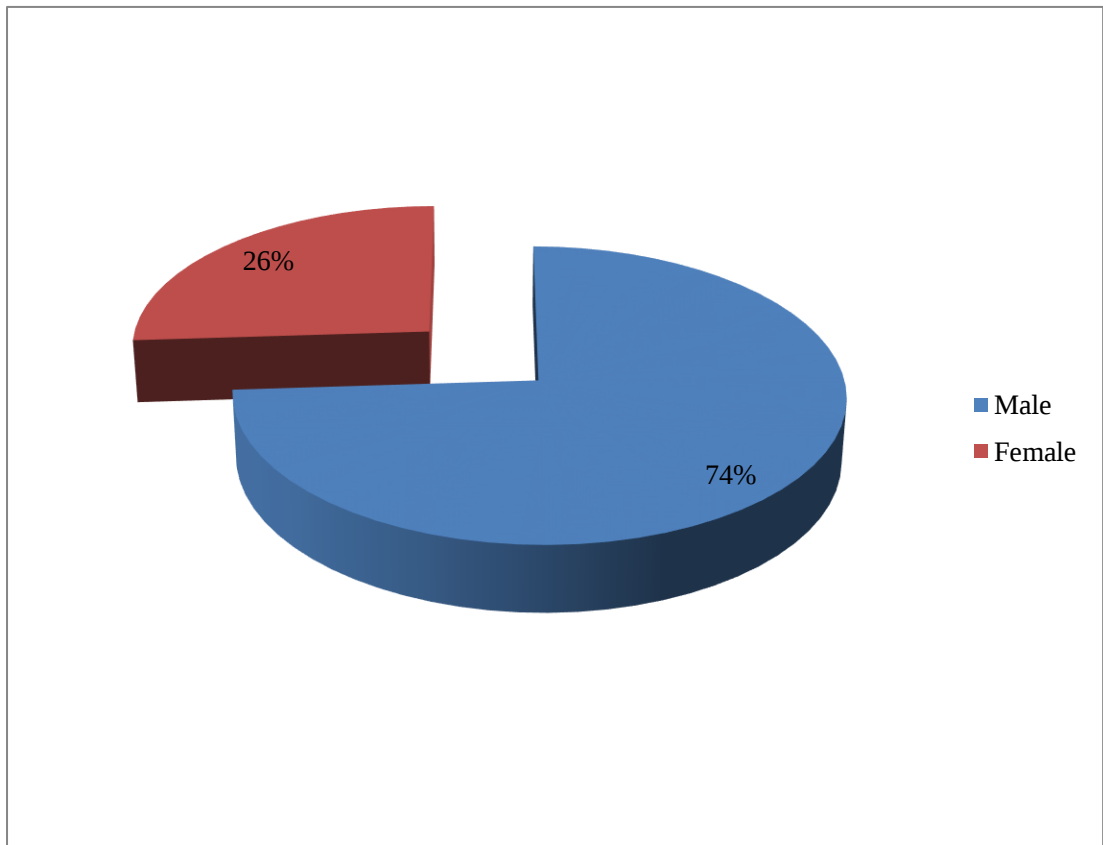
4.1.2 Gender

Table 4.2 Gender

Category	Frequency	Percentage
Male	85	74
Female	30	26
Total	115	100

Source: Author (2020)

Figure 4.2 Gender



Source: Author (2020)

Table 4.2 and figure 4.2 indicate the response rate of the respondents in terms of gender. From the study findings majority of the respondents who took part in the study were male represented by 74% while 26% of the respondents were female. Although this was an imbalance the gender distribution had no effect on the quality of the outcome and therefore did not affect the study.

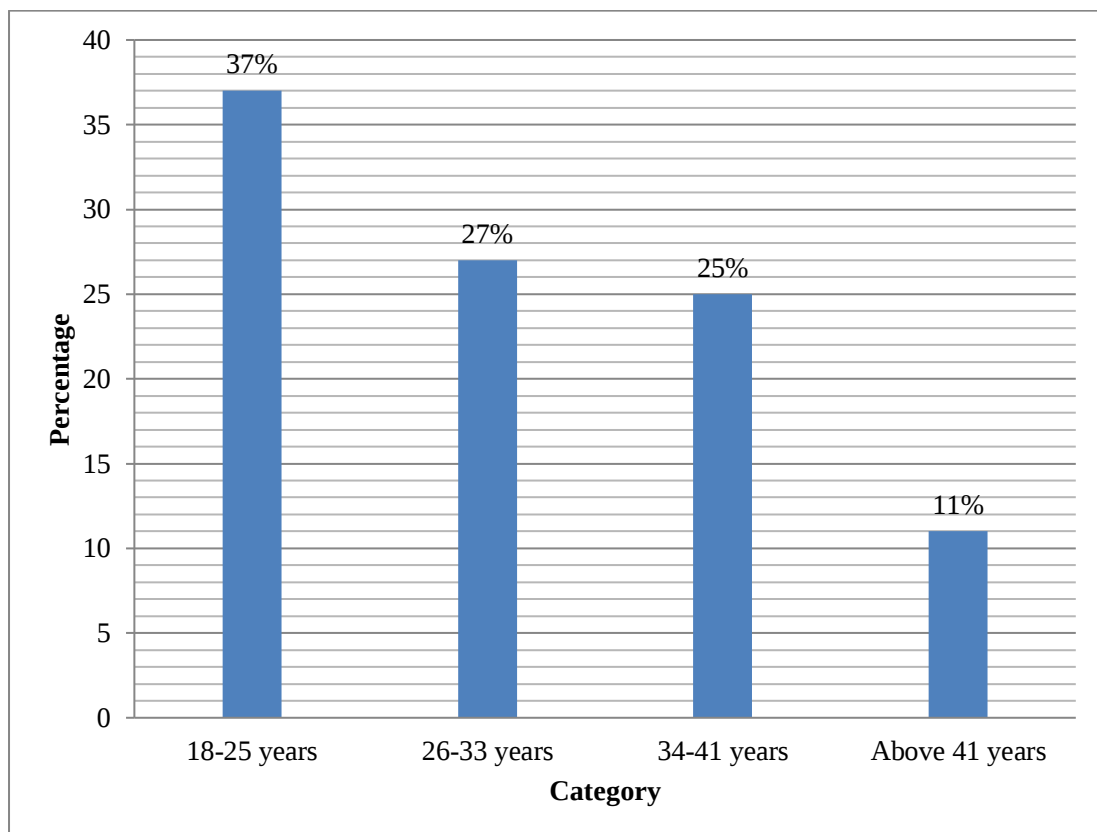
4.1.3 Age Brackets

Table 4.3 Age Brackets

Category	Frequency	Percentage
18-25 years	43	37
26-33 years	31	27
34-41 years	29	25
Above 41 years	12	11
Total	115	100

Source: Author (2020)

Figure 4.3 Age Brackets



Source: Author (2020)

Table 4.3 and figure 4.3 indicate the age brackets of the respondents. From the study findings 37% of the respondents were aged between 18-25 years, 27% were aged between 26-33 years, 25% were aged between 34-41 years while 11% of the respondents were aged above 41 years. This indicates that majority of the respondents were aged between 18-25 years.

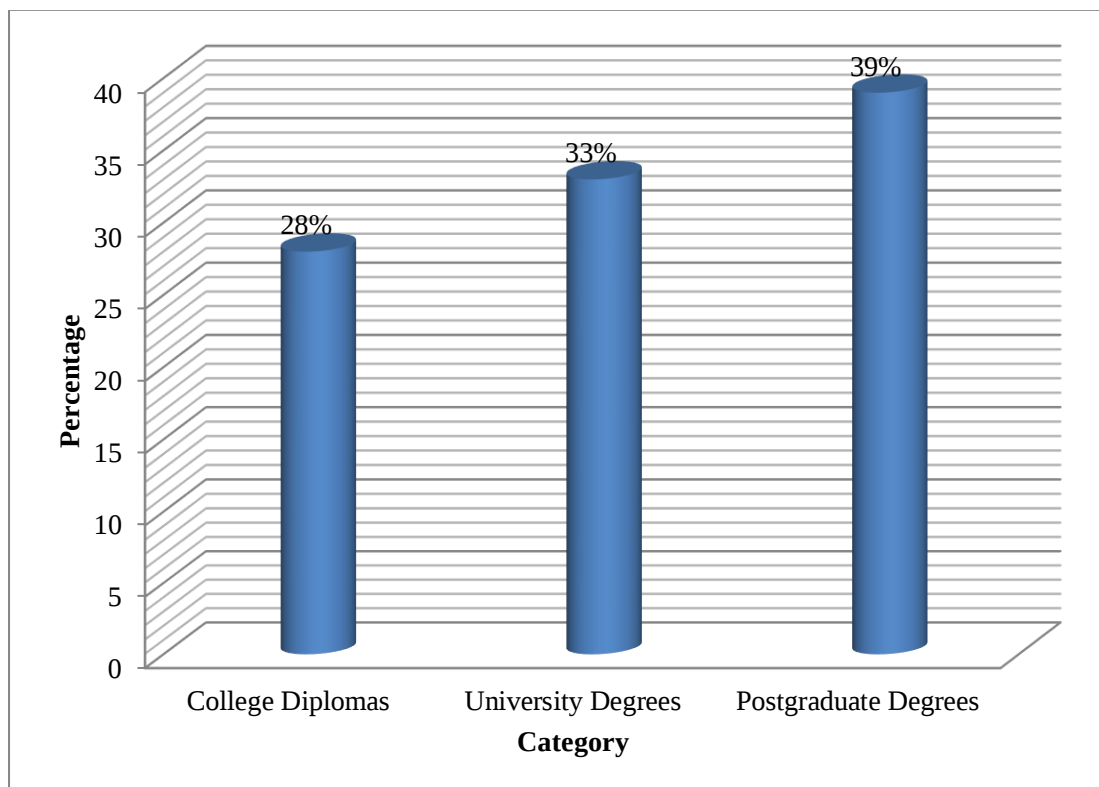
4.1.4 Highest Level of Education

Table 4.4 Highest Level of Education

Category	Frequency	Percentage
College Diplomas	32	28
University Degrees	38	33
Postgraduate Degrees	45	39
Total	115	100

Source: Author (2020)

Figure 4.4 Highest Level of Education



Source: Author (2020)

Table 4.4 and figure 4.4 indicate the levels of education of the respondents. According to the study findings 28% of the respondents had acquired college diplomas, 33% had acquired university levels of education while 39% of the respondents had acquired postgraduate degrees. This indicates that majority of the respondents had postgraduate degrees.

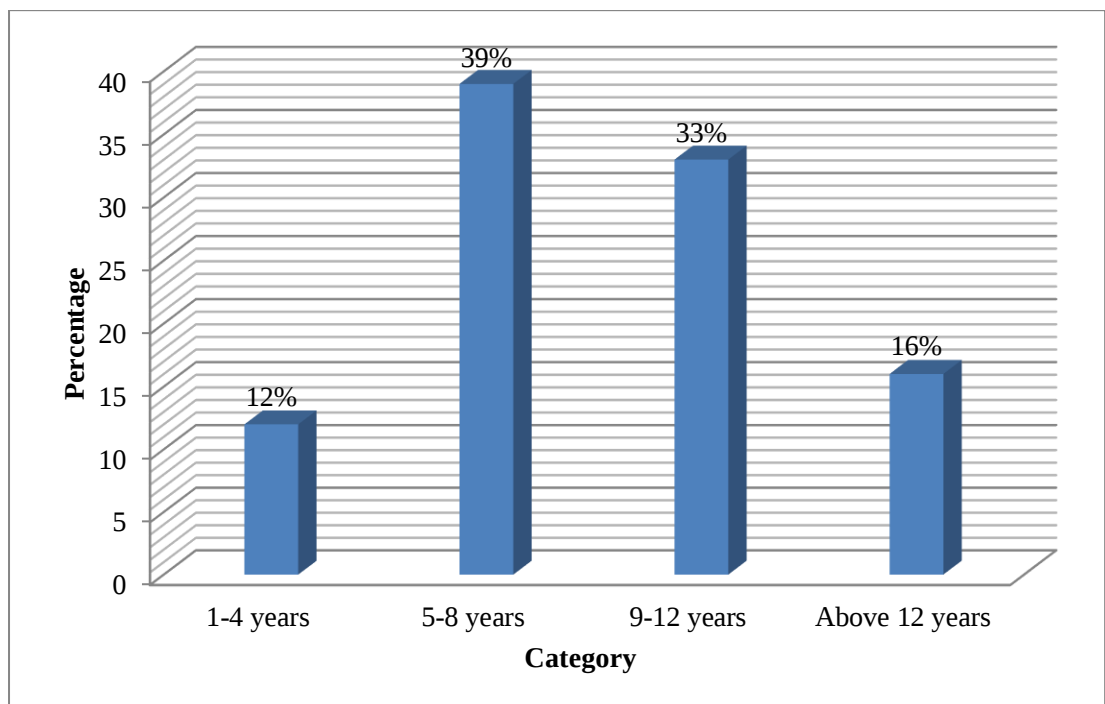
4.1.5 Work Experience

Table 4.5 Work Experience

Category	Frequency	Percentage
1-4 years	14	12
5-8 years	45	39
9-12 years	38	33
Above 12 years	18	16
Total	115	100

Source: Author (2020)

Figure 4.5 Work Experience



Source: Author (2020)

Table 4.5 and figure 4.5 indicate the work experiences of the respondents. Based on the study findings 12% of the respondents affirmed that they had worked in the company between 1-4 years, 39% had worked in the company between 5-8 years, 33% had worked in the company between 9-12 years and 16% of the respondents had worked in the company for more than 12 years. This indicates that majority of the respondents had worked in the company between 5-8 years.

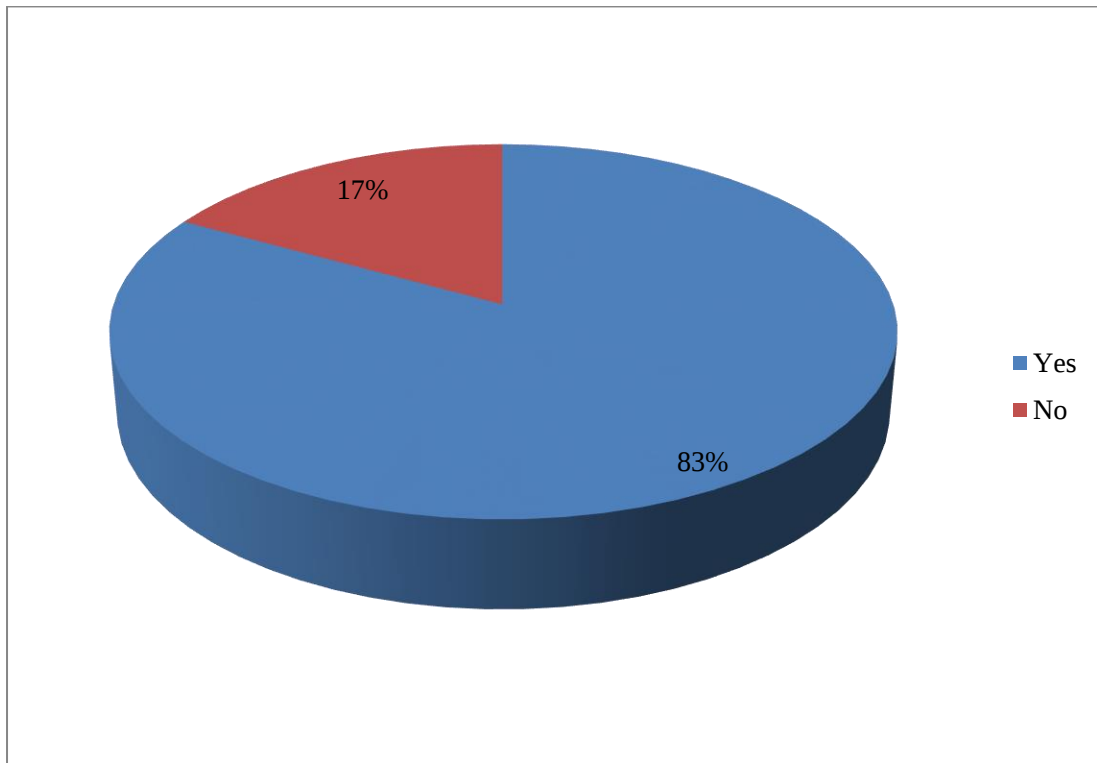
4.1.6 Effects of Price

Table 4.6 Effect of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Category	Frequency	Percentage
Yes	95	83
No	20	17
Total	115	100

Source: Author (2020)

Figure 4.6 Effect of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.6 and figure 4.6 indicate the effect of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Based on the analysis of the findings 83% of the respondents were of the view that price affects negotiation as a cost reduction tool while 17% of the respondents disagreed. This indicates that price affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

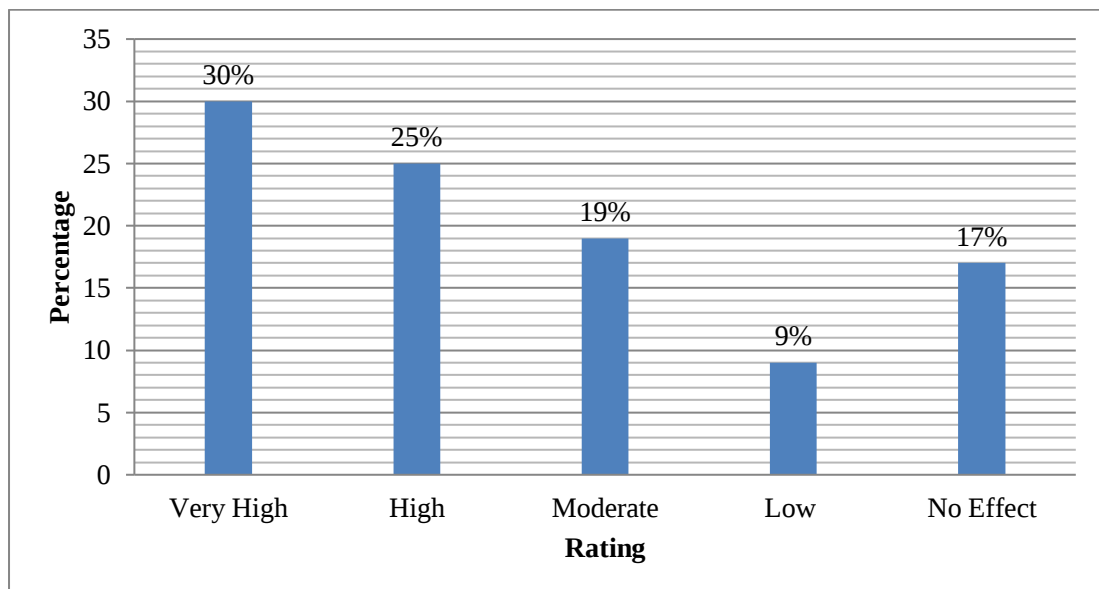
4.1.7 Rating the Effect of Price

Table 4.7 Rating the effects of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Rating	Frequency	Percentage
Very High	35	30
High	28	25
Moderate	22	19
Low	10	9
No Effect	20	17
Total	115	100

Source: Author (2020)

Figure 4.7 Rating the effect of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.7 and figure 4.7 indicate the rating of the effect of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. From the study findings 30% of the respondents rated very high, 25% rated high, 19% rated moderate, 9% rated low and 17% of the respondents rated no effect. This indicates that price affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

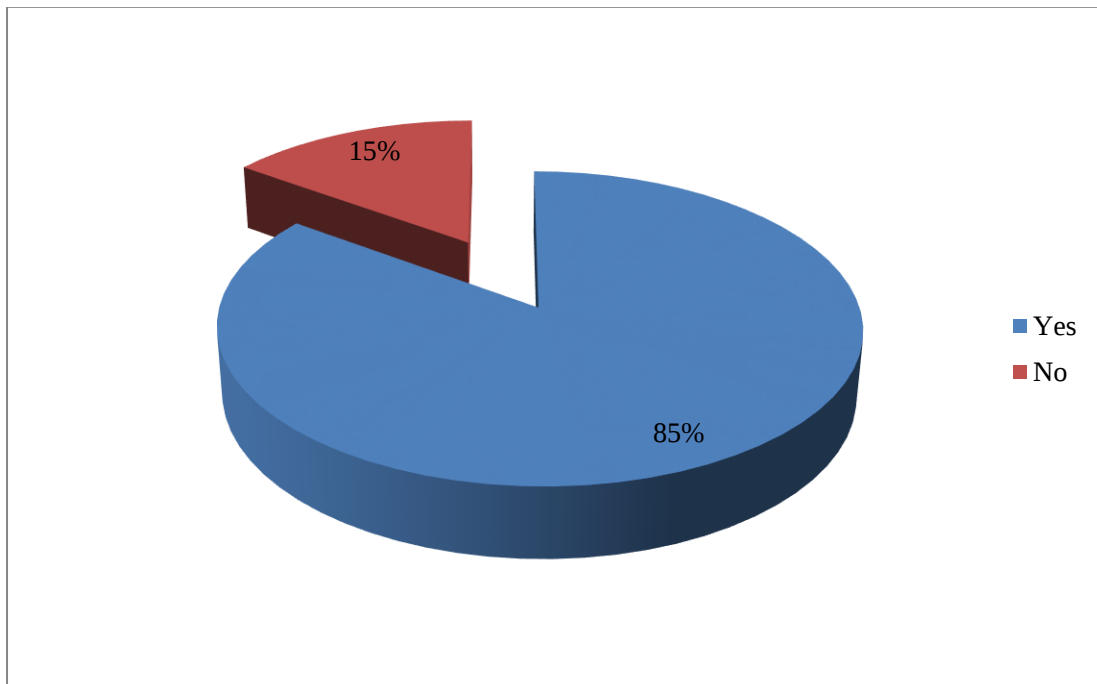
4.1.8 Effect of Quality

Table 4.8 Effect of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Category	Frequency	Percentage
Yes	98	85
No	17	15
Total	115	100

Source: Author (2020)

Figure 4.8 Effect of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.8 and figure 4.8 indicate the effect of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. According to the analysis of the findings 85% of the respondents were of the opinion that quality affects negotiation as a cost reduction tool while 15% of the respondents disagreed. This indicates that quality affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

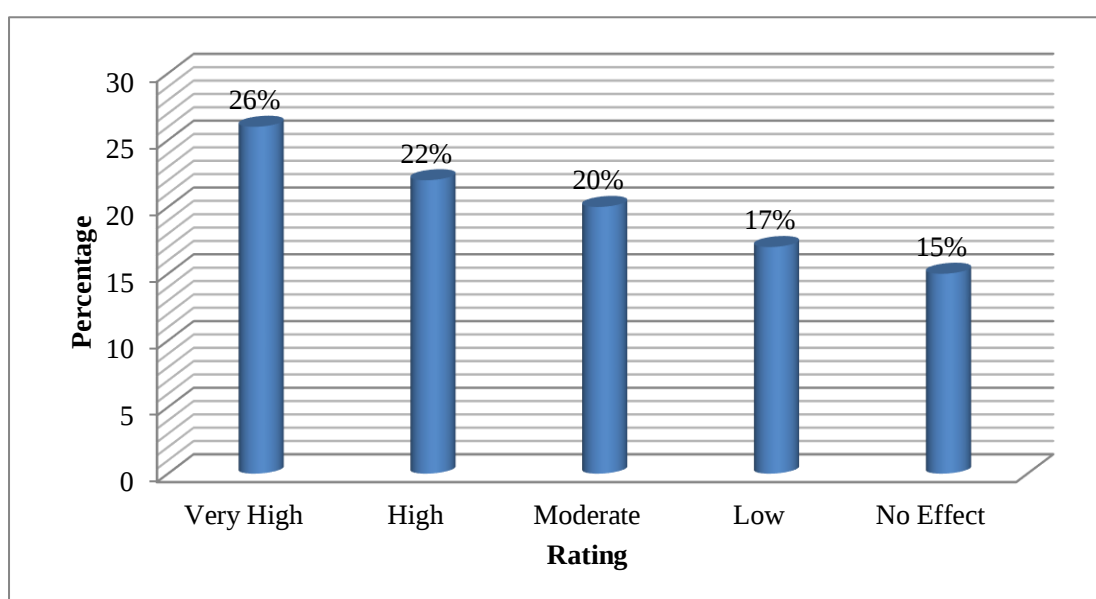
4.1.9 Rating the Effect of Quality

Table 4.9 Rating the effect of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Rating	Frequency	Percentage
Very High	30	26
High	25	22
Moderate	23	20
Low	20	17
No Effect	17	15
Total	115	100

Source: Author (2020)

Figure 4.9 Rating the effect of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.9 and figure 4.9 indicate the rating of the effect of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Based on the analysis of the findings 26% of the respondents rated very high, 22% rated high, 20% rated moderate, 17% low while 15% of the respondents rated no effect. This indicates that quality affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

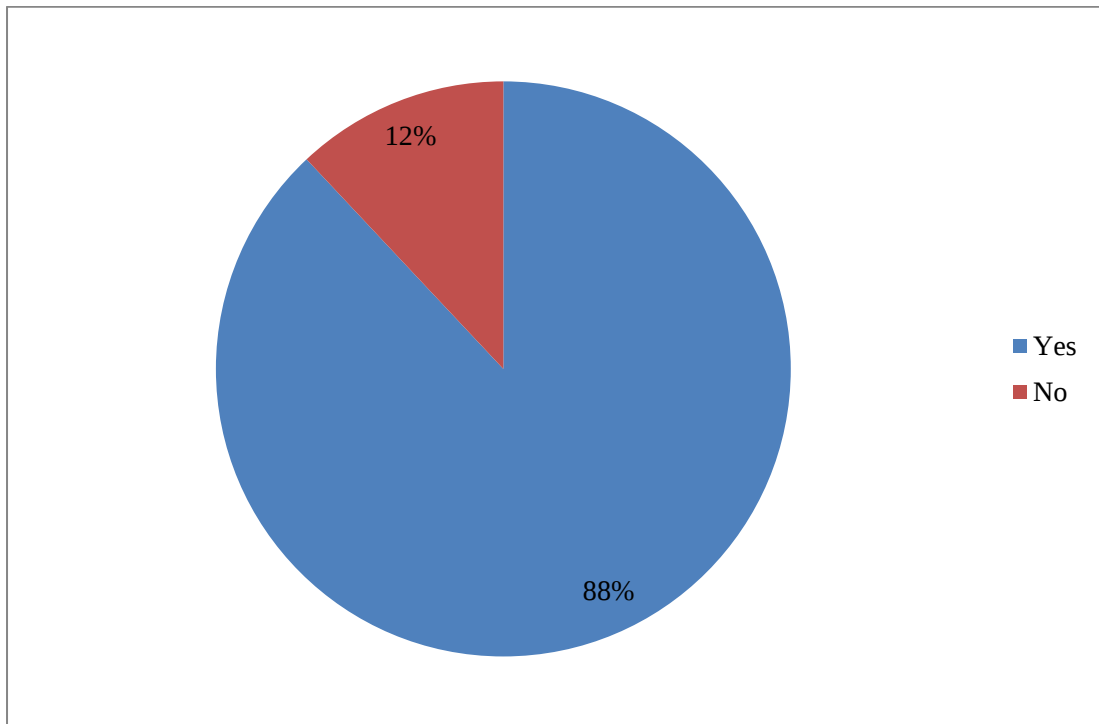
4.1.10 Effect of Capital

Table 4.10 Effect of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Category	Frequency	Percentage
Yes	101	88
No	14	12
Total	115	100

Source: Author (2020)

Figure 4.10 Effect of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.10 and figure 4.10 indicate the effect of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Based on the study findings 88% of the respondents agreed that capital affects negotiation as a cost reduction tool while 12% of the respondents disagreed. This indicates that capital affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

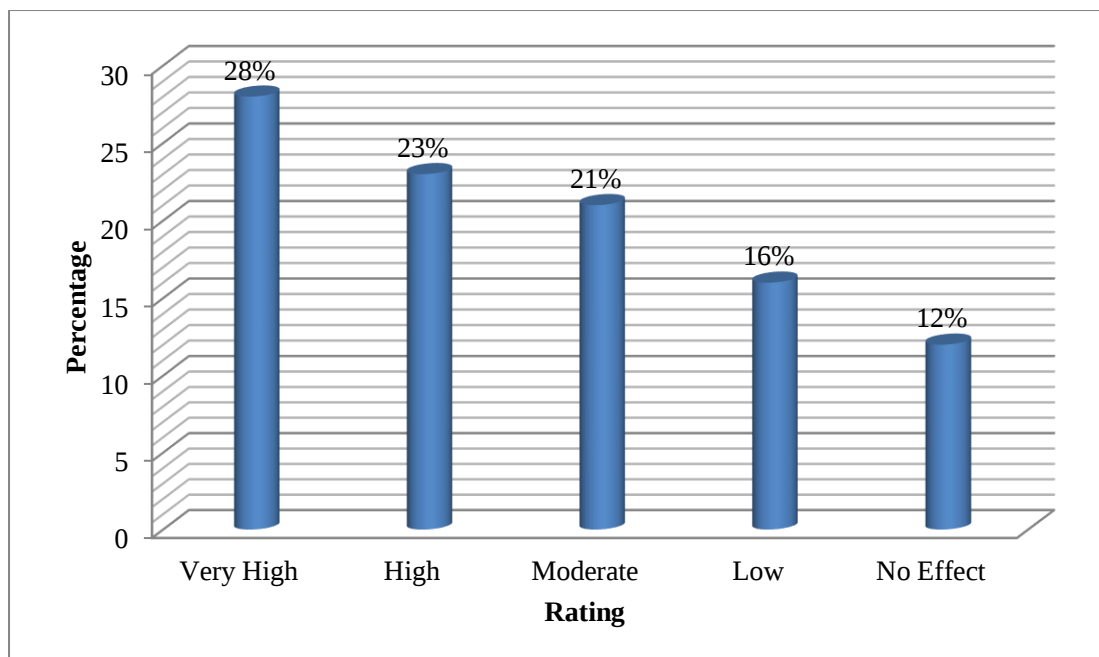
4.1.11 Rating the Effect of Capital

Table 4.11 Rating the effect of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Category	Frequency	Percentage
Very High	32	28
High	26	23
Moderate	24	21
Low	19	16
No Effect	14	12
Total	115	100

Source: Author (2020)

Figure 4.11 Rating the effect of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.11 and figure 4.11 indicate the rating of the effect of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. According to the analysis of the 28% of the respondents rated very high, 23% rated high, 21% rated moderate, 16% rated low while 12% of the respondents rated no effect. This indicates that capital affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

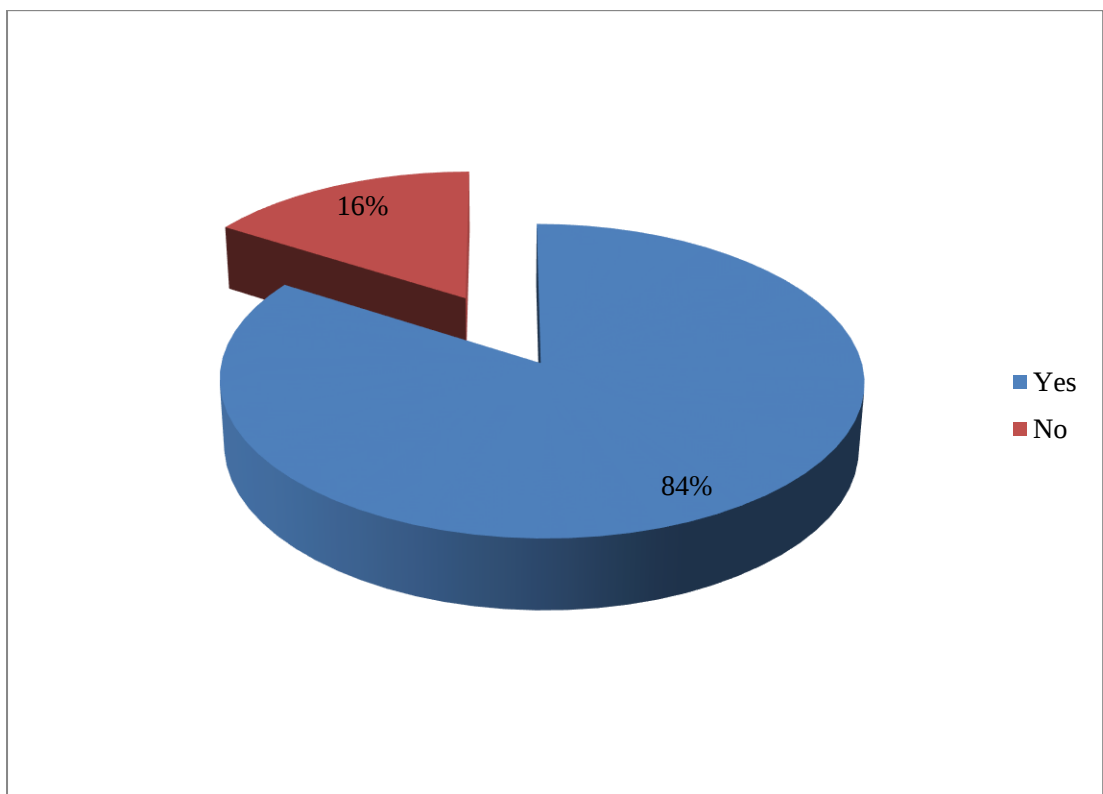
4.1.12 Effect of Training

Table 4.12 Effect of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Category	Frequency	Percentage
Yes	97	84
No	18	16
Total	115	100

Source: Author (2020)

Figure 4.12 Effect of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.12 and figure 4.12 indicate the effect of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. From the analysis of the findings 84% of the respondents were of the view that training affects negotiation as a cost reduction tool while 16% of the respondents disagreed. This indicates that training affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

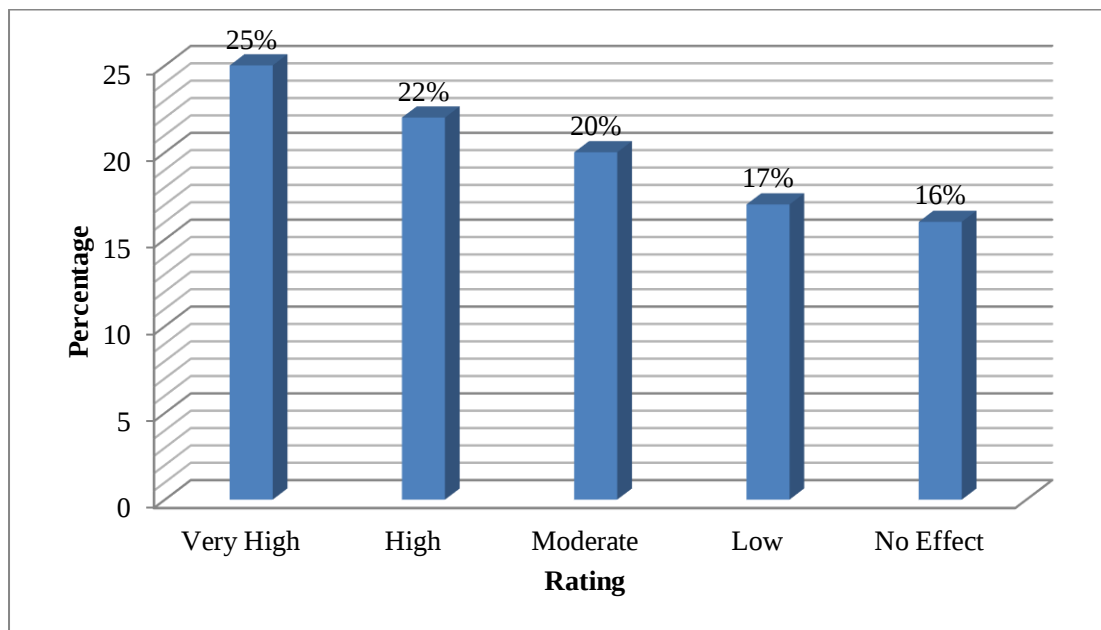
4.1.13 Rating the Effect of Training

Table 4.13 Rating the effect of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry

Category	Frequency	Percentage
Very High	29	25
High	26	22
Moderate	23	20
Low	19	17
No Effect	18	16
Total	115	100

Source: Author (2020)

Figure 4.13 Rating the effect of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry



Source: Author (2020)

Table 4.13 and figure 4.13 indicate the rating of the effect of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Based on the analysis of the findings 25% of the respondents rated very high, 22% rated high, 20% rated moderate, 17% rated low and 16% of the respondents rated no effect. This indicates that training affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

4.2 Limitations of the Study

There were some employees in the organization that were uncooperative consequently they did not give the necessary information due to confidentiality nature of the information. The researcher solved the problem by assuring the respondents that the study was strictly for academic purpose and no part of it would be opened in public.

It was difficult for the study to be carried out promptly as the researcher was limited to enter a few sections of the firm. For the confidentiality of the study, the researcher had to show them her school identification card and the letter of the school to assure them that the study was basically for academic purpose only and was allowed to visit some section of the firm.

4.3 Chapter Summary

The fourth chapter represents the focal point of the research project. Previous chapters of the study have laid the ground for the project. Those chapters provided a clarification of the reason behind the research, an outline of the research questions hypothesis investigated and a description of how the project fits within the general body of research related to the subject under consideration. This chapter proceeds onward to a presentation of the findings produced by the quantitative analysis conducted as a part of this research project. The presentation of the findings is presumably the most daily practice and simple to compose as long as the exploration configuration has been built appropriately and the information has been gathered cautiously. These findings are then used to give the foundation to the end and suggestions plot in the final chapter.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter concentrates on the research questions driven from the study. It additionally summaries the findings as indicated by the research questions, recommends the study and conclusion.

5.1 Summary of Findings

5.1.1 To what extent does price affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

From the study findings 30% of the respondents rated very high, 25% rated high, 19% rated moderate, 9% rated low and 17% of the respondents rated no effect. This indicates that price affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

5.1.2 How does quality affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Based on the analysis of the findings 26% of the respondents rated very high, 22% rated high, 20% rated moderate, 17% low while 15% of the respondents rated no effect. This indicates that quality affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

5.1.3 To what extent does capital affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

According to the analysis of the 28% of the respondents rated very high, 23% rated high, 21% rated moderate, 16% rated low while 12% of the respondents rated no effect. This indicates that capital affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

5.1.4 How does training affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Based on the analysis of the findings 25% of the respondents rated very high, 22% rated high, 20% rated moderate, 17% rated low and 16% of the respondents rated no

effect. This indicates that training affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

5.2 Recommendations

5.2.1 Price

The researcher recommended that the customer should control price in subtle elements and allocate considerable assets to tie undertaking. Fixed value states add up to price and conveyance information. There are generally punishments for late culmination on its substance the customer is in an ideal situation with all his concern of hazard and controls are ability over by the contractual worker. Given the letter the venture management abilities the delight might be in better hands. However trouble emerges when a hopeful condition or the customer has a difference as a main priority on some piece of the determination these prompts an issue of progress request to change the agreement term.

5.2.2 Quality

The researcher recommended that quality should concern keeping up the strategies and methods of value control, i.e. methodically watching that they are connected effectively. Interior organization evaluation of these issues is frequently called inspecting outside appraisal is alluded to as confirmation. An outer evaluation builds up how much the techniques or methodology utilized fulfill the conditions which have been recorded in national and global principles.

5.2.3 Capital

The researcher recommended that the method for overseeing capital can significantly affect both the liquidity and gainfulness of the organization. The fundamental reason for any firm is to augment benefit. In any case, keeping up liquidity of the firm additionally is a vital goal. The issue is that expanding benefits at the price of liquidity can convey difficult issues to the firm. Along these lines, procedure of firm should keep up a harmony between these two targets of the organizations. Difficulty in capital management is to accomplish wanted tradeoff amongst liquidity and productivity

5.2.4 Training

The researcher recommended that manager as well as other employees who perform non-routine should solve problems on their jobs, reports. In cases where people anticipate these problems but are inadequately equipped to solve them, then they can participate in problem solving to augment negotiation as a cost reduction tool.

5.3 Conclusion

From the study findings majority of the respondents agreed that price affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Therefore price plays a key role in negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

From the study findings majority of the respondents agreed that quality affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Therefore quality plays a key role in negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

From the study findings majority of the respondents agreed that capital affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Therefore capital plays a key role in negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

From the study findings majority of the respondents agreed that training affects negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry. Therefore training plays a key role in negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry.

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APPENDIX I
RESEARCH QUESTIONNAIRE

Kindly answer the questions by putting a tick in the appropriate box or by writing in the space provided.

SECTION 1: GENERAL INFORMATION

1. Gender

Male { }

Female { }

2. Age Brackets

18-25 years { }

26-33 years { }

34-41 years { }

Above 41 years { }

3. Highest Level of Education

College Diplomas { }

University Degrees { }

Postgraduate Degrees { }

4. Work Experience

1-4 years { }

5-8 years { }

9-12 years { }

Above 12 years { }

SECTION 2: PRICE

5. Does price affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Yes { }

No { }

Briefly explain

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6. How would you rate the effects of price on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Very High { }

High { }

Moderate { }

Low { }

No Effect { }

Briefly explain

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SECTION 3: QUALITY

7. Does quality affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Yes { }

No { }

Briefly explain

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8. How would you rate the effects of quality on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Very High { }

High { }

Moderate { }

Low { }

No Effect { }

Briefly explain

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SECTION 4: CAPITAL

9. Does capital affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Yes { }

No { }

Briefly explain

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10. How do you rate the effects of capital on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Very High { }

High { }

Moderate { }

Low { }

No Effect { }

Briefly explain

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SECTION 5: TRAINING

11. Does training affect negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Yes { }

No { }

Briefly explain

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12. How would you rate the effects of training on negotiation as a cost reduction tool of raw materials purchase in the manufacturing industry?

Very High { }

High { }

Moderate { }

Low { }

No Effect { }

Briefly explain

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Thank You for Your Cooperation