

**The role of green procurement practices in the profitability of the supply chain: A case study of Kampala Cement Company, Namataba, Mukono District**

**Balikagira N. Francis**

**J22B12/095**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS OF THE AWARD OF THE DEGREE OF  
PROCUREMENT AND LOGISTICS MANAGEMENT OF UGANDA CHRISTIAN  
UNIVERSITY**

**September, 2023**



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**BALIKAGIRA.N.FRANCIS**

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**Signature.....**

**Ms. NASSUNA RACHEAL KWAGALA**

## **ABSTRACT**

The study investigated the role of Green Procurement practices in the profitability of Supply chain (A case study of Kampala Cement Company). The general objective of the study was to assess the role of Green procurement practices in the profitability of Supply Chain at Kampala Cement Company in Mukono District, it was guided by three objectives To analyze the impact of environmental criteria on operating income, to analyze the influence of local and sustainable sourcing on the return on assets and to assess the role of supplier evaluation the return on investments

A population of 50 employees from Kampala Cement Company, Mukono was targeted and a sample of 44 respondents was used. A simple random sampling technique and purposive sampling technique were used and all the members of the finite population were given equal chances to be included in the sample since the target respondents were either engaged or had an idea about internal controls on financial performance of commercial banks, these were in a better position to respond to the research questions appropriately. This removed the possible bias that may have arisen as the result of research favoring some members of the population. Data was collected using Questionnaires as a research instrument. A conclusion about the relationship of the variables revealed that Green procurement strategies play a complex and dynamic relationship with supply chain profitability that is influenced by a number of important factors. As mentioned below, integrating environmental criteria, supplier evaluation, and local and sustainable procurement is crucial to achieving successful business outcomes. Resource consumption, waste production, and environmental impacts are all decreased when strict environmental requirements are incorporated into the purchase process. This not only supports sustainability objectives but frequently lowers costs due to increased operational effectiveness

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

This chapter introduces the back ground of the study, statement of the problem, purpose of the study, objectives of the study and research questions, scope, significance of study and conceptual frame work.

#### **1.1 Background of the study**

Green procurement practices, also known as sustainable procurement or environmentally responsible procurement, involve the integration of environmental criteria into the procurement process. These practices aim to reduce the environmental impact of supply chains by considering factors such as energy efficiency, waste reduction, and the use of environmentally friendly materials. The role of green procurement practices in the profitability of supply chains has been a subject of study in both international contexts and specific companies like Kampala Cement Company in Uganda.

Green procurement practices have their origins in various countries worldwide. One of the pioneering countries in this field is Sweden, where the concept of “environmentally friendly procurement” was introduced in the late 1980s. Sweden’s efforts paved the way for other European nations and eventually led to the development of the EU Eco-label and the incorporation of environmental criteria in public procurement directives.

In the United States, the federal government has played a significant role in promoting green procurement through initiatives such as the Federal Acquisition Regulation (FAR) and the establishment of the Federal Green Procurement Program. These efforts have influenced both public and private sector organizations to adopt green procurement practices.

Internationally, the concept of green procurement emerged as part of the broader sustainable development movement. The United Nations Conference on Environment and Development (UNCED), also known as the Earth Summit, held in Rio de Janeiro in 1992, highlighted the importance of sustainable consumption and production practices. It recognized the need to promote environmentally friendly procurement policies and practices to achieve sustainability

goals. The summit led to the adoption of Agenda 21, which called for integrating sustainable development principles into procurement processes.

Since then, several international organizations have played a role in promoting green procurement. The United Nations Environment Programme (UNEP) and the International Trade Centre (ITC) have provided guidance and support to countries and businesses to implement sustainable procurement practices. Additionally, organizations like the Green Public Procurement (GPP) Network and the Sustainable Procurement Initiative (SPI) have facilitated knowledge sharing and collaboration among stakeholders.

East African countries have also recognized the importance of green procurement. While there may not be a unified regional approach, individual countries like Kenya, Tanzania, and Uganda have taken steps to integrate sustainability criteria into their procurement processes. For instance, Kenya has a Green Public Procurement Policy that encourages government agencies to prioritize environmentally sustainable products and services.

Kampala Cement Company, based in Uganda, is a leading manufacturer of cement that started in 2015 it is a notable example of a company in East Africa that has embraced green procurement practices to enhance supply chain profitability. Kampala Cement has recognized that sustainable procurement not only aligns with global environmental goals but also achieving the sustainability of supply chain

In Uganda, the adoption of green procurement practices has gained traction in recent years. Companies like Kampala Cement Company have recognized the importance of environmental sustainability and have implemented measures to integrate green procurement into their supply chains. However, it is worth noting that specific research on the role of green procurement in the profitability of supply chains at Kampala Cement Company is limited. Therefore, the following information is based on a general understanding of green procurement practices and their potential impact on profitability.

Implementing green procurement practices at Kampala Cement Company can have several benefits. By sourcing environmentally friendly materials, the company can reduce its carbon footprint and improve resource efficiency. This can lead to cost savings in the long run by minimizing waste generation and optimizing energy consumption. Moreover, embracing

sustainable practices can enhance the company's reputation, attract environmentally conscious customers, and create a competitive advantage in the market.

## **1.2 Statement of the problem**

In the contemporary business landscape sustainability has become a focal point, leading organizations to adopt green procurement practices as a means to reduce their environmental footprint. Nevertheless the specific impact of these practices on supply chain profitability remains a subject of limited research, particularly within industries like cement production. This research addresses the following central problem:

To what extent do green procurement practices influence the profitability of the supply chain in the cement manufacturing sector, with a particular focus on the case of Kampala Cement Company?

This research aims to address this gap by investigating the impact of environmental criteria, supplier evaluation, local and sustainable sourcing, return on investments, operating income, and return on assets on the profitability of the supply chain. Barriers and opportunities for implementing green procurement in the manufacturing sector In Asia, companies like Fujitsu have adopted a policy that selects equipment, materials basing on their environmental impact for example they look at recyclability, ease of disposal and energy conservation. Uganda Forestry Service (UFS) has taken up the responsibility to reduce the damage done on forests through deforestation and on water bodies through swamp reclamation. However, this is not the case everywhere in the country and in the world at large. Some organizations have purposely refused to adopt the new sustainable way of production. Organizations have not fully incorporated these green practices in their production processes. This is mainly due to the costs associated with their adoption. Managements therefore, are often torn between the need to remain economically viable and the need to reduce the impact on the natural environment (Delgado-Ceballos, 2021) the study carried out by Cekanavicus et al, (2014) about green business trends in Lithuania and Ireland shows that 44.12% of the Lithuanian companies are non-green and the same applies to 54.20% of Ireland companies. This can be related to the lack of knowledge and the insufficiency in policies and guidelines to adopt green procurement practices. This has resulted into acidification of water and land, global warming, deforestation, extinction of species and on the

side of the supply chain, poor brand image. Therefore, the study highlights the role of electronic procurement, recycling and supplier involvement on the profitability of Kampala cement Company's supply chain. The study also aims at finding out whether stringent measures have been passed by governments unto organizations as a way of encouraging the adoption of green purchasing and whether Kampala cement company has made it part of supplier's qualifications in order for them to qualify for the company contracts.

### **1.3 Purpose of the study**

The purpose of the study is to know the assess the roles of green procurement practices in the profitability in Supply Chain at Kampala Cement Company

### **1.4 Objectives**

- i. To analyze the impact of environmental criteria on operating income at Kampala Cement Company
- ii. To analyze the influence of local and sustainable sourcing on the return on assets at Kampala Cement Company
- iii. To assess the role of supplier evaluation the return on investments at Kampala Cement Company

### **1.5 Research Questions**

- i. What is the impact of environmental criteria on operating income of Kampala Cement Company?
- ii. How does local and sustainable sourcing influence return on assets of Kampala Cement Company?
- iii. What is the role of Supplier Evaluation on return of investments of Kampala Cement Company?

### **1.6 Scope of Study**

The research was conducted to assess the role of green procurement practices in the profitability of Supply Chain at Kampala Cement Company

### **1.6.1 Content Scope**

The scope of this study was to assess the role of green procurement practices in the profitability of supply chain.

Green procurement has 3 variables which are;

Green procurements covers: Environmental Criteria, Supplier Evaluation and Local and Sustainable sourcing while,

Profitability covers: Operating Income, Return on Investment and Return on Assets

### **1.6.2 Geographical Scope**

The study was carried out in Namataba, Mukono District.

### **1.6.3 Time Scope**

This study was carried out for a period of 6 months from April to September

## **1.7 Significance of Study**

The study will allow manufacturing firms to get clear insights on how Green procurement practices will affect the profitability of the supply chain.

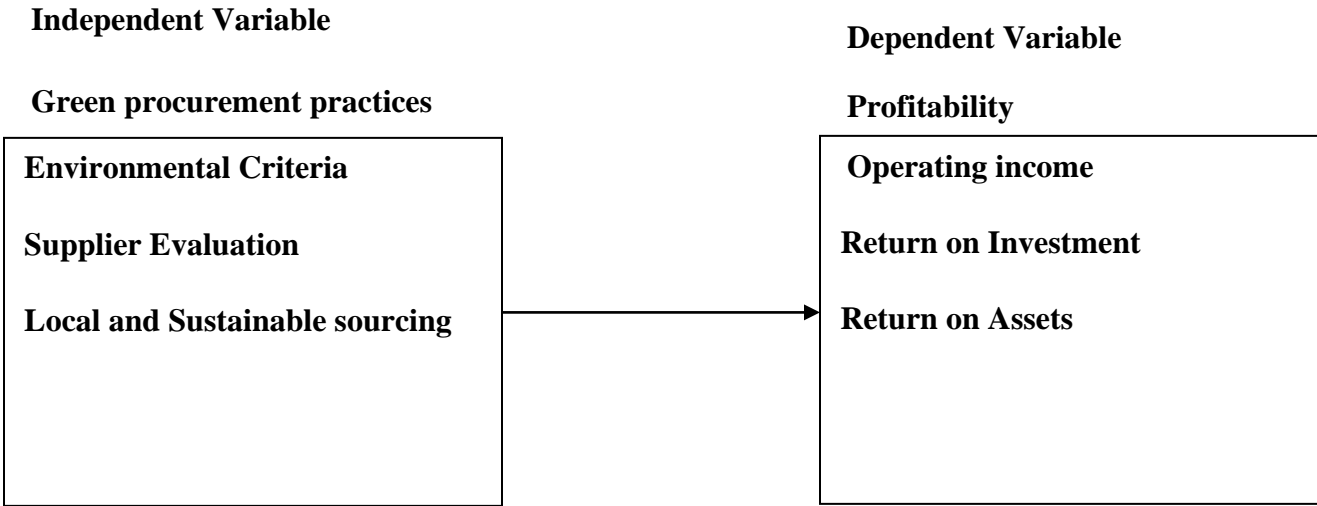
The outcome of this study will also be useful for the further research by the different scholars interested in conducting research on green procurement to get further knowledge on the related factors. The study will also be helpful to the management of Kampala Cement Company on Green Procurement and in organizations, both in the private as well as public sectors, which will help to redefine the procurement department for efficient performance by applying Green Procurement. Green procurement practices aim to reduce the negative environmental impact associated with sourcing, purchasing, and managing goods and services within the supply chain. The profitability of the supply chain is crucial for organizations as it directly impacts their financial performance and long-term sustainability. This conceptual framework explores the relationship between green procurement practices and profitability, highlighting the variables involved and their interdependencies.

Green procurement practices include supplier selection, sustainable product specifications, supply chain collaboration, environmental assessment, and compliance and monitoring. Implementing green procurement practices can lead to cost reduction, risk mitigation, brand reputation, market access, and competitive advantage. This increased profitability provides organizations with more resources to invest in further sustainable initiatives, creating a positive feedback loop. Supplier engagement is critical for successful implementation of green procurement practices. Collaboration, information sharing, and capacity-building efforts can enhance suppliers’ environmental performance, leading to cost savings and improved profitability. Stakeholder expectations and regulations regarding environmental sustainability play a significant role in shaping green procurement practices. Meeting these expectations and complying with regulations can help maintain positive relationships with stakeholders and protect profitability.

**1.8 Conceptual Framework**

**Figure 1: Conceptual Framework**

The conceptual framework illustrates the relationship between the variables



**Source: Researcher 2018**

This conceptual framework explores the relationship between green procurement practices and profitability highlighting the variables involved and their interdependencies. From the interdependent Variable we have Green procurement practices with its 3 variables which are

Environmental Criteria, Supplier Evaluation, Local and Sustainable sourcing. Dependent variable which is Profitability and its variables which are Operating Income, Return on Investment, Return on Assets

### **1.9 Key Terms**

**Green procurement:** acquiring goods and services that are environmentally friendly to the environment

**Supply Chain:** A complex logistics system that consists of facilities that convert raw materials into finished products and distribute them to end consumers or end customers

**Supply chain profitability:** is defined as the sales of goods and services to end consumers minus the cost of the whole supply chain

**Profitability:** is a measure of an organization's profit relative to its expenses

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 LITERATURE REVIEW**

#### **Theoretical Review**

Green procurement practices refer to incorporating environmental considerations into sourcing contributes to improved operational efficiency, reduced waste generation, enhanced brand reputation, cost savings through resource optimization or conservation efforts, and access to new markets demanding environmentally responsible products.

One prominent theory that underpins our understanding of how green procurement impacts profitability is stakeholder theory. According to this concept developed by Edward Freeman in 1984, businesses must acknowledge various groups affected by an organization's actions and consider their interests when making strategic decisions. Integrating green principles within a company's purchasing system aligns with stakeholder theory since it takes into account societal concerns about environmental issues related to production processes and product life cycles.

Another relevant theoretical lens is resource-based view (RBV), which posits that firms exploit exclusive resources or capabilities available internally or across its value network for sustained competitive advantage. In this context, engaging suppliers committed to sustainable manufacturing methods becomes crucial as they provide unique knowledge on eco-efficient technologies or material sources while contributing positively towards the firm's intangible assets like reputation capital. Drawing from transaction cost economics (TCE) perspective offers additional insights regarding why adopting green procurement might lead towards better profitability outcomes for organizations involved in complex global networks. Purchasing from sustainably conscious suppliers can reduce information asymmetry between buyers and suppliers, diminishing transaction costs related to monitoring supplier compliance with environmental standards.

Moreover, green procurement practices also align with the principles of the circular economy. This framework emphasizes closing material loops by reducing waste generation, reusing or recycling resources efficiently, and designing products that facilitate their sustainable end-of-life management. Implementing such eco-innovations through supply chain collaborations can result

in lower raw material costs, reduced environmental footprint throughout a product's life cycle, and enhanced customer loyalty due to environmentally friendly offerings.

## **2.2 The role of green procurement practices on profitability of supply chain**

Green procurement practices have gained prominence in recent years as organizations recognize the importance of incorporating sustainability into their supply chain strategies. This essay aims to explore different scholars' arguments regarding the objective and impact of green procurement practices on supply chain profitability

One argument put forth by Jones, P Comfort emphasizes that adopting green procurement practices can lead to significant cost reductions within the supply chain (Jones et al., 2018). By sourcing environmentally friendly materials, businesses can minimize waste, improve energy efficiency, and streamline operations. These measures not only reduce expenses but also enhance overall profitability through improved productivity and resource utilization.

Furthermore, implementing sustainable supplier selection criteria ensures long-term partnerships with reliable suppliers committed to eco-friendly manufacturing processes. Such collaboration promotes trust among stakeholders while minimizing risks associated with environmental penalties or reputation damage caused by non-compliance (Kesavan et al., 2020).

Another perspective argues that embracing green procurement practices positively impacts a company's corporate image, thereby attracting socially conscious consumers who prefer brands aligned with their values (Sarkis & Cohen, 2020). A study conducted by Porterfield et al. (2019) found that companies investing in sustainable initiatives had higher customer loyalty rates compared to those neglecting such efforts.

Consumers today are increasingly inclined towards supporting environmentally responsible organizations. Adopting green procurement practices allows enterprises to showcase social responsibility initiatives consistently throughout their entire value chains – from raw material sourcing to product disposal – thus enhancing brand credibility and fostering customer loyalty.

According to Carter & Jennings Jr adhering strictly to environmental regulations is crucial for avoiding potential legal liabilities while maintaining a competitive edge in certain industries where compliance serves as an entry requirement (Carter & Jennings Jr., 2004). Governments

worldwide impose stringent regulations to enforce environmental protection, compelling companies to adopt green procurement practices as a means of compliance.

By embracing these practices, organizations can mitigate potential risks and uncertainties associated with non-compliance penalties. Moreover, complying with regulations proactively positions businesses ahead of competitors who may face future challenges due to inadequate sustainability measures (Li et al., 2021).

### **2.3 Assessing the Impact of Environmental Criteria on Operating Income**

As businesses become increasingly cognizant of their environmental responsibilities, scholars have debated the objective measurement of the impact that environmental criteria can have on operating income. This essay aims to present a comprehensive analysis by discussing arguments from different scholars regarding this topic and highlighting key perspectives. Through critically evaluating these viewpoints, we can gain insights into how companies can effectively integrate environmental considerations into their financial performance assessments.

According to Hahn R., & Kühnen M. there exists a positive correlation between incorporating strong environmental criteria and improved operational outcomes. Advocates argue that when organizations prioritize sustainable practices such as reducing emissions or using renewable energy sources, they experience numerous benefits like cost savings through increased efficiency or enhanced brand reputation (Hahn & Kühnen, 2013). By adhering to more stringent regulations aligned with ecological concerns, firms may also avoid potentially significant penalties and legal risks associated with non-compliance (Wang et al., 2020). Therefore, measuring the impact of environmentally conscious decisions on operating income allows managers to identify opportunities for revenue growth while meeting sustainability targets.

On an opposing note, some academics contend that incorporating strict environmental standards suggest factors such as industry dynamics and market conditions play more influential roles than just implementing greener initiatives alone (Srowatzki & Müller-Stewens-Gorges; Silberzahn-Wagner & Ritala; Morgan et al., cited in Hohnen & Pottsberghe-Pomaerynsen-Brichau-Van Aken-Koningsberger-van der Poel-Ruigrok-McNutt-Białasiewicz-Reus-Soinilieva-Tromp-Jiménez-Zürcher-Herrmann-Lukashyk-Payne-Smith-Manolovska-Parker, 2020). They argue that the impact of environmental criteria on operating income could be indirect and

long-term, requiring a wider focus on corporate strategy rather than relying solely upon financial indicators.

Porter and van der Linde argue that environmental regulations and green initiatives can drive innovation and efficiency in firms. They suggest that firms that proactively adopt environmental practices can achieve cost savings through reduced waste, energy conservation, and improved operational efficiency, ultimately leading to enhanced operating income. Delmas and Toffel emphasize the role of corporate environmental management systems (EMS) in improving operating income. They argue that well-implemented EMS can lead to better environmental performance, which in turn can reduce operational risks and costs, positively affecting the bottom line.

Hart and Dowell's research extends the discussion by highlighting that the impact of environmental criteria on operating income varies across industries and contexts. They argue that firms need to consider their specific industry conditions and competitive landscape when implementing green strategies to maximize financial benefits.

Overall, assessing the impact of environmental criteria on operating income requires taking various perspectives into account. While proponents argue for a positive link between sustainable practices and improved operational outcomes, others suggest neutral effects linked with market dynamics and industry trends. Additionally, critics highlight potential negative repercussions resulting from high implementation costs without corresponding returns in terms of profitability. Consequently, stakeholders must recognize the complexities surrounding such measurements while striving towards balancing societal obligations alongside economic performance.

#### **2.4 To analyze the influence of local and sustainable sourcing on the return on assets**

According to Jones P Comfort & Hillier D, adopting local and sustainable sourcing practices improves a company's reputation among consumers, leading to increased customer loyalty. For example, Jones et al. (2010) argue that customers are becoming increasingly conscious about where their products come from, giving preference to those companies using ethical supply chains. Consequently, businesses employing such practices may experience higher sales volumes due to enhanced brand credibility.

On the other hand, some researchers argue that implementing localized procurement strategies reduces costs for businesses significantly; thus improving their return on assets. According to Dubey et al.'s study (2020), by engaging with nearby suppliers rather than distant ones or international markets ensures shorter delivery times as well as reduced transportation expenses—a major component impacting overall costs—leading ultimately to improved financial performance ratios like ROA.

Therefore, analyzing the influence of local and sustainable sourcing on return on assets reveals diverse arguments among scholars regarding its impact. While some emphasize enhanced reputation and customer loyalty resulting from ethical supply chains, others highlight cost reductions achieved through efficiency gains by engaging with nearby suppliers or reducing transportation expenses. Nonetheless, counterarguments suggest potential higher costs related to localized procurement strategies and investments for sustainability initiatives impacting profitability in both direct and indirect ways.

## **2.5 To assess the role of supplier evaluation with the return of investments**

Supplier evaluation plays a vital role in ensuring the success and profitability of businesses. Various scholars have extensively debated the objective of assessing supplier evaluation's impact on return on investments (ROI), providing valuable insights into this critical aspect. This essay will present arguments from different scholars, highlighting their views regarding the influence of supplier evaluation practices on Return On Investments

Another viewpoint emphasized by researchers is how robust supplier evaluations help mitigate potential risks associated with partnerships that could negatively affect returns. Reliable assessments enable firms to identify potential vulnerabilities among suppliers concerning financial stability or ethical concerns before engaging in long-term relationships (Beil et al., 2020). Through a comprehensive analysis process involving financial health checks and sustainability audits, companies ensure they are poised for stable collaborations which ultimately shields them against unforeseen risks affecting revenues.

Several academicians argue that proper evaluation models facilitate innovation-driven collaboration between suppliers and buyers resulting in increased competitive advantages leading to higher ROIs (Wagner & Bukhshim-Paik et al., 2018). Thorough evaluations enable firms not

only to analyze traditional metrics but also assess suppliers' technical capabilities and willingness for joint ventures promoting research-based advancements concurrently benefiting both parties involved

While many recognize the importance of evaluating suppliers, some scholars argue that comprehensive evaluations might come at the expense of increased costs and potentially hinder ROI. They contend that conducting extensive assessments involving qualification checks may incur additional expenses in terms of manpower, technology adoption, or even consultant fees (Johnson et al., 2017). Therefore, it is important for organizations to strike a balance between thoroughness and cost-effectiveness when designing their supplier evaluation frameworks.

## **2.6 Research gap**

When it comes to the role of green procurement practices in the profitability of supply chain at Kampala Cement Company there could be the lack of comprehensive analysis regarding the company's sustainability initiatives and their impact on financial performance. While there may be some information available on sustainability efforts, there might be limited research on how these initiatives influence the company's profitability, market positioning, or stakeholder perceptions. Investigating this area could provide valuable insights into the intersection of sustainability and business success for cement companies in emerging markets like Kampala Cement Company

## **2.7 Conclusion**

Companies and manufacturing firms have put in place appropriate mechanisms for waste minimization, pollution prevention, energy conservation and have ensured the use of sustainable transport options to distribute products. Companies are also going a step further to engage customers to participate in environment stewardship. Green procurement practices were found to positively and significantly affect supply chain performance.

Supplier involvement has been achieved to a greater extent. This is because companies are working closely with their suppliers to develop high quality and eco-friendly products. By closely working with their suppliers, companies are able to share and manage risks early, identify cost savings and strive towards ensuring market resilience of their products.

Results have revealed that supplier involvement has benefitted companies through increased brand loyalty, reduced procurement costs, increased profitability, increased employee satisfaction, quality products, improved customer satisfaction, reliable supply base and on time delivery of materials without delay that have in turn boosted the profitability and overall performance of companies.

Companies ought to consider the electronic procurement implementation systems because with them, they are able to maximize the effectiveness of implemented processes and can also minimize the costs involved in the procurement process. Lastly, it was also mentioned that the projected benefits of electronic procurement also depend on the size of the company.

## CHAPTER THREE

### 3.0 METHODOLOGY

#### 3.1 INTRODUCTION

This chapter deals with research methodology which includes description of research design, the Sampling techniques, data collection, data collection tools, data analysis, data control and ethical consideration

#### 3.2 RESEARCH DESIGN

The study used a cross sectional research design. A cross-sectional study involves looking at data from a population at one specific point in time both qualitative and quantitative- research design were used in this study. A case study focuses on one organization selected from the total population of Descriptive research design was used in this study. Descriptive research involves gathering data describes phenomenon and then organizes, tabulates, depicts and describes data collection, in the & form of Schindler, graphs 2011) and charts, in order to help the reader, understand the distribution of data (Cooper

#### 3.3 Study population

The study comprised of 50 respondents that were made of 7 managers and supervisors, 18 employees and 29 customers of Kampala Cement Company in Namataba, Mukono

**Table 1: Population Distribution**

| <b>Section.</b>                 | <b>Population</b> |
|---------------------------------|-------------------|
| <b>Managers and supervisors</b> | <b>7</b>          |
| <b>Employees</b>                | <b>18</b>         |
| <b>Customers</b>                | <b>29</b>         |
|                                 | <b>Total</b>      |
|                                 | <b>50</b>         |

### **3.4 Sample Size**

The sample size for this research study is 44 respondents comprising of managers and supervisors, employees and customers. The sample size was determined using Krejcie and Morgan table (1970)

*Table for Determining Sample Size from a Given Population*

| <i>N</i> | <i>S</i> | <i>N</i> | <i>S</i> | <i>N</i> | <i>S</i> |
|----------|----------|----------|----------|----------|----------|
| 10       | 10       | 220      | 140      | 1200     | 291      |
| 15       | 14       | 230      | 144      | 1300     | 297      |
| 20       | 19       | 240      | 148      | 1400     | 302      |
| 25       | 24       | 250      | 152      | 1500     | 306      |
| 30       | 28       | 260      | 155      | 1600     | 310      |
| 35       | 32       | 270      | 159      | 1700     | 313      |
| 40       | 36       | 280      | 162      | 1800     | 317      |
| 45       | 40       | 290      | 165      | 1900     | 320      |
| 50       | 44       | 300      | 169      | 2000     | 322      |
| 55       | 48       | 320      | 175      | 2200     | 327      |
| 60       | 52       | 340      | 181      | 2400     | 331      |
| 65       | 56       | 360      | 186      | 2600     | 335      |
| 70       | 59       | 380      | 191      | 2800     | 338      |
| 75       | 63       | 400      | 196      | 3000     | 341      |
| 80       | 66       | 420      | 201      | 3500     | 346      |
| 85       | 70       | 440      | 205      | 4000     | 351      |
| 90       | 73       | 460      | 210      | 4500     | 354      |
| 95       | 76       | 480      | 214      | 5000     | 357      |
| 100      | 80       | 500      | 217      | 6000     | 361      |
| 110      | 86       | 550      | 226      | 7000     | 364      |
| 120      | 92       | 600      | 234      | 8000     | 367      |
| 130      | 97       | 650      | 242      | 9000     | 368      |
| 140      | 103      | 700      | 248      | 10000    | 370      |
| 150      | 108      | 750      | 254      | 15000    | 375      |
| 160      | 113      | 800      | 260      | 20000    | 377      |
| 170      | 118      | 850      | 265      | 30000    | 379      |
| 180      | 123      | 900      | 269      | 40000    | 380      |
| 190      | 127      | 950      | 274      | 50000    | 381      |
| 200      | 132      | 1000     | 278      | 75000    | 382      |
| 210      | 136      | 1100     | 285      | 100000   | 384      |

Note.—*N* is population size.  
*S* is sample size.

### **3.5 Sampling techniques**

The researcher used both purposive and simple random sampling technique for getting respondents. Respondents will randomly be selected because of the large population while the senior staff members will be purposively selected since they are also key informants with relevant information regarding this topic under investigation.

### **3.6 Data source**

The information in this research is majorly primary data which was obtained from questionnaires.

#### **3.6.1 Primary Data**

The primary data collection method explored the originality of data through gathering information relevant to the study. Primary data is being obtained from respondents at Kampala Cement Company in Namataba by use of questionnaires; the research will gather data from the respondents

#### **3.6.2 Secondary Data**

The secondary data collection explored methods supplementary to the above method where data was obtained from Kampala Cement Company records, journals as found useful to the study

### **3.7 Questionnaire**

Questionnaire was used to collect primary data because of their ability to reduce any bias and the collection of authentic data important for data analysis. The researcher used close ended questionnaires aimed at accessing the role of green procurement practices in the profitability of supply chain at Kampala Cement Company the questionnaire will consist of Likert questions namely; disagree, not sure, and agree. The researcher will distribute them directly to the respondents and give them time to fill them. This will give time for probing and clarification of questions.

### **3.8 Measurement of Variables**

The variables are green procurement practices and profitability of Supply Chain. Green procurement practices are measured as Environmental Criteria, Local and Sustainable Sourcing and Supplier Evaluation. Well as Profitability was measured as Operating income, Return on Investment, Return on Assets

### **3.9 Data Analysis**

The data was obtained from usable questionnaires and were subjected to different statistical analysis using Microsoft excel. Quantitative data will be presented in form of descriptive statistics using percentages and frequencies for each of the variables used. Quantitative data will then be presented by use of tables. Qualitative data analysis involved identification and transcribing the qualitative findings into different themes

### **3.10 Ethical Consideration**

Lo, (2009) summarized three basic ethical principles relevant to research involving human. Subjects as respect for persons, beneficence and justice. The researcher will put into consideration number of ethical considerations and they include;

The researcher will ask for permission from relevant authorities in the organization before researcher was allowed to give out questionnaires.

Secondly, the researcher will seek for consent from the respondents that will fill the questionnaires and if they will be comfortable to quote or record in the research, an agreement will be made so that such information is not recorded and their personal information will not be captured.

For all secondary materials in this research. their sources will be provided and quoted from individual respondents, their names will be concealed for confidentiality purposes and reasons.

The researcher will consider dress code when conducting the interviews. The researcher will ensure a high level of decency and smartness in order to respect the interview process.

## **CHAPTER FOUR**

### **4.0 ANALYSIS, PRESENTATION, AND DISCUSSION OF RESULTS**

#### **4.1 Introduction**

This chapter presents the analysis of the research findings on the role of green procurement practices on the profitability of supply chain using a case study of Kampala Cement Company. This chapter is divided into various sections: The introduction. Findings on background information of the respondents, the findings were supported by the following research objectives;

- i. The role of green procurement practices on profitability of supply chain,
- ii. The impact of environmental criteria on operating income and
- iii. The influence of local and sustainable sourcing on the return on assets
- iv. The role of supplier evaluation in the return on investments.

The findings were using presented using frequency and percentages.

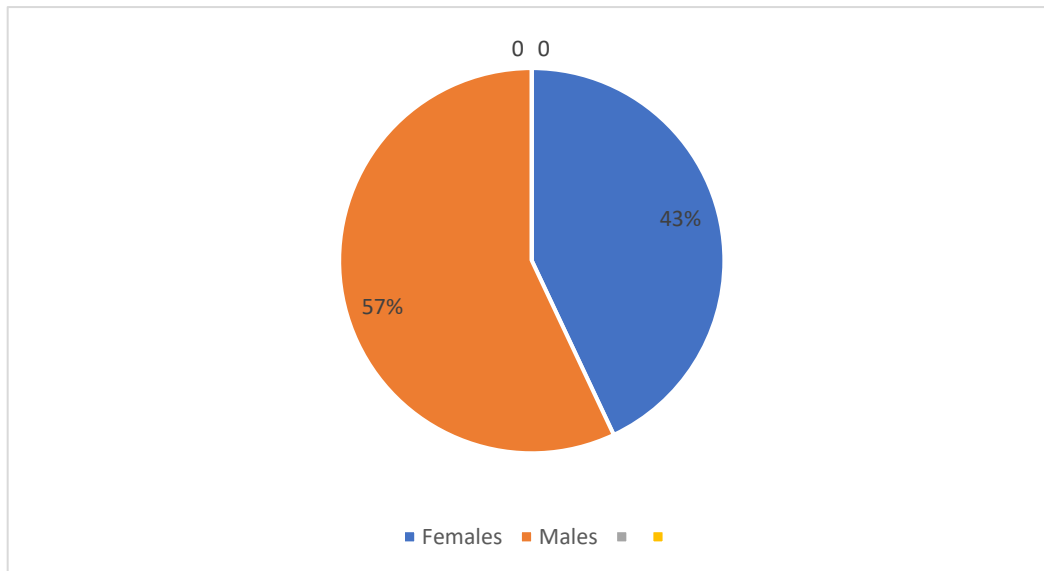
##### **4.1.1 Response rate**

The study had a sample size of 44 respondents. I received back 30 questionnaires and the percentage of the response rate was 68.2%. This shows that any information gathered can help me draw necessary conclusions for my study

##### **4.1.2 Findings on the Background information of the respondents**

The figure below shows that 25(56.8%) of the respondents were male and 19(43.2%) were female. This indicates that Kampala Cement Company has a large number of employees than female but this didn't have any impact on the study.

**Figure 2: Showing Findings on the Background information of the respondents**



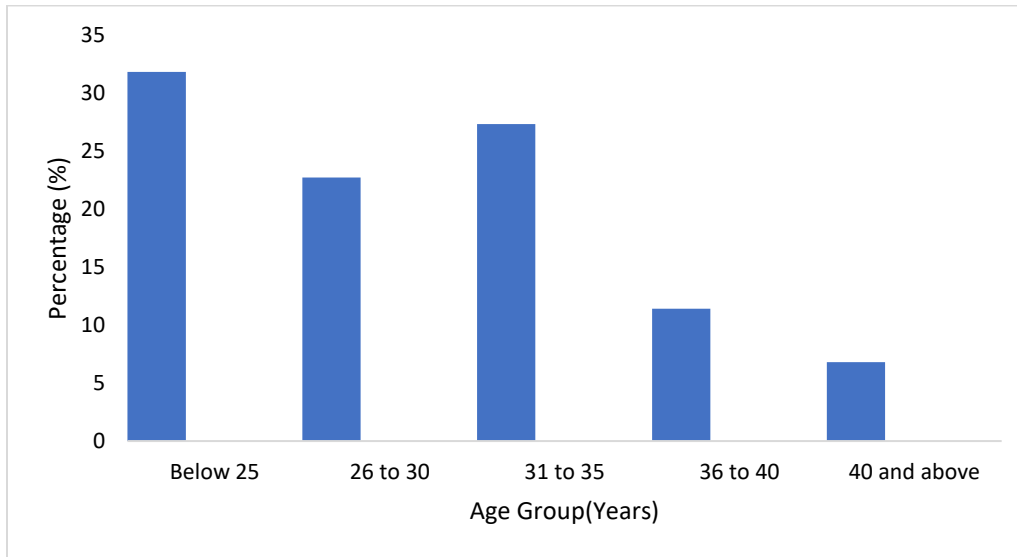
**Source: Primary data**

**4.1.3 Findings on the age of the respondents**

| Age   | Frequency | Percentage (%) | Cumulative Frequency |
|-------|-----------|----------------|----------------------|
| 20-25 | 14        | 31.8           | 31.8                 |
| 25-30 | 10        | 22.7           | 54.5                 |
| 30-35 | 12        | 27.3           | 81.8                 |
| 35-40 | 5         | 11.4           | 93.2                 |
| 40-45 | 3         | 6.8            | 100                  |

Source Primary Data

**Figure 3: Showing Findings on the age of the respondents**



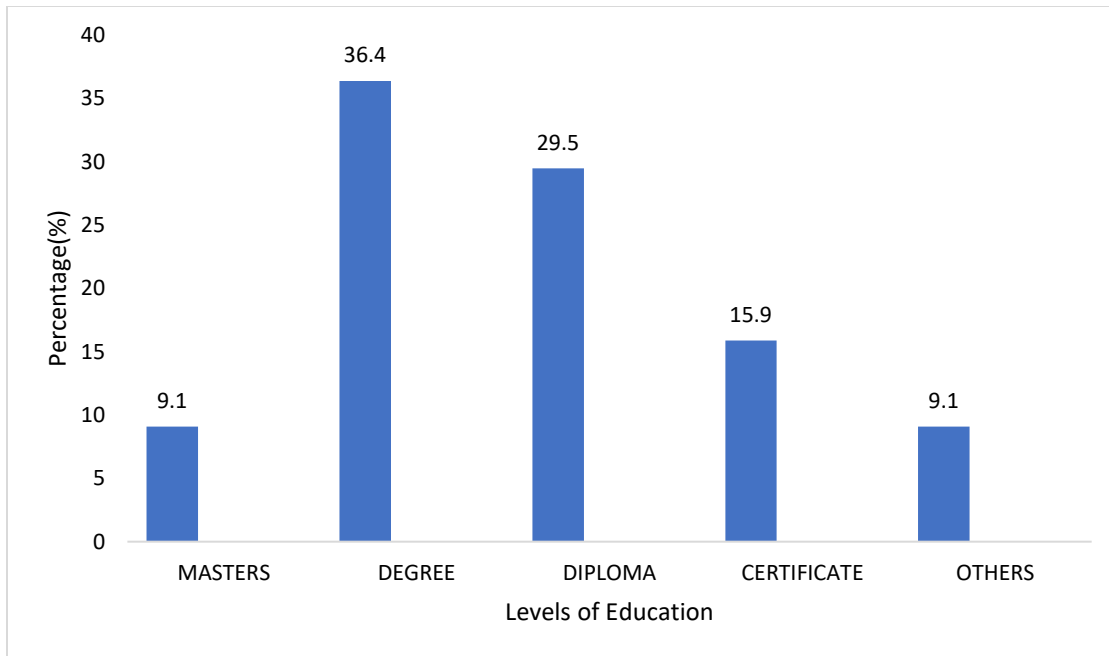
According to the results from the table and figure above it was found that 14 (31.8%) of the respondents were below 25 years of age, 10 (22.7%) were between 26 to 30 years, 12 (27.3%) were between 31 to 35 years, 5 (11.4%) were between the age of 36 to 40 years and 3(6.8%) were aged 40 years and above. Which means that the 14 respondents were mature enough to understand and interpret the questionnaire that was provided to them

#### **4.1.4 Findings on the education level of the respondents**

**Table 2: Education Level of Respondents**

| <b>Level of Education</b> | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Cumulative Frequency</b> |
|---------------------------|------------------|-----------------------|-----------------------------|
| Masters                   | 4                | 9.1                   | 9.1                         |
| Degree                    | 16               | 36.4                  | 45.5                        |
| Diploma                   | 13               | 29.5                  | 75                          |
| Certificate               | 7                | 15.9                  | 90.9                        |
| O and A level             | 4                | 9.1                   | 100                         |
| <b>Total</b>              | <b>44</b>        | <b>100</b>            | <b>100</b>                  |

**Figure 4: Education level of Respondents**



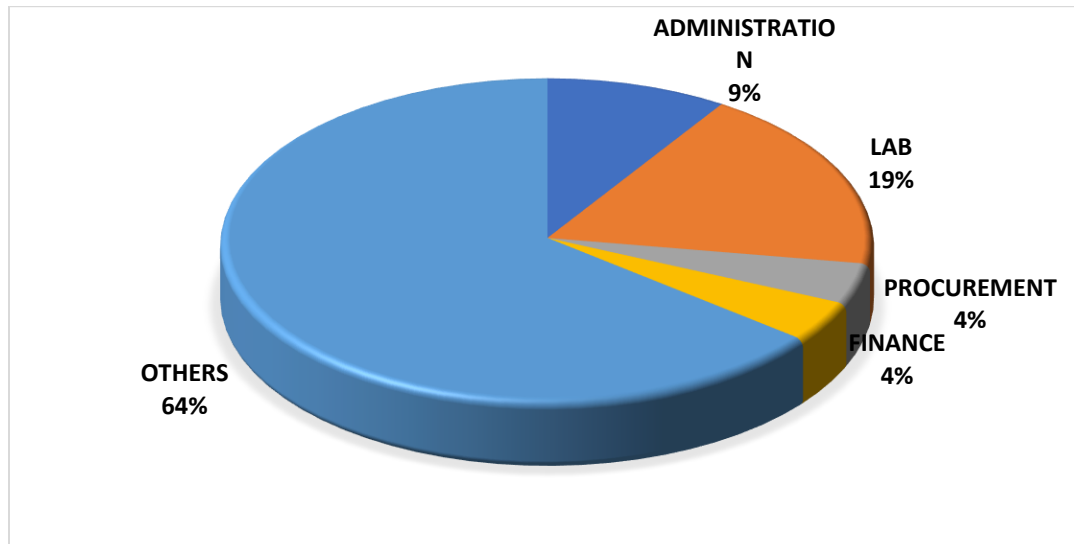
**Source: Primary data**

According to the results from the table and figure shows that 4 (9.1%) of the respondents had masters, 16(36.4%) had a degree, 13 (29.5%) had a diploma, 7(15.9%) had a certificate and 4 (9.1%) were ranked among others like A and O levels. This indicates that majority of the respondents are educated. It means that the majority that were educated were to understand the questions that were presented on the questionnaire before answering

#### **4.1.4 Findings on the Department to which the respondents are attached**

The figure below shows that 4(9.1%) of the respondents work with the administration, 8(18.2%) work with the test lab, 2(4.5%) work with finance department and 28(63.6%) were attached to other departments. Meaning that those in the various departments were to answer the questionnaire that was presented to them based on the number of people that answered it

**Figure 5: Findings on the Department to which the respondents are attached**



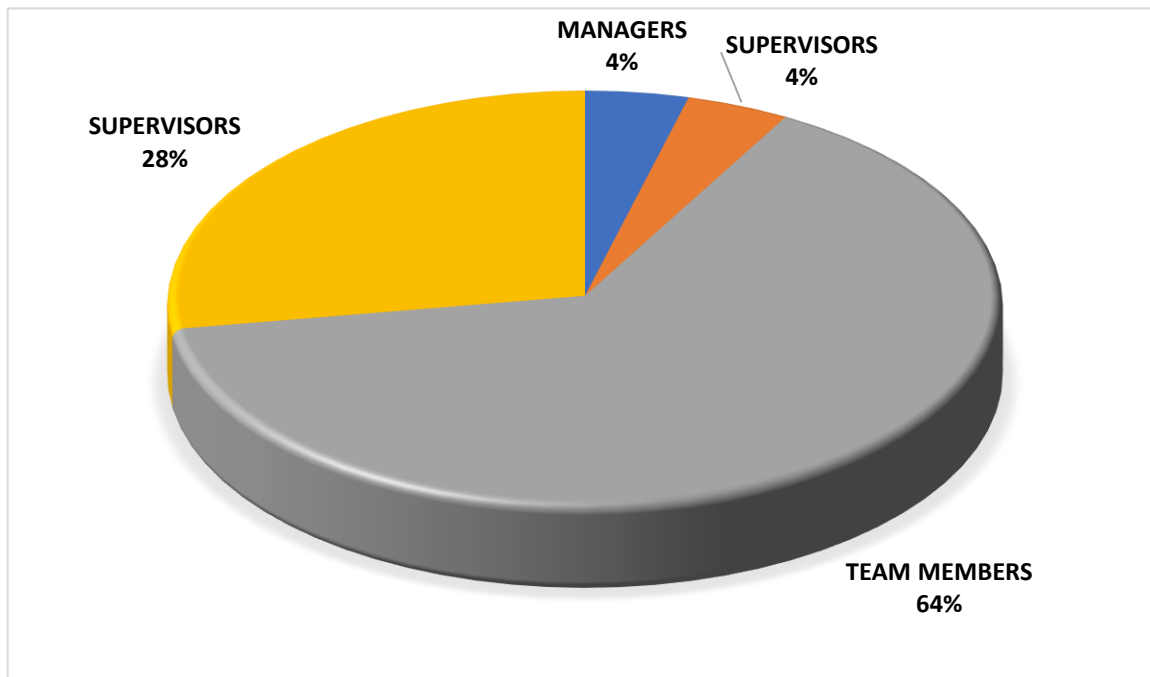
Source: Primary data

#### 4.1.5 Findings on the position of the respondents at Kampala Cement Company

**Table 3: Position of respondents**

| Position     | Frequency | Percentage (%) | Cumulative Frequency |
|--------------|-----------|----------------|----------------------|
| Managers     | 2         | 4.5            | 4.5                  |
| Supervisors  | 2         | 4.5            | 9.0                  |
| Team members | 28        | 63.6           | 72.6                 |
| Others       | 12        | 27.3           | 99.9                 |
| <b>Total</b> | <b>44</b> | <b>100</b>     | <b>100</b>           |

**Figure 6: Position of respondents**



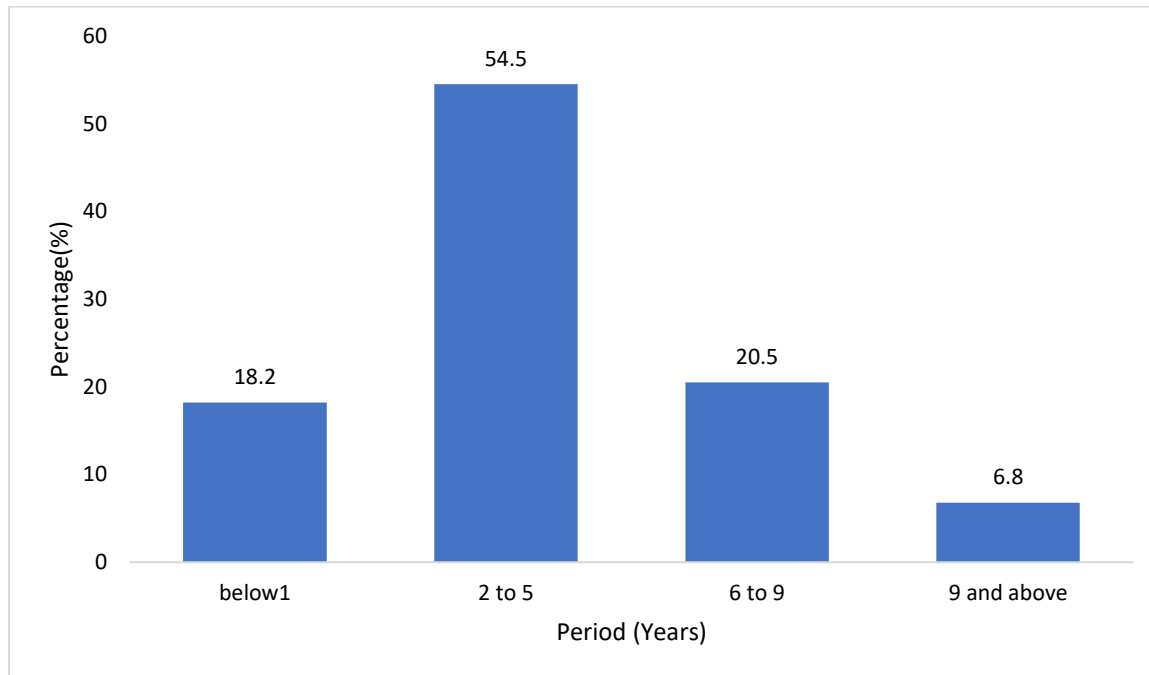
Source: Primary data

According to the results in the table and the figure above shows that 2(4.5%) were managers, 2(4.5%) were supervisors, 28 (63.6%) of the respondents were team members (employees) and 12(27.3%) held other positions

#### **4.1.6 Findings on the period worked with Kampala Cement Company**

| <b>Time (years)</b> | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Cumulative Frequency</b> |
|---------------------|------------------|-----------------------|-----------------------------|
| Less than 1 year    | 8                | 18.2                  | 4.5                         |
| 2-5                 | 24               | 54.5                  | 9.0                         |
| 6-9                 | 9                | 20.5                  | 72.6                        |
| Above 9             | 3                | 6.8                   | 99.9                        |
| <b>Total</b>        | <b>44</b>        | <b>100</b>            | <b>100</b>                  |

**Figure 7: Findings on the period worked with Kampala Cement Company**



According to results in the table and figure above shows that 8(18.2%) of the respondents had worked with Kampala Cement Company for less than 1 year, 24 (54.5%) worked between 2 to 5 years, 9 (20.5%) worked between 6 to 9 years and 3 (6.8%) worked 9 years and above. Meaning that those that have for some time in Kampala Cement Company were to analyze and answer the questions easily

## 4.2 Findings on the role of Green procurement practices on the profitability of Supply chain

The table shows the findings on the role of green procurement practices on the profitability of Supply chain at Kampala Cement Company

| S/N | STATEMENT  | S/A |      | A  |      | N/S |      | D/A |     | S/D |     | TOTAL |     |
|-----|--|-----|------|----|------|-----|------|-----|-----|-----|-----|-------|-----|
|     |  | f   | %    | f  | %    | f   | %    | f   | %   | f   | %   | f     | %   |
| A   | Kampala Cement's adoption of green procurement practices has led to cost savings in its supply chain                                     | 23  | 52.3 | 14 | 31.8 | 4   | 9.1  | 3   | 6.8 | 0   | 0   | 44    | 100 |
| B   | Green procurement practices has enhanced the reputation and image of Kampala Cement in the market.                                       | 15  | 34.1 | 18 | 40.9 | 6   | 13.6 | 2   | 4.5 | 3   | 6.8 | 44    | 100 |
| C   | Government regulations and incentives have played a crucial role in encouraging Kampala Cement to adopt green procurement practices.     | 20  | 45.5 | 17 | 38.6 | 1   | 2.3  | 3   | 6.8 | 3   | 6.8 | 44    | 100 |
| D   | Implementing green procurement practices has improved the efficiency of Kampala Cement's supply chain operations.                        | 13  | 29.5 | 24 | 54.5 | 2   | 4.5  | 4   | 9.1 | 1   | 2.3 | 44    | 100 |
| E   | Employees' awareness and involvement in green procurement practices has positively contributed to Kampala Cement's overall profitability | 17  | 38.6 | 21 | 47.7 | 5   | 11.4 | 1   | 2.3 | 0   | 0   | 44    | 100 |
| F   | The lack of standardized metrics for measuring the impact of green procurement practices has   | 18  | 40.9 | 17 | 38.6 | 3   | 6.8  | 2   | 4.5 | 4   | 9.1 | 44    | 100 |

|  |   |  |  |  |  |  |  |  |  |  |  |  |
|--|---|--|--|--|--|--|--|--|--|--|--|--|
|  | made it difficult to assess their influence on supply chain profitability |  |  |  |  |  |  |  |  |  |  |  |
|--|---|--|--|--|--|--|--|--|--|--|--|--|

**Source: Primary data**

The table shows that 23 (52.3%) of the respondents strongly agreed and 14 (31.8%) agreed that Kampala Cement Company s adoption of green procurement practices has led to cost savings in its supply chain 3 (6.8%) disagreed and none of the respondents strongly disagreed. On the other hand, majority of the respondents 15 (34.1%) strongly agreed and 18 (40.9%) agreed that Green procurement practices have enhanced the reputation and image of Kampala Cement in the market, 2 (4.5%) disagreed and 3 (6.8%) of the respondents strongly disagreed. Meaning that the majority that agreed accept that Kampala Cement’s adoption of green procurement practices has led to the profitability of Supply Chain and also the majority accepted hat Green procurement practices have enhanced the reputation and image of Kampala Cement in the market.

The table also shows that majority of the respondents 20 (45.5%) strongly agreed and 17 (38.6%) agreed that government regulations and incentives have played a crucial role in encouraging Kampala Cement to adopt green procurement practices. However, though those that disputed it were 3 (6.8/) that disagreed and 3 (6.8%) that strongly disagreed. However, 13 (29.5%) strongly agreed and 24 (54.5%) who are the majority of the respondents agreed that implementing green procurement practices has improved the efficiency of Kampala Cement’s supply chain operations. However 4 (9.1%) disagreed and 1 (2.3%) of the respondents strongly disagreed.

The table further shows that 17 (38.6) of the respondents strongly agreed and 21 (47.7) who are the majority agreed that employees’ awareness and involvement in green procurement practices has positively contributed to Kampala Cement’s overall profitability however ,1 (2.3%) disagreed and none of the respondents strongly disagreed. On the other hand, majority of the respondents 18 (40.9%) strongly agreed and 17 (38.6%) agreed that the lack of standardized metrics for measuring the impact of green procurement practices has made it difficult to assess their influence on supply chain profitability however 2 (4.5%) and 4 (9.1%) of the respondents disagreed and strongly disagreed respectively. Meaning that majority agreed to that employees’ awareness and involvement in green procurement practices has positively contributed to

Kampala Cement’s overall profitability and also the majority agreeing that Kampala Cement’s adoption of green procurement practices has led to the profitability of Supply Chain and also the majority accepted that Green procurement practices have enhanced the reputation and image of Kampala Cement in the market According to Jones, P Comfort emphasizes that adopting green procurement practices can lead to significant cost reductions within the supply chain (Jones et al., 2018). By sourcing environmentally friendly materials, businesses can minimize waste, improve energy efficiency, and streamline operations. These measures not only reduce expenses but also enhance overall profitability through improved productivity and resource utilization. Hence promoting green procurement practices and profitability of Supply Chain at Kampala Cement Company.

#### 4.2.2 Findings on the impact of environmental criteria on operating income

| S/N | STATEMENT   | S/A |      | A |      | N/S |     | D/A |      | S/D |      | TOTAL |     |
|-----|---|-----|------|---|------|-----|-----|-----|------|-----|------|-------|-----|
|     |   | f   | %    | f | %    | f   | %   | f   | %    | f   | %    | f     | %   |
| A   | Investment in eco friendly practices has led to cost savings in operating expenses  | 8   | 18.2 | 9 | 20.5 | 3   | 6.8 | 15  | 34.9 | 9   | 20.5 | 44    | 100 |
| B   | Customers are likely to support the company due to commitment to environmental responsibility which affects the operating incomes | 6   | 13.6 | 8 | 18.2 | 4   | 9.1 | 13  | 29.5 | 13  | 29.5 | 44    | 100 |

|   |   |    |      |    |      |   |      |    |      |    |      |    |     |
|---|---|----|------|----|------|---|------|----|------|----|------|----|-----|
| C | Failure to comply with environmental standards has resulted to financial penalties impacting on operating income                          | 14 | 31.8 | 17 | 38.6 | 2 | 4.5  | 5  | 11.4 | 6  | 13.6 | 44 | 100 |
| D | Company reputation and brand image has been enhanced by focusing on environmentally conscious operations contributing to operating income | 0  | 0    | 1  | 2.3  | 5 | 11.4 | 20 | 45.5 | 18 | 40.9 | 44 | 100 |
| E | Research aimed at sustainability has led to creation of innovative products/ services boosting our operating income                       | 19 | 43.2 | 13 | 29.5 | 3 | 6.8  | 5  | 11.4 | 4  | 9.1  | 44 | 100 |

**Source: Primary data**

Table above shows that 8 (18.2%) of the respondents strongly agreed and 9 (20.5%) agreed that Investment in eco friendly practices has led to cost savings in operating expenses at Kampala Cement Company. However, the majority of the respondents with 15 (34.9%) that disagreed and 9 (20.5%) that strongly disagreed. They further revealed that 6 (13.6%) and 8 (18.2%) of the respondents strongly agreed and agreed respectively that customers are likely to support the company due to commitment to environmental responsibility which affects the operating incomes but this was also disputed by the majority 13 (29.5) of the respondents that disagreed and 13 (29.5%) that strongly disagreed.

Table 4 also shows that majority of the respondents 14 (31.8%) strongly agreed and 17 (38.6%) agreed that failure to comply with environmental standards will result to financial penalties impacting on operating income. However, 5 (11.4%) and 6 (13.6%) of the respondents disagreed and strongly disagreed to it respectively. However, none of the respondents strongly agreed and only 1 (2.3%) agreed that the company reputation and brand image has been enhanced by focusing on environmentally conscious operations contributing to operating income. However

the majority of the respondents 20 (45.5%) that disagreed and 18 (40.9%) that strongly disagreed.

Table 4 further shows that 19 (43.2%) of the respondents strongly agreed and 13 (29.5%) agreed that research aimed at sustainability has led to creation of innovative products/ services boosting the operating income. However 5 (11.4%) of the respondents disagreed and 4 (9.1%) of the respondents that strongly disagreed. Meaning that the majority have strongly agreed that the impact of environmental criteria on operating income has led to creation of innovative products/ services boosting the operating income. According to Hahn R., & Kühnen M. there exists a positive correlation between incorporating strong environmental criteria and improved operational outcomes. Advocates argue that when organizations prioritize sustainable practices such as reducing emissions or using renewable energy sources, they experience numerous benefits like cost savings through increased efficiency or enhanced brand reputation

#### 4.2.3 Findings on the Influence of local and sustainable sourcing on the return on assets

| S/N | STATEMENT | S/A |   | A |   | N/S |   | D/A |   | S/D |   | TOTAL |   |
|-----|-----------|-----|---|---|---|-----|---|-----|---|-----|---|-------|---|
|     |           | f   | % | f | % | f   | % | f   | % | f   | % | f     | % |
|     |           |     |   |   |   |     |   |     |   |     |   |       |   |

|   |  |    |      |    |      |   |      |   |      |   |     |    |     |
|---|--|----|------|----|------|---|------|---|------|---|-----|----|-----|
| A | Local sourcing of raw materials has positively impacted on Kampala cement company s return on assets   | 17 | 38.6 | 16 | 36.4 | 2 | 4.5  | 5 | 11.4 | 4 | 9.1 | 44 | 100 |
| B | Implementing local and sustainable sourcing strategies are likely to enhance the financial performance of Kampala Cement Company                 | 19 | 43.2 | 18 | 40.9 | 1 | 2.3  | 2 | 4.5  | 4 | 9.1 | 44 | 100 |
| C | Investing in sustainable sourcing practices have the potential to reduce costs and improve the Return on Assets (ROA) for Kampala Cement Company | 17 | 38.6 | 19 | 43.2 | 4 | 9.1  | 1 | 2.3  | 3 | 6.8 | 44 | 100 |
| D | The management's commitment to local and sustainable sourcing is a key factor in determining the company's Return on Assets                      | 16 | 36.4 | 18 | 40.9 | 3 | 6.8  | 3 | 6.8  | 4 | 9.1 | 44 | 100 |
| E | The utilization of local resources have a significant influence on Kampala Cement Company's overall profitability and asset management           | 14 | 31.8 | 20 | 45.5 | 5 | 11.4 | 3 | 6.8  | 2 | 4.5 | 44 | 100 |

**Source: Primary data**

Table shows that majority 17 (38.6%) of the respondents strongly agreed and 16 (36.4%) agreed that local sourcing of raw materials has positively impacted on Kampala cement company s return on assets. However, this was disputed by 5 (11.4%) and (9.1%) that disagreed and strongly disagreed respectively. However, 19 (43.29%) who are the majority strongly agreed and 18 (40.9%) of the respondents agreed that implementing local and sustainable sourcing strategies are likely to enhance the financial performance of Kampala Cement Company but 2 (4.5%) disagreed and 4 (9.1%) strongly disagreed with it.

Table 5 shows that 17 (38.6%) of the respondents strongly agreed and the majority 19 (43.270) agreed that investing in sustainable sourcing practices have the potential to reduce costs and improve the Return on Assets for Kampala Cement Company. However, this was disputed by 1 (2.3%) that disagreed and 3 (4.50) that strongly disagreed. On the other hand, 16 (36.4%) and 18 (40.9%) of the respondents strongly agreed and agreed respectively that the management's commitment to local and sustainable sourcing is a key factor in determining the company's Return on Assets. However, 3 (6.8%) disagreed and 4 (9.1%) strongly disagreed.

The table also shows that majority of the respondents 14 (31.8%) strongly agreed and 20 (45.5%) agreed that the utilization of local resources have a significant influence on Kampala Cement Company's overall profitability and asset management. But 3 (6.8%) disagreed and 2 (4.5%) strongly disagreed with it. Meaning that majority agreed that the utilization of local resources have a significant influence on Kampala Cement Company's overall profitability and asset management therefore implying that local sourcing of raw materials has positively impacted on Kampala cement company s return on assets. To back it up, according to Jones P Comfort & Hillier D, adopting local and sustainable sourcing practices improves a company's reputation among consumers, leading to increased customer loyalty. For example, Jones et al. (2010) argue that customers are becoming increasingly conscious about where their products come from, giving preference to those companies using ethical supply chains. Consequently, businesses employing such practices may experience higher sales volumes due to enhanced brand credibility.

#### 4.2.4 Findings on the role of supplier evaluation the return on investments

| STATEMENT  | S/A |      | A  |      | N/S |      | D/A |     | S/D |     | TOTAL |     |
|--|-----|------|----|------|-----|------|-----|-----|-----|-----|-------|-----|
|  | f   | %    | f  | %    | f   | %    | f   | %   | f   | %   | f     | %   |
| Effective supplier evaluation has led to cost savings and improved operational efficiency.       | 23  | 52.3 | 14 | 31.8 | 4   | 9.1  | 3   | 6.8 | 0   | 0   | 44    | 100 |
| Supplier evaluation has prioritized both financial performance and quality of products/services. | 15  | 34.1 | 18 | 40.9 | 6   | 13.6 | 2   | 4.5 | 3   | 6.8 | 44    | 100 |

|   |    |      |    |      |   |      |   |     |   |     |    |     |
|---|----|------|----|------|---|------|---|-----|---|-----|----|-----|
| The company's investment in supplier relationship management has positively influenced Return on investments  | 20 | 45.5 | 17 | 38.6 | 1 | 2.3  | 3 | 6.8 | 3 | 6.8 | 44 | 100 |
| Supplier evaluation has assessed the long-term benefits and risks associated with partnerships                | 13 | 29.5 | 24 | 54.5 | 2 | 4.5  | 4 | 9.1 | 1 | 2.3 | 44 | 100 |
| Kampala Cement Company's current supplier evaluation process has adequately considered Return On Investments. | 17 | 38.6 | 21 | 47.7 | 5 | 11.4 | 1 | 2.3 | 0 | 0   | 44 | 100 |

**Source: Primary data**

The table shows that 23 (52.3%) of the respondents strongly agreed and 14 (31.8%) agreed that effective supplier evaluation has led to cost savings and improved operational efficiency. However, 3 (6.8%) disagreed and none of the respondents strongly disagreed. On the other hand, majority of the respondents 15 (34.1%) strongly agreed and 18 (40.9%) agreed that supplier evaluation has prioritized both financial performance and quality of products/services. 2 (4.5%) disagreed and 3 (6.8%) of the respondents strongly disagreed.

The table also shows that majority of the respondents 20 (45.5%) strongly agreed and 17 (38.6%) agreed that the company's investment in supplier relationship management has positively influenced Return on investments. However, though those that disputed it were 3 (6.8%) that disagreed and 3 (6.8%) that strongly disagreed. However, 13 (29.5%) strongly agreed and 24 (54.5%) who are the majority of the respondents agreed that supplier evaluation has assessed the long-term benefits and risks associated with partnerships. However 4 (9.1%) disagreed and 1 (2.3%) of the respondents strongly disagreed.

The table further shows that 17 (38.6) of the respondents strongly agreed and 21 (47.7) who are the majority agreed that Kampala Cement Company's current supplier evaluation process has adequately considered Return on Investments. However, 1 (2.3%) disagreed and none of the respondents strongly disagreed. Meaning that the majority that Effective supplier evaluation has led to cost savings and improved operational efficiency, Supplier evaluation has led to company's investment in supplier relationship management positively influencing Return on investments at Kampala Cement Company. Various scholars have extensively debated the objective of assessing supplier evaluation's impact on return on investments (ROI), providing valuable insights into this critical

aspect. This essay will present arguments from different scholars, highlighting their views regarding the influence of supplier evaluation practices on Return On Investments

## **CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **5.0 Introduction**

Under this section, we are going to discuss the highlights of the summary of the research findings, conclusions made from the findings of the research and the recommendations made and the highlights of areas for further research and policy implications.

### **5.1 Summary of the Findings.**

The objective of the case study was to investigate the role of green procurement on the profitability of the supply chain in Kampala Cement Company Ltd. The specific objectives were To assess the roles of green procurement practices in the profitability in Supply Chain, to measure the impact of environmental criteria on operating income, to analyze the influence of local and sustainable sourcing on the return on assets and lastly to assess the role of supplier evaluation the return on investments

It was noted that Kampala cement has put up structures to follow and also to encourage green procurement practices and through this the company has benefited. Kampala Cement Company Limited has set up a Bio fuels project which involves making use of the coffee husks, groundnut husks, rice husks, bagasse, and saw dust as alternative fuels to run the kiln. The use of these forestry biomass residues prevents uncontrolled burning and dumping. Through this project over 600,000 trees of high caloric value have been planted. The trees are to be shredded at maturity and used as alternative fuel. In addition to that, the involvement of suppliers has ramped the company's production, efficiency and innovation. And finally the company has been able to track, make termination and extension decisions smoothly, manage manual activities and streamline the different departments throughout the entire organization

#### **5.1.1 The influence of local and sustainable sourcing on return on assets**

The study found a positive correlation between the adoption of local and sustainable sourcing practices and Kampala Cement Company's ROA. This suggests that the company's efforts to source materials locally and sustainably have contributed to improved financial performance.

Findings show that sustainable sourcing practices improved the company's environmental compliance and reduced its carbon footprint. This not only aligned with regulatory requirements but also enhanced Kampala Cement's reputation as an environmentally responsible organization, potentially attracting eco-conscious customers and investors.

Further findings show that engaging with local suppliers and communities through sustainable sourcing initiatives fostered positive relationships. This strengthened stakeholder support and minimized supply chain disruptions, further contributing to ROA stability.

### **5.1.2 The role of green procurement practices in the profitability of supply chain**

Findings suggest that implementing sustainable procurement strategies can have a positive impact on the company's financial performance. By adopting green practices such as sourcing eco-friendly materials, optimizing transportation routes, and reducing waste, the company can achieve cost savings, improved resource efficiency, and enhanced customer perception. These practices contribute to the overall profitability of the supply chain by reducing expenses, increasing operational efficiency, and building a positive brand image

### **5.1.3 To analyze the impact of environmental criteria on the operating income of Kampala Cement company**

The findings of the case study suggest that incorporating environmental criteria into the company's operations can have a positive effect on its operating income. By implementing green practices such as energy-efficient technologies, waste reduction, and sustainable sourcing, the company can achieve cost savings and operational efficiencies. These practices can lead to reduced expenses, increased productivity, and improved overall financial performance. The findings highlight the potential benefits of integrating environmental considerations into business strategies for enhancing profitability

### **5.1.4 To assess the role of supplier evaluation on the return on investments**

The findings indicate that implementing a robust supplier evaluation process can positively impact the return on investments (ROI). By thoroughly assessing suppliers based on criteria such as quality, reliability, and cost-effectiveness, companies can make informed decisions that lead to better supplier selection. This, in turn, can result in improved product or service quality,

reduced production costs, and increased customer satisfaction. Ultimately, a well-executed supplier evaluation process contributes to maximizing ROI by ensuring that investments in suppliers yield optimal outcomes.

## **5.2 CONCLUSION AND RECOMMENDATIONS**

### **5.3 Conclusion**

Green procurement strategies play a complex and dynamic relationship with supply chain profitability that is influenced by a number of important factors. As mentioned below, integrating environmental criteria, supplier evaluation, and local and sustainable procurement is crucial to achieving successful business outcomes. Resource consumption, waste production, and environmental impacts are all decreased when strict environmental requirements are incorporated into the purchase process. This not only supports sustainability objectives but frequently lowers costs due to increased operational effectiveness.

Selecting suppliers who share a dedication to environmentally friendly practices is aided by efficient supplier evaluation methods, which include performance measures related to sustainability and environmental compliance. This encourages long-term relationships with suppliers, which can save expenses and improve product quality.

By supporting local sourcing, especially for sustainable resources, lowers emissions associated with transportation and logistical challenges. Additionally, it may result in more solidified connections with neighborhood groups, which can present chances for cooperation and assistance.

Making sustainable sourcing of raw materials a top priority not only guarantees a steady supply but also satisfies consumer demand for environmentally friendly goods. Profitability may be improved while brand reputation and competitiveness are increased.

In essence, the contribution of sustainable purchasing methods to supply chain profitability is a positive feedback loop. Companies that invest in environmentally friendly and sustainable sourcing frequently experience immediate cost savings, less risks, and increased brand value. As a result of these advantages, the market becomes more competitive, which might increase profitability.

It's crucial to remember that the scope of these advantages can differ based on the sector, the size of the business, and geographical considerations. Therefore, a customized strategy for green procurement that takes into consideration the unique dynamics of the supply chain and consumer preferences is crucial.

Companies that adopt green procurement practices, which include supplier evaluation, local and sustainable sourcing, and environmental criteria, are better positioned to not only prosper financially but also to contribute to a more resilient and sustainable global supply chain ecosystem.

### **5.3.2 Recommendations**

The research study makes the following recommendations based on the findings and conclusions. There should be more clarification and awareness on the different recycling methods that companies should adopt. Furthermore, Kampala Cement Company Limited should join more go green campaigns like the rest of the cement companies in Uganda to teach their employees about the positive impact of green procurement practices on the profitability of their organization.

The Procurement staff at Kampala Cement Limited must be trained regularly to increase on their knowledge of e-procurement, learn how to work with the different emerging soft wares and adopt the different practices. Management of the firm should also provide staff with the different facilities, resources and all the required needs in order to make this whole process work.

Given the role that green procurement practices play in the supply chain, it is important that organizations start to view green procurement as strategic in value, that they will not change the future of the organization but will also impact positively on the environment and the society at large. All cement companies should be encouraged to adopt green procurement practices since it will enable them attain a high degree of competitiveness apart from achieving their social and environmental obligations.

## **5.4 Areas of Further Study**

The study focused on The role of Green procurement practices in the profitability of Supply Chain at Kampala Cement Company in Namataba , Mukono District. The following areas should viewed for further research.

To analyze the impact of environmental criteria on operating income at Kampala Cement Company

To analyze the influence of local and sustainable sourcing on the return on assets at Kampala Cement Company

To assess the role of supplier evaluation the return on investments at Kampala Cement Company

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## **RESEARCH QUESTIONNAIRE**

Dear Respondent,

My name is **Balikagira N. Francis**, pursuing a Bachelor's degree in Procurement and Logistics Management Registration number J22B12/0 from Uganda Christian University. You have been selected as one of the respondents in this research as I am investigating the **ROLE OF GREEN PROCUREMENT PRACTICES IN THE PROFITABILITY OF SUPPLY CHAIN**, using Kampala Cement Company as my case study. All responses given are for educational purposes thus are considered confidential.

### **INSTRUCTIONS**

Tick and fill in where necessary.

### **SECTION A: BIO DATA**

**1. Gender**

- a) Male
- b) Female

**2. Age**

- a) Below 25
- b) 26-30
- c) 31-35
- d) 36-40
- e) 41 and above
- f) Any other, specify.....

**3. Education**

- a) Masters
- b) Degree
- c) Diploma
- d) Certificate
- e) Any other, specify

**4. Department in which you work**

- a) Procurement
- b) Administration
- c) Finance
- d) Labs
- e) Any other.....

**5. Position**

- a) Manager
- b) Supervisor
- c) Diploma
- d) Others, specify.....

5. For how long have you worked in Kampala Cement Company?

- a) Less than a year
- b) 1-5 years
- c) 6-10 years
- d) 11 years and above

**SECTION A (1):The role of green procurement practices in the profitability of supply chain**

Respond by ticking where necessary whereby, A= Agree, S/A= Strongly Agree, D/A= Don't Agree, N/S= Not Sure, S/D = Strongly Disagree

| S/N | CATERGORIES  | A | S/A | D/A | N/S | S/D |
|-----|--|---|-----|-----|-----|-----|
| A   | Kampala Cement's adoption of green procurement practices has led to cost savings in its supply chain                                 |   |     |     |     |     |
| B   | Green procurement practices has enhanced the reputation and image of Kampala Cement in the market.                                   |   |     |     |     |     |
| C   | Government regulations and incentives have played a crucial role in encouraging Kampala Cement to adopt green procurement practices. |   |     |     |     |     |

|   |  |  |  |  |  |  |
|---|--|--|--|--|--|--|
| D | Implementing green procurement practices has improved the efficiency of Kampala Cement's supply chain operations.  |  |  |  |  |  |
| E | Employees' awareness and involvement in green procurement practices has positively contributed to Kampala Cement's overall profitability                               |  |  |  |  |  |
| F | The lack of standardized metrics for measuring the impact of green procurement practices has made it difficult to assess their influence on supply chain profitability |  |  |  |  |  |
| G | Green procurement practices have positively impacted the environmental sustainability of the supply chain.   |  |  |  |  |  |

**SECTION A (2): The impact of environmental criteria on operating income**

Respond by ticking where necessary whereby, A= Agree, S/A= Strongly Agree, D/A= Don't Agree, N/S= Not Sure, S/D = Strongly Disagree

| S/N | BENEFITS  | A | S/A | D/A | N/S | S/D |
|-----|---|---|-----|-----|-----|-----|
| A   | Investment in eco-friendly practices has led to cost savings in operating expenses  |   |     |     |     |     |
| B   | Customers are likely to support the company due to commitment to environmental responsibility which affects the operating incomes |   |     |     |     |     |
| C   | Failure to comply with environmental standards has resulted to financial penalties impacting on operating income                  |   |     |     |     |     |

|   |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
| D | Company reputation and brand image has been enhanced by focusing on environmentally conscious operations contributing to operating income |  |  |  |  |  |
| E | Research aimed at sustainability has led to creation of innovative products/ services boosting our operating income                       |  |  |  |  |  |

**SECTION A (3): Influence of local and sustainable sourcing on the return on assets**

Respond by ticking where necessary whereby, A= Agree, S/A= Strongly Agree, D/A= Don't Agree, N/S= Not Sure, S/D = Strongly Disagree

| S/N | Categories   | A | S/A | D/A | N/S | S/D |
|-----|--|---|-----|-----|-----|-----|
| A   | Local sourcing of raw materials has positively impacted on Kampala cement company s return on assets                             |   |     |     |     |     |
| B   | Implementing local and sustainable sourcing strategies are likely to enhance the financial performance of Kampala Cement Company |   |     |     |     |     |
| C   | Investing in sustainable sourcing practices have the potential to reduce costs and improve the Return on Assets                  |   |     |     |     |     |

|   |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
|   | (ROA) for Kampala Cement Company  |  |  |  |  |  |
| D | The management's commitment to local and sustainable sourcing is a key factor in determining the company's Return on Assets                       |  |  |  |  |  |
| E | The utilization of local resources have a significant influence on Kampala Cement Company's overall profitability and asset management            |  |  |  |  |  |
| F | Kampala Cement Company's financial success is closely linked to its ability to incorporate both local and sustainable sourcing in its operations. |  |  |  |  |  |
| G | The management's commitment to local and sustainable sourcing is a key factor in determining the company's Return on Assets                       |  |  |  |  |  |

**SECTION A (4): Role of supplier evaluation the return on investments**

Respond by ticking where necessary whereby, A= Agree, S/A= Strongly Agree, D/A= Don't Agree, N/S= Not Sure, S/D = Strongly Disagree.

| S/N | Categories   | A | S/A | D/A | N/S | S/D |
|-----|--|---|-----|-----|-----|-----|
| A   | Effective supplier evaluation has led to cost savings and improved operational efficiency.       |   |     |     |     |     |
| B   | Supplier evaluation has prioritized both financial performance and quality of products/services. |   |     |     |     |     |

|   |   |  |  |  |  |  |
|---|---|--|--|--|--|--|
| C | The company's investment in supplier relationship management has positively influenced Return on investments  |  |  |  |  |  |
| D | Supplier evaluation has assessed the long-term benefits and risks associated with partnerships                |  |  |  |  |  |
| E | Kampala Cement Company's current supplier evaluation process has adequately considered Return On Investments. |  |  |  |  |  |

**Thank you for your Cooperation**

**(Note: This questionnaire is for research purposes only and your responses will remain confidential.)**

*Table for Determining Sample Size from a Given Population*

| <i>N</i> | <i>S</i> | <i>N</i> | <i>S</i> | <i>N</i> | <i>S</i> |
|----------|----------|----------|----------|----------|----------|
| 10       | 10       | 220      | 140      | 1200     | 291      |
| 15       | 14       | 230      | 144      | 1300     | 297      |
| 20       | 19       | 240      | 148      | 1400     | 302      |
| 25       | 24       | 250      | 152      | 1500     | 306      |
| 30       | 28       | 260      | 155      | 1600     | 310      |
| 35       | 32       | 270      | 159      | 1700     | 313      |
| 40       | 36       | 280      | 162      | 1800     | 317      |
| 45       | 40       | 290      | 165      | 1900     | 320      |
| 50       | 44       | 300      | 169      | 2000     | 322      |
| 55       | 48       | 320      | 175      | 2200     | 327      |
| 60       | 52       | 340      | 181      | 2400     | 331      |
| 65       | 56       | 360      | 186      | 2600     | 335      |
| 70       | 59       | 380      | 191      | 2800     | 338      |
| 75       | 63       | 400      | 196      | 3000     | 341      |
| 80       | 66       | 420      | 201      | 3500     | 346      |
| 85       | 70       | 440      | 205      | 4000     | 351      |
| 90       | 73       | 460      | 210      | 4500     | 354      |
| 95       | 76       | 480      | 214      | 5000     | 357      |
| 100      | 80       | 500      | 217      | 6000     | 361      |
| 110      | 86       | 550      | 226      | 7000     | 364      |
| 120      | 92       | 600      | 234      | 8000     | 367      |
| 130      | 97       | 650      | 242      | 9000     | 368      |
| 140      | 103      | 700      | 248      | 10000    | 370      |
| 150      | 108      | 750      | 254      | 15000    | 375      |
| 160      | 113      | 800      | 260      | 20000    | 377      |
| 170      | 118      | 850      | 265      | 30000    | 379      |
| 180      | 123      | 900      | 269      | 40000    | 380      |
| 190      | 127      | 950      | 274      | 50000    | 381      |
| 200      | 132      | 1000     | 278      | 75000    | 382      |
| 210      | 136      | 1100     | 285      | 100000   | 384      |

Note.—*N* is population size.  
*S* is sample size.