

SUPPLIERS FOCUSED CORPORATE SOCIAL RESPONSIBILITY PRACTICES AND ORGANIZATIONAL PERFORMANCE OF SELECTED SUGAR COMPANIES IN WESTERN KENYA

Abstract.

The trend in the last five years in the Sugar companies in Western Kenya is worrying with some sugar companies being put under receivership and others are non-operational. Studies on how supplier corporate social responsibility contributes to organizational performance revealed both positive and negative results. Previous studies have not conclusively addressed supplier corporate social responsibility and organizational performance. The study therefore explored the effect of supplier focused corporate social responsibility on organizational performance of selected sugar companies in Western Kenya. The study was anchored on stakeholder theory. The study employed a mixed research design. The study was conducted in Nzoia, South Nyanza, Busia, Kabras and Butali sugar companies in Western Kenya. Researcher used Yamane formula to calculate the sample size. The target population was 1200 and sampled 300 respondents. The study employed purposive and stratified random sampling. The study utilized primary data which was collected using self-administered structured questionnaire and interview guides. Reliability was tested using pilot study which was done using 30 respondents and the results yielded Cronbach Alpha coefficient of 0.8. Validity was established using university expert analysis and content validity index. The data was analyzed using both descriptive and inferential statistics. The correlation results indicated that supplier focused corporate social responsibility practices had significant effect on organizational performance ($r=0.750$, $p=0.000$). The study concluded that supplier focused corporate social practices affected performance of selected sugar companies in Western Kenya. The study therefore recommended that sugar companies develop and maintain friendly relation with their suppliers by development of supplier relationship, training them, prompt payment. This would promote regular supply of raw materials.

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