



EFFECT OF INTERNAL MANAGEMENT SUPPORT ON THE SUCCESSFUL ADOPTION OF SUSTAINABLE PROCUREMENT PROCESS IN TEXTILE INDUSTRIES IN ELDORET TOWN, KENYA

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ABSTRACT

The study aimed at establishing the effect of internal management support on the successful adoption of sustainable procurement process in the textile industry in Eldoret town, Kenya. The research was guided by controlling theory of performance management. The study used comparative research design. The target population was 126 employees. The study sample was 96 respondents. The questionnaire contained open and closed questions. The study conducted the pilot study to test the validity and the reliability and of the questionnaire for data collection. Statistical Package for Social Sciences (SPSS) was used by the researcher to analyse data. The researcher used the descriptive statistics; the mean, frequency and standard deviation and inferential statistics such as Pearson correlation and regression analysis to analyse the data. The researcher regressed the variable at 5% significance level to determine the strength of the variables and direction of their relationship. The reliability coefficient of 0.7 and above is highly appropriate and was used as a measure for accepting reliability of the variables. The researcher presented data by use of tables. The study established that internal management support affects the adoption of sustainable procurement process ($\beta=0.150$; $p<0.05$). The study concluded that Internal management support have a significant relationship between the adopting of sustainable procurement practices and the performance of the textile industries in Eldoret town Kenya should properly engaging the suppliers. Suggestions for further research were also made. It is believed the country's economic developments will be promoted by such initiatives.

Key Words: Internal Management Support, Sustainable Procurement Process, Textile Industry

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INTRODUCTION

Textile industry forms the base for employment creation, economic growth, and foreign exchange earnings in Kenya. The industry can support the livelihood of over 200,000 small-scale farmers by providing a market for cotton and apparel products. It has the potential to employ approximately 30% of the work force in the entire manufacturing industry in the country (Chege, Ngui, & Kimuyu, 2014). Effective, sustainable public procurement originates from the broader concept of sustainable development aiming at meeting more diverse needs of the people existing and the future communities as well as improving their wellbeing through social cohesion, inclusion and fostering equality of opportunities (Chelangat, Ombui & Omwenga, 2015).

The triple bottom line is the principles of sustainable procurement that incorporates the ecological, financial, and the social (Meehan & Bryde, 2011). Manufacturers are advocating for green procurement practices due to continuous pressures from the shareholders and the changes in environmental policies about sustainable development (Arisa & Muturi, 2016). Public procurement incorporates the sustainability standards that help the organizations fully utilize the organizational resources. Investing in the environmental technologies and investing in prevention of pollution are the possible ways to reduce all the environmental effects (Lintukangas, Hallikas & Kahkonen, 2013). The textile industry is facing challenges due to lack of proper sustainable public procurement. The managers may face many challenges and the barriers in the adoption of sustainable procurement supplier selection methods.

Historical development of the textile industry was begun in Britain. The industry started as weaving and spinning as the machines were established in Britain. The available statistics noted that the textile industry global market possesses a net worth of approximately \$400 billion currently as indicated by Coppage (2015). It helps in enhancing recycling of products,

developing appropriate ways of eliminating sources of wastes in factories. Their aim was to check on the kind of relationship existing to support sustainability measures (Guenther et al, 2010).

Asia is the world leader in textile consumption with 8.5 million tonnes, United States and Europe follows with 5.8 and 4.8 million tones respectively. Organizations have a role to amend policies that aim at promoting and supporting sustainability approach while procuring products from potential suppliers (Coppage, 2015). Manufacturers globally are making continuous efforts to source the products and services that are environmentally friendly, furthermore the organizations are implementing sustainable procurement initiatives that focus on social, economic and environmental considerations.

In Ghana, observed that the environmental illiteracy existed amongst the stakeholders in the construction, processing and the manufacturing industries industry. In construction their destruction of natural vegetation which very much common; there is also a very poor waste disposal and improper use of chemicals. It causes pollution of the environment and emissions in the manufacturing sectors due to improper implementation of sustainable procurement. The researchers further noted that there was need for quick attention to look at any possible alternatives of managing as well as consistently conserving the environment to comply with roles stipulated by Environmental Protection Agency (EPA) (Opintan Baah, Yalley Kwaw & Osei-Poku, 2011).

In Uganda, the Environmental Protection Agency (EPA) cannot win the battle of ensuring proper conservation of the environment alone without the inclusion of other key stakeholders to jointly call for advocacy on the conservation of the environment. In Uganda studies indicated that the sustainable procurement practices are still very low. For example, in the study by Kalubanga (2012) on the practicality of the implementation of SP in the procurement

process, in Uganda, he observed that existed very less concern in determining how the sustainable procurement process.

In Kenya, competition from other textile manufacturers had made it difficult to maintain the market share and the smugglers importing cheaper products has made the situation worse (Romberg, 2013). The Kenyan textile development was hampered by competitive environment due to the improvement of the market and as a result, there was a decline in the local producers who were dealing with local production to serve the local markets. The prevailing has forced several textile manufacturing firms to close its industrial operations continue laying off its employees (KAM, 2015).

Statement of the Problem

In our quest as a nation in attaining sustainable development, and transiting into a full middle-income status country, sustainable procurement must be the focus. Textile industry can support the livelihood of over 200,000 small-scale farmers by providing a market for cotton. It has the potential to employ approximately 30% of the labour force in the manufacturing industry. The average capacity utilization in the textile industry is currently less than 50% and its textile and apparel projects have been greatly affected by underperforming state of textile industry in Kenya (Ednah & Moronge, 2016). The growth of textile manufacturing industry has been affected by increased cost of production and poor transportation systems. These challenges altogether called the need to conduct a research on determinants of successful adoption of sustainable procurement process in textile industry in Eldoret town, Kenya to fill the existing gap.

Objective of the Study

The study sought to establish the effect internal management support on the adoption of sustainable procurement process in Eldoret town.

Research Hypothesis

H01: Internal management support does not significantly affect the adoption of sustainable procurement process Eldoret town.

LITERATURE REVIEW

This study presented theories and the empirical reviews from the past studies used to guide the study. A conceptual framework and a summary of the literature were also presented.

Theoretical Review

The grounding theory for the study included the Controlling theory of performance management

Controlling Theory of Performance Management

Controlling theory of performance management was founded by Koskela and Howell (2002). The control theory argues that the organization a strong internal management control can assist in ensuring that organizational goals and the objectives are met efficiently also helps to achieve long term targets and maintain a reliable accountability as concerns to sustain performance. The underlying assumption of the theory is that performance of the organization is measured based on the elements of the output or the input. The measured value will be used by the organization to correct processes to attain appropriate standard performance.

The underlying assumption of the theory is that performance of the organization is measured based on the elements of the output or the input. The measured value will be used by the organization to correct processes to attain appropriate standard performance. This controlling theory is therefore relevant to the study in the sense that when textile industry is being operated, the management must comply with the quality attributes and to constantly ensure adherence to the Government, Public procurement process and organizational compliance pertaining the sustainable procurement process standards. The controlling theory of performance management is criticized as inadequate to explain

general human behavior in the organizational contexts. The debate on control theory has been very much informative by depicting misleading formulations and clarifying some of its boundary conditions and limitations. Many have concluded that control theory is an appropriate tool for analysing the organizational behaviours.

Empirical Review

This empirical review presented the reviewed studies done on internal management support and supplier engagement on the adoption of sustainable procurement process.

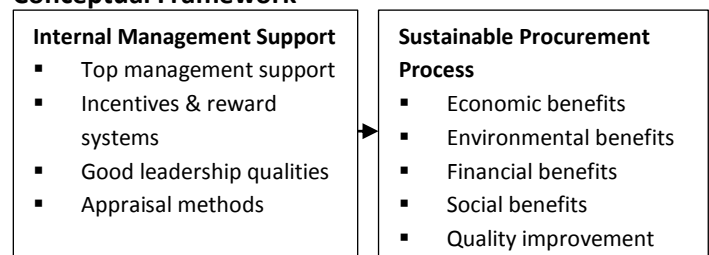
Internal Management Support and Sustainable procurement Process

Chari and Chiriseri (2014) investigates on barriers influencing sustainable public procurement in Zimbabwe. The study purpose was to analyse how firms’ resources, knowledge sharing and policies influence implementation of sustainable procurement. The researchers used the questionnaire and interviews. The study population for the study administration staff and the procurement staff to collect the data. The researcher’s findings were that sustainable procurement were not practiced very well. In their study, the researchers utilized the interviews, questionnaire and documented the inspection to collect the data. However, the study did not develop the theoretical perspectives, thus relying only on the responses which could lead to less significant of the findings. The study Obicci (2017) investigated on the trouncing barriers affecting performance of sustainable procurement in public institutions in Uganda. The Findings from the study shows that barriers to SP are due to culture of the organization, inadequate knowledge of SP among employees, management failures, unfavorable work environment, lack of influential constants, improper implementation process and lack of clear guidelines. The data was collected by both primary and secondary sources. The primary data was collected by use of questionnaire which contained open and

closed. Both descriptive and inferential statistics were used to analyse the data. According to the research respondents pointed out that accounting officers and heads of department in public sector organizations in Uganda find it hard to delegate authorities, to be flexible in executing decisions or to respond well to criticisms. All the respondents insisted that the accounting officers and the heads of the departments are not willing to involve the employees. The study was limited to public sector, hence further studies be done on other sectors of the economy.

Arisa and Muturi (2016) researched on the constraints that influence the implementation of green procurement in Kisii, Kenya. The study objectives were, employee training, financial resources, and legal policies of the organization. The scholars used a descriptive research design aimed at investigating the constraints of green procurement in public institutions in Kenya. The study was guided by institutional theory and stakeholder theory. The study utilizes Cross-section research design. The study noted that organizational, technical management capacity also influences the adoption of sustainable procurement in great extent. Furthermore, the study established that top management support, management skills, employee empowerment sustainable and procurement upgrading practices influence the adoption of SP procurement in their office to a great extent. The entire study focused on public institutions, hence need for further research be conducted on private sector.

Conceptual Framework



Independent Variable

Dependent Variable

Figure 1: Conceptual Framework

Source: Author (2019)

Summary of Reviewed Literature

From the literature reviewed and the theory explained it was noted that sustainable procurement practices are of great importance to performance of organizations in different areas. Four theories each regarding each variable were discussed. According to controlling theory of performance management, the managers in every organization should support the success and adoption of new operations. This practice will help ensure that organizational goals and the objectives are met efficiently also helps to achieve long term targets and maintain a reliable accountability as concerns to sustain performance. Management performance reporting control and change management forms the vital processes for controlling the performance of the organization.

METHODOLOGY

Research design outlines the methodology of conducting the research. Descriptive research design was applicable for the study, hence was used to provide responses from the respondents. The study used survey research design. The target population for the study was the entire firms dealing in textile and apparel production in Eldoret town. The study mainly focused on the heads of department and staff working in sections involved in the entire textile supply network when sourcing goods and services. The selected staff was believed to have the relevant information concerning overall organizational performance. Data collection instrument refers to the tools used for collecting data and how those tools are developed. Questionnaires were used as research instrument for this study. The questionnaires can be easily completed by the respondents. It was also very economical and easy way of collecting information from the respondents (Gitau, 2016). Multiple regression model was carried out at 5% level of significance to determine the nature of the relationship between the variables. The model described the direction and the strength of the relationship existed between the study variables.

Product moment correlation was to establish to the degree in which the study variables relate. Testing of the formulated hypotheses done to examined how variables in the study correlated. The following model was advanced in the study.

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where;

Y represents Sustainable Procurement process

β_0 represent a constant

β_1 , represents a regression coefficient

X_1 represent internal management support

ϵ represent error term

The regression equation best predicted the behavior of the dependent variable as the independent variables were subject to change (Gitau, 2016).

FINDINGS AND DISCUSSIONS

The study targeted 96 respondents. All the researcher's questionnaires were issued to the respondents. Out of the 96 questionnaires distributed, 90 were correctly filled and returned which represents a response rate of 90(93.75%). The study assessed the internal consistency of the research questionnaire. Inferential analyses were conducted to ascertain the determinants of successful adoption of sustainable procurement process.

Correlation Results

The researcher used Pearson's product moment correlations to establish whether if there existed a relationship between determinants of success factors of sustainable procurement process and the performance of textile industry. It was necessary to conduct correlations before conducting the regression analysis.

The findings showed that there was a positive correlation among the determinants of success effect on performance of sustainable procurement process in the textile industries. Specifically, moderate positive correlation between the sustainable procurement process and internal management

support ($r=0.486$, $p < 0.05$). This finding implied that internal management support enhances the adoption of sustainable procurement process in the textile industries.

Multiple Linear Regression Analysis

Table 1: Multiple Regression Model Summary Results

R	R Square	Adjusted R Square	Std. Error
.740 ^a	.548	.527	.403

R-Squared is used to evaluate the goodness of fit of a model. In the regression model, the R square coefficient of determination is a statistical measure of how well the regression line approximates the real data. The findings showed the coefficient of determination (R^2) for the combined sustainable procurement determinants was 0.548. This value indicated that there were 54.8 % variations in the

The study used the Multiple Regression Model analysis model to examine, to model, and determine the existing relationships between determinants of success effect against textile sustainable procurement process in Eldoret Town, Kenya. The model results were shown in Table 1.

adoption of sustainable procurement process in the textile industries. This implied that the difference of 45.2% of the variations were because of other factors not included in the study.

Assessing the Fit of the Multiple Regression Model

The study examined whether the multiple regression model was a good fit for the data.

Table 2: Results of ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.747	1	4.187	25.775	.000 ^b
Residual	13.807	85	.162		
Total	30.554	89			

a. Dependent Variable: Sustainable Procurement Process

b. Predictor: (Constant), Internal Management Support

The findings of the study indicated that the relationship between the independent variables and the dependent variable was statistically significant ($F=25.775$; $P=0.000$). This therefore indicated that the multiple regression model was a good fit for the data. Hence, internal management support affects the adoption of sustainable procurement process of textile industries in Eldoret town Kenya.

Hypotheses Results

The hypotheses were tested at 5% significance level.

In the study, the null hypothesis H01 postulated that internal management support does not significantly affect the adoption of sustainable procurement process. The results showed that Internal management support is a significant predictor on the

adoption of sustainable procurement process in textile in Eldoret town, Kenya ($\beta = 0.183$; $p > 0.05$). The β factor of 0.183 indicated that internal management support affects the adoption of sustainable procurement process by 18.3%. The P- value of 0.037 which was less than 0.05 indicated the significant effect between internal management and adoption of sustainable procurement process. Hence the research hypothesis that internal management support does not significantly affect the adoption of sustainable procurement process was rejected at significance level of 5%. The findings strongly concurred with the findings of Nasiche and Ngugi (2014) who noted that management in organization supports the performance of systems in the organization.

Summary of the Findings

The objective of the study sought to establish the effect of internal management support on the adoption of sustainable procurement process. The study indicated that internal management support was positively and significant with the adoption of sustainable procurement process. This implied that internal management support is crucial in the adoption of sustainable procurement process. The study established that, from the findings of the study, the respondents strongly agreed that top management support in textile industries within Eldoret town Supports the adoption of sustainable procurement process by larger extend. Furthermore, the respondents agreed that the company gave some incentives and rewards in support to embracing the sustainable procurement process. The respondents also agreed that the leadership and management style in the textile industries considered the adoption of sustainable procurement. Lastly, the respondents were also in agreement with the fact that management of textile industries within the Eldoret town, engaged the employees to adopt the sustainable procurement through continuous appraisal methods. These findings tied up with the controlling management theory that, the organization should have strong internal management control that assist in ensuring the organizational goals and objectives are in line with sustainability measures.

CONCLUSIONS

From the findings of the study, it was concluded that internal management support is a predictor for adoption of sustainable procurement process. From the findings of the study, internal management

support played a vital role in ensuring the successful adoption of sustainable procurement process in textile industries in Eldoret town, Kenya.

The study concluded that internal management support is a predictor of sustainable procurement process. Hence, internal management should be well enhanced to improve the overall adoption of sustainable procurement process of textile industries within Eldoret town Kenya. Continuous incorporation of top management support, incentive and reward systems, embracing of good leadership qualities and implementation of appraisal methods would lead to improved and well adoption of sustainable procurement process of textile industries within Eldoret town, Kenya.

RECOMMENDATIONS

The study recommended that the managers of textile industries should have up to date special techno-economic knowledge, strategic planning, openness to new sustainable procurement systems, internal expertise on sustainability measures when evaluating tenders for sustainable procurement process through continuous employee training and proper communication.

Suggestions for Further Study

Similar studies can be undertaken in other sectors with the need to examine the effect of sustainable procurement determinants on the organizational performance on the economic achievements of the country, if the adoption of sustainable procurement process is in line with the green innovations and economic planning.

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