

Strategic sourcing on the performance of selected food manufacturing firms in Kiambu County, Kenya

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ABSTRACT

The purpose of the present study was to assess the effect of strategic sourcing on the performance of selected food manufacturing firms in Kiambu County, Kenya. It focused on finding out how firm performance is related to supplier collaboration, networking, assessing suppliers and deciding which suppliers to select. Strategic Choice Theory was used as a guide, pointing out that managerial decisions help determine how an organization performs. The study relied on descriptive research design. The sample group included 191 employees from 29 chosen food manufacturing businesses and 20 distribution outlets in Kiambu County. A census approach was needed because the study involved only a relatively small number of participants. The main data were gathered by giving participants structured questionnaires. The information was put into SPSS version 25 to be processed and analyzed. Frequencies, percentages, means and standard deviations were all used to explain and summarize the collected data. The findings reveal that strategic sourcing practices are widely adopted, as indicated by the overall mean of 4.02 and standard deviation of 0.79, suggesting strong agreement among respondents and a positive impact on firm performance. Because of these practices, the results of the firms improved greatly. According to findings, following a deliberate sourcing strategy, set by managers, helped to make food manufacturing in Kiambu County more efficient and competitive. It claims that businesses should address better buying habits, improve communication, work on supplier management and be more precise in judging their suppliers. It is suggested that studies in the future examine the use of technology and obeying regulations, so we can learn even more about how these things affect company performance.

Keywords: Food Manufacturing, Kiambu County, Strategic Sourcing, Supplier Focus

I. INTRODUCTION

In the procurement and supply chain area which covers manufacturing, strategic sourcing is now viewed as very important. It is about following a planned process to get goods and services, so that procurement matches the main goals of the organization (Rotich, 2024). Unlike previous purchasing methods that centre on limiting costs, strategic sourcing also addresses building good supplier relationships, managing risks from suppliers, maintaining quality and encouraging innovation (Abdillah, 2024). Because of this, strategic sourcing has shifted from being only about making purchases to a key action that supports the growth and resilience of a business.

Since food products are perishable and have special rules for quality and safety, food manufacturers depend even more on strategic sourcing. The taste, quality and safety of food from manufacturers depend on having high-quality inputs at all times (Kiende, 2024). The impact of weather changes, changing agriculture and changing prices can make it hard for farmers to maintain regular output and keep control of costs (Makumi & Mangana, 2024). Therefore, businesses must plan their sourcing carefully to handle risks and continue their supply processes.

In strategic sourcing, the actions taken are selection of suppliers, contract negotiation, managing relationships and continuous performance review. Doing these steps successfully ensures companies work with great suppliers, have favorable terms and enjoy lasting relationships with them (Gichuhi & Osoro, 2025). The use of technology and data analytics for sourcing makes sourcing open, aids in accurate forecasting of demand and helps businesses react faster to market changes.

Strategic sourcing requires examining and choosing suppliers, handling negotiations, maintaining relationships and always watching how they are doing. If companies carry out these activities correctly, they can create relationships with great partners, who offer favorable terms and will be reliable in the long term (Gichuhi & Osoro, 2025). Also, when technology and data analytics are integrated with sourcing, the company can see everything clearly, better predict what



customers want and adjust to any market changes fast. From research, it appears that using strategic sourcing helps a company do better. Oputa (2024) states that strategic sourcing by organizations provides cost reduction, improved supply chain management and more chances for innovation, all helping to improve their business processes and earnings. Certain researchers see strategic sourcing as a factor in saving costs, providing good customer support and making it easier to react to market changes (Irakoze & Akumuntu, 2024).

Food production in Kiambu is a major factor in improving Kenya's economy. Situated to the north of Nairobi, Kiambu is often called the leading place for turning food items, mainly dairy, grains and fruits and vegetables into processed foods. Because it is near major markets, because it has a background in farming and because its roads and other infrastructure are improving, the country draws many food manufacturer investors.

Though the county offers strong opportunities for food production, businesses still struggle with sourcing issues, for example, problems with their suppliers, the quality, pricing and transport of the products. Such challenges affect business workflow and raise costs, so using effective strategic sourcing is needed. The purpose of this study is to understand the impact of strategic sourcing on the performance of some food manufacturing firms, hoping to guide companies in being more competitive. The conclusions are meant to guide better choices and assist in making supply chains more effective and boosting industrial growth in developing countries.

1.1 Statement of the Problem

The food sector in Kenya's manufacturing industry is not producing at its desired level, mainly because of inefficiencies and not fully using BPR opportunities (Hashem, 2020). Both Njuguna and Wanjohi (2021) and Onger, Magutu and Litondo (2020) looked at the impacts of BPR on firm performance, as did Olajide and Okunbanjo (2020), yet they did not focus on the importance of process optimization to enhance operational efficiency. The Kenya Association of Manufacturers (KAM, 2021) and Kenya National Bureau of Statistics (KNBS, 2020 and 2022) confirm that the manufacturing sector is facing decreasing rates of growth, lower GDP contributions which come along with rising production costs negatively affecting production. Because Cadbury Kenya, Alpha Grain Millers and Kiambu Juice Company have all faced inefficiency and huge losses, it is important to examine the effects of strategic sourcing and process improvements in BPR on these companies' production.

The food manufacturing sector in Kenya which consists mostly of SMEs, does not use strategic sourcing very often or well. Preliminary studies and discussions with people involved suggest that finding suppliers in Kiambu is usually done in a scattered and short-term way and there is often no clear framework. Even though we have these insights, there is still a lack of research that looks into how widely strategic sourcing is used and its actual impact on expenses, lead times, inventory turnover and profit KAM (2021). Since there is a gap in research, we now need in-depth studies to see if strategic sourcing can improve the competitiveness of this key sector.

As mentioned by Kamau & Njeru (2024), food manufacturing companies in Kiambu County deal with serious supply chain problems, mainly in logistics which have resulted in significant loss of income. For the past five years, 29 food manufacturers have faced challenges including supply and demand changes, transport issues and the complexity of handling perishable goods which have greatly decreased their profits. As an illustration, Kenya Nut Ltd's earnings fell from Ksh. 2 billion in 2021 to Ksh. 1.4 billion in 2022 and Jungle Nut Company experienced a small decline in profits due to more costs caused by logistical difficulties. Such issues which are worsened by inefficiency and uncertainty outside the company, make it imperative for logistics systems to be strong to handle risks and enhance performance. The study examines how the use of strategic sourcing affects the outcomes of food manufacturers in Kiambu County. It assesses the rate of adoption, effects on main performance metrics and the difficulties in using this method, so it can support better procurement in Kenya's manufacturing sector.

1.2 Research Objective

The purpose of the study was to find out how strategic sourcing influences the performance of some selected food manufacturing firms located in Kiambu County, Kenya.

II. LITERATURE REVIEW

2.1 Theoretical Review

This section sets out the background ideas supporting the study. It explains the role of organizational strategy and decision-making in explaining how manufacturing organizations are affected by the choices they make in sourcing. Strategic Choice Theory states that companies use strategic methods to decide on and improve what they do for society and their surroundings.



2.1.1 Strategic Choice Theory

Strategic Choice Theory (SCT) introduced by Child (1972), points out that organizations take steps to identify, plan and make strategic decisions that aim to improve performance, working efficiency and keep costs low. The theory explains that managers shape the results of the organization by managing its structure and decisions in response to things happening outside the organization, including technology, size and market conditions. SCT points out that the behavior inside a firm is influenced by politics which necessitates managers to bring about changes to the organization and make use of relevant performance indicators for achieving objectives. Because of managerial agency, manufacturing firms achieve good results mainly by the quality of their key decisions at all levels (Child, 1972; Ketchen & Hult, 2007; Kochan et al., 1986).

According to SCT interpretations, to improve resilience and performance in Kenya's manufacturing businesses, managers are advised to build collaboration among departments and with supply chain members. Strategic sourcing uses the theory by helping businesses optimize their supply chain, decrease complexity and improve the movement of goods which improves how well the business operates (Scholten et al., 2014). Strong risk awareness, the active role of workers and great relationships with suppliers allow manufacturing managers to use their strategies to become more successful and sustainable.

2.2 Empirical Review

To do an empirical review, experts study multiple studies to find out what influenced the results in situations like theirs. The objective of this research was to look at whether strategic sourcing improved the performance of some food manufacturing companies in Kiambu County, Kenya.

In their study, Chebichii et al. (2021) looked at how cooperation between buyers and suppliers influenced the performance of businesses in the Kenyan food and beverage sector. The aim was to find out how partnerships between buyers and suppliers impact company operations and the final results of the firm. There were 120 managers surveyed within the food and beverage manufacturing businesses of Kenya. Research using numbers found that partnering with suppliers made process times shorter, boosted production performance and resulted in products of better quality. It was stated that successful cooperation between buyers and sellers helps the food manufacturing industry stay on its feet and stay in competition.

Zaridis et al. (2021), looked at how supplier collaboration in agri-food chains helps SMEs achieve growth, reduce expenses and offer attractive innovation. With a regression analysis of surveys from 504 agri-SMEs, the study found that stronger teamwork within teams or with outsiders and customer involvement, positively affect SMEs. The link was found to depend on the management of strategic priorities and also on financial struggles, efficiency at operations and the focus on innovation. Once the results are in, firms can work together to address problems within the company and improve results.

In their study, Ateş and Memiş (2021) studied how strategic purchasing affects the impact of supply base complexity (SBC) on purchasing performance in a group of 209 top Turkish firms. The analysis suggested that purchasing decisions by companies played a role in improving their relations with suppliers and involving other companies which also influenced risks related to deliveries and switches between suppliers. Yet, despite using strategic purchasing, the organization's results were hurt by the high level of complexity around them. According to research, using good buying strategies, companies can manage how their supply chains are arranged and continue to advance these strategies as time goes on.

Vasilakakis and Sdrali (2023) looked at what affects the selection of suppliers in kitchens and restaurants within hotels in 13 regions of Greece. Purchasing managers (n=653) reported that choosing a supplier is influenced by the materials they use, their source of funds, environmental factors, assorted services, nutritional aspects and the workforce. Also, most of the decisions to look for new suppliers were influenced by the need to match with policies and provide food with better quality and safety. It is clear from the study that making the correct supplier decisions and using strong strategies leads to improvements in the supply chain and the hospitality business.

III. METHODOLOGY

3.1 Research Design

It applied a cross-sectional survey design to gain information using both types of research approaches. With the quantitative approach, numbers helped give accurate descriptions and the qualitative approach used thematic analysis for a full understanding of the topic (Mugenda & Mugenda, 2003; Berg, 2001). Since this kind of design collects data only once, it provides better results and requires less effort (Kothari, 2019).

3.2 Study Population and Sample Size

The study was done with 191 respondents, including Managing Directors, Production & Operations Managers, Procurement Managers and Logistics Managers from manufacturing companies, all responsible for supply chain risk management. As the employee base is not very big, the researchers used a census sampling method to include information from all major managers involved in supply chain processes. The selection of participants used a probability of 0.101 which brought the sample size to 172. Participants were then drawn from information about 20 stores and 29 food production companies. The study used the Krejcie and Morgan (1970) table to calculate the sample size which made sure it included most of the population and the selected sample contained around 90% of the group.

3.3 Data Collection Instruments

Because the population and study's aims required uniformity, data was gathered from pre-formed questionnaires. Section A recorded the demographic backgrounds of the respondents and Section B was about the firm's approach to strategic sourcing and results achieved. The researchers made use of both open-ended and closed-ended questions, rating the answers on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.4 Data Analysis Methods

It relied on analyzing numeric data. The information was put into SPSS version 25 to be processed and analyzed. Frequencies, percentages, means and standard deviations were all used to explain and summarize the collected data. Tables were used to present the outcomes, so it was easy to understand how the independent and dependent variables interacted.

IV. FINDINGS & DISCUSSION

4.1 Descriptive statistics

The mean and standard deviation were employed to summarize respondents' ratings on various statements using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree). Mean scores were interpreted as follows: 0.01–1.00 indicating very low agreement, 1.01–2.00 low agreement, 2.01–3.00 neutral, 3.01–4.00 high agreement, and 4.01–5.00 very high agreement. The consistency of responses was assessed through the standard deviation, with values ≤ 0.5 indicating homogeneity (similar responses) and values > 0.5 indicating heterogeneity (diverse responses).

Table 1
Supplier Collaboration

Statement	Mean	Std. Dev.
Our firm involves suppliers early in the product development process.	4.15	0.75
We regularly share demand forecasts and production plans with key suppliers.	4	0.8
We hold joint problem-solving sessions with our suppliers.	4.05	0.78
Our suppliers contribute to cost reduction initiatives.	4.1	0.7
Overall	4.07	0.76

Regarding Supplier Collaboration (Table 1), respondents strongly agreed that their firms engage suppliers early in product development (Mean = 4.15, SD = 0.75), share demand forecasts regularly (Mean = 4.00, SD = 0.80), hold joint problem-solving sessions (Mean = 4.05, SD = 0.78), and involve suppliers in cost reduction initiatives (Mean = 4.10, SD = 0.70). The overall mean of 4.07 (SD = 0.76) indicates a robust positive consensus on collaborative efforts. This demonstrates the critical role of supplier engagement in fostering trust, enhancing communication, and driving joint efficiency initiatives, which are essential for supply chain resilience and responsiveness. These findings support Ngetich et al. (2022) who emphasize that strong buyer-supplier collaboration significantly improves operational efficiency and product quality in the Kenyan food manufacturing sector.

Table 2
Supplier Networking

Statement	Mean	Std. Dev.
Our firm actively participates in supplier development forums and events.	3.85	0.95
We maintain partnerships with a network of diverse suppliers.	4	0.88
We leverage supplier networks for innovation and continuous improvement.	3.8	1
We share information and best practices across our supplier network.	4.1	0.85
Overall	3.94	0.92

The results in Table 2 showed moderately high involvement in supplier development forums (Mean = 3.85, SD = 0.95), partnerships with diverse suppliers (Mean = 4.00, SD = 0.88), leveraging networks for innovation (Mean = 3.80, SD = 1.00), and sharing best practices (Mean = 4.10, SD = 0.85). The overall mean of 3.94 (SD = 0.92) suggests positive but varied networking practices. Effective supplier networking enhances firms' adaptability and capacity for innovation by utilizing external knowledge and resources, consistent with Zaridis et al., (2021) who highlight collaboration as key to SME performance improvement in agri-food supply

Table 3*Supplier Assessment*

Statement	Mean	Std. Dev.
We regularly evaluate supplier performance based on quality, cost, and delivery.	4.15	0.75
Our supplier assessments are linked to contract renewal decisions.	4	0.8
We use structured tools to measure supplier risk and capability.	4.05	0.78
Our firm conducts supplier audits at least annually.	4.1	0.7
Overall	4.07	0.76

With respect to Supplier Assessment (Table 3), the firms reported systematic performance evaluations (Mean = 4.15, SD = 0.75), linking assessments to contract renewals (Mean = 4.00, SD = 0.80), using structured risk measurement tools (Mean = 4.05, SD = 0.78), and conducting annual audits (Mean = 4.10, SD = 0.70). The aggregate mean of 4.07 (SD = 0.76) reflects a rigorous approach to managing supplier quality and risk, supporting findings by Ateş and Memiş (2021), who found that strategic purchasing mitigates supply complexity and improves supplier management.

Table 4*Supplier Selection Criteria*

Statement	Mean	Std. Dev.
Quality is a top priority when selecting suppliers.	4.3	0.65
We assess suppliers' financial stability before engagement.	4	0.75
Delivery reliability is a key factor in supplier selection.	3.85	0.9
We consider suppliers' compliance with ethical and environmental standards.	3.9	0.88
Overall	4.01	0.79

Regarding Supplier Selection Criteria (Table 4), quality standards topped priorities (Mean = 4.30, SD = 0.65), followed by financial stability (Mean = 4.00, SD = 0.75), ethical and environmental compliance (Mean = 3.90, SD = 0.88), and delivery reliability (Mean = 3.85, SD = 0.90). The overall mean of 4.01 (SD = 0.79) suggests firms apply balanced and stringent criteria in supplier selection, aligning with Meena et.al., (2023) who underline the importance of strategic, holistic supplier evaluation to enhance supply chain efficiency and sustainability.

Table 5*Firm Performance*

Statement	Mean	Std. Dev.
Our firm has consistently met production targets over the past 12 months.	4.2	0.7
We have seen an improvement in profit margins due to better sourcing strategies.	4.1	0.8
Our customer satisfaction levels have improved due to reliable supplier performance.	4.05	0.85
We have reduced supply chain disruptions through strategic sourcing.	4.25	0.65
Overall	4.15	0.75

In addition, Table 5 reflected strong improvement such as keeping up with production goals (Mean = 4.20, SD = 0.70), increasing profit margins (Mean = 4.10, SD = 0.80), satisfying clients (Mean = 4.05, SD = 0.85) and preventing disruptions in the supply chain (Mean = 4.25, SD = 0.65). Average results of 4.15 (SD = 0.75) indicate strategic sourcing improves efficiency and competitiveness on the market, in line with what was proved in previous research (Wang & Zhang, 2025).

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

We found that having supplier collaboration, networking, a well-defined assessment process for suppliers and tough criteria for selection plays a big part in making food manufacturing firms in Kiambu perform well. Businesses that proactively use these approaches usually find they work more efficiently, profit more, give customers better service



and deal with fewer supply chain interruptions. Since these practices are used reliably across companies, they highlight their importance in maintaining a firm's competitive edge and high performance.

5.2 Recommendations

Companies in food manufacturing should keep improving their sourcing strategies by increasing teamwork and open communication with their suppliers, growing the number of suppliers they work with to introduce more new methods and routinely checking how their suppliers are performing. Ensuring a strong supplier choice by looking for quality, a stable financial situation and compliance with ethical rules leads to stable and competitive business results. Shifting the burden of finding effective partners in and out of the sector means supporting actions that promote staff with skills in strategic sourcing.

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