



**SUPPLIER DEVELOPMENT PRACTICES AND PROCUREMENT
PERFORMANCE OF AVIATION COMPANIES IN NAIROBI CITY COUNTY,
KENYA**

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ABSTRACT

Supplier development initiatives play an important role in building buyer-supplier capacities to deal with social and economic performance. Supplier development is a critical collaboration that brings manufacturers and suppliers together on the path to achieving social, financial, and ecological progress that is sustainable. The main objective of the study was to examine the effect of supplier development practices and procurement performance of airline industry in Nairobi, Kenya. The specific objectives were to examine the effect of supplier appraisal and partnership. The study was guided by two-factor theory of motivation and social exchange theory. This study will adopt a descriptive research design. The target population of this study was 43 local airline companies in the aviation industry. The unit of observation was 172 senior procurement staff (4 Chief Procurement Officers, 4 Directors of Procurement, 4 Procurement Managers, and 4 Procurement Analysts) hence 172 senior staff in the procurement departments. Census was used hence all the 172 senior procurement staff were considered as the sample size. The study used questionnaires for data collection. A pilot study was conducted with 17 senior procurement staff representing 10% of sample. The study used content and construct validity. Data was analyzed using SPSS Version 28. The results demonstrate that supplier appraisal practices play a crucial role in shaping the procurement performance of aviation companies in Nairobi, Kenya. Robust supplier appraisal methods, including desk appraisals, evaluation criteria, and due diligence processes, contribute to enhanced supplier reliability, sustainability, and overall procurement effectiveness within these companies. The findings highlight the critical role of supplier partnership strategies in shaping the procurement performance of aviation companies in Nairobi, Kenya. In light of the significant impact of supplier appraisal practices on procurement performance, it is recommended that aviation companies implement robust and transparent supplier evaluation criteria and processes. To leverage the potential of supplier partnerships in enhancing procurement performance, it is recommended that aviation companies foster a culture of collaboration, communication, and mutual trust with their suppliers

Key Words; Supplier Development Practices, Supplier Appraisal, Supplier Partnership, Procurement Performance of Aviation Companies

Background of the Study

Supplier development (SD) is defined as any activity that a buyer undertakes to improve a supplier's performance and/or capabilities to meet the buyer's short- or long-term supply needs. Supplier development initiatives play an important role in building buyer-supplier capacities to deal with social and economic performance. Supplier development is a critical collaboration that brings manufacturers and suppliers together on the path to achieving social, financial, and ecological progress that is sustainable (Ağan et al., 2017). Supplier development, through supplier assessment and collaboration work, is where the organization gets directly involved in developing the capabilities of suppliers in order to help them enhance their sustainability performance. This will improve the organization's long-term sustainability performance as well as the production capabilities of its suppliers (Subramaniam et al., 2019).

The supplier development process is automatically susceptible to improvement and development when considering the sustainability dimensions, resulting in a comprehensive, exhaustive, and complex process. However, these developments in the supplier development process force organizations to concentrate their efforts on the entire supplier management process, from supplier selection to supplier monitoring to collaborative supplier development (Chavhan et al., 2017). The aims of supplier development from the organizations perspective are generally to reduce cost, improve quality and delivery, develop new routes to supply, develop new products in the market and also to educate suppliers in a systematic process to keep driving continuous improvement (Lukhoba & Muturi, 2015).

Yildiz Çankaya (2020) defined supplier development as long-term cooperation efforts between the purchaser and its suppliers to develop supplier capabilities in terms of costs, quality, delivery, and technical issues. Ketema (2017) added that SD practices include any effort of a buying firm working with its supplier(s) to increase the performance and capabilities of the supplier(s) in order to meet the short and long-term supply needs of the buying firm as well as promote on-going improvements that are intended to benefit both buyer and supplier(s). Gonzalez and Quesada (2014) pointed out that supplier development is the most influential management process for achieving product quality and customer satisfaction. To achieve this objective, firms should put more emphasis on their ability to create and enhance its own capability in a strategically important aspect such as supplier development. The success of any company today lies not only in the management of its relationships with its customers, but also bearing in mind a wider reference group in the supply chain including its suppliers.

Shahzad, Sillanpää, Sillanpää, and Imeri, (2016) defined supplier development activities as the most important efforts that firms undertake not only to gain competitive advantage but to develop suppliers for long term partnership and enhancing relationship with suppliers. Several strategic sustainable capabilities of suppliers are utilized across different industries globally. The extent of supplier development depends on the firm's commitment and dedication towards supplier development. Supplier development efforts increase the competencies of both buyers and suppliers that result in successful operational performance. Job (2015) argues that supplier development techniques consist of supplier training programme, supplier evaluation and assessment, supplier certification/qualification, provision of financial support, supplier audits, and providing incentives and recognition

In Chile, Ağan, Acar, and Neureuther (2018) reported that the Chilean supplier development program which the Chilean government enabled buyers to help suppliers in different functions across the supply chain. This was a successful initiative that was later adopted by other countries including Uruguay, Mexico, and Colombia. In addition, the program helped suppliers in various areas, including quality control, performance metrics identification, and initiatives on strategic

sourcing. In Sweden, Suhail (2017) stated that supplier development aims to provide appropriate framework for improving the performance of suppliers as well as evaluating their performance. The most important supplier development elements are communication, collaboration and trust, top management involvement and long term commitment. SMEs in the manufacturing companies were utilizing structured and unstructured model for supplier performance evaluation. Quality, delivery and cost are the most important supplier performance evaluation measures in Sweden. Lawson, Krause, Potter (2020) found that countries like UK, Chile, and Mexico have successfully implemented supplier development programs. Through supplier development practices, suppliers can increase their performance to enable firms to meet their needs, improve product reliability, design, and development of new products, reduce production costs and finally meet the needs of their ultimate customers.

Anand and Grover (2015) stated that supplier development is normally undertaken with existing suppliers that can be, and agree to being, improved. Suppliers can be categorized in respect of supplier development in three ways; they are, being developed, on hold as a potential for development or, identified as not being worth the investment of development. Adedokun and Onikola (2017) revealed that supplier development has significant influence on operational performance of organizations in terms of reduction of production cost, improving quality of product, speed to the market and operational flexibility. Insufficient inducements to the supplier, lack of trust between parties and insufficient supplier resource are major factors affecting the implementation of supplier development in Nigeria.

Statement of the Problem

The aviation industry plays a great role to economy development in Kenya. According to Kenya Civil Aviation Authority (KCAA, 2022), the air transport industry, including airlines and its supply chain, are estimated to support US \$1.6 billion of GDP in Kenya. Spending by foreign tourists supports a further US \$1.6 billion of the country's GDP, totaling to US \$3.2 billion. According to Wanyonyi, (2018), the aviation industry procurement plays a major role in attaining higher-level efficiency through optimized procurement strategies. Procurement performance is the backbone of an organization success since it contributes to competitive purchase and acquisition of quality goods that puts the organization products or services in the competitive edge in the market. Core businesses operations at the Kenya airways are related to procurement and supply chain management.

The biggest Airline Company in Kenya has lost ground in international ratings on punctuality. In 2021, Kenya Airways punctuality index was 66.7% on time performance (OTP) representing a drastic drop from 74% in 2020. Mutema (2016) noted that cargo delivery rating for Airlines in Kenya was 36.4% which is considered low in comparison with Airlines in Europe, the Middle East and lately North America and Asia which have a delivery punctuality rate of 63.6%. The poor lead time has resulted to high losses in the aviation industry in Kenya as they lose customers to other companies that delivery cargo on time. In 2021, turnover of Kenya Airways reduced by a 1B while Net profit was down by 46.7% (NSE, 2022). Ochieng (2021) attributes increasing supply chain costs, inventory malpractices, and poor supplier selection evaluation and outsourcing as the key reasons for poor delivery which also increases procurement costs. Cargo theft is also a growing problem in the aviation sector in Kenya. The Transported Asset Protection Association (TAPA) in 2020 warned of spike in cargo thefts. Nairobi's Jomo Kenyatta International Airport was out of the 10 highest value incidents reported to TAPA involved seven-figure financial losses. A truck carrying a shipment of phones costing €1,033,877 was hijacked while en route to a warehouse facility. According to a report by business today (2020) Kenya Airways, recorded losses amounting to billions of shillings as a result of cargo theft.

There have been several studies conducted on supplier development practices; Thuita (2018) assessed effect of supplier development on supply chain performance in the dairy sector in Nyandarua County and found that financial support to suppliers, training to supplier, and technical assistance to suppliers had a positive and statistically significant effect on supply chain performance. Nabiliki, Wanyoike, and Mbeche (2019) examined influence of supplier development practices on procurement performance in food and beverage manufacturing firms in Nakuru east sub-county, Kenya and revealed that trained suppliers will always supply quality products, thus reducing the number of raw material defects. Mwesigwa and Nondi (2018) examined effect of supplier development on procurement performance at World Food Programme Kenya and found that supplier development has an effect on procurement performance at WFP. However, none of the studies were conducted in the airline sector in Kenya. The study hence sought to fill the research gap by examining the effect of supplier development practices on procurement performance of aviation companies in Nairobi, Kenya.

General Objective of the Study

The main objective of the study was to examine the effect of supplier development practices and procurement performance of aviation companies in Nairobi, Kenya.

Specific Objectives of the Study

- i To establish effect of supplier appraisal on procurement performance of aviation companies in Nairobi, Kenya.
- ii To assess effect of supplier partnership on procurement performance of aviation companies in Nairobi, Kenya.

Theoretical Literature Review

Two-factor Theory of Motivation

This theory was developed by Herzberg (1923). The theory describes elements in the work environment that enhances work contentment (motivation factors) and factors causing dissatisfaction (Hygiene or maintenance factors). Motivators, also known as satisfiers, are the factors that lead to emotions of fulfillment at work. These elements inspire through altering the work environment. They push a person to grow their talents and reach their full potential. Intrinsic motivators are ones that come from inside. Recognition, achievement, progress, and growth are all motivating aspects in addition to responsibilities and learning opportunities (Bogardus, 2007). Herzberg's theory, unlike other theories, differentiates motivators from non-motivators and is flexible, can be customized according to the sector, job position, state and many more. In addition, the theory allows prioritization of Hygiene or Motivators (Castgla & College, 2013). The theory supports the variable on suppliers financing which enables suppliers to supply goods on time hence improved lead time and less complaints from customers.

Social Exchange Theory

The social exchange theory was developed by George Homans in 1958. A steady continuous and strong exchange relationship ensures reliable supply. The central objective of supplier relationship is attaining the status of a preferred buyer, instead of simply being a regular buyer or even an exit buyer. This leads to better treatment and guaranteed supply while reducing risks that may be involved in the supply chain (Lopez-Navarro et al., 2013). Social Exchange Theory assumes that

individuals take part in an exchange only when they expect their rewards from it to justify the cost of participation. Ellison, Steinfield and Lampe (2011) defined social capital as "the actual and potential resources individuals obtain from their relationships with others (through a favorable reputation, high status and personal referrals)". Building contacts and relationships are

overly seen as important aspects for moving up on one's career or simply to get business success. Ko and Butler (2007) indicated that the majority of managers possess well developed and extensive social networks which is a valuable source of business ideas and particularly significant to greater likelihood of providing new information. Social networks can dictate access to information and resources, thus enhancing performance (Whittington, Owen-Smith & Powel, 2009). Within the Social Exchange Theory, transactions are bidirectional, meaning that there is mutual exchange of material things, where something has to be given in exchange of something else in a given environment (Cropanzano & Mitchell, 2005). It means buyer supplier relationship is mutual and there is equitable sharing of resources and benefits. Social exchanges between a the procurement managers and the suppliers may lead to effective service delivery since the management will be notified of products and services needed on time and they would be in a position to budget for them appropriately.

Conceptual Framework

A conceptual framework provides a mental sketch of the study by linking the independent variables and the dependent variable (Quinlan & Babin, 2019). This relationship between the independent and dependent variables is illustrated in Fig 2.1.

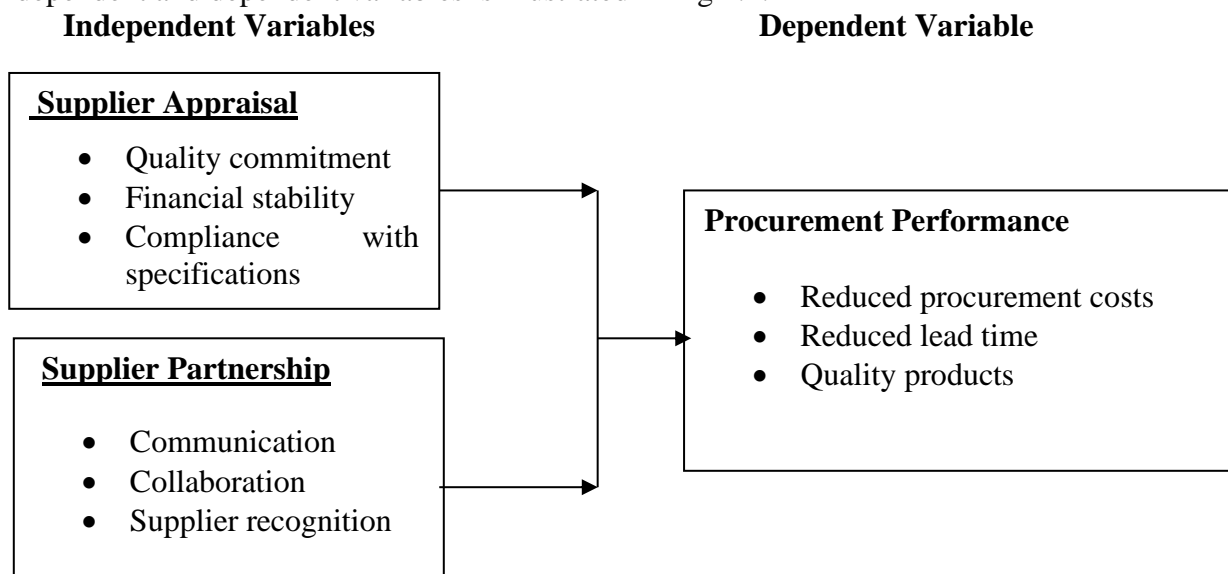


Figure 1: Conceptual Framework

Supplier Appraisal

Supplier appraisal is the process of evaluating and approving potential suppliers using qualitative or quantitative assessment. Supplier appraisal is the evaluation process of finding out whether a supplier meets buyers' requirements reliably after a prospective vendor applies for placement in the buyers list of pre-qualified suppliers. This evaluation helps organizations to determine whether their suppliers are meeting their expectations in terms of quality, delivery, and cost-effectiveness. During a supplier appraisal, an organization assesses various aspects of its suppliers' operations such as product or service quality, delivery timeframes, responsiveness to queries and complaints, financial stability and overall business practices (Tracy, 2016). According to CIPS (2015), supplier appraisal measures supplier's capability of controlling quality, delivery, quantity, price and all other factors to be embodied in a contract. Lysons (2017) stated that suppliers can be appraised on eight areas, namely: finance, production capacity, human resource, quality, performance, environmental and ethical considerations, and organizational structure. The appraisal criteria is summarized as the 'seven Cs' which represent:

competency, capacity, commitment, control systems, cash resources and financial stability, cost commensurate with quality and service and consistency.

Supplier appraisal aims at reducing purchases from marginal or poor performing suppliers while increasing and concentrating purchases among their more desirable top-performing suppliers. Appraisal of suppliers and consequent reduction of supply base has implication performance in terms of cost, design, manufacturability and quality. Rationalizing the supply base equally leads to buying from world class suppliers, reduction of supply base risks, use of full-service suppliers and ability to pursue complex supply management strategies (Gordon, 2016). Samad et al. (2016) confirmed that supplier audit ensures operational efficiency by reducing its inventory costs to a minimum. The company or business can therefore increase its market share in the market place, creates positive impact of the company or business in the global market place because of its partnership with the suppliers, which helps in the production of quality products and improved operations, ultimately contributing to the continuous improvements of the company's projects. Gudda and Deya (2019) discovered that supplier audit enhances operational efficiency by avoiding wasted investment and customer disappointment by only choosing suppliers who can deliver as agreed, ensuring the supplier maintains high hygiene standards throughout the production process, ensuring that supplying-firm undertakes continuous improvements and operates efficiently to lower costs and determining whether the products being manufactured fulfil the correct requirements.

Supplier Partnership

Supplier appraisal is defined as the long term relationship between the organization and its suppliers. It is designed to influence the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits. The key base of business success and supply chain management is emerging new competitive strategy in establishing cooperative relationship with its suppliers. Buyer-supplier partnerships have evolved towards a new form in order to respond to intensified competition. The effort towards closer co-operation between buyers and suppliers also results from the global and competitive market place that focuses on quality, cost, flexibility, and delivery which subsequently create a greater need to emphasize inter-firm collaboration with numerous business partners. Various researchers have been thus established the significant linkages between the construct of Buyer-supplier partnership and integration drawing on transaction cost analysis (Ryu, Park, & Min, 2017).

Strategic partnerships with suppliers enable organizations to work more effectively with a few important suppliers who are willing to share responsibility for the success of the products. Suppliers participating early in the product-design process can offer more cost effective design choices to help select the best components and technologies, and help in design. Strategically aligned organizations can work closely together and eliminate wasteful time and effort. An effective supplier partnership can be a critical component of a leading-edge supply chain. The main objective of strategic partnerships with suppliers is increasing the functional capability desired supplier (Seyoum, 2021). When buyers and suppliers behave in coordination with each other as part of a unified system they can gain several benefits as regards cost reductions, inventories, order fill rate, quality, customer satisfaction and profitability. A good relationship between the buyer and its supplier, based on mutual trust, joint problem solving and fulfilment of pre-specified promises, helps in avoiding complex and lengthy contracts, that are costly to write and difficult to monitor and enforce (Fynes, de Burca, & Marshall, 2018).

Quynh and Huy (2018) reported that involving the supplier at later stages could increase development costs simply due to the fact that the generated idea by the customer might not be possible to produce by suppliers. This could cause delays and a re-design of the product, which

will increase development costs significantly. Involving the supplier at the early stages could, however, also increase the development costs. Becoming depended on the supplier can cause an opportunistic behavior from the supplier and forcing the customer to pay the higher prices.

Empirical Review

Supplier Appraisal and Procurement Performance

Hamad (2020) analyzed the effect of supplier evaluation on procurement functions performance of the public sector organization in Tanzania. Primary data was collected using questionnaires. The regression results showed that there are significant and positive effects of supplier evaluation on procurement function performance. The supplier capacity, supplier financial capacity, and supplier quality management were all found significant and positive effects on procurement function performance. Jelagat and Kiprotich (2017) sought to establish effect of supplier appraisal procedures and capacity assessment appraisal on performance of Kenya Power Company. The study employed descriptive survey design. The target population was 168 employees. Simple random sampling was used to select employees in the procurement department. Questionnaire were used to collect data. Findings showed a strong positive relationship between appraisal procedures and procurement performance. Kenya Power Company conducts site visits to establish supplier capacity. The company also conducts due diligence to establish the capacity of the suppliers, and suppliers are always required to provide proof of their technical competent in order to be considered for the supply. Capacity assessment appraisal was found to have a strong relationship with procurement performance.

Nabea and Nondi (2018) sought to determine the effect supplier selection methods on procurement performance in Kenyan public organization. The study target was 225 respondents from various departments and suppliers at Kenya Maritime Authority.. Descriptive research design was employed. Questionnaires were used to collect data. Findings showed that supplier appraisal method, competitive bidding method, direct procurement method and competitive negotiation method have significant effect on procurement performance in Kenya Maritime Authority significantly affects firm's procurement performance. Sauda and Ngeny (2019) examined effect of supplier evaluation on the performance of procurement contract at the coast provincial general hospital. The study used a stratified sampling technique where 70 respondents were involved. The study revealed that supplier evaluation has strong effects on procurement contract performance where supplier collaboration, financial stability, supplier technical competency, and supplier ethics had all statistically significant effect on procurement contract performance in Coast Provincial General Hospital.

Mutiso and Ochiri (2019) assessed influence of supplier evaluation criteria on procurement performance of non-governmental organizations in Kenya. This study adopted a descriptive research design approach. The target population was 168 heads of procurement. The findings of the study indicated that supplier commitment to quality, supplier financial status, supplier technical expertise and supplier basic profile have a positive relationship with procurement performance of NGO's in Kenya. Alma and Achuora (2021) analyzed the effects of supplier appraisal on supply chain performance among manufacturing firms in Kenya. The study adopted a descriptive research design. The study population for this study was 420 employees of manufacturing firms in Nairobi. The study used stratified random sampling to sample 201 respondents. Questionnaire was used to collect data. The study found that supplier appraisal criteria significantly and positively relate with supply chain performance in manufacturing firms; quality management significantly and positively relate with supply chain performance in manufacturing firms.

Supplier Partnership and Procurement Performance

Pallawi and Sujit (2016) studied the importance of supply chain and logistics practices in the hospitals in Nagpur region. The study also sought to understand different parameter that contributes to the Supply Chain practices. The study revealed that supplier partnership, customer relationship, IT adoption and information sharing and quality of information enhances procurement performance. In addition, supplier partnership and customer relationship have positive impact on the overall performance of the organization. Khan and Siddiqui (2018) examined effect of information sharing and strategic supplier partnership in supply chain management on performance of pharmaceutical companies in Pakistan. Data was collected from 35 pharmaceutical companies located in the big cities of Pakistan. Questionnaires were used to collect data from the managerial level people working in different pharmaceutical companies of Pakistan. Findings showed that strategic supplier partnerships, quality of information sharing have a positive effect on the performance of pharmaceutical companies whereas the level of information sharing has a negative impact on performance.

Nenavani and Jain (2022) examined impact of strategic supplier partnership and customer relationship on supply chain responsiveness. The study analyzed influence of supply chain responsiveness on operational performance in the manufacturing industry in India. A structured self-administered questionnaire was developed to collect data from manufacturing companies in India. Results showed that strategic supplier partnership and customer relationship positively influence supply chain responsiveness, and supply chain responsiveness also positively impacts operational performance. Demand uncertainty negatively moderates the relationship between strategic supplier partnership and supply chain responsiveness. However, demand uncertainty does not significantly affect the relationship between customer relationship and supply chain responsiveness.

Botes, Niemann, and Kotzé (2017) conducted a study on buyer-supplier collaboration and supply chain resilience in the petrochemical industry in South Africa. The study adopted a case study research design. Semi-structured interview questions were used to collect data. The findings indicated that collaboration in the supply chain does not directly influence the supply chain resilience. The study notes that supply chain flexibility, velocity, visibility can be instrumental in fostering supply chain resilience. Nyamasege and Biraori (2015) conducted a study on the factors affecting the effectiveness of supply chain management practices in the Kenyan public sector in the national treasury. The study used a descriptive case research design with a sample size of 60 management staff working in the ministry. The study determined that the lack of supplier relationship management strategies lowered the effectiveness of supply chain management functions.

Tangus (2015) studied the effect of supplier relationship management practices on performance on manufacturing firms in Kisumu County, Kenya. Findings showed that trust is a critical factor fostering commitment among supply chain partners. The presence of trust improves measurably the chance of successful supply chain performance. A lack of trust among supply chain partners often results in inefficient and ineffective performance as the transaction costs (verification, inspections and certifications of their trading partners) mount. Wandera, Namusonge, and Sakwa, (2022) investigated the effect of supplier-buyer relationship practices on the performance of motor vehicle assembly companies in Kenya. The study applied a cross-sectional exploratory descriptive survey research design. Primary data was collected using questionnaires. The study established that supplier-buyer relationship practices have no significant effect on organizational performance of motor vehicle assembly companies in Kenya.

RESEARCH METHODOLOGY

Research Design

This study adopted a descriptive research design. Descriptive research design aims at describing the current state of affairs (Render et al. 2012). This design according to Flick (2011), aims to define topics like potential behavior, attitude, values, and qualities. The research design also helps to answer the questions such as who, when, where, what and how. The design further describes what exist and may help to show new facts and meaning with a purpose of observing, describing, and documenting research findings.

Target Population

The target population of this study was aviation industry in Kenya. According to KCA, there are 43 local airline companies in the aviation industry as shown in Appendix III. The aviation companies were the study unit of analysis. The unit of observation was procurement professionals in the firms who included chief procurement officers, directors of procurement, procurement managers, and procurement analysts. The study purposively targeted 4 Chief Procurement Officers, 4 Directors of Procurement, 4 Procurement Managers, and 4 Procurement Analysts hence 172 procurement professionals were targeted. The procurement professionals oversee all procurement functions of the companies hence suitable to participate in the study.

Sampling Frame

Kothari (2014) defines a sampling frame as a listing of items of a population from which a sample is drawn. In this study, the sampling frame was 172 managers in the procurement departments of local airline companies in the aviation industry in Kenya.

Sampling Size and Sampling Technique

As the study purposefully targeted 4 Chief Procurement Officers, 4 Directors of Procurement, 4 Procurement Managers, and 4 Procurement Analysts, totaling 172 procurement professionals, the sample size is relatively small and easily accessible. Therefore, the study utilized a Census approach, which is suitable for populations of less than 200. The sample size was thus determined to be 172 procurement managers. Census proves to be an economically viable method, as it is less costly, saves time, and requires fewer resources for data collection (Anderson, Kelley, & Maxwell, 2017).

Data Collection Instruments

The study used questionnaires for data collection. According to Kowalczyk (2015), questionnaires are devoid of bias and errors from interviewers, which could jeopardize the survey's reliability and validity. A questionnaire allows a scholar to gather a great amount of data at a low cost from a diverse group of participants who are sometimes dispersed across a vast geographic area. Respondents have adequate time to consider the questions and provide responses that aid in answering research questions. The questions on research objectives will be based on a five point Likert scale (Strongly disagree-strongly agree). The questionnaire had 6 sections; section A on demographics, section B supplier training, section C supplier appraisal, section D supplier financing, section E supplier partnership, and section F procurement performance.

Pilot Study

A pilot study was conducted with 17 senior procurement staff representing 10% of sample as recommended by Kothari (2014). Respondents in the pilot test will not be involved in the final study. Questionnaires in the pilot study were used to test instrument reliability and validity. The pilot study's participants will not be included in the final study.

Data Analysis and Presentation

Data was analyzed using SPSS Version 28. Descriptive and inferential statistics will be used. The descriptive included frequency, percentage, and mean, while inferential will include on the hand include correlation and regression. A correlation value of ± 0.5 shows a strong correlation, ± 0.30 to ± 0.49 medium correlation while ± 0.29 is a small correlation. Significance is at less than 0.05 (Wong & Hiew, 2005). All the tests significance level will be at 95% confidence level. The regression test how a change in the independent variables causes a change to the dependent variable and the significance of that change. Regression therefore will test how a unit change in supplier development practices namely; supplier training, appraisal, financing, and partnership causes a change on procurement performance. The multiple regression equation was used.

RESEARCH FINDINGS AND DISCUSSION

Descriptive Statistics Analysis

In this section, we provide descriptive statistics analysis based on the data collected for the study. Descriptive statistics offer a summary of the main characteristics of the dataset, providing insights into central tendency, variability, and distribution of the variables under investigation. The analysis includes measures such as mean, and standard deviation to describe the data comprehensively. The study requested respondents to rate their responses in a scale of 1-5 where 1= Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree.

Supplier Appraisal

The first objective of the study was to establish effect of supplier appraisal on procurement performance of aviation companies in Nairobi, Kenya. The respondents were therefore asked to indicate the extent to which they agree/disagree with listed statements on supplier appraisal. Table 4.1 presents summary of the findings obtained.

Table 4. 1: Descriptive Statistics on Supplier Appraisal

Statement	Mean	Std. Dev.
The company relies on desk appraisal method using suppliers published and unpublished information to evaluate their past performance	3.987	0.675
The company has supplier evaluation criteria in place for each category	3.886	0.953
The suppliers are always required to provide proof of their technical competence in order to be considered for supply.	3.837	0.207
The company conducts due diligence to establish the capacity of the of the suppliers	3.820	0.853
Appraisal procedures incorporate sustainability aspects and support the supplier performance	3.640	0.304
Supplier performance checklist been developed in the company	3.616	0.585
The company assesses the suitability of suppliers before contracts are given	3.615	1.021
The company conducts regular site visits to assess supplier facilities and operations.	3.578	0.821
Aggregate Score	3.772	0.657

The findings in Table 4.1 show that the respondents agreed on average that the company relies on desk appraisal method using suppliers published and unpublished information to evaluate their past performance (M= 3.987, SD= 0.675); that the company has supplier evaluation criteria in place for each category (M= 3.886, SD= 0.953); and that the suppliers are always required to provide proof of their technical competence in order to be considered for supply (M= 3.837, SD= 0.207). They were further in agreement that the company conducts due diligence to establish the

capacity of the of the suppliers (M= 3.82, SD= 0.853); that appraisal procedures incorporate sustainability aspects and support the supplier performance (M= 3.64, SD= 0.304); that supplier performance checklist been developed in the company (M= 3.616, SD= 0.585); and that the company assesses the suitability of suppliers before contracts are given (M= 3.615, SD= 1.021); and that the company conducts regular site visits to assess supplier facilities and operations (M= 3.578, SD= 0.821).

Linking the findings with literature, Hamad (2020) demonstrated significant and positive effects of supplier evaluation on procurement function performance, indicating that robust appraisal processes contribute to overall procurement effectiveness. Similarly, Nabea and Nondi (2018) highlighted the significant impact of supplier selection methods on procurement performance, suggesting that effective appraisal methods are critical for optimizing procurement outcomes. The findings of the current study, supported by an aggregate mean of 3.772 (SD= 0.657), indicate a consensus among respondents regarding the influence of supplier appraisal on procurement performance within aviation companies in Nairobi, Kenya. These findings underscore the importance of implementing rigorous supplier appraisal mechanisms to enhance procurement efficiency, supplier reliability, and overall organizational performance in the aviation industry.

Supplier Partnership

The second specific objective of the study was to assess effect of supplier partnership on procurement performance of aviation companies in Nairobi, Kenya. Respondents were therefore asked to indicate the extent to which they agreed or disagree with listed statements on supplier partnership. Table 4.2 presents summary of the findings obtained.

Table 4. 2: Descriptive Statistics on Supplier Partnership

Statement	Mean	Std. Dev.
The organization communicates to the suppliers about performance and client feedback	3.956	0.846
The firm always shares procurement related information with suppliers	3.867	0.774
The firm gives recognition to outstanding supplier performance.	3.810	0.983
Our suppliers always inform us in advance when they expect disruptions in supplies	3.782	0.828
The firm has put in place measures and platforms for effective information sharing with suppliers	3.710	0.437
The firm rewards suppliers who share procurement related information	3.633	0.466
The firm encourages collaborative problem-solving with suppliers to enhance efficiency.	3.762	0.96
Regular performance review meetings are held with suppliers to identify areas for improvement.	3.806	0.920
Aggregate Score	3.793	0.722

From the findings in Table 4.2, the respondents agreed on average that the organization communicates to the suppliers about performance and client feedback (M= 3.956, SD= 0.846); that the firm always shares procurement related information with suppliers (M= 3.867, SD= 0.774); and that the firm gives recognition to outstanding supplier performance (M= 3.810, SD= 0.983). They were further in agreement that their suppliers always inform us in advance when they expect disruptions in supplies (M= 3.782, SD= 0.828); that the firm has put in place measures and platforms for effective information sharing with suppliers (M= 3.710, SD= 0.437); and that the firm rewards suppliers who share procurement related information (M= 3.633, SD=

0.466). They were further in agreement that the firm encourages collaborative problem-solving with suppliers to enhance efficiency ($M= 3.762$, $SD= 0.96$); and that regular performance review meetings are held with suppliers to identify areas for improvement ($M= 3.806$, $SD= 0.920$).

Linking the findings with studies by Pallawi and Sujit (2016) and Nenavani and Jain (2022), the research contextualizes the impact of supplier partnership within the aviation sector in Nairobi, Kenya. Pallawi and Sujit (2016) highlighted the importance of supplier partnership in enhancing procurement performance, emphasizing the positive impact of collaboration, customer relationships, and information sharing on overall organizational effectiveness. Similarly, Nenavani and Jain (2022) found that strategic supplier partnership positively influences supply chain responsiveness and operational performance, indicating the broader implications of collaborative relationships on procurement outcomes. The findings of the current study, supported by an aggregate mean of 3.793 ($SD= 0.722$), underscore the consensus among respondents regarding the influence of supplier partnership on procurement performance within aviation companies in Nairobi, Kenya. These findings highlight the critical role of effective partnership strategies in optimizing procurement processes, fostering trust, and enhancing overall organizational performance in the aviation industry.

Procurement Performance

The main objective of the study was to examine the effect of supplier development practices and procurement performance of aviation companies in Nairobi, Kenya. Respondents were therefore asked to indicate the extent to which they agreed or disagreed with the statements on procurement performance.

Table 4. 3: Descriptive Statistics on Procurement Performance

Statement	Mean	Std. Dev.
The procurement function has improved quality of services	3.948	0.443
Effective procurement process has led to reduction of unnecessary costs	3.928	0.458
The procurement function has contributed to the overall productivity of the firm	3.863	0.317
There is minimal defects of cargo on transit	3.835	0.335
Efficiency in procurement has reduced lead time	3.833	0.200
There are less complaints from the clients regarding quality of services	3.726	0.623
The procurement function actively seeks feedback from stakeholders for continuous improvement	3.663	0.450
Regular audits are conducted to ensure compliance with procurement policies and procedures	3.660	0.590
Aggregate Score	3.856	0.396

Based on the findings presented in Table 4.3, the respondents agreed that the procurement function has improved quality of services ($M= 3.948$, $SD= 0.443$); that effective procurement process has led to reduction of unnecessary costs ($M= 3.928$, $SD= 0.458$); and that the procurement function has contributed to the overall productivity of the firm ($M= 3.863$, $SD= 0.317$). They were further in agreement that there is minimal defects of cargo on transit ($M= 3.835$, $SD= 0.335$); that efficiency in procurement has reduced lead time ($M= 3.833$, $SD= 0.200$); and that there are less complaints from the clients regarding quality of services ($M= 3.726$, $SD= 0.623$). They further agreed that the procurement function actively seeks feedback from stakeholders for continuous improvement ($M= 3.663$, $SD= 0.450$); and that regular audits are conducted to ensure compliance with procurement policies and procedures ($M= 3.660$, $SD= 0.590$).

The findings of the current study, including the improved quality of services, reduction of unnecessary costs, enhanced productivity, minimized defects of cargo on transit, reduced lead time, and fewer complaints from clients, underscore the positive influence of effective procurement on various aspects of organizational performance within aviation companies in Nairobi, Kenya. Hamad (2020) highlighted the significant and positive effects of effective procurement processes on overall organizational performance, emphasizing the importance of procurement function in improving service quality and reducing costs. Similarly, Nguyen and Luong (2022) found that efficient procurement practices significantly impact organizational productivity and customer satisfaction, indicating the broader implications of procurement efficiency on business outcomes. These findings highlight the critical role of procurement function in enhancing service quality, operational efficiency, and customer satisfaction, ultimately contributing to the overall success and competitiveness of firms in the aviation industry.

Correlation Analysis

The study computed correlation analysis to test the strength and the direction of the relationship that exists between the dependent and the independent variables. The correlation values range from 0 to 1; if the correlation values are $r = \pm 0.1$ to ± 0.29 then the relationship between the two variables is small, if it is $r = \pm 0.3$ to ± 0.49 the relationship is medium, and when $r = \pm 0.5$ and above there is a strong relationship between the two variables under consideration. Table 4.4 presents correlation analysis findings for this study.

Table 4. 4: Correlations

		Procurement performance	Supplier appraisal	Supplier partnership
Procurement performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	143		
Supplier appraisal	Pearson Correlation	.738**	1	
	Sig. (2-tailed)	.000		
	N	143	143	
Supplier partnership	Pearson Correlation	.792**	.166	1
	Sig. (2-tailed)	.000	.109	
	N	143	143	143

The correlation between procurement performance and supplier appraisal is also substantial ($r = 0.738$, $p < 0.05$), indicating a positive relationship between the quality of procurement outcomes and the thoroughness of supplier appraisal processes. This suggests that rigorous supplier appraisal methods contribute significantly to improved procurement performance within the aviation sector. The substantial correlation between procurement performance and supplier appraisal is supported by the study conducted by Nabea and Nondi (2018), which emphasized the significant impact of supplier selection methods on procurement performance in the maritime industry. Their findings underscored the importance of rigorous supplier appraisal processes in optimizing procurement outcomes, aligning with the strong correlation observed in our study within the aviation sector.

In addition, the correlation between procurement performance and supplier partnership is notably high ($r = 0.792$, $p < 0.05$), suggesting a strong positive relationship between the effectiveness of procurement processes and the quality of supplier partnerships. This indicates that fostering

strong collaborative relationships with suppliers is crucial for enhancing procurement performance within the aviation industry. The notably high correlation between procurement performance and supplier partnership resonates with the research conducted by Pallawi and Sujit (2016), who emphasized the importance of supplier partnership in enhancing procurement performance in hospitals. Their study demonstrated the positive impact of collaborative relationships with suppliers on overall organizational effectiveness, reinforcing the significance of effective partnerships in improving procurement outcomes within the aviation industry.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables and the dependent variable. This study examined the effect of supplier development practices (supplier appraisal, and partnership) and procurement performance of aviation companies in Nairobi, Kenya.

Model Summary

The model summary provides an overview of the regression model's performance in explaining the variability in the dependent variable (procurement performance of aviation companies in Nairobi, Kenya) based on the predictors included in the model: supplier appraisal and supplier partnership. Table 4.5 presents the findings obtained.

Table 4. 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.873 ^a	.762	.760	.47189

a. Predictors: (Constant), Supplier partnership and, Supplier appraisal

The model summary indicates a strong relationship between the predictors (Supplier partnership and Supplier appraisal) and the outcome variable, procurement performance, as evidenced by the multiple correlation coefficient (R) of .873. This suggests that approximately 76.2% of the variability in procurement performance can be explained by the combined influence of the predictor variables. The adjusted R square of .760 indicates that after adjusting for the number of predictors in the model, the proportion of variance in procurement performance that can be accounted for remains high. These findings suggest that the combination of supplier partnership and supplier appraisal significantly contributes to explaining and predicting variations in procurement performance within the context of aviation companies in Nairobi, Kenya.

Analysis of Variance

The ANOVA table provides information about the overall fit of the regression model and whether the predictors included in the model significantly contribute to explaining the variance in the dependent variable, which in this study is procurement performance of aviation companies in Nairobi, Kenya. In this study, the significance of the model was tested at 5% confidence interval.

Table 4. 6: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.299	2	32.15	146.80	.000 ^b
	Residual	30.730	140	.219		
	Total	95.028	142			

a. Dependent Variable: Procurement performance

b. Predictors: (Constant), Supplier partnership and, Supplier appraisal

The ANOVA table indicates that the regression model is statistically significant in predicting procurement performance, as evidenced by the F-value of 146.80 with a corresponding p-value of .000. This implies that the variance in procurement performance explained by the predictors (supplier partnership, supplier appraisal) is significantly greater than the variance not explained by the model. The findings suggest that the combined influence of the predictor variables contributes significantly to the observed variations in procurement performance among aviation companies in Nairobi, Kenya.

Beta Coefficients

Table 4.7: Beta Coefficients of Study Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	.383	.124		3.089	.000
1 Supplier appraisal	.253	.084	.251	2.997	.003
Supplier partnership	.404	.079	.465	5.114	.000

a. Dependent Variable: Procurement performance

The fitted regression model was as follows:

$$Y = 0.383 + 0.158 X_1 + 0.253 X_2$$

The constant term in the regression model represents the estimated value of procurement performance when all predictor variables are zero. In this analysis, the constant is statistically significant ($p < 0.05$), indicating that even in the absence of supplier training, appraisal, financing, or partnership, there is still a baseline level of 0.383 of procurement performance.

Moving on to Supplier appraisal, the beta value of 0.253 with a p-value of 0.003 indicates a statistically significant positive relationship between supplier appraisal and procurement performance. This suggests that rigorous supplier appraisal processes are associated with better procurement performance outcomes. The findings are supported by the research conducted by Nabea and Nondi (2018), which emphasized the importance of thorough supplier appraisal methods in optimizing procurement outcomes in the maritime industry. Their study highlighted the positive impact of supplier selection methods on procurement performance, aligning with our findings indicating a significant association between supplier appraisal and procurement performance within aviation companies.

Finally, focusing on Supplier partnership, the beta value of 0.404 with a p-value of 0.000 suggests a statistically significant positive relationship between supplier partnership and procurement performance. This indicates that fostering strong collaborative relationships with suppliers is associated with better procurement performance outcomes. The findings resonate with the study by Pallawi and Sujit (2016), which emphasized the importance of supplier partnership in enhancing procurement performance in hospitals. Their research demonstrated the positive impact of collaborative relationships with suppliers on overall organizational effectiveness, aligning with our findings indicating a significant association between supplier partnership and procurement performance within aviation companies.

Conclusions

The results demonstrate that supplier appraisal practices play a crucial role in shaping the procurement performance of aviation companies in Nairobi, Kenya. Robust supplier appraisal methods, including desk appraisals, evaluation criteria, and due diligence processes, contribute to enhanced supplier reliability, sustainability, and overall procurement effectiveness within these companies. As such, effective supplier appraisal positively influences procurement performance, leading to improved service quality, reduced risks, and strengthened supplier relationships. Therefore, the study concludes that implementing rigorous supplier appraisal mechanisms significantly and positively contributes to the procurement performance of aviation companies in Nairobi, Kenya, fostering better operational efficiencies and strategic advantages in the marketplace.

The findings highlight the critical role of supplier partnership strategies in shaping the procurement performance of aviation companies in Nairobi, Kenya. Effective communication, information sharing, and recognition of outstanding supplier performance foster trust, collaboration, and responsiveness among suppliers and aviation companies, leading to improved procurement outcomes. Consequently, strong supplier partnerships positively influence procurement performance, contributing to enhanced service quality, operational efficiencies, and customer satisfaction within these companies. Thus, the study concludes that cultivating and nurturing effective supplier partnerships significantly and positively contributes to the procurement performance of aviation companies in Nairobi, Kenya, driving better business results and sustainable growth in the industry.

Recommendations

Supplier Appraisal

In light of the significant impact of supplier appraisal practices on procurement performance, it is recommended that aviation companies implement robust and transparent supplier evaluation criteria and processes. This includes utilizing both desk appraisal methods and on-site assessments to thoroughly evaluate supplier performance, reliability, and sustainability. Furthermore, companies should establish clear supplier evaluation criteria for each category of procurement, ensuring that suppliers meet predetermined standards of technical competence, quality, and delivery reliability. By conducting due diligence, incorporating sustainability aspects, and developing comprehensive supplier performance checklists, aviation companies can make informed decisions regarding supplier selection, contract allocation, and ongoing relationship management, thereby improving procurement efficiency and effectiveness.

Supplier Partnerships

To leverage the potential of supplier partnerships in enhancing procurement performance, it is recommended that aviation companies foster a culture of collaboration, communication, and mutual trust with their suppliers. This involves establishing regular communication channels, sharing relevant procurement-related information, and providing recognition and incentives for outstanding supplier performance. Additionally, companies should actively involve suppliers in decision-making processes, product development initiatives, and continuous improvement efforts to maximize the value of supplier partnerships. Furthermore, aviation companies should invest in technology-enabled platforms and tools to facilitate seamless information sharing, collaboration, and performance tracking with their suppliers. By nurturing strong and strategic supplier partnerships, companies can enhance supply chain resilience, innovation capabilities, and overall procurement performance, ultimately gaining a competitive edge in the aviation market.

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