

**EFFECTS OF PROCUREMENT NEGOTIATION ON
PERFORMANCE OF PRIVATE ORGANIZATIONS (CASE
STUDY OF KENYA PLANT PRODUCTION)**

BY

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ABSTRACT

In today's globally competitive business environment, developing sustainable competitive advantage is perceived as being of vital importance for organizations survival and prosperity. Procurement negotiation function is now recognized as being a key ingredient to achieving performance for both public and private organizations. As negotiation continues being applied in procurement procedures, the broad question is its impact in performance of organizations in this age of globalization. This research determined the impact of procurement negotiation on performance of private organizations. The focus was on how buyer-supplier relationship, organization's goals, price and quality product were impact of procurement negotiation on performance in Kenya Plant Production.

The study employed descriptive study design. The study targeted 117 employees of KPP from management, supervisors and general workers. Stratified sampling method was used to randomly select 35 employees who formed the sample size. The study took an approximate period of four months from June to September 2015. Data was collected using questionnaires which were administered personally by the researcher to the respondents and was first tallied in tables and then analyzed in percentage and presented using charts and graphs.

The research concluded buyer-supplier relationship, price and quality product were impact of procurement negotiation on performance in Kenya Plant Production. It further recommended that organizations should; build, manage and maintain good relationship; purchasing and supply management professionals should undertake any significant negotiation with suppliers so as to achieve goals and objectives; establish a fair and reasonable price that can be accepted by the other party during the negotiation process and engage in negotiation because it ensures the supply of products in good design, quality of conformance,