

**THE EFFECT OF SUSTAINABLE PROCUREMENT ON FINANCIAL  
PERFORMANCE OF MANUFACTURING FIRMS: A CASE STUDY OF NSAVA  
FEEDS UGANDA**

**PRAISE BUYINZA NABUKEERA**

**S23B05/056**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS ADMINISTRATION IN  
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF  
BACHELOR OF BUSINESS ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY**

**April, 2026**



**UGANDA CHRISTIAN  
UNIVERSITY**

*A Centre of Excellence in the Heart of Africa*

## DECLARATION

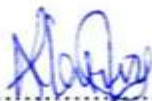
I, Nabukeera Praise Buyinza, declare that this dissertation is my original work and has not been submitted to any university or institution for the award of any degree or academic qualification. All sources consulted during this study have been duly acknowledged and appropriately referenced.

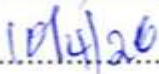
Signature: Praise B.

Date: 10/04/2026

## APPROVAL

This dissertation entitled “The Effect of Sustainable Procurement on the Financial Performance of Manufacturing Firms: A Case of Nsava Feeds Uganda” has been submitted for examination with my approval as the supervisor at Uganda Christian University.

Signature:  .....

Date:  .....

(Supervisor)

## **DEDICATION**

With deep respect, this dissertation is dedicated to my father, who has always been a source of inspiration for me through his high moral values and principles that he upholds in life.

In addition, this dissertation is dedicated to my mother, whose prayers and encouragement have enabled me to endure and succeed. Most of all, I thank Almighty God for helping me complete this academic endeavor.

## **ACKNOWLEDGEMENT**

To Almighty God, I owe all the glory and honor for the divine guidance and power that have helped me successfully accomplish this dissertation. My profound thanks go to Uganda Christian University for offering an enabling learning environment and facilities for undertaking this research.

In particular, I am highly indebted to my supervisor, Madam Maureen Natuhwera, for the invaluable guidance, constructive criticism, and immense support she rendered during the research period. I would like to extend my heartfelt thanks to my family members and well-wishers for their continuous motivation, prayers, and assistance in times of difficulties.

## TABLE CONTENTS

DECLARATION .....	i
APPROVAL .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
ABSTRACT.....	ix
CHAPTER ONE.....	1
1.0 Introduction.....	1
1.1 Background .....	1
1.4 Specific Objectives.....	4
1.5 Research Questions .....	4
1.6 Scope of the study .....	4
1.7 Justification of the study .....	5
1.8 Conceptual Framework .....	5
CHAPTER TWO: LITERATURE REVIEW.....	7
2.0 Introduction .....	7
2.1 Impact of Environmental Assessment during Procurement on the Financial Performance of Manufacturing Firms .....	7
2.2 The Influence of Social Responsibility during Procurement on Financial Performance of Manufacturing Firms .....	8
2.3 Influence of Value for Money Analysis at Procurement on Financial Performance of Manufacturing Firms .....	8
2.4 Literature Gap .....	9
CHAPTER THREE: RESEARCH METHODOLOGY .....	10
3.1 Research Design.....	10
3.2 Target Population .....	10
3.3 Sampling Design .....	10
3.4 Data Collection Procedures .....	11

3.5 Data Collection Instruments .....	11
3.6 Data Quality Control .....	11
3.7 Data Analysis and Presentation .....	12
3.8 Ethical considerations .....	12
CHAPTER FOUR.....	13
RESEARCH FINDINGS .....	13
4.0 DATA ANALYSIS AND INTERPRETATION. ....	13
4.1 Background Information of Respondents .....	13
4.2 Descriptive statistics.....	14
4.2.1 Environment assessment during procurement on financial performance of Nsava Feeds.....	14
4.2.2 Social responsibility during procurement on financial performance of Nsava Feeds .....	16
4.2.3 Economic assessment during procurement and financial performance of Nsava Feeds .....	17
4.2.4 Financial performance.....	20
4.3 Correlation Analysis.....	21
4.4 Regression Analysis and Interpretation of Findings .....	22
CHAPTER FIVE .....	25
SUMMARY AND DISCUSSION OF FINDINGS .....	25
5.1 Introduction .....	25
5.2 Summary of Findings .....	25
5.2.1. Environment assessment during procurement on financial performance of Nsava Feeds.....	25
5.2.2 Social Responsibility during Procurement and Financial Performance .....	25
5.2.3 Economic Evaluation in Purchasing and Financial Performance.....	26
5.3 Discussion of Findings .....	27
5.3.1 Environmental Impact Assessment in Procurement and Financial Performance....	27

5.3.2 Social Responsibility in Acquisitions and Performance of Finances .....	27
5.3.3 Economic Evaluation in Procurement and Performance .....	28
CHAPTER SIX: CONCLUSION AND RECOMMENDATION .....	29
6.1 Introduction .....	29
6.2 Conclusion .....	29
6.3 Recommendations .....	30
References .....	31

## LIST OF TABLES

Table 1: Respondent Background Information (N = 197).....	13
Table 2: Environment assessment during procurement and financial performance of Nsava Feeds.....	14
Table 3: Social responsibility during procurement and financial performance of Nsava Feeds.....	16
Table 4: Economic assessment during procurement and financial performance of Nsava Feeds.....	18
Table 5: Financial performance of Nsava Feeds.....	20
Table 6: Correlation Results.....	22
Table 7: Regression Model Summary.....	22
Table 8: ANOVA.....	23
Table 9: Regression Coefficients.....	23

## ABSTRACT

This study examined the effect of sustainable procurement practices on the financial performance of manufacturing firms, with a specific focus on Nsava Feeds Uganda. The research was guided by three key dimensions of sustainable procurement: environmental assessment, social responsibility, and economic evaluation during procurement processes. A descriptive cross sectional survey design was adopted, utilizing a quantitative approach. Data was collected from 197 respondents, including procurement officers, managers, and other staff involved in procurement and financial decision making, using structured questionnaires.

The findings revealed that although sustainable procurement practices are not fully integrated within Nsava Feeds, all three dimensions environmental, social, and economic have a significant positive relationship with financial performance. Correlation analysis indicated strong positive associations, particularly between social responsibility and financial performance ( $r = 0.658$ ), followed by environmental assessment ( $r = 0.639$ ) and economic assessment ( $r = 0.510$ ). Regression results further confirmed that sustainable procurement practices significantly predict financial performance, explaining 53.2% of its variation. Among the three factors, environmental assessment had the strongest influence on financial performance, followed by economic assessment and social responsibility.

Despite these positive relationships, the study found that Nsava Feeds has not fully embraced sustainable procurement practices, especially in environmental and social aspects, leading to missed opportunities for improved financial outcomes. The study concludes that strengthening sustainable procurement practices can enhance cost efficiency, reduce risks, and improve overall financial performance.

The study recommends that Nsava Feeds should prioritize environmental sustainability in procurement, strengthen social responsibility practices, and improve economic evaluation strategies to achieve long term financial stability and competitiveness.

## CHAPTER ONE

### 1.0 Introduction.

#### 1.1 Background

Nsava Feeds is an agro-processing company based in Uganda and is involved in the manufacture of animal feeds. It works along the value chains involved in the production and supply of feeds used in the rearing of poultry, livestock, among others. This firm is situated in Seeta, Mukono District right in the heart of Kampala-Jinja industrial corridor. As a result, the firm has easy access to both urban and peri-urban communities involved in farming activities as well as providers of raw agriculture materials for its feed manufacturing process including maize, soybean, fish products, sunflower cake, and other feeds' ingredients.

Nsava Feeds has established itself in the highly competitive feeds industry in Uganda through the rise in the production of poultry, dairy and other livestock animals in the country. The company produces various types of feeds including broiler starter mash, broiler finisher mash, growers' mash, layers' mash, dairy meal, fish feeds, chick & duck mash, sow & weaner feeds, and dog meal. These are feeds targeted at supporting different production phases for farmers who rear poultry and other livestock.

The business activities of Nsava Feeds are in a sector that is highly sensitive to agriculture input sources, with some of these products being locally supplied by the farmers of Uganda. This makes procurement an important component of their operations. The decisions made by Nsava feeds concerning procurement will impact their cost of production, quality, and ultimately the prices in the market. Just like other agro-processing companies in Uganda, Nsava Feeds experiences the problem of fluctuating prices of raw materials and problems associated with sourcing these materials.

The operations model adopted by the firm is consistent with the traditional operational model used in medium-sized companies in the agro-industrial sector in Uganda. The raw materials for the feed are sourced from farmers, traders, and other intermediaries and transformed to feed products before being sold in retail stores and even reaching other regions where there are farms and agro-veterinary outlets. Nsava feeds operates in several distribution centers such as Mukono, Masaka, Lyantonde, and Mbarara among others, suggesting expansion into other geographical locations.

Sustainability has emerged as an important aspect of procurement processes in manufacturing companies in recent times. Sustainable procurement in the case of Nsava Feeds entails the acquisition of raw materials in a manner that is not only cost-efficient but is also environmentally friendly. Such actions involve procuring goods locally in order to cut down costs of transportation, promoting small scale farming, and ensuring that inputs come from reputable sources. While sustainable procurement in Uganda is in its early stages of evolution, manufacturing companies such as Nsava Feeds are slowly making adjustments due to increased competition and customer concerns on food safety issues.

The financial performance of a manufacturing enterprise like Nsava Feeds is significantly affected by cost structures, efficiency in production, and demand in the market. The issue of procurement comes into play because procurement can be viewed from the context that the cost of raw materials may constitute a significant share of total production cost. Procurement will have to be effective in order to help curb wastages, reduce costs, and increase the profit margin of the firm. Ineffective procurement on the other hand may lead to delays in production and high costs of production hence lower profit margins.

Nsava Feeds finds itself operating in an environment of rising demand for animal proteins in Uganda and East Africa. With growing populations and higher incomes levels, there has been an increasing demand for meat products, dairy products, and fishery products. Consequently, the indirect effect of this market expansion is more demand for animal feed which offers both opportunities for increased revenue for the company but poses the challenges of managing cost and maintaining quality standards in production.

The growth of Nsava Feeds is influenced by some infrastructural and logistics constraints. Being located next to the highway makes the company easily accessible from other parts where transport is concerned, thereby making delivery and logistics much cheaper for them. On the downside, just like other Ugandan manufacturing enterprises, Nsava Feeds is faced with such challenges as lack of consistent supply of raw material, rising fuel prices, and competition from bigger players in the manufacturing sector from neighboring regions.

In conclusion, Nsava Feeds in Uganda can be considered a typical example of agro-processing manufacturing firm. This particular business is quite interesting since its procurement activities and financial status go hand in hand. The nature of the company in terms of sourcing its raw materials, managing risks associated with supply chain and

participating in both local and regional markets gives Nsava Feeds as an agro-processing enterprise great importance for the research.

## **1.2 Problem Statement**

Over the past few years, it has become clear that the environment for manufacturing businesses in Uganda is becoming increasingly difficult due to factors like high production expenses, unstable supply of raw materials, inflation, and stiff competition among others. The situation is made more difficult for companies dealing in agro-processing, such as Nsava Feeds Uganda, since their operations largely depend on the prices and availability of agricultural raw materials, which tend to vary depending on seasons and other factors.

Although animal feed production has become increasingly important for the development of livestock and poultry sectors in Uganda, feed manufacturers seem to face a lot of financial instability, as some companies have shown decreasing profit margins, unstable cash flow, and difficulties in sustaining production. Inefficient procurement practices play a vital role in causing financial instability in some feed factories, particularly in those that emphasize the short-term costs of procurement as opposed to the sustainable nature of the practice.

In Nsava Feeds Uganda, procurement activities are essential in establishing efficiency and the financial impact of the operations. Nevertheless, it is not clear whether the company's procurement processes are entirely consistent with sustainable procurement. In some instances, procurement processes may still be transactional where price gains are achieved without adequate emphasis on developing suppliers, using sustainable resources, minimizing waste, and enhancing supply chain security. Such scenarios create threats such as constant shortage of inputs, risk exposure to fluctuating prices, and high manufacturing expenses, all of which influence the company's financial performance adversely.

In addition to this, while it has been acknowledged that sustainable procurement has played an essential role in driving efficiency, reducing risks, and achieving profitability, especially in global businesses, the application of sustainable procurement within medium-sized industries of manufacture in Uganda still lacks sufficient coverage. The lack of adequate empirical information regarding the effects of sustainable procurement in improving financial performance among local agricultural processing industries like Nsava Feeds Uganda is evident.

Consequently, it is important to have a critical look at the link between sustainable procurement processes and the financial performance of Nsava Feeds Uganda. Without this knowledge, the company, as well as other manufacturing firms like it, will keep making procurement decisions without realizing their long-term effects on financial performance. It is against this background that this research work aims at shedding light on how sustainable procurement affects the financial performance of Nsava Feeds Uganda.

### **Objective of the study**

To identify the effect of Sustainable procurement on financial performance of Nsava Feeds

#### **1.4 Specific Objectives**

- i. To establish the relationship between sustainable procurement and financial performance.
- ii. To identify the challenges faced in Nsava feeds.
- iii. To identify the solutions to the challenges faced in Nsava feeds.

#### **1.5 Research Questions**

- i. What is the effect of Environment assessment during procurement on financial performance of Nsava Feeds?
- ii. What is the effect of social responsibility during procurement on financial performance of Nsava Feeds?
- iii. What is the effect of Economic assessment during procurement on financial performance of Nsava Feeds?

#### **1.6 Scope of the study**

**Content Scope:** This study set to identify the impact of sustainable procurement approaches on the financial performance of Nsava Feeds Uganda. This involved evaluating how financial performance has been influenced by sustainability factors in procurement.

**Time Scope:** The literature and data the study is between the years 2020 and 2025. These years are sufficient for covering the recent developments and changes related to sustainable procurement practices and their impact on financial performance.

**Geographical Scope:** In respect of the location, the scope is only restricted to Uganda with a focus on the city of Kampala, where Nsava Feeds Company is established. In this way, the

focus considers the organization within its local context and with respect to its challenges and opportunities of applying sustainable procurement practices within Uganda.

### 1.7 Justification of the study

This study seeks to address a notable gap in existing literature by providing firm-level empirical evidence on the relationship between sustainable procurement and financial performance within the manufacturing sector. Although the concept of sustainable procurement has received considerable attention in both literature and policies, very few studies have explored its financial impacts on organizations, especially those operating in developing nations.

The results of this study will be of great significance in guiding the management of Nsava Feeds towards making decisions based on the relationship between sustainable procurement and organizational sustainability.

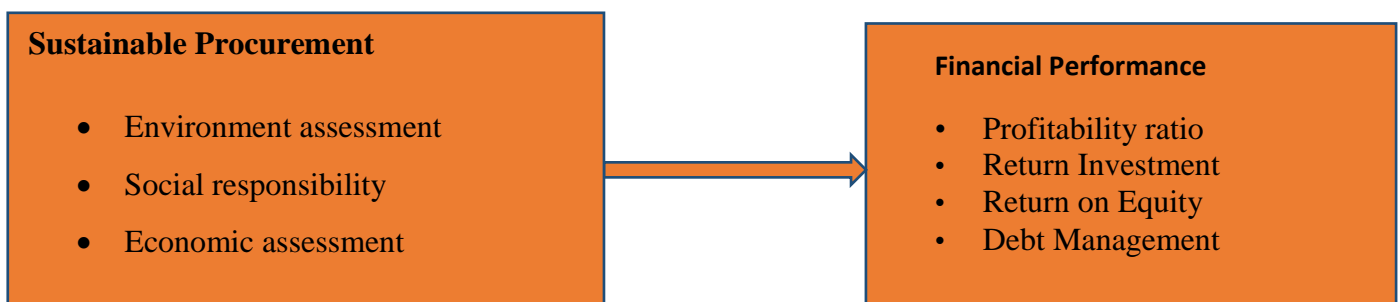
. This may support the firm in strengthening its competitiveness and long-term viability.

### 1.8 Conceptual Framework

The conceptual framework served as a guiding tool for illustrating the relationship between the variables examined in the study. It clearly depicted the interaction between independent and dependent variables. In this study, sustainable procurement practices were treated as the independent variable, while financial performance of the firm was considered a dependent variable.

#### Independent Variable

#### Dependent Variable



**Limitations of the study.**

1. Response bias; since the research involved some sensitive topics, employees were somehow hesitant to give honest responses.
2. Limited access to information; limited access to confidential documents, financial records and some staff members were restricting depth of the analysis.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter presents a comprehensive review of existing literature related to sustainable procurement and financial performance, with particular focus on the environmental, social, and economic dimensions of procurement practices. The review is organized in line with the study objectives. To examine the impact of Environment assessment during procurement on financial performance of Nsava Feeds. To investigate the impact of social responsibility during procurement on financial performance of Nsava Feeds. To examine the impact of Economic assessment during procurement on financial performance of Nsava Feeds.

### **2.1 Impact of Environmental Assessment during Procurement on the Financial Performance of Manufacturing Firms**

The integration of environmental considerations into procurement practices has been gaining increased importance in contemporary business operations. In the process of procurement, environmental assessments consider the potential impact on the environment concerning sourcing decisions including resource use, emissions, and waste management in the entire life cycle.

Environmental sustainability in procurement contributes to cost savings, operational efficiency, and competitiveness, according to studies by Carter & Rogers (2008). For manufacturing firms, environmentally responsible procurement practices act as a source of innovation and market differentiation in improving revenue and market share. It is also closely related to CSR. Companies that link purchasing practices with environmental responsibility always have the potential to attract investors and customers who are concerned with the environment, thus facilitating financial performance. Compliance with environmental regulations reduces risks from a legal and reputational standpoint, protecting financial stability.

The other critical factor is supplier engagement. Working with environmentally responsible suppliers promotes long-term collaboration, innovation, and mutual efficiency gains throughout the supply chain itself; Pagell & Wu, 2009; Seuring & Müller, 2008. Moreover, through the utilization of such a tool as LCA, firms are able to disclose hidden environmental costs, increase resource efficiency, and increase their economic sustainability over the long run; Rebitzer et al., 2004; Zamagni & Pinte, 2006.

Overall, the literature shows that environmental assessment in procurement generates benefits in financial performance through cost efficiency, risk reduction, innovation, and better relationships with suppliers, thereby building long-term organizational resilience.

## **2.2 The Influence of Social Responsibility during Procurement on Financial Performance of Manufacturing Firms**

Socially responsible procurement is concerned with ethics of procurement, labor practices, stakeholders' management, and overall transparency within the supply chain. From the perspective of several scholars, socially responsible procurement is about something more than compliance; rather, it is a strategic concept of conducting business.

Despite the high costs associated with implementing such practices, there are studies indicating the positive financial effects of such activities, such as better relationships with suppliers, lower risks, and stability. With consumer preferences leaning towards goods that have been produced ethically, socially responsible procurement helps to distinguish the brand in the market and, hence, affects sales and profits. Social responsibility leads to the improvement of the company's reputation, increase in investments, and consumer loyalty, contributing to better financial results. Companies that demonstrate proactive compliance and over-compliance with socially and environmentally related regulations achieve competitive advantages.

It further increases the effectiveness of procurement through improving the resilience of supply chains against the risk of any kind of labor issues, instability of suppliers, and the risk associated with social responsibility within procurement practices. On the internal side of the organization, the adoption of ethical procurement practices will improve morale and commitment of employees as well as increasing efficiency. In other words, the literature has proved that social responsibility improves financial performance of organizations in procurement practices.

## **2.3 Influence of Value for Money Analysis at Procurement on Financial Performance of Manufacturing Firms**

The procurement economic assessment includes evaluations related to the supplier's financial stability, market dynamics, cost-benefit analysis, and exposure to risk factors aside from considering the traditional cost elements. Smith (2018) suggests that through deep economic assessment, a company can be more efficient in picking financially sound suppliers and in aligning its procurement activities with market trends.

Economic-based strategic supplier selection not only boosts cost efficiency but ensures long-term financial sustainability as well for the company. Cost benefit analysis further enables a company to assess the different costs involved in operations and compliance issues while assessing possible added value. It is crucial to include the risk factor when performing an economic assessment. Adequate consideration of risk factors prevents economic shocks and avoids losses for the company.

Moreover, technologies like data analytics and artificial intelligence have improved the effectiveness of the economic analysis process. Consequently, there have been more precise decision-making processes and higher profits through better financial performance (Davis & White, 2018).

The global economic trends can also impact the outcome of the process. Companies that manage to adapt to the changes in the foreign currency exchange rate, trading practices, and geopolitical climate are bound to experience greater financial stability. On that note, incorporating sustainability thinking into economic assessment contributes to higher brand value and operational efficiency for long-term financial robustness. Overall, the literature indicates that sound economic evaluation at procurement has a critical contribution to making towards better economic performance by cost optimization, risk management, strengthening of supplier relationships, and supporting sustainable business growth.

## **2.4 Literature Gap**

Although existing literature recognizes that sustainable procurement can contribute to better organizational performance, most of these studies are conceptual or focus on public sector institutions and large firms in developed economies. Only a few empirical firm-level studies have linked sustainable procurement practices, especially environmental, social, and economic assessments during procurement, and financial performance of manufacturing firms in developing country contexts. Additionally, very few studies investigate these dimensions of sustainable procurement concurrently in a single organizational setting. In Uganda, although recent regulatory reforms promote sustainable procurement, empirical studies evaluating its financial implications at the firm level are rare. The present study filled these knowledge gaps by assessing the impact that sustainable procurement has on Nsava Feeds Uganda's financial performance.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research Design**

The research employed a descriptive survey research design that was also cross-sectional in nature. It was deemed appropriate to use a descriptive survey research design because it facilitated the systematic gathering of data from respondents regarding the nature of sustainable procurement practices and how they relate to the financial performance of Nsava Feeds Uganda. This is a research design that entails collecting data at only one time so as to be able to assess any relationship between the variables being studied (Creswell, 2018).

The study adopted a quantitative research method. The use of this method was justified as it aimed at quantifying the link between the sustainable purchasing process and the financial performance of firms. This was achieved by collecting numeric data through the use of structured questionnaires. This made it easy to measure the variables such as environmental evaluation, corporate social responsibility, economic evaluation, and financial performance. Additionally, the use of this research method allowed the use of descriptive statistics such as mean, frequencies, and standard deviations to examine the collected data.

### **3.2 Target Population**

Target population refers to a complete set of individuals or units with features that are relevant to the research and inferences are made based on this population. In this case, the target population for the study comprised top management, middle management, lower management, heads of departments, and suppliers of the different branches of Nsava Feeds Uganda. This was because the population was engaged in direct and indirect involvement in the procurement process and decision-making on sustainability policies. Management and unit heads were selected due to their importance in making decisions and implementing procurement policies in the organization.

### **3.3 Sampling Design**

The sampling design provides a systematic procedure through which respondents are chosen from the population under investigation. This involves the processes involved in identifying the participants in such a way that guarantees representativeness and reliability of the findings. In this case, simple random sampling method was adopted as the main sampling method. Simple random sampling method was chosen since it provided equal opportunities

for all members of the target population to get picked, hence reducing chances of selection bias and promoting objectivity of the research. In addition, it reduces the level of researcher involvement in the picking process to enhance representativeness of the respondents to the larger population. Simple random sampling helped in ensuring that the findings of the research would have high representativeness, enabling the researchers to draw reliable conclusions on the relationship between sustainable procurement practices and organizational financial performance in Nsava Feeds Uganda.

### **3.4 Data Collection Procedures**

The methods of research that will be employed in this research project include the primary and secondary sources of collecting data. Primary data was collected from the respondents using questionnaires. The method of gathering primary data facilitated the acquisition of accurate, reliable, and recent information concerning the study. Moreover, it gave an opportunity for the clarification of issues and confirmation of the answers provided by the respondents if need be. Secondary data was collected through the review of previous documents such as company reports, procurement reports, policies documents, academic journals, textbooks, and internet sources. The role of secondary data is to provide the background information needed for triangulation with the primary data. Permissions to conduct this study have been granted by the concerned individuals in Nsava Feeds.

### **3.5 Data Collection Instruments**

Questionnaires were used to collect data from a relatively large number of respondents efficiently. The questionnaires will also contain both open-ended and closed-ended questions. Open-ended questions can provide ample opportunity for the respondents to express their views on various aspects, while closed-ended questions are useful in quantitative analysis. The Likert Scale of five points ranging from Strongly Disagree to Strongly Agree was used to measure respondents' perceptions concerning environmental assessment, social responsibility, economic assessment, and financial performance. Such Likert Scales enhance the consistency and facilitate easier analysis.

### **3.6 Data Quality Control**

Reliability pertains to how the research instrument would yield the same result upon its administration in similar conditions. To ensure reliability, a pilot study was conducted prior to the main exercise of data collection. The pilot study allowed for the identification of

ambiguities, inconsistencies, and unclear questions within the instruments. Adjustments were made based on the findings of the pilot to enhance clarity and consistency.

### **3.7 Data Analysis and Presentation**

First, the quantitative data collected through the questionnaires was processed, edited, coded, and inputted into the computer statistical analysis software for analysis. Prior to conducting the analysis, the data was checked for accuracy and reliability. Descriptive analysis techniques were used in analyzing the data.

The data collected were presented in form of frequencies and percentages to describe the demographics profile of the respondent and the opinions of the participants regarding sustainability procurement practices. The mean values were calculated to analyze how the respondents rated their level of agreement concerning the environmental assessment, social responsibility, economic assessment, and financial performance. The standard deviations were calculated to show the variability in the opinions of the respondents.

The use of descriptive statistics allowed for the analysis of trends and relationships among various sustainable procurement practices and their financial results at Nsava Feeds Uganda. This was achieved through the interpretation of findings from data presented in tabular or chart form, which enabled easy interpretation of results. Such formats of results presentation would be employed to interpret findings in future chapters.

### **3.8 Ethical considerations**

The study adhered to all ethical principles. Informed consent, confidentiality, privacy, and anonymity were maintained in the entire research process. The participants were given detailed information on the aim, objective, and importance of the study and made aware of their voluntary involvement in the study. All the data provided by the respondents was kept confidential, and there was no inclusion of any personal identification numbers in the reports generated from the study. The data collected was only used for educational purposes and was safely stored.

## CHAPTER FOUR RESEARCH FINDINGS

### 4.0 DATA ANALYSIS AND INTERPRETATION.

The current chapter highlights the results that have been identified from the research findings regarding the effects of sustainable procurement practices on the financial performance of Nsava Feeds Company, Uganda. The chapter is therefore structured in line with the objectives of the research study, which include: determining the effects of environmental considerations during procurement process on financial performance; identifying the effects of social responsibility consideration during procurement process on financial performance; and determining the effects of economic consideration during procurement on financial performance.

#### 4.1 Background Information of Respondents

Table 1 provides an overview of the demographic characteristics of the respondents (N = 197), detailing their education level, professional roles within Nsava Feeds, years of experience in their current positions, company size, and the organization's annual revenue.

**Table 1: Respondent Background Information (N = 197)**

<b>Variable / Category</b>	<b>Frequency</b>	<b>Percent</b>
<b>Education Level</b>		
Diploma	108	54.8%
Bachelor's degree	78	39.6%
Master's Degree	4	2.0%
Others	7	3.6%
<b>Position / Role within Nsava Feeds</b>		
Procurement officers	86	43.7%
Top Management	39	19.8%
Finance Manager	53	26.9%
Operation	12	6.1%
Human Resource	3	1.5%
(Valid Subtotal)	193	98.0%
Missing / System	4	2.0%
(Total)	197	100.0%
<b>Years of Experience in Current Role</b>		
Less than 1 year	99	50.3%
1–5 years	5	2.5%
6–10 years	20	10.2%
11–15 years	69	35.0%
16–20 years	2	1.0%

(Valid Subtotal)	195	99.0%
Missing / System	2	1.0%
(Total)	197	100.0%

Table 1 shows the demographics of those who took the study (N = 197). Most of the respondents had a Diploma (54.8%) followed by those with a bachelor's degree (39.6%), and only a few had a master's degree (2.0%). This indicated that the majority of the respondents had the requisite educational qualifications necessary for understanding the process of procurement and organizational procedures. As far as job positions in organizations, the highest percentage was accounted for by procurement officers at 43.7%, followed by finance managers at 26.9%, while top management personnel accounted for 19.8%. This indicates that the survey managed to get feedback from crucial personnel involved in the procurement and financial decisions of Nsava Fees.

Looking at the work experience of the respondents, more than half (50.3%) have not yet served for more than one year in their current position, while a significant proportion (35.0%) have been with the organization for 11-15 years. This is a good blend that brings together the view of those still new in the organization with those who have immense experience.

#### 4.2 Descriptive statistics

##### 4.2.1 Environment assessment during procurement on financial performance of Nsava Feeds

This section summarizes responses on environment assessment during procurement on financial performance of Nsava Feeds, where participants rated statements on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

Table 2: Environment assessment during procurement and financial performance of Nsava Feeds

	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Mean	SD
	Fq	% age	Fq	% age	Fq	% age	Fq	% age	Fq	% age		
Nsava Feeds prioritizes environmental consideration when making procurement decisions	75	38.3%	57	29.1%	30	15.3%	18	9.2%	16	8.2%	2.20	1.27
Nsava Feeds procurement practices contribute to the reduction of companys overall environmental footprint	15	7.7%	49	25.1%	91	46.7%	22	11.3%	18	9.2%	2.89	1.02

Nsava Feeds efforts in assessing and minimizing environmental risks during the procurement process are satisfying	54	27.4%	43	21.8%	52	26.4%	28	14.2%	20	10.2%	2.58	1.30
Nsava Feeds actively seek suppliers with sustainable and eco-friendly practices	33	16.8%	38	19.3%	80	40.6%	25	12.7%	21	10.7%	2.81	1.18
Nsava Feeds considers the long-term environmental sustainability of products or services when making procurement decisions	37	18.8%	49	24.9%	50	25.4%	32	16.2%	29	14.7%	2.83	1.32
Nsava Feeds is in implementing environmentally sustainable procurement practices	30	15.3%	45	23.0%	59	30.1%	37	18.9%	25	12.8%	2.91	1.24
Roofing limited commitment to environmental assesment positively influences its stakeholders perceptions of the company	11	5.6%	36	18.3%	61	31.0%	45	22.8%	44	22.3%	3.38	1.18
Nsava Feeds procurement policies alignn with environmental protection goals	58	29.9%	51	26.3%	25	12.9%	19	9.8%	41	21.1%	2.66	1.52
The company sustainable procurement initiatives positively contribute to its overall image	36	18.4%	56	28.6%	69	35.2%	21	10.7%	14	7.1%	2.60	1.12

A large proportion of respondents (38.3%) strongly disagreed that environmental factors are taken into consideration by Nsava Feeds during procurement, and only 8.2% agreed (Mean = 2.20, SD = 1.27). Similarly, a large proportion of the respondents were of neutral opinions on whether the procurement process helps in minimizing the environmental impact of other operations of the organization, as shown by a high proportion of neutral options (46.7%) (Mean = 2.89, SD = 1.02). The respondents are also dissatisfied with how the company is trying to manage environmental risks (Mean = 2.58, SD = 1.30) and the inconsistency in the procurement of supplies from environmentally friendly suppliers (Mean = 2.81, SD = 1.18), and the inclusion of long-term sustainability perspectives in procurement (Mean = 2.83, SD = 1.32).

Although perceptions about the overall application of sustainable procurement were relatively neutral (Mean = 2.91, SD = 1.24), perceptions about external stakeholders' views about the firm's environmental concern tended to be more positive (Mean = 3.38, SD = 1.18). This could indicate that environmental communications could be more effective on the exterior as opposed to the interior. In general, the results indicate there is limited or ineffective environmental procurement practices at Nsava Feas to create Employee Uncertainty and Low Confidence regarding the environmental sustainability practices by the company.

#### 4.2.2 Social responsibility during procurement on financial performance of Nsava Feeds

This section summarizes responses on social responsibility during procurement on financial performance of Nsava Feeds, where participants rated statements on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

Table 3: Social responsibility during procurement and financial performance of Nsava Feeds.

	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Mean	SD
	Fq	% age	Fq	% age	Fq	% age	Fq	% age	Fq	% age		
the procurement practices at Nsava Feeds promote social responsibility	37	18.80%	35	17.80%	85	43.10%	29	14.70%	11	5.60%	2.7056	1.1041
the company actively communicates its commitment to sustainable procurement practices	40	20.70%	51	26.40%	51	26.40%	33	17.10%	18	9.30%	2.6788	1.2418
Nsava Feeds procurement policies align with environmental protection goals	28	14.30%	43	21.90%	68	34.70%	33	16.80%	24	12.20%	2.9082	1.2033
the company sustainable procurement initiatives positively contribute to its overall image	16	8.30%	40	20.70%	65	33.70%	43	22.30%	29	15.00%	3.1503	1.1606
social responsibility is ingrained in the decision making process for the supplier selection at Nsava Feeds	33	16.80%	45	23.00%	50	25.50%	46	23.50%	22	11.20%	2.8929	1.2583
Nsava Feeds actively engages with local communities through its sustainable procurement practices	29	14.80%	48	24.50%	60	30.60%	33	16.80%	26	13.30%	2.8929	1.2378

employees feel a sense of pride and fulfillment in contributing to Nsava Feeds social responsibility through procurement	25	12.70%	44	22.30%	53	26.90%	52	26.40%	23	11.70%	3.0203	1.21 2
--	----	--------	----	--------	----	--------	----	--------	----	--------	--------	-----------

The results indicate that there is a general lack of opinion on whether there is support for social responsibility in the procurement done by Nsava Feeds, with 43.1% of the respondents showing no strong opinion and only 5.6% showing strong agreement (Mean=2.71, SD=1.10). This, coupled with strong disapproval, can indicate that there is no support for social responsibility or that this support is not visible to the employees. Similarly, there was no strong opinion on whether the company communicates well on social responsibility in procurement practices (Mean=2.68, SD=1.24).

Some mixed reactions were also found concerning their association with sustainability objectives (Mean = 2.91, SD = 1.20), their association with enhanced corporate image by sustainable initiatives (Mean = 3.15, SD = 1.16), and their association with considerations of social responsibility while making purchasing decisions (Mean = 2.89, SD = 1.26). Involvement in local communities by virtue of purchasing (Mean = 2.89, SD = 1.24).

However, a slightly more positive view was taken with regards to employee pride in the social responsibility activities of the business (Mean = 3.02, SD = 1.21), with a possible local initiative being well-received among employees. On the whole, the findings suggest that the concept of social responsibility is not very firmly entrenched and conveyed through the buying processes and procedures of the organization at Nsava Feeds.

#### **4.2.3 Economic assessment during procurement and financial performance of Nsava Feeds**

This section summarizes responses on Economic assessment during procurement on financial performance of Nsava Feeds, where participants rated statements on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

**Table 4: Economic assessment during procurement and financial performance of Nsava Feeds.**

	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Mean	SD
	Fq	% age	Fq	% age	Fq	% age	Fq	% age	Fq	% age		
Nsava Feeds economic assessments during procurement contribute significantly to cost savings for the company	65	33.20%	19	9.70%	47	24.00%	44	22.40%	21	10.70%	2.6786	1.4083
The company effectively negotiates favorable financial terms with suppliers during the procurement process	20	10.20%	60	30.60%	79	40.30%	24	12.20%	13	6.60%	2.7449	1.0209
Nsava Feeds considers the long-term financial stability of the suppliers in its procurement decisions	43	22.40%	31	16.10%	62	32.30%	35	18.20%	21	10.90%	2.7917	1.2815
The company aligns its procurement practices with its overall financial goals and objectives	37	18.90%	50	25.50%	65	33.20%	27	13.80%	17	8.70%	2.6786	1.1827
Nsava Feeds communicates its economic considerations in procurement clearly to internal and external stakeholders	20	10.20%	47	23.90%	60	30.50%	46	23.40%	24	12.20%	3.0355	1.171
Employees are confident that Nsava Feeds focus on economic assesment in procurement will lead to long-term financial benefits for the company	17	8.60%	38	19.30%	43	21.80%	51	25.90%	48	24.40%	3.3807	1.2786

It is worth noting that a significant number of participants (33.2%) disagreed strongly with the statement that economic evaluations in procurement lead to cost reductions (Mean = 2.68, SD = 1.41). In addition, participants did not believe that the organization could get better

financial deals from negotiations, as very few agreed strongly (6.6%), while most were neutral or disagreed (Mean = 2.74, SD = 1.02). The same trend was observed for evaluating the financial stability of suppliers (Mean = 2.79, SD = 1.28).

There was also some uncertainty about the connection between procurement efforts and the company's financial objectives (Mean = 2.68, SD = 1.18). Nevertheless, there were more positive views regarding the sharing of economic factors with interested parties (Mean = 3.04, SD = 1.17). It is worth mentioning that the most positive perception regarded the possible long-term financial advantages that procurement evaluations may have (Mean = 3.38, SD = 1.28).

Overall, while current economic assessment practices in procurement are viewed skeptically, respondents recognize their potential to enhance financial performance if strategically improved.

#### 4.2.4 Financial performance

This section summarizes responses on financial performance, where participants rated statements on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

**Table 5: Financial performance of Nsava Feeds.**

	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Mean	SD
	Fq	% age	Fq	% age	Fq	% age	Fq	% age	Fq	% age		
In your opinion, Nsava Feeds profitability ratio is satisfactory.	92	50.50%	20	11.00%	49	26.90%	12	6.60%	9	4.90%	2.044	1.221
the return on investment (ROI) achieved by Nsava Feeds is satisfactory.	1	0.60%	45	25.00%	88	48.90%	36	20.00%	10	5.60%	3.05	0.834
Nsava Feeds return on equity (ROE) is satisfactory	28	16.10%	26	14.90%	39	22.40%	49	28.20%	32	18.40%	3.1782	1.337
The company debt management practices are effective	21	12.00%	39	22.30%	56	32.00%	44	25.10%	15	8.60%	2.96	1.141
How would you rate Nsava Feeds financial stability based on its profitability ratio	33	18.20%	38	21.00%	56	30.90%	40	22.10%	14	7.70%	2.8011	1.199
The return on investment (ROI) achieved by Nsava Feeds reflects its financial efficiency	31	17.10%	31	17.10%	61	33.70%	44	24.30%	14	7.70%	2.884	1.185
Nsava Feeds return on equity (ROE) is indicative of its financial success	29	16.10%	31	17.20%	68	37.80%	39	21.70%	13	7.20%	2.8667	1.145
The company effectively manages its debt to ensure financial stability	19	10.60%	49	27.40%	58	32.40%	40	22.30%	13	7.30%	2.8827	1.098
Nsava Feeds financial performance as indicated by its profitability ratio aligns with industry standards	17	9.40%	40	22.10%	54	29.80%	50	27.60%	20	11.00%	3.0884	1.146

The debt management practices of Nsava Feeds positively influence its overall financial health	14	7.70%	27	14.90%	51	28.20%	57	31.50%	32	17.70%	3.3646	1.164
--	----	-------	----	--------	----	--------	----	--------	----	--------	--------	-------

Results indicate overall dissatisfaction with the profitability of Nsava Feeds since 50.5% strongly disagree with the statement and only 4.9% strongly agreed (Mean = 2.04; SD = 1.22). High levels of the neutral option (26.9%) indicate a lack of awareness or ambiguity on the actual performance on this area. Perceptions of return on investment (ROI) were relatively more tempered, with almost half (48.9%) of the respondents being neutral and an average score suggesting an average level of confidence in return on investment by the company (Mean = 3.05, SD = 0.83). Perceptions of return on equity (ROE) were relatively more positive, with almost half (46.6%) either agreeing or strongly agreeing that return on equity is indicative of financial success (Mean = 3.18, SD = 1.34).

Attitudes toward debt management were ambivalent. Although a considerable proportion was indifferent, a significant disagreement outstripped strong agreement on its efficiency (Mean = 2.96, SD = 1.14), reflecting a lack of confidence in financial risk management. This ambivalence was also found for overall financial stability (Mean = 2.80, SD = 1.20) and efficiency in ROI (Mean = 2.88, SD = 1.19). Despite the mentioned concerns, to some extent, the respondents felt confident about the relative performance within the industry, as 38.6% agreed or strongly agreed that the performance is aligned to the standards set by the industry (Mean = 3.09, SD = 1.15). Interestingly, debt management was found to be the most positively evaluated factor, as close to half the respondents felt that it positively contributes to the finance performance (Mean = 3.36, SD = 1.16).

Overall, the findings have shown some mixed views on financial performance, with concerns about the company's profitability and the efficiency of the ROI approach, though relatively more confident about the ROE and debt policies.

### 4.3 Correlation Analysis

A correlation analysis was conducted to examine the relationships between financial performance, environmental assessment during procurement, social responsibility in procurement, and economic assessment in procurement.

**Table 6: Correlation Results**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Financial Performance (1)	1			
Social responsibility during procurement (2)	.658**	1		
Economic assessment during procurement (3)	.510**	.447**	1	
Environment assessment during procurement (4)	.639**	.504**	.410**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

As per the correlation test results, there is a significant positive association between all three aspects of sustainable procurement such as social responsibility, economic evaluation, and environmental evaluation and the financial performance. Social responsibility has been found to be highly correlated with the financial performance ( $r = 0.658$ ,  $p < 0.01$ ). It means that an improvement in socially responsible procurement practices can lead to financial performance.

Similarly, the economic evaluation aspect of sustainable procurement was moderately positively correlated with financial performance ( $r = 0.510$ ,  $p < 0.01$ ). It means that good economic evaluations during the procurement process can positively influence financial performance. The environmental evaluation aspect of sustainable procurement had a very high degree of positive correlation with financial performance ( $r = 0.639$ ,  $p < 0.01$ ). This clearly demonstrates the significance of environmentally responsible procurement practices for improving financial performance.

#### **4.4 Regression Analysis and Interpretation of Findings**

Multiple Regression Analysis was carried out to examine the relationship between social responsibility in procurement, economic evaluation in procurement, environment evaluation in procurement, and Financial Performance of Nsava Feeds.

**Table 7: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756 <sup>a</sup>	.543	.532	4.66582

a. Predictors: (Constant), Environment Assessment, Economic Assessment, Social Responsibility

According to the regression analysis output, there is an R value of 0.756 for the regression model summary, which means that there is a moderate relationship between the independent variables and financial performance. Additionally, the value of the Adjusted R-Square of 0.532 reveals that 53.2% of financial performance can be explained by the three variables.

**Table 8: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3463.422	3	821.141	47.719	.000 <sup>b</sup>
	Residual	4091.318	142	21.770		
	Total	6554.740	145			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Environment Assessment, Economic Assessment, Social Responsibility

ANOVA analysis reveals that the regression equation has statistical significance. In this case, the F-value is 47.719, with a p-value of 0.000. As a result, the regression model is reliable when predicting financial performance. It indicates that at least one independent variable contributes significantly to explaining differences in financial performance.

**Table 9: Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.763	1.547		8.896	.000
	Social responsibility during procurement	.346	.089	.329	2.751	.007
	Economic assessment during procurement	.266	.063	.340	2.808	.006
	Environment assessment during procurement	.363	.062	.476	4.591	.000

a. Dependent Variable: Financial Performance

In Table 9 are listed the regression coefficients regarding the effects of sustainable procurement practices on the financial performance of Nsava Feeds Company. The coefficient B = 13.763,  $p < 0.001$  reflects the predicted level of financial performance when the values of independent predictor variables equal zero.

From the above, we can conclude that all dimensions of sustainable procurement practices have positive effects on financial performance and are statistically significant. Specifically, social responsibility has a positive impact on financial performance (B = 0.346,  $\beta = 0.329$ ,  $p = 0.007$ ). This means that an increase of a unit of socially responsible practices leads to an increase in financial performance by 0.346 units. On the contrary, the decrease in social responsibility practices decreases financial performance.

Furthermore, there is a strong positive relationship between economic assessment carried out during procurement and financial performance ( $B = 0.266$ ,  $\beta = 0.340$ ,  $p = 0.006$ ). It means that enhancing economic assessment processes including cost-benefit analysis and supplier's financial evaluation will positively affect financial performance. Environmental assessment of procurement practices shows the highest influence on financial performance ( $B = 0.363$ ,  $\beta = 0.476$ ,  $p < 0.001$ ). It means that the improvement of environmental aspects in procurement practices brings more financial gains than other aspects considered within this study.

In general, the results of the performed regression analysis prove that sustainable procurement practices have a predictive influence on financial performance. Out of the three predictors, environmental assessment shows the highest significance, economic assessment is the second one, and social responsibility is the third predictor. It can be concluded that focusing on environmentally friendly procurement practices while enhancing social and economic assessments will contribute to an increase in financial performance.

## CHAPTER FIVE

### SUMMARY AND DISCUSSION OF FINDINGS

#### 5.1 Introduction

In this chapter, a summary and discussion of the findings of the study with respect to the influence of sustainable procurement practices and processes on the financial performance of Nsava Feeds Uganda will be highlighted. Based on the three objectives of the study, the findings are discussed and relate to the effect of the consideration of environmental assessments, social aspects, and economic assessments carried out when procuring and purchasing goods and services.

#### 5.2 Summary of Findings

##### 5.2.1. Environment assessment during procurement on financial performance of Nsava Feeds

The descriptive findings reveal that even though Nsava Feeds is involved in some sustainability-related activities, it seems that the matter of the environment is not taken seriously by the company regarding procurement activities. Quite many participants were neutral or disagreed with the company's level of commitment to environmental sustainability.

Contrary to the perception, correlation analysis showed that environmental assessment had the strongest and most optimistic correlation coefficient with financial performance ( $r=0.639$ ,  $p<0.01$ ). This is further supported by regression analysis, which showed that environmental assessment positively and significantly influenced financial performance ( $\beta=0.376$ ,  $p<0.05$ ). This means that enhanced performance in environmentally responsible procurement is closely linked with significant improvements in financial performance.

These results indicate that although environmental procurement practices are presently overlooked, improvements in these practices offer a substantial opportunity to positively influence the financial performance of Nsava Feeds.

##### 5.2.2 Social Responsibility during Procurement and Financial Performance

Descriptive analysis of results indicates that social responsibility is identified but lacks emphasis and adequate communication in Nsava Feeds' procurement processes. Results show neutrality and uncertainty among some participants on whether social responsibility is embedded in purchasing decisions.

The correlation analysis showed that there was a strong and positive association between social responsibility and financial performance ( $r=0.658$ ,  $p<0.01$ ). The regression analysis also showed a strong and positive association that indicated that there was a significant effect on social responsibility on financial performance. This was shown in the results where beta was 0.329 and  $p=0.05$ . The above results show the importance of social responsibility as an untapped key driver and the fact that better integration and communication of social procurement could have positive financial impacts for Nsava Feeds.

### **5.2.3 Economic Evaluation in Purchasing and Financial Performance**

Based on the descriptive findings, there appears to be mixed attitudes towards the effectiveness of economic assessment in procurement. The respondents seemed to understand its benefits; however, doubts exist regarding its application in cost saving and financial stability, and its relation to financial strategy.

Correlation analysis showed a moderate positive correlation between economic assessment and financial performance with  $r = 0.510$  and  $p \text{ value} < 0.01$ . Regression analysis supported a positive and significant relationship with  $\text{beta} = 0.340$  and  $p \text{ value} < 0.05$ , suggesting that positive economic evaluation practices in procurement influence financial performance. It is observed in the results that economic assessment has a positive impact on financial performance; however, this impact is hampered by inadequate strategic usage and integration with financial goals.

The study validates that sustainable procurement practices have a great effect on the financial performance of Nsava Feeds Uganda. Out of the three categories considered, it has been found that the greatest impact is caused by environmental assessments, followed by social aspects or social responsibility, and then the economic assessment. Nsava Feeds must incorporate and prioritize financially favorable practices related to environmental responsible procurement practices, improved practices for social responsibility, and increased economic assessment mechanisms to optimize cost effectiveness and financial soundness.

## **5.3 Discussion of Findings**

### **5.3.1 Environmental Impact Assessment in Procurement and Financial Performance**

The results verified the positive association between the results of environmental assessment in procurement and financial performance, as supported by theoretical studies (Carter & Rogers, 2008; Schultmann & Sun, 2010). Nevertheless, the perceptions of the respondents showed that environmental procurement has not yet been fully institutionalized in Nsava Feeds. On analyzing this from an Institutional Theory perspective (DiMaggio & Powell, 1983), this partial form is due to the lack of regulatory and normative pressures in Uganda's procurement setting, given that there is little emphasis on mandatory green procurement standards. Thus, the environmental procurement at Nsava Feeds is rather reactive.

The results are also consistent with the literature on CSR (Carroll, 1991; Margolis & Walsh, 2003), where a commitment to the protection of the environment positively affects the financial and reputation performance of the company. The limited consideration by Nsava Feeds with regards to environmental evaluation would indicate areas for improvement where the company could capitalize on sustainability as a source of competitive and financial advantage. Moreover, findings from research carried out on supplier collaboration (Pagell & Wu, 2009; Seuring & Müller, 2008) illustrate that working with environmentally responsible suppliers could lead to financial savings. The significant influence of environmental assessment found in this research indicates that a more intensive collaboration with suppliers, and the application of a method like Life Cycle Assessment (LCA) (Rebitzer et al., 2004; Zamagni & Pinte, 2006), could lead to improved financial outcomes.

### **5.3.2 Social Responsibility in Acquisitions and Performance of Finances**

The finding of a positive association between social responsibility and financial performance is also supported by previous studies (Carter & Rogers, 2008; Handfield et al., 2014). However, the poor embedding and communication of social responsibility practices at Nsava Feeds seem not to fully realize the potential of social responsibility. It has been established that through the Stakeholder Theory, those companies that tend to synchronise their procurement practices with stakeholder expectations tend to gain more through enhanced legitimacy and financial success (Freeman, 1984). Moderate socially responsible procurement practices of Nsava Feeds indicate that there is no intense pressure from stakeholders and lack of significant engagement of the company with stakeholders.

In agreement with Walker and Preuss (2017), socially responsible procurement practices are useful in bettering corporate reputation, investors' confidence, and customer loyalty. Results obtained from the study show that better financial performance at Nsava Feeds is achievable by focusing on social leadership instead of social responsibility. Moreover, socially responsible procurement has been found to improve resilience and employee morale within the supply chain, based on research carried out by Christopher, Maberty, & Vargas-Schönfelder (2015), and Smith & Reece (2019). This could improve financial performance and stability within Nsava Feeds, through bolstering ethical procurement and audits.

### **5.3.3 Economic Evaluation in Procurement and Performance**

The results support the notion that economic assessment has a positively impacting effect on financial performance but only to a certain degree. This is supported by the arguments of both Smith (2018) and Jones & Brown (2017), holding that the successful outcome of procurement-related decisions depends on an assessment of the supplier's economic stability. However, the moderate strength of the relationship indicates that economic risk management conducted by Nsava Feeds is more transactional and is oriented toward the price component of the economic assessments. This is supported by Johnson et al. (2019) when they highlight the need to carry out cost-benefit and risk analysis scrupulously when evaluating procurement. Institutional Theory can also be cited here since the lack of external pressure, and the degree of technology use shape the limited development of advanced financial analysis techniques.

According to Davis and White (2018), better financial performance is realized by companies that bring data and technology together in procurement, an aspect where Nsava Feeds is less developed. Moreover, Smith and Turner (2016) emphasize the relevance of considering global economic trends when making procurement strategies. This is because the reactive procurement adopted by Nsava Feeds makes it difficult for the organization to foresee any external shocks within the suppliers' cost and availability. To improve the economic assessment of the firm by incorporating better financial analysis, risk analysis, and use of modern technology would make Nsava Feeds' procurement more efficient and economically stronger.

## **CHAPTER SIX: CONCLUSION AND RECOMMENDATION**

### **6.1 Introduction**

This chapter outlines the findings contained in this study and develops conclusion and recommendation sections from the results with the aim of improving sustainable procurement processes and practices within the context of Nsava Feeds Uganda to become more efficient and meet the industry and regulatory frameworks and developments in Uganda.

### **6.2 Conclusion**

The conclusion drawn from the study is that sustainable procurement practices positively influence the financial performance of Nsava Feeds Uganda. All three aspects environmental, social responsibility, and economic assessment contribute meaningfully to the financial performance, though not in the same measure. Concerning the factors, results showed a significant positive influence of “environmental assessment in procurement” on finance performance. Of course, this is in line with the fact that cost savings and effective risk management can be best achieved by adopting more environmentally friendly practices in conducting procurements, making it a matter of utmost importance for ensuring finance performance. Yet, it is surprising that environmental factors are not fully embedded in the procurements made by Nsava Feeds despite their great potential in finance performance.

Social responsibility in procurement is also observed to positively affect financial performance. Although the importance of social responsibility cannot be underestimated by the firm, the evidence indicates that this area is not adequately embedded in the procurement operations of the firm and its social responsibility not communicated to the maximum effect. Enhancing this area would be critical in this context. Economic assessment when procurement is done is proven to have a positive, though comparatively moderate, impact on economic performance. Though economic assessments are included in the procurement process by Nsava Feeds, strategic alignment is limited, economic risk assessment of suppliers is inadequate, and traditional views of cost are emphasized.

It is evident from this study that there is a need for a thorough and organized sustainable procurement process. Through this, Nsava Feeds will be able to succeed in terms of finances by strengthening environmental activities, incorporating social values, and developing economic evaluation tools in accordance with Uganda's industrial goals.

### **6.3 Recommendations**

There is a requirement for Nsava Feeds to focus on improving its environmental evaluation within its procurement processes since this was the area that had a maximum positive influence on financial performance. In order for this to be achieved, the firm has to include environmental issues within its procurement process through implementation of environmentally conscious procurement strategies and those that include audit of the suppliers as well as use of life cycle assessment methodologies. Through inclusion of environmentally conscious suppliers, the firm will be able to reduce the cost of running its operations financially and be competitive in the market.

Nsava Feeds should ensure that social responsibilities are not only incorporated into procurement operations but that the operations are also well communicated. This is achieved by taking into consideration ethical procurement, human rights, and the involvement of the business with the social environment. The operations can also be improved by ensuring that all stakeholders, including employees and suppliers, are fully briefed about the social responsibilities of the business. This will help the company build improved relationships with the stakeholders, along with positively impacting its financial performance.

It is essential for the company to enhance economic evaluation procedures during procurement so that these processes are much closer to the financial objectives of the company. In other words, there should be an economic evaluation of the supplier not just from a cost standpoint but also in terms of cost benefits and risks. This approach would enable Nsava Feeds to achieve greater cost-effectiveness and sound financial strategy as procurement would not be done just for its own sake.

## References

- Andreasen, P. H., and B. Gammelgaard. (2018). "Change within Purchasing and Supply Management Organisations – Assessing the Claims from Maturity Models." *Journal of Purchasing and Supply Management* 24 (2): 151–163.
- Brammer, S. and Walker, H. (2011), "Sustainable procurement in the public sector: an International comparative study", *International Journal of Operations & Production Management*, Vol. 31 No. 4, pp. 452-476
- Brewer, B., and A. N. Arnette. (2017). "Design for Procurement: What Procurement Driven Design Initiatives Result in Environmental and Economic Performance Improvement?" *Journal of Purchasing and Supply Management* 23 (1): 28–39.
- Connelly, B.L.; Ketchen, D.J.; Slater, S.F.(2011). Toward a "theoretical toolbox" for sustainability research in marketing. *J. Acad. Mark. Sci*, 39, 86–100
- Cooper, S.; Crowther, D.; Davies, M.; Davis, E. (2001) *Shareholder or Stakeholder Value: The Development of Indicators for the Control and Measurement of Performance*; CIMA: London, UK,
- Cousins and Spekman Citation (2003), *Journal of purchasing and supply management*, Elsevier BV, Print ISSN:1478-4092
- Creswell, J.W. and Creswell, J.D. (2018) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Sage, Los Angeles.
- DiMaggio, P.J.; Powell, W.W (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *Am. Sociol.*, 48, 147–160.
- Freeman, R.E (1984). *Strategic Management: A Stakeholder Approach*; Pitman: Boston, MA, USA,
- Freeman, R.E.; Wicks, A.C (2004).; Parmar, B. Stakeholder theory and "The corporate objective revisited". *Organ. Sci*, 15, 364–369
- Frooman, J (1999). Stakeholder influence strategies. *Acad. Manag.* 24, 191–205.
- Hawkins, T. G., M. J. Gravier, D. Berkowitz, and W. A. Muir. (2015). "Improving Services Supply Management in the Defense Sector: How the Procurement Process Affects B2B Service Quality." *Journal of Purchasing and Supply Management* 21 (2)

- Islam, M. T., Abdullah, A. B., Shahir, S. A., Kalam, M. A., Masjuki, H. H., Shumon, R., & Rashid, M. H. (2016). A public survey on knowledge, awareness, attitude and willingness to pay for WEEE management: Case study in Bangladesh. *Journal of cleaner production*, 137, 728-740.
- Islam, M., Turki, A., Murad, M., & Karim, A. (2017). Do sustainable procurement practices improve organizational performance? *Sustainability*, 9(12), 2281.
- Kannan, D. (2021). Sustainable procurement drivers for extended multi-tier context: A multi theoretical perspective in the Danish supply chain. *Transportation Research Part E: Logistics and Transportation Review*, 146, 102092.
- Kim, M., and S. Chai. (2017) “The Impact of Supplier Innovativeness, Information Sharing and Strategic Sourcing on Improving Supply Chain Agility:Global SupplyChain Perspective.” *International Journal of Production Economics* 187: 42–52.
- Mitchell, R.K.; Agle, B.R.; Wood, D.J (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Acad. Manag.*, 22, 853–886
- Murthy, V.P (2019). Integrating corporate sustainability and strategy for business performance. *World J. Entrep. Manag. Sustain. Dev* 8, 5–17
- Muthuri, J.N.; Gilbert, V (2011). An institutional analysis of corporate social responsibility in Kenya. *J. Bus. Ethics*, 98, 467–48
- Oberoi, J. S., and J. S. Khamba. (2015). “Strategically Managed Buyer-Supplier Relationships across Supply Chain: An Exploratory Study.” *Human Systems Management* 24 (4): 275–283.
- P Ricardianto, F Barata, S Mardiyani, E Setiawan, H Subagyo (2019),. Uncertain Supply Chain Management 10 (3), 797-80
- Petrini, M.; Pozzebon, M (2017). Integrating sustainability into business practices: Learning from Brazilian firms. *BAR - Brazilian Adm.*, 7, 362–378.
- Porter, M.E.; Kramer, M.R (2006). The link between competitive advantage and corporate social responsibility. *Harv. Bus.*, 84, 78–92.

Rwelamila, et al, 2011; McCrudden, (2018), Barriers to sustainable procurement in Construction industries,

Scott, W.R (2008. *Institutions and Organizations: Ideas and Interests*, 3rd ed.; Sage Publications, Inc: Los Angeles, CA, USA,

Spence, L.J.; Coles, A.-sM. (2001); Harris, L. The forgotten stakeholder? Ethics and social responsibility in relation to competitors. *Bus. Soc. Rev.* **2001**, *106*, 331–352