ABSTRACT

Manufacturing industry has had challenges which have impaired the effectiveness of its performance. This makes the supply chain a very prominent concern for all organizations as they strive for better quality goods and services and thus higher customer satisfaction. Since most firms have realized that maximizing performance of one department or function may lead to less than optimal performance for the whole firm, it is now critical for firms to manage the entire network of supply to optimize overall performance and become competitive in the long run. Given the increasing importance of the purchasing function to corporate performance, it is vital for firms to employ a systematic means of deciding which procurement techniques would enable it attain its corporate goals. However, the department faces myriad of problems which include high costs involved in maintenance of efficient procurement systems, guaranteeing supplier confidence and lack of top management support leading to poor supply chain performance. The purpose of this study was to investigate the effect of strategic procurement techniques on corporate performance of United Millers. The specific objectives of the study were; to investigate the effects of cost management on corporate performance; to determine the effect of information technology on corporate performance; and to ascertain the effect of supplier relationship on corporate performance. The study was based on resource based view theory. Correlation was adopted. The study was guided by conceptual framework where independent variable was strategic procurement techniques and dependent variable was corporate performance. Primary data was collected using structured questionnaires. The target population of the study included 100 staff drawn from; human resource, finance, procurement, stores and operation departments of United Millers, of which 10% was sampled for pilot study. A census survey was adopted for interviews. In testing validity, a pilot study was done while in testing reliability, the researcher used the test re-test technique of questionnaires outside the actual sample selected. With a confidence level of 99%, the null hypotheses were rejected at (sig=0.000, p<0.01). Cost management r=0.496, (p=0.000), information technology r=0.376, (p=0.000) and supplier relationship r=0.486, (p=0.000). The study concluded that cost management, information technology and supplier relationship positively influences corporate performance. The study recommends that Cost management should be considered as one of the strategies for procurement techniques, Information technology should be embraced in day to day activities in the organization and clear strategies on how to handle safety control measures on security issues and Supplier relationship is important in any organization hence organization should work on building and developing strong relationship with suppliers since they are key in meeting customers’ needs. Further research should be done to establish the integrated role of internal and external audit in cost management especially in manufacturing firms. The study findings may be important to stakeholders in predicting corporate performance.