Influence of Reverse Logistics Strategy on Procurement Performance of Sugar Industry in Kenya

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ABSTRACT

\textbf{Purpose:} The study aimed to determine the influence of reverse logistics on procurement performance of the sugar industry in Kenya. This study is based on Sustainability Theory, Resource Based Theory and Ethics Theory.

\textbf{Methodology:} The study adopted a cross sectional survey research design on 11 sugar factories in Kenya consisting of 4 Parastatal Companies and 7 Private Companies, using stratified random sampling and purposive sampling, the study sampled stores department, purchasing department and finance department of the selected sugar factories through a sample of 132 respondents for representativeness. The questionnaire was used as the instrument for collecting data. The gathered data was analyzed using a Statistical Package both descriptively and inferentially using regression and factor analyses.

\textbf{Findings:} The study findings showed that Reverse logistics has a strong positive effect on procurement performance as shown by the R Square value of .627 implying that the independent variables account for 62.7\% of procurement performance. The findings also showed that professional experience, supply knowledge training, technical knowledge, quality and reliability, innovation, delivery, and productivity all influences procurement as attested to by the factor analysis results.

\textbf{Practical implication:} This study contributes to the body of knowledge through results, facts and recommendations that can be used as a reference tool by various stakeholders to make strategic decisions resulting into competitive edge and policy formulation.

\textbf{Originality:} The study focuses on the 11 sugar factories licensed by the Kenya Sugar Board in Kenya consisting of 4 Parastatal Companies and 7 Private Companies.

\textbf{Keywords:} Reverse Logistics Strategy, Procurement Performance.