International Journal of Management and Business Research

IJMBR **Volume 6, Issue 1, pg. 268-280, 2024**

PROCUREMENT TRANSFORMATION PRACTICES ON PERFORMANCE OF BEVERAGE MANUFACTURING FIRMS IN NAIROBI CITY COUNTY, KENYA

[1] Candida Bosibori, [2] Dr. Charles Ndeto

[1]Masters Student, Jomo Kenyatta University of Agriculture and Technology
[2]Lecturer, Jomo Kenyatta University of Agriculture and Technology

ABSTRACT

Despite importance of beverage manufacturing firms in Kenya, they have been experiencing a lot of turbulence in the recent past including a drop in the GDP, an increasing imbalance of trade and the exiting of large multinationals. The beverage manufacturing firms recorded a significant drop in growth from 4.7% to 1.6% and 2.7% to 0.2% respectively according to the World Bank economic update 2018. The general objective of this study is to examine the influence of procurement transformation practices on organizational performance of beverage manufacturing firms in Nairobi, Kenya. Specifically, the study sought to assess the effect of procurement process transformation on organizational performance of beverage manufacturing firms in Kenya and to determine the effect of technological transformation on organizational performance of beverage manufacturing firms in Kenya. The study used descriptive research design. The target population was 230 management employees from 8 beverage manufacturing companies. The study employed a multistage sampling technique since the target sample for the respondents is large and it is not possible to study all the key employees in beverage manufacturing firms. The sample size was therefore 146 respondents. Primary data was used collected using questionnaire. The pretesting sample was made of 15 respondents, representing 10% of the sample size. Inferential and descriptive statistics were employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences (SPSS version 25). Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages were used. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. The study results were presented through use of tables and figures. The study concludes that procurement process transformation has a positive and significant influence on organizational performance of beverage manufacturing firms in Kenya. In addition, the study concludes that technological transformation has a positive and significant influence on organizational performance of beverage manufacturing firms in Kenya. From the results; Firms should continue to invest in and adopt advanced procurement technologies, including procurement databases, e-procurement platforms, and other digital tools. In addition, leverage procurement databases and online platforms to foster better collaboration and communication with suppliers.

Key Words; Procurement Transformation Practices, Procurement Process Transformation, Technological Transformation Organizational Performance

Background of the Study

Procurement transformation refers to a specific type of organizational change management which focuses on strategies to enable major and long-term improvements to procurement and supply management processes, activities, and relationships (Day & Atkinson, 2018). Procurement transformation process has seen a lot of growth leading to the formation of procurement related bodies such as the Kenya Institute of Supplies Management and the Chartered Institute of Purchasing and Supply. There has been increased pressure for the merging of procurement procedures and objectives with the organization's goals. The supply chain has been directly linked to the overall company performance and this has therefore made procurement practices vital to company success. Procurement practices positively impact an organization's financial performance, the success of a new product depends on procurement and supplier involvement. Most organizations use a substantial amount of their income in procurement and therefore recognize the importance of strategic procurement practices (Kamau & Thogori, 2023). Directors and heads of procurement department greatly influence supplier evaluations and the drafting of specifications to ensure the organization gets the best value for its money.

Procurement transformation process greatly impacts how an organization achieves its objectives. According to Leenders *et al* (2018), purchasing adds value to the organization. Procurement practice is an area that can be improved to further contribute to organizational performance. Organizations tend to choose procurement procedures that are familiar to them; they should instead choose the ones most suited and most beneficial to their organizations' success. Kim and Narasimhan (2019), states that there has been increased pressure for purchasing integration. Purchasing integration links purchasing practices to organizational performance (Gati & Machoka, 2023). The direct link of operational efficiency and supply chain to organizational performance therefore means that the adoption of procurement practices is crucial to organizational success. Consolidation of the entire procurement process leading to the implementation of procurement practices such as, green purchasing, just in time delivery (JIT), total quality management (TQM) and e-procurement is necessary so as to boost the overall organizational performance.

Performance is generally an achievement of a given pre-set goals through the undertaking certain tasks within established by an individual or an institution (Richard *et al.,* 2019). Firm performance, therefore, comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Burja, (2019) argues that organizational performance comprises three explicit areas of firm outcomes: financial performance (profits, return on assets, return on investment, etc.); product market performance (sales, market share, etc.); and shareholder return (total shareholder return, economic value-added, etc.). According to Wanjiku and Mwangangi (2019) organization performance can be measured through profitability, customer satisfaction and market share. This study seeks to establish the influence of procurement transformation process on performance of beverage manufacturing firms in Kenya.

Statement of the Problem

Despite importance of beverage manufacturing firms in Kenya, they have been experiencing a lot of turbulence in the recent past including a drop in the gross domestic product, an increasing imbalance of trade and the exiting of large multinationals (Magutu, Aduda & Nyaoga, 2021). In addition to that, beverage manufacturing firms in Kenya have been experiencing fluctuations in profitability in their production and inventory management (KAM Directory, 2019). The beverage manufacturing firms recorded a significant drop in growth from 4.7% to 1.6% and 2.7% to 0.2% respectively according to the World Bank economic update 2018. Further to this, there was a declining growth of real value-added from 5.2% in 2016 to 1.6% in 2021 (World Bank economic update, 2018). According to

TechCrunch (2018), procurement transformation process influences organization performance.

Various studies have been conducted on procurement transformation process and organization performance. For instance; Wanjiku and Mwangangi, (2019) conducted a study on the influence of procurement best practices on the performance of food and beverage manufacturing firms in Kenya, Nabiliki, Wanyoike, and Mbeche, (2018) focused on the influence of supplier development practices on procurement performance in food and beverage manufacturing firms in Nakuru East Sub - County, Kenya and Kioko, and Were, (2018) conducted a study on the factors affecting efficiency of the procurement function at the public institutions in Kenya. Nevertheless, none of these studies focused on procurement transformation process and performance of beverage manufacturing firms in Kenya. To fill the highlighted gaps, the current study seeks to establish the influence of procurement transformation process on performance of beverage manufacturing firms in Kenya.

General Objective of the Study

The general objective of this study is to examine the influence of procurement transformation practices on organizational performance of beverage manufacturing firms in Nairobi, Kenya

Specific Objectives

i. To assess the effect of procurement process transformation on organizational performance of beverage manufacturing firms in Kenya
ii. To determine the effect of technological transformation on organizational performance of beverage manufacturing firms in Kenya

Theoretical Review

Systems theory

Systems theory was developed by Murray Bowen in 1946. The theory is the interdisciplinary study of systems, which are cohesive groups of interrelated, interdependent parts that can be natural or human made. Every system is bounded by space and time, influenced by its environment, defined by its structure and purpose, and expressed through its functioning. A system may be more than the sum of its parts if it expresses synergy or emergent behavior

Changing one part of a system may affect other parts or the whole system. It may be possible to predict these changes in patterns of behavior. For systems that learn and adapt, the growth and the degree of adaptation depend upon how well the system is engaged with its environment. Some systems support other systems, maintaining the other system to prevent failure. The goals of systems theory are to model a system's dynamics, constraints, conditions, and to elucidate principles (such as purpose, measure, methods, tools) that can be discerned and applied to other systems at every level of nesting, and in a wide range of fields for achieving optimized equifinality

General systems theory is about developing broadly applicable concepts and principles, as opposed to concepts and principles specific to one domain of knowledge. It distinguishes dynamic or active systems from static or passive systems. Active systems are activity structures or components that interact in behaviors and processes. Passive systems are structures and components that are being processed. This study used systems theory to examine the influence of procurement regulation on the performance of Beverage manufacturing firms.

Technological Acceptance Model (TAM)

Technology Acceptance Model (TAM) was a framework introduced by Fred Davis in 1986 as part of his doctorate proposal, and soon gained popularity as one of the most useful framework to understand how users are willing to accept or reject a new technology. TAM has proved to be a mature and reliable model to measure how a new technology, is well received by the stakeholders in the oil and petroleum industry, (Prof. Vincent, & Honglei

2003). TAM is one of the most widely used theories in innovation and information systems research. It has been considered as the most robust, parsimonious and persuasive model in innovations acceptance behaviour (Wanjiku & Mwangangi, 2019).

The technology acceptance model is the information systems theory that shows how users come to accept and use technology broadly it emphasize that the intensity of an individual intention to use a technology can be explained jointly by his or her perception about the technologies usefulness and attitude towards the technology in the firm (Chau & Hu, 2016).The model suggested that when organization users are presented with a new technology, a number of issues influence their decision about how and when they will use the technology, perceived usefulness and perceived ease of use (Bagozzi, Davis, & Warshaw, 2016).King& He (2016) concluded in a statistical meta-analysis of the technology acceptance model as applied in various fields analyzed88 published studies that provided sufficient data to be credible. The results showed that TAM was a valid and robust model that has been largely used, but which potentially has wider implications in organizations. Technology acceptance model was used in this study to assess the effect of technological transformation on organizational performance of beverage manufacturing firms in Kenya

Conceptual Framework

A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. When clearly articulated, a conceptual framework has potential usefulness as a tool to assist a researcher to make meaning of subsequent findings (Tromp & Kombo, 2016). In this study, the independent variables are procurement process transformation and technological transformation. The dependent variable is organizational performance of beverage manufacturing firms in Kenya. The operationalization of the variables is shown in Figure 2.1.

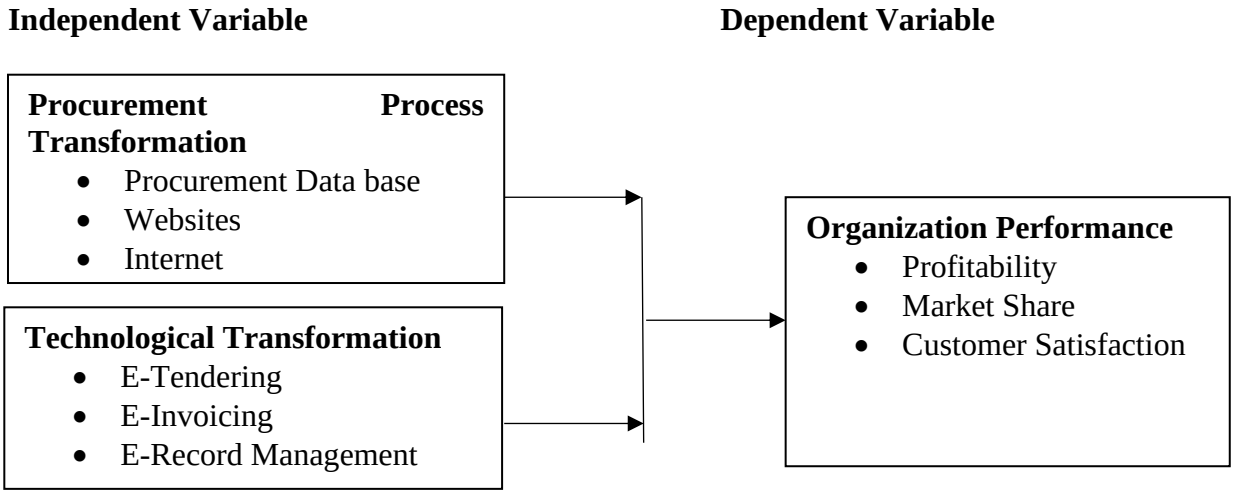

Figure 2.1: Conceptual Framework

Procurement Process Transformation

Procurement process transformation entails establishing strategies to make major and long-term enhancements to procurement and supply chain processes. Procurement transformation heavily relies on the application of numerous strategic, tactical, and transformational tools, and techniques. The need for transformation is driven by the changing expectation from management. Procurement is expected to be equipped to be an advisor to the finance and operations along with other supply chain functions. Such an organization needs a different approach, skill set, and people. According to Muema (2021) procurement process involves several elements, including requirements determination, supplier research, value analysis, raising a purchase request, reviewal phase, conversion to purchase order, contract administration, monitoring/evaluation of received order, three-way matching, payment

fulfilment, and record keeping. Procurement process entails; procurement Data base, Websites and Internet.

A blockchain is a type of distributed ledger technology (DLT) that consists of growing list of records, called blocks, that are securely linked together using cryptography. Each block contains a cryptographic hash of the previous block, a timestamp, and transaction data (generally represented as a Merkle tree, where data nodes are represented by leaves). The timestamp proves that the transaction data existed when the block was created. Since each block contains information about the previous block, they effectively form a chain (compare linked list data structure), with each additional block linking to the ones before it. Consequently, blockchain transactions are irreversible in that, once they are recorded, the data in any given block cannot be altered retroactively without altering all subsequent blocks (Muema, 2021).

Technological Transformation

Technological transformation entails incorporating the digitalization of assets and increased use of existing technology in a meaningful way, can improve the experience of organizations, customers, employees, suppliers and partners (Trant, 2018). At the most basic level, digital transformation involves using digital technologies to change a business process to become more efficient or effective. The idea is to use technology not just to replicate an existing service in a digital form, but to use technology to transform that service into something significantly better (Suherman, et, al., 2021).

Empirical Review

Procurement Process Transformation and Organizational Performance

Kilonzo (2018) conducted a study on procurement best practices and organizational performance: case study of cadbury's Kenya limited. The research design for this study was case study since the unit of analysis is one organization. Stratified proportionate random sampling technique was used to select the sample size of 45 respondents. Primary data was collected using an unstructured questionnaire. The collected data was summarized, coded and tabulated. The study established that company had adopted procurement best practices that were followed when making company purchasing decisions. The study concludes that procurement best practices that are followed when making company purchasing decisions are building supplier relationships, teambased approaches to procurement and proper use of technology. The study recommends that management in Cadbury (K) Limited should ensure that there is an appropriate focus on good practice in procurement and that there is a significant procurement procedure in place to ensure compliance with all relevant guideline. On delivering services management must address the issue of procurement best practices as these has accrued benefits directly to the bottom line of organization.

Muema (2021) conducted a study on procurement practices and organizational performance: case study of the University of Nairobi. Descriptive research design was followed. The target population of the study was the employees working at the department of procurement from which primary data was collected using structured questionnaire. Data analysis was done using descriptive and regression methods. The study established the University of Nairobi had adopted procurement practices to a moderate extent. It further found out that procurement planning and training workforce are important in influencing the organization's performance. The study concluded that application of the procurement practices in the organization is founded on proper planning and training workforce

Kipkemoi (2018) conducted a study on the effects of procurement practices on organizational performance within the public sector: a case of east African Portland Cement Company limited. Primary data was collected through questionnaires that focused on staff from the procurement and finance departments. 46 questionnaires out of a total of 58 were satisfactorily filled signifying a 79 percent rate of reply. Data collected is presented using

tables, charts and graphs. The study recommends the building of robust relationships with key suppliers to guarantee unfailing supply and quality of inputs. Manufacturing companies must assess where their greatest investments are made and the benefit procurement can bring to each category. After significant investments are made in machinery, equipment and facilities, the next largest investment should be made in inventories.

Technological Transformation and Organizational Performance

In a study conducted by Suherman, et, al., (2021) in the US it was argued that food producers are responsible for the safety of their products, and to guarantee food safety of dairy products, the dairy industry has implemented Product Processing technologies of critical control points (HACCP) systems that contribute to performance thus greater profits. This enables quality assurance of final products via a chain management approach (European Commission, 2016). The quality and safety of raw milk is essential for the quality and safety of milk and dairy products. The quality and safety of milk is related to the contamination of milk with microorganisms, chemical residues and other contaminants

Trant (2018) in a qualitative study done in the UK using regression analysis argues that adoption of Information and Communication Technology (ICT) comprises computing and allied equipment and communications infrastructure which together facilitate the gathering and processing of data, subsequent storing, distributing and communicating information. In other words ICT is a collection of hardware and software used in the collection, storage, processing, dissemination and use of information (Agboola, 2019). Indeed, Information and Communications Technology (ICT) has become a catchword with different interpretations and viewpoints even among experts (Osterwalder, 2018). The rapid advances in technology drastically changed the traditional ways in which information was processed, communications conducted, and services made available (Sarfo, 2021). With respect to financial management, ICT combines accounting principles and concepts with the benefits of an information system which is used to analyze and record business transactions, prepare financial statements and provide accounting data for the intended users (Sloan, 2021).

Kiboori and Misango (2023) conducted a study on the effect of technology adoption on organizational performance of dairy societies in Uasin Gishu County, Kenya. The study adopted the explanatory research design which shows the causal effect of technology adoption and organization performance. A census of all the dairy cooperative societies in Uasin Gishu County was done, where there are a total of 20 dairy societies. The primary data for the study was obtained using questionnaires. Pretest on two dairy societies was done to test for reliability. The reliability of the questionnaire was tested using Cronbach Alpha coefficient. Quantitative data collected was analyzed using descriptive statistical techniques which are frequencies, means, and standard deviation. Inferential statistics such as Pearson moment correlations was used to establish the effects on the variables. Multiple regression was used to establish the cause effect of the variables. The findings of the study indicated that financial information system technologies adoption, information communication technology adoption and Product Processing technologies adoption had significant and positive effect on performance of dairy societies.

According to Lipsey and Chrystal (2021) the adoption of Financial information system technologies alters country's comparative advantages and improves its competitiveness through technology transfer, domestic investment which can alter a country's volume and pattern of trade in many income enhancing directions. Countries that suffer from corruption, slow-moving, or ineffective government are likely to resistant the change (La Porta *et al*., 2019) but in such countries, the opportunity and switching costs are lower which makes the possibility of adopting IFRS advantageous. Financial information system technological projects have been criticized because they face well-known problems concerning crime, problems of adjustment to the social context, and possibly infrastructural problems. While a link between poverty reduction and ICT exists, the connection is yet to be fully understood.

RESEARCH METHODOLOGY

Research Design

The descriptive research design was employed where data was collected one point in time. Creswell and Creswell (2021) notes that a descriptive survey seeks to obtain information that describes existing phenomena by asking questions relating to individual perceptions and attitudes. The design is considered suitable as it allows an in-depth study of the problem under investigation. Descriptive research design was adopted when describing the given situation, a phenomenon, it takes into consideration current believes customs and also traditions in data collection (Siedlecki, 2020).

Target Population

The target population for this study was soft drink manufacturing firms in Kenya. Information on the firms was retrieved from Kenya Association of Manufacturers (KAM, 2022). The manufacturing firms were the unit of analysis while the top managers were the unit of observation. The object from which information is obtained is referred to as a unit of observation (Basias & Pollalis, 2018). The target population was 455 management employees from 8 companies as shown in Table 3.1

Table 3. 1: Target Population

Sub-sectors	**Target Population**
Coca-Cola East Africa	25
Nairobi Bottlers Limited	20
Highlands Mineral Water Co. limited	20
Kenya Wines Agency Limited	30
Suntory Food and Beverage Limited	20
Aquamist Limited	20
Gold Brown Beverages (K) limited	20
East African Maltings Ltd	30
Kevian Kenya Ltd.	25
Excel Kenya Limited	20
Total	**230**

Sample Frame and Sampling Technique

The study employed a multistage sampling technique since the target sample for the respondents is large and it is not possible to study all the key employees in beverage manufacturing firms . The sample size was calculated using slovins formula;

$$n = N\ (1 + Ne^2)$$

Whereby:

n=Sample size

N= Total population

e= Error tolerance (0.05)

Therefore:

$$n = 230/\ (1 + 230*0.05^2)$$

$$n = 146$$

Hence, sample of 146 management employees were randomly selected in the sampled from the target population. Sampling is the selection of a few items that are as representative as

possible to produce a miniature cross-section of all items constituting a population under study (Kothari, 2004).

Data Collection Instrument

Data was collected using a self-administered semi-structured questionnaire. Semi-structured questionnaires were used since they enabled the researcher collect quantitative data. Questionnaires are a good method because they provide clarifications sought by respondents and they can be collected immediately after they are completed. Structured questionnaires are easy to administer, analyze and are economical in terms of time and money. A five-point Likert scale was used to measure all variables. The lowest rating of 1 signifies a low opinion by respondent while a high rating of 5 signifies a high rating by the respondents.

Pilot Study

A pilot test was conducted to determine validity and reliability of the data collection instrument. A pilot study is a small experiment designed to test logistics and gather information prior regarding a larger study, to improve the latter quality and efficiency. A pilot study can reveal deficiencies in the design of proposed experiment and procedure and these can be addressed before time and resources are expended on large scale studies. The responses from respondents were used to adjust and refine questionnaire accordingly. According to Mugenda and Mugenda (2021) the pretest sample should be between 1% and 10% depending on the sample size.

Data Analysis and Presentation

Data obtained from the field was coded, cleaned, and entered into the computer for analysis using the SPSS version 25. The data was summarized in order to see emerging trends and issues around specific themes, which are dependent on the variables and objectives. Presentation of data was done in form of quantitative and qualitative reports which was presented in forms of tables and essay. For the quantitative reports, the tables consisted of mean and standard deviation values that were used to make interpretation of the analysis. Percentage, mean and standard deviation was used to show the frequency of responses. Tables were used to display the rate of responses and to facilitate comparison. Qualitative reports were presented in form of essay which was discussed as per the study objectives aligned with the theories and empirical study.

Descriptive statistical included frequency, percentages, mean and standard deviation. Inferential statistical analysis used was multiple regression and correlation analysis. The significant of each independent variable were tested at a confidence level of 95%. The multiple regression model that was utilized as shown below:

$$\mathbf{Y = \beta + \beta_1 X_1 + \beta_2 X_2 + \varepsilon}$$

Where:

Y represents dependent Variable (organizational performance of beverage manufacturing firms in Kenya),

β represents a constant or Intercept

β_1, β_2, represents the estimated regression coefficients

$\boldsymbol{X_1}$represents procurement process transformation

$\boldsymbol{X_2}$represents technological transformation

$\boldsymbol{\varepsilon}$ represents error term (represents the effect of the variables that were not covered by the equation)

RESEARCH FINDINGS AND DISCUSSIONS

Descriptive statistics

Procurement Process Transformation and Organizational Performance

The first specific objective of the study was to assess the effect of procurement process transformation on organizational performance of beverage manufacturing firms in Kenya. The participants were requested to indicate their level of agreement on various statements related to procurement process transformation and organizational performance of beverage manufacturing firms in Kenya. A five point Likert scale was used Whereby 1 represent strongly disagree, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree. The results were as shown Table 1.

From the results, the respondents agreed that the procurement process in their organization has undergone significant changes in the past. This is shown by a mean of 3.915 (std. dv = 0.776).As shown by a mean of 3.908 (std. dv = 0.836), the respondents agreed that their organization has implemented technology-driven solutions to streamline the procurement process. Further, with a mean of 3.870 (std. dv = 0.972), the respondents agreed that they have redefined their procurement policies and procedures to enhance efficiency and effectiveness.

The participants agreed that their introduction of e-procurement tools has improved the transparency of their procurement activities. This is shown by a mean of 3.812 (std. dv = 1.005). As shown in the results, the respondents agreed that their organization has invested in supplier relationship management systems to optimize supplier collaboration. This is shown by a mean of 3.802 (std. dv = 0.608). As shown by a mean of 3.786 (std. dv = 0.897), the respondents agreed that procurement team receives regular training to adapt to new procurement processes and technologies.

Table 1: Procurement Process Transformation and Organizational Performance

	Mean	Std. Deviation
The procurement process in our organization has undergone significant changes in the past	3.915	0.776
Our organization has implemented technology-driven solutions to streamline the procurement process	3.908	0.836
We have redefined our procurement policies and procedures to enhance efficiency and effectiveness	3.870	0.972
The introduction of e-procurement tools has improved the transparency of our procurement activities.	3.812	1.005
Our organization has invested in supplier relationship management systems to optimize supplier collaboration.	3.802	0.608
The procurement team receives regular training to adapt to new procurement processes and technologies.	3.786	0.897
Aggregate	**3.814**	**0.819**

Technological Transformation and Organizational Performance

The second specific objective of the study was to determine the effect of technological transformation on organizational performance of beverage manufacturing firms in Kenya.The participants were requested to indicate their level of agreement on various statements related to technological transformation and organizational performance of beverage manufacturing

firms in Kenya. A five point Likert scale was used Whereby 1 represent strongly disagree, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree. The results were as shown Table 2.

From the results, the respondents agreed that in the past few years, their firm has embraced technological advancements to enhance their operations. This is shown by a mean of 3.955 (std. dv = 0.172). As shown by a mean of 3.855 (std. dv = 0.839), the respondents agreed that their organization has integrated modern technologies to optimize the production processes of beverages. Further, with a mean of 3.842 (std. dv = 0.898), the respondents agreed that the implementation of technology-driven solutions has improved the accuracy of inventory management in their firm. The participants agreed that they have adopted digital tools for real-time monitoring and control of production lines in their beverage manufacturing processes. This is shown by a mean of 3.815 (std. dv = 0.112).

As shown in the results, the respondents agreed that the technological transformation has facilitated better communication and collaboration among different departments within their organization. This is shown by a mean of 3.758 (std. dv = 0.969). As shown by a mean of 3.723 (std. dv = 0.732), the respondents agreed that their firm has invested in data analytics and business intelligence tools to gain insights for decision-making in the beverage manufacturing process.

Table 2: Technological Transformation and Organizational Performance

	Mean	Std. Deviation
In the past few years, our firm has embraced technological advancements to enhance our operations.	3.955	0.172
Our organization has integrated modern technologies to optimize the production processes of beverages.	3.855	0.839
The implementation of technology-driven solutions has improved the accuracy of inventory management in our firm.	3.842	0.898
We have adopted digital tools for real-time monitoring and control of production lines in our beverage manufacturing processes.	3.815	0.112
The technological transformation has facilitated better communication and collaboration among different departments within our organization.	3.758	0.969
Our firm has invested in data analytics and business intelligence tools to gain insights for decision-making in the beverage manufacturing process.	3.723	0.732
Aggregate	**3.365**	**0.598**

Organizational Performance of Beverage Manufacturing Firms

The participants were requested to indicate their level of agreement on various statements related to organizational performance of beverage manufacturing firms in Kenya. A five point Likert scale was used Whereby 1 represent strongly disagree, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree. The results were as shown Table 3.

From the results, the respondents agreed that performance of our organization has improved over the years. This is shown by a mean of 3.917 (std. dv = 0.896). As shown by a mean of 3.902 (std. dv = 0.896), the respondents agreed that in their organization there are minimal complaints concerning the quality of their services. Further, with a mean of 3.864 (std. dv = 0.915), the respondents agreed that the level of employee satisfaction has improved. In addition, the participants agreed that in their organization, there is low rate of employee turnover. This is shown by a mean of 3.842 (std. dv = 0.785). As shown in the results, the respondents agreed that they are satisfied with the level of customer satisfaction in their organization. This is shown by a mean of 3.711 (std. dv = 0.985).

Table 3: Organizational Performance of Beverage Manufacturing Firms

	Mean	Std. Deviation
Performance of our organization has improved over the years	3.917	0.896
In our organization there are minimal complaints concerning the quality of our services	3.902	0.896
The level of employee satisfaction has improved	3.864	0.915
In our organization, there is low rate of employee turnover	3.842	0.785
Am satisfied with the level of customer satisfaction in our organization	3.711	0.985
Aggregate	**3.845**	**0.905**

Correlation Analysis

This research adopted Pearson correlation analysis determine how the dependent variable (organizational performance of beverage manufacturing firms in Kenya) relates with the independent variables (procurement process transformation and technological transformation). The findings were as depicted in Table 4.

From the results, there was a very strong relationship between procurement process transformation and organizational performance of beverage manufacturing firms in Kenya (r = 0.828, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings are in line with the findings of Kilonzo (2018) who indicated that there is a very strong relationship between procurement process transformation and organization performance.

Moreover, there was a very strong relationship between technological transformation and the organizational performance of beverage manufacturing firms in Kenya (r = 0.838, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings are in line with the findings of Suherman, et, al., (2021) who indicated that there is a very strong relationship between technological transformation and organization performance.

Table 4.: Correlation Coefficients

		Organization Performance	Procurement Process Transformation	Technological Transformation
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	201		
Procurement Process Transformation	Pearson Correlation	.828**	1	
	Sig. (2-tailed)	.001		
	N	201	201	
Technological Transformation	Pearson Correlation	.838**	.297	1
	Sig. (2-tailed)	.001	.060	
	N	201	201	201

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (procurement process transformation, technological transformation) and the dependent variable (organizational performance of beverage manufacturing firms in Kenya).

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the

independent variables and the dependent variable was 0.851. This implied that 85.1% of the variation in the dependent variable (organizational performance of beverage manufacturing firms in Kenya) could be explained by independent variables (procurement process transformation and technological transformation).

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.923[a]	.851	.853	.10482

a. Predictors: (Constant), procurement process transformation and technological transformation,

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 166.13 while the F critical was 2.418. The p value was 0.002. Since the F-calculated was greater than the F-critical and the p value 0.002 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of procurement process transformation and technological transformation on organizational performance of beverage manufacturing firms in Kenya.

Table 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.028	2	6.014	325.08	.002[b]
	Residual	3.668	198	.0185		
	Total	115.695	200			

a. Dependent Variable: organizational performance of beverage manufacturing firms
b. Predictors: (Constant), procurement process transformation and technological transformation

The regression model was as follows:

$$\mathbf{Y = 0.342 + 0.397X_1 + 0.387X_2 + \varepsilon}$$

According to the results, procurement process transformation has a significant effect on organizational performance of beverage manufacturing firms in Kenya β_1=0.397, p value= 0.003). The relationship was considered significant since the p value 0.003 was less than the significant level of 0.05. The findings are in line with the findings of Kilonzo (2018) who indicated that there is a very strong relationship between procurement process transformation and organization performance.

The results also revealed that technological transformation has a significant effect on organizational performance of beverage manufacturing firms in Kenya β1=0.387, p value= 0.002). The relationship was considered significant since the p value 0.002 was less than the significant level of 0.05. The findings are in line with the findings of Suherman, et, al., (2021) who indicated that there is a very strong relationship between technological transformation and organization performance.

Table 46: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.342	0.089		3.843	0.002
procurement process transformation	0.397	0.097	0.398	4.093	0.003
technological transformation	0.387	0.097	0.389	3.990	0.002

Conclusions of the Study

The study concludes that procurement process transformation has a positive and significant influence on organizational performance of beverage manufacturing firms in Kenya. Findings revealed that procurement Data base, websites and internet influence organizational performance of beverage manufacturing firms in Kenya

In addition, the study concludes that technological transformation has a positive and significant influence on organizational performance of beverage manufacturing firms in Kenya. Findings revealed that e-Tendering, e-Invoicing and e-Record Management influence organizational performance of beverage manufacturing firms in Kenya

Recommendations of the Study

Firms should continue to invest in and adopt advanced procurement technologies, including procurement databases, e-procurement platforms, and other digital tools. This enables efficient data management, real-time communication, and streamlined procurement processes, leading to improved overall performance.

Leverage procurement databases and online platforms to foster better collaboration and communication with suppliers. Encourage suppliers to provide real-time updates on inventory levels, delivery schedules, and product quality. This helps in reducing lead times and maintaining consistent supplies.

REFERENCES

Adams, M., & Buckle, M. (2018). The Determinants of Operational Performance in Bermuda Insurance Market. *Applied Financial Economics, 13*, 133-43.

Siedlecki, S. L. (2020). Understanding descriptive research designs and methods. *Clinical Nurse Specialist*, *34*(1), 8-12.

Muema, D. (2021). *Sustainable Procurement Practices and Organizational Performance of the County Governments in Kenya* (Doctoral dissertation, University of Nairobi).

Suherman, S., Janitra, A. A., Budhiary, K. N. S., Pratiwi, W. Z., & Idris, F. A. (2021, February). Review on hazard analysis and critical control point (HACCP) in the dairy product: Cheese. In *IOP Conference Series: Materials Science and Engineering* (Vol. 1053, No. 1, p. 012081). IOP Publishing.

Rajab, F., Ngugi, P., & Kiarie, D. (2021). Influence of supplier relationship management on performance of manufacturing firms in Kenya. *International Journal of Supply Chain and Logistics*, *5*(1), 31-45.

Florence, M. N. (2020). *Effect Of Strategic Procurement Planning On Organizational Performance Of State Owned Corporations In Coastal And Lower Eastern Regions Of Kenya* (Doctoral dissertation, Pwani University).

Nguyen, H., Onofrei, G., Akbari, M., & McClelland, R. (2022). Enhancing quality and innovation performance: the role of supplier communication and knowledge development. *Total Quality Management & Business Excellence*, *33*(3-4), 410-433.

Allen, B. (2021). Broader outcomes in procurement policy–a case of New Zealand pragmatism. *Journal of public procurement*, *21*(3), 318-341.

Mafini, C., Dhurup, M., & Madzimure, J. (2020). E-procurement, supplier integration and supply chain performance in small and medium enterprises in South Africa. *South African Journal of Business Management*, *51*(1), 1-12.

Kim, M. K., & Narasimhan, R. (2019). Designing supply networks in automobile and electronics manufacturing industries: a multiplex analysis. *Processes*, *7*(3), 176.

Gati, H. M., & Machoka, P. (2023). Procurement Transformation Process and Performance Of Food And Beverage Industry In Nairobi City County, Kenya. *International Journal of Social Sciences Management and Entrepreneurship (IJSSME)*, *7*(2).

Idrees, M. A., Abbas, M., Ali, S. Q., & Khan, A. (2022). Impact Of E-Procurement On Procurement Practices And Performance Efficiency-A Structural Equation Modeling Approach. *Journal of ISOSS*, *8*(3), 235-250.

Kamau, J., & Thogori, M. (2023). Influence Of Strategic Procurement Management Practices On Procurement Performance Of Tier One Commercial Banks In Kenya. *International Journal of Social Sciences Management and Entrepreneurship (IJSSME)*, *7*(1).

Khalid, U., Ahmad, W., Abubakar, M., & Asrar, M. (2020). Determinants of Capital Structure: A Case Of Non-Financial Sector of Pakistan. *International Journal of Accounting and Management Research*, *1*(1), 1-14.

Chawana, M. C., & Ngungi, P. K., (2019). The influence of competitive bidding and performance of small and medium food processing enterprises in Kenya. *International Journal of Social Sciences and Information Technology*, *5*(4), 27-44.

Kiboori, W. G., & Misango, S. B. (2023). *Technology adoption influence on organisational performance of dairy farmers' cooperative societies in O'lessos sub-county, Nandi County, Kenya*. Retrieved from http://41.89.96.81:8080/xmlui/bitstream/handle/123456789/1871/

Basias, N., & Pollalis, Y. (2018). Quantitative and qualitative research in business & technology: Justifying a suitable research methodology. *Review of Integrative Business and Economics Research*, *7*, 91-105.

Cooper, D. R. & Schindler, P. S. (2011). *Qualitative research: business research methods*, Boston, MA: McGraw-Hill.

Cronbach, L. J. (1971). *Test Validation. In R. L. Thorndike (Ed).Educational Measurement (2nd Ed.)* Washington, DC: American Council on Education.

Cronbach, L. J. (2011). *Test Validation. In R. L. Thorndike (Ed).Educational Measurement (2nd Ed.)* Washington, DC: American Council on Education.

Cronbach, L. J. (2018). *My Current Thoughts on Coefficient Alpha and Successor Procedures.* Washington, D: Educational and Psychological Measurement.

Momanyi, S., & Paul, S. (2018). Influence of Supplier Management on Procurement Performance of Sidian Bank in Nairobi County, Kenya. *International Journal of Social Sciences and Information Technology* *3*(4), 540–555.

Kilonzo, G. M., (20218). *Procurement best practices and organizational performance: case study of Cadbury's Kenya limited*. Retrieved from http://erepository.uonbi.ac.ke/bitstream/handle/11295/74 y

Kioko, N. J., & Were, S. (2018). Factors affecting efficiency of the procurement function at the public institutions in Kenya (a case of Supplies Branch in Nairobi). *International Journal of Business & Law Research*, *2*(2), 1-14.

Kipkemoi, R.T. (2018). *Effects of procurement practices on organizational performance within the public sector: a case of east African Portland Cement Company limited*. Retrieved from https://core.ac.uk/download/pdf/157498212.pdf

Gudda, K., Keitany, P. J., & Ombok, M. (2023). Supplier Development and Procurement Performance of Steel Manufacturing Firms in Nairobi City County, Kenya. *International Journal Of Academic Research In Business And Social Sciences*, 13(9), 938-955

Muthumbi, D.M., & Kamau, J. (2021). Effect of career development on employee performance in Deloitte Limited, Kenya. *Journal of Human Resource and Leadership*, *1*(1), 9-16.

Mwikali, F. (2016). *Procurement governance and procurement performance of small medium-sized enterprises in Nairobi central business district*. Retrieved from http://erepository.uonbi.ac.ke/bitstream/handle/11295/98947/Mwikali_Procurement%20Governance%20and%

Mwiti, J., Moguche, A., & Rintari, N. (2021). The Relationship between Career Advancement and Job Satisfaction among Teachers in Selected Public Secondary

Schools in Igembe North, Kenya. *Human Resource and Leadership Journal, 6*(1), 49-64.

Lewis, M. A.; Roehrich, J. K. (2019), Contracts, relationships and integration: towards a model of the procurement of complex performance, *International Journal of Procurement Management, 2*, (2), 125-142.

Viale, L., & Zouari, D. (2020, July). Impact of digitalization on procurement: the case of robotic process automation. In *Supply Chain Forum: An International Journal* (Vol. 21, No. 3, pp. 185-195). Taylor & Francis.