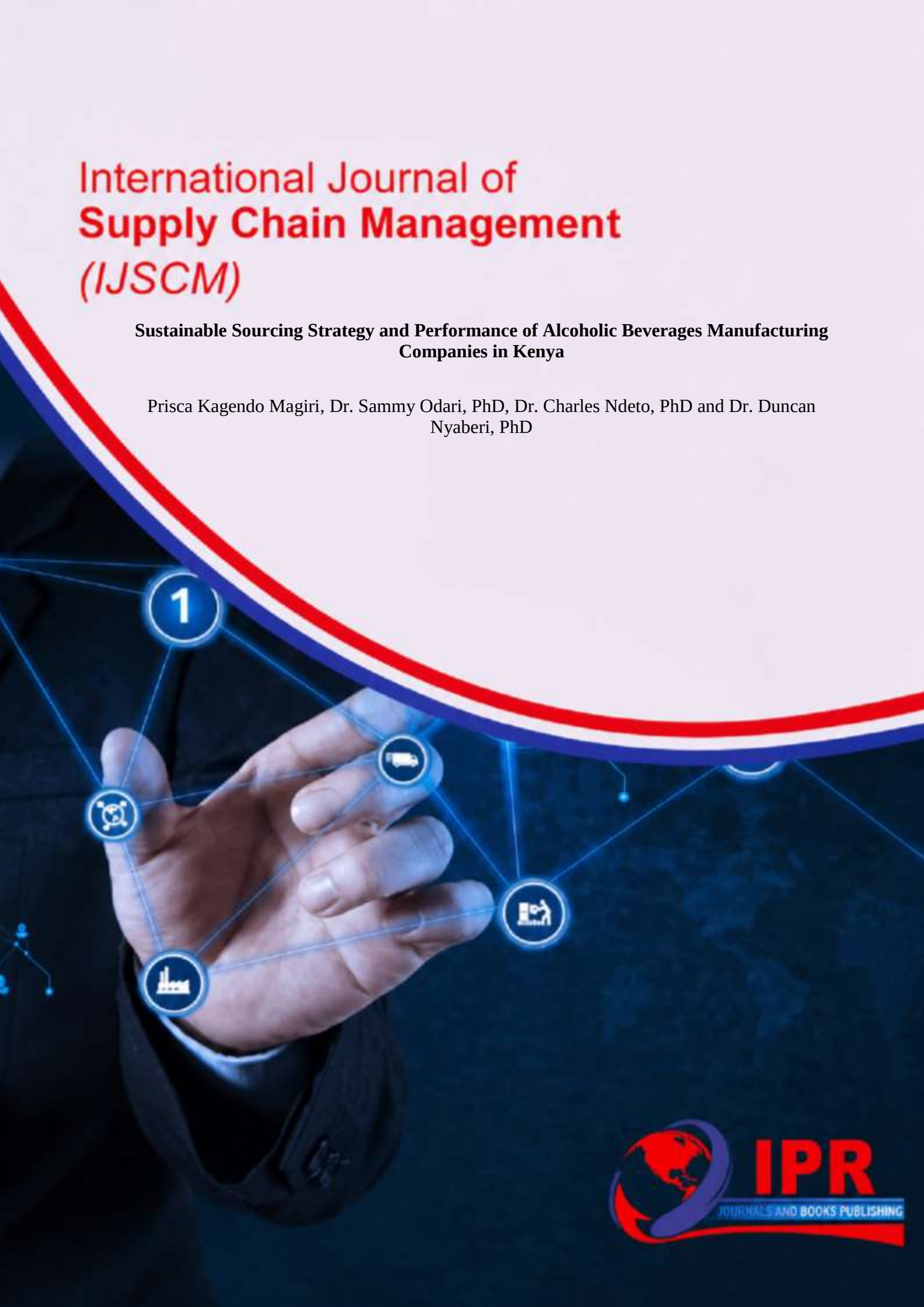
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# Sustainable Sourcing Strategy and Performance of Alcoholic Beverages Manufacturing Companies in Kenya

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**Abstract**

**Purpose:** The study aimed to examine the relationship between sustainable sourcing strategy and the performance of alcoholic beverage manufacturing companies in Kenya. The study was motivated by increasing competition in the alcoholic beverage industry and challenges associated with raw material sourcing, including climate change, declining agricultural production, and supply chain disruptions arising from geopolitical conflicts and global epidemics.

**Methodology:** The study adopted a positivist research philosophy and an explanatory research design. The unit of analysis comprised 30 alcoholic beverage manufacturing companies in Kenya, while the units of observation were heads of finance, administration, procurement, ICT, operations, marketing, and logistics departments. Stratified random sampling was adopted. Both primary and secondary data were collected. Primary data were obtained using semi-structured questionnaires, while secondary data were obtained from the annual reports of the manufacturing companies. Qualitative data were analysed thematically and presented narratively, while quantitative data were analysed using descriptive and inferential statistics with the aid of Statistical Package for the Social Sciences (SPSS) version 25. Descriptive statistics included frequencies, percentages, means, and standard deviations, while inferential analysis involved Pearson correlation and linear regression.

**Findings:** The study established that sustainable sourcing strategy had a positive and statistically significant relationship with the performance of alcoholic beverage manufacturing companies in Kenya. The study also found that organizational resources moderate the relationship between sustainable sourcing strategy and the performance of alcoholic beverage companies. This finding suggests that integrating sustainability considerations into sourcing practices contributes to improved organisational performance.

**Unique Contribution to Theory, Practice and Policy:** The study recommends that alcoholic beverage manufacturing companies in Kenya integrate sustainable sourcing strategies into their procurement policies and practices. In addition, firms should conduct regular audits of sourcing activities and identify sustainability-related bottlenecks to enhance responsiveness, operational efficiency, and long-term sustainability.

**Keywords:** *Sustainable Sourcing Strategy, Alcoholic Beverage Manufacturing Companies, Firm Performance*

**JEL Classification:** *Q56, L66, L25*

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## INTRODUCTION

Organizations currently operate in a turbulent business environment characterized by intensified competition, globalization, and increasingly complex supply chains. The COVID-19 pandemic exposed vulnerabilities in global supply chains, including those of the alcoholic beverage industry, as lockdowns, social distancing measures, and transportation disruptions affected production, distribution, and sales, resulting in inventory shortages and revenue losses (Jomthanachai, Wong & Lim, 2022). Other disruptions, including transportation challenges, raw material shortages, labor issues, container shortages, strikes, and natural disasters, can delay shipments, interrupt production schedules, and affect inventory levels. In addition, regulatory changes, including alcohol advertising restrictions and taxation policies, continue to influence industry operations and costs (Narayanamurthy & Gurumurthy, 2019). Changing customer expectations and globalization have further transformed supply chains and increased pressure on firms to maintain performance. Consequently, alcoholic beverage companies increasingly emphasize sourcing strategies to secure quality raw materials, diversify suppliers, and strengthen supply chain resilience (Dollet & Díaz, 2020). In this context, sustainable sourcing strategy has become increasingly important for enhancing long-term organizational performance.

Sustainable sourcing strategy in alcoholic beverages manufacturing companies in Kenya involves procuring raw materials while considering economic, environmental, and social sustainability. Companies source materials such as barley, maize, fruits, sugar, water, botanicals, and packaging materials to support continuous production (Kitetu, 2018). Sustainable sourcing emphasizes responsible supplier selection, ethical procurement practices, environmental conservation, efficient resource utilization, and compliance with regulatory requirements. Local sourcing can support domestic agriculture, reduce transportation-related costs and emissions, and strengthen relationships with local suppliers, while international sourcing provides access to specialized materials unavailable locally (Narayanamurthy & Gurumurthy, 2019). The adoption of sustainable sourcing practices can enhance the reliability and quality of raw materials while reducing environmental and supply chain risks. In addition, sustainable sourcing enables companies to respond to growing consumer expectations regarding environmentally and socially responsible products, thereby supporting operational efficiency, competitiveness, and long-term performance.

Globally, sustainable sourcing strategy has increasingly been recognized as an important contributor to organizational performance through improved supplier relationships, supply reliability, product quality, cost efficiency, and operational continuity. Existing research indicates that practices such as supplier development, collaborative sourcing, supplier diversification, early supplier involvement, contract management, and adherence to sustainability requirements enable manufacturing firms to minimize procurement risks, reduce operational costs, improve resource utilization, and strengthen supply chain resilience (Kim, Suresh, & Kocabasoglu, 2021; Haider, 2020; Yamoah, 2019; Karanja & Wagoki, 2021). These practices also promote responsible procurement by integrating economic, environmental, and social considerations into supplier selection and sourcing decisions. Consequently, sustainable sourcing strategy provides manufacturing firms with opportunities to enhance operational efficiency, maintain product quality, strengthen competitiveness, and achieve improved organizational performance. However, the extent to which these benefits are realized may vary across industries depending on the nature of raw materials, supply chain complexities, regulatory environments, and market conditions.

**Statement of the Problem**

The performance of alcoholic beverage manufacturing companies in Kenya remains a concern, with evidence indicating declining growth and profitability in the sector (Karanja & Wagoki, 2021). Bor (2020) observed that between 2018 and 2020, the beverage industry, including alcoholic beverages, recorded a 3.1% decline in overall growth. Similarly, Samuel and Murigi (2024) reported that although sales turnover increased by 23% between 2021 and 2024, profitability declined by 18%, largely due to a 16% increase in production costs and a 21% decline in profit margins. In the financial year ending 30th June 2023, East African Breweries Limited (EABL), the market leader, recorded a 21% decline in net profit to KSh 12.32 billion (Okoth, 2023). These challenges have been associated with high production costs, limited availability of raw materials, supply chain disruptions, and rising logistics costs. Kinyundo and Wachiuri (2025) further reported a decline in customer satisfaction from 87% to 42%, attributed to supply chain disruptions and increasing production and logistics costs. In addition to these operational challenges, alcoholic beverage manufacturers face fiscal and macroeconomic pressures arising from excise taxation, inflation, exchange-rate fluctuations, and rising energy and transportation costs. Changes in excise duty rates and the taxation of alcoholic products based on alcohol content have implications for manufacturers' production costs, pricing decisions, and profit margins (Kenya Revenue Authority, 2024; Nyabaro et al., 2025). These pressures are compounded by fluctuations in global commodity prices for key production inputs such as barley, malt, hops, grapes, and other agricultural materials. Weather events, geopolitical instability, and logistical bottlenecks can further create supply shortages and increase procurement costs (King'ori & Lambaino, 2023). Consequently, manufacturers face the challenge of controlling input and operating costs while maintaining product quality, regulatory compliance, and profitability.

Sustainable sourcing strategy provides a potential approach for addressing these challenges by integrating economic, environmental, and social considerations into the acquisition and management of materials and supplier relationships (Okoth, 2023). In the Kenyan alcoholic beverage manufacturing industry, this may involve strengthening relationships with local agricultural producers, promoting local sourcing of suitable raw materials such as sorghum and barley, and establishing long-term supply contracts with farmers and agricultural cooperatives. Such arrangements may reduce exposure to imported input costs, foreign-exchange fluctuations, international freight charges, and supply chain disruptions while supporting local agricultural value chains. The importance of localized sourcing is particularly evident in an environment where manufacturers face increasing excise taxation and other macroeconomic cost pressures, making procurement efficiency an important consideration for protecting profit margins. For instance, the Institute of Economic Affairs (2024) highlighted the economic significance of local barley production and the potential contribution of agricultural sourcing arrangements to the competitiveness of alcoholic beverage manufacturers. Sustainable sourcing can therefore enable companies to select responsible suppliers, promote efficient resource utilization, reduce environmental impacts, manage supply risks, and enhance long-term supply chain resilience. However, the effectiveness of sustainable sourcing strategy may depend on the availability and accessibility of organizational resources (Horowitz, 2018). Adequate financial, technological, human, and operational resources may enable firms to identify and monitor sustainable suppliers, support local farmers, adopt environmentally responsible sourcing practices, comply with sustainability requirements, and maintain long-term supplier relationships. Therefore, examining sustainable sourcing strategy without

considering the role of organizational resources may provide an incomplete understanding of how sourcing practices contribute to the performance of alcoholic beverage manufacturing companies.

Although studies have examined sustainable sourcing and procurement practices in Kenya, limited attention has been given to sustainable sourcing strategy among alcoholic beverage manufacturing companies and the moderating role of organizational resources. For instance, Magembe (2020) investigated sustainable procurement trade-offs and their effect on environmental supply chain performance among export processing zone (EPZ) firms in Kenya. However, the study was limited to EPZ firms and focused on environmental supply chain performance rather than the overall performance of alcoholic beverage manufacturing companies. In addition, the study did not specifically examine sustainable sourcing strategy or establish how organizational resources influence the relationship between sustainable sourcing strategy and company performance. Further, the need to manage excise taxation, inflationary pressures, input price volatility, and supply chain uncertainties makes it important to establish whether organizational resources strengthen the capacity of alcoholic beverage manufacturers to implement sustainable sourcing practices and translate them into improved company performance. This creates a contextual and empirical gap that the current study sought to address by examining the relationship between sustainable sourcing strategy and the performance of alcoholic beverage manufacturing companies in Kenya and the moderating effect of organizational resources.

The null hypothesis in this study was;

**$H_{01}$:** Sustainable sourcing strategy has no statistically significant relationship with performance of alcoholic beverages manufacturing companies in Kenya.

**$H_{02}$:** Organizational resources have no statistically significant moderating effect on the relationship between sustainable sourcing strategy and performance of alcoholic beverages manufacturing companies in Kenya.

## Theoretical Review

### Stakeholder Theory

The study was anchored on Stakeholder Theory, which was proposed by R. Edward Freeman in 1984. At its core, the theory posits that organizations should consider the interests and expectations of all stakeholders when making decisions and undertaking business activities, rather than focusing solely on shareholders. The theory recognizes stakeholders as individuals or groups that can affect or are affected by the activities and outcomes of an organization, including employees, customers, suppliers, local communities, government agencies, and the environment (Freeman, 2023). Unlike the traditional shareholder-oriented perspective, which emphasizes the maximization of shareholder wealth, Stakeholder Theory emphasizes the need for organizations to create value for multiple stakeholders. The theory further suggests that organizations can achieve long-term sustainability and improved performance by developing and maintaining positive relationships with stakeholders. Effective stakeholder engagement enables organizations to understand stakeholder expectations, address competing interests, and integrate economic, social, and environmental considerations into organizational decisions (Harrison, 2020).

Assumptions underlying stakeholder theory include the belief that organizations operate within a broader social, economic, and environmental context and therefore have responsibilities that

extend beyond profit maximization (Freeman & Sisodia, 2020). The theory assumes that stakeholders have legitimate interests in organizational activities and that these interests should be recognized and considered in decision-making processes. Furthermore, the theory assumes that organizations can create and sustain value by managing relationships with stakeholders in a manner that considers their diverse needs and expectations. These assumptions provide a framework for understanding how organizations can balance economic objectives with social and environmental responsibilities while maintaining stakeholder support. Consequently, organizations that effectively manage stakeholder interests are more likely to strengthen their legitimacy, reputation, relationships, and long-term organizational performance (Freeman & Sisodia, 2020).

Stakeholder Theory offers valuable insights into how sustainable sourcing strategy may influence the performance of alcoholic beverages manufacturing companies in Kenya. In the context of sustainable sourcing, key stakeholders include suppliers, employees, customers, local communities, government agencies, and environmental groups. The theory suggests that companies can improve their relationships with these stakeholders by adopting sourcing practices that address economic, social, and environmental expectations (Harrison, 2020). Sustainable sourcing strategies in the alcoholic beverages manufacturing sector can therefore be understood as a means through which companies integrate stakeholder interests into the procurement of raw materials and other resources. By selecting responsible suppliers, ensuring ethical labour practices, promoting environmental conservation, complying with regulatory requirements, and supporting local communities, alcoholic beverages manufacturing companies can enhance supplier relationships, improve supply reliability, reduce environmental and supply chain risks, and strengthen their reputation. These outcomes can contribute to operational efficiency, stakeholder satisfaction, competitiveness, and ultimately improved organizational performance.

**Resource-Based View Theory**

The Resource-based View of the Firm was developed by Wernerfelt in 1984. Resource-Based View (RBV) theory indicates that a firm's sustained competitive advantage stems from its unique bundle of internal resources and capabilities. According to RBV, firms can achieve superior performance and long-term success by leveraging their distinctive resources and capabilities to create value in ways that are difficult for competitors to imitate or replicate (Nayak & Krishnamoorthy, 2023). Unlike traditional approaches that focus on external market conditions or industry structure, RBV emphasizes the internal strengths and assets of the firm as the primary drivers of competitive advantage (Barney & Wright, 2021). Resources encompass a wide range of tangible and intangible assets, including physical assets, human capital, organizational knowledge, brand reputation, and innovative capabilities, while capabilities refer to the firm's ability to deploy and integrate its resources effectively to achieve strategic objectives (Freeman, Dmytriyev & Phillips, 2021).

Assumptions underlying RBV include the belief that resources and capabilities are heterogeneously distributed across firms, meaning that not all firms possess the same set of valuable, rare, and difficult-to-imitate resources (Davis & DeWitt, 2021). RBV also assumes that resources are durable and can be leveraged over time to generate sustained competitive advantage. Additionally, the theory suggests that firms should focus on building and exploiting internal resources and capabilities rather than solely relying on external market conditions or industry dynamics to drive competitive success. By leveraging their unique bundle of resources and capabilities, firms can create a sustainable competitive advantage that is less susceptible to

imitation or substitution by competitors, leading to superior performance and long-term success (Freeman, Dmytriyev & Phillips, 2021).

The study used Resource-Based View (RBV) theory to examine the moderating effect of organizational resources on the relationship between sourcing strategies and performance of alcoholic beverages manufacturing companies in Kenya. The Resource-Based View (RBV) theory is a framework used in strategic management and organizational theory to analyze a firm's competitive advantage and performance. It suggests that a firm's resources and capabilities are the primary drivers of its sustained competitive advantage and superior performance (Davis & DeWitt, 2021). Companies with strong resource endowments may be better able to leverage their sourcing strategies for superior performance, while those with weaker resource bases may face limitations in realizing the full benefits of their sourcing efforts.

**Conceptual Framework**

A conceptual framework refers to the diagrammatical visualization of theoretical aspects of a particular research so as to show the existing relationship between variables (Waddell, 2020). The independent variable was sustainable sourcing strategy, and the dependent variable was performance of alcoholic beverage manufacturing companies in Kenya.

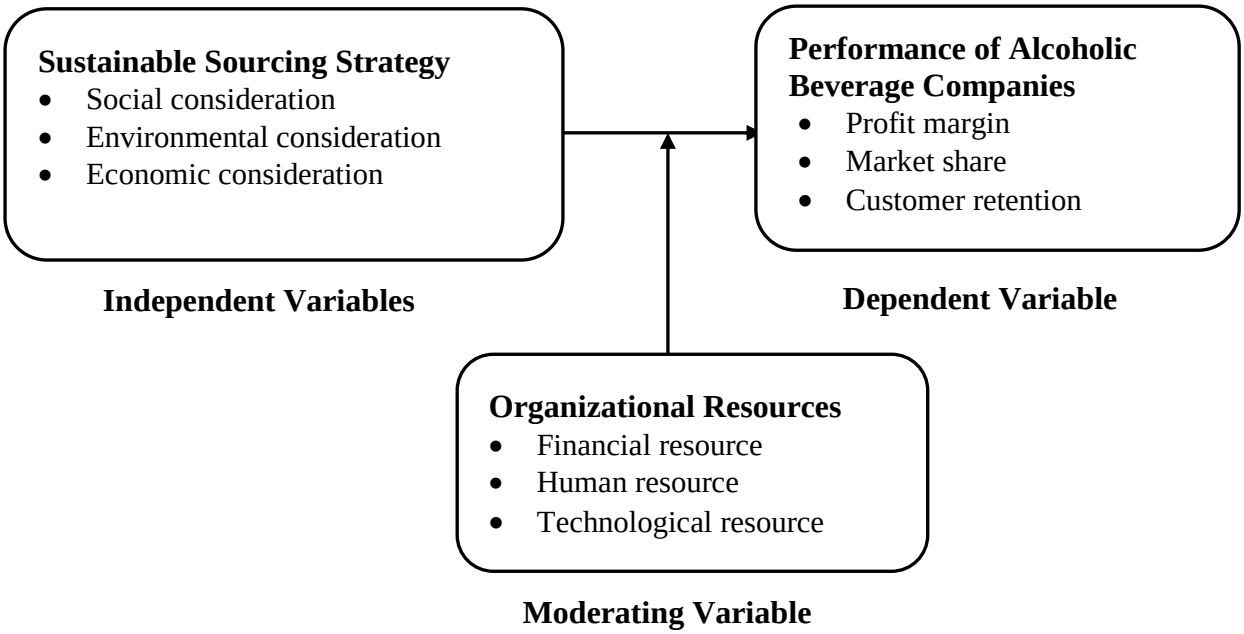



*Figure 1: Conceptual Framework*

**Empirical Review**

**Sustainable Sourcing Strategy and Performance of Alcoholic Beverage Companies**

In China, Shou, Kang, and Park (2023) conducted a comprehensive examination of the relationship between sustainable sourcing and firm agility performance, integrating concepts from the extended resource-based view and contingency theory. Their hypothesis suggests that sustainable sourcing positively influences agility performance, particularly when coupled with organizational ambidexterity and supply chain disruption. Analyzing data from 790

manufacturing firms through regression analysis, the study confirms the positive impact of sustainable sourcing on performance, with organizational ambidexterity and supply chain disruption acting as significant moderators. This research not only enriches the literature on sustainable supply chain management, organizational ambidexterity, and agility but also provides valuable managerial insights into optimizing sourcing strategies and enhancing organizational performance in dynamic business environments.

In the United States, Arora, Sivakumar and Burke (2020) examined the relationship between strategic sustainable purchasing (SSP) and organizational sustainability performance (OSP). Methodologically, the hypothesized relationships are examined through a two-step multi-group analysis conducted in partial least squares-structural equation modeling (PLS-SEM). The findings reveal that a small supply base size positively moderates the relationship between SSP and environmental collaboration, thereby enhancing OSP. Conversely, in the context of a large supply base, strategic purchasing demonstrates a positive association with environmental collaboration, while environmental purchasing exhibits a negative relationship. Additionally, a large supply base is positively correlated with environmental collaboration and economic sustainability, although the link between environmental collaboration and environmental and social performance is non-significant.

In Kenya, Magembe (2020) investigated sustainable procurement trade-offs and their impact on the environmental supply chain performance of export processing zone (EPZ) firms in Kenya. Quantitative data was collected from supply chain department heads or their representatives in Nairobi and Machakos counties. The findings indicate that EPZ firms in Kenya extensively adopt sustainable procurement trade-offs, such as procuring products with minimal environmental impact, building new supplier relationships for sustainable products, and investing in environmentally-friendly materials. Additionally, they prioritize spending on sustainable products, use clean materials over hazardous ones, and opt for sustainable traceable raw materials. Furthermore, the firms adhere to environmental certification criteria for product labeling rather than relying solely on organizational specifications.

The reviewed studies demonstrate the contribution of sustainable sourcing and purchasing practices to organizational performance. However, Shou et al. (2023) examined manufacturing firms in China, while Arora et al. (2020) focused on sustainable purchasing in the United States, limiting the applicability of their findings to Kenyan alcoholic beverages manufacturers. Similarly, Magembe (2020) examined sustainable procurement among export processing zone firms in Kenya, focusing on environmental supply chain performance rather than the overall performance of breweries and distilleries. Methodologically, the studies employed regression analysis, PLS-SEM and quantitative approaches, providing limited evidence on the moderating influence of organizational resources within the Kenyan alcoholic beverages manufacturing context. Furthermore, limited attention has been given to sustainable sourcing of agricultural raw materials in brewing and distilling companies. Therefore, the current study addresses these contextual, conceptual and methodological gaps by examining the relationship between sustainable sourcing strategy and organizational performance of alcoholic beverages manufacturing companies in Kenya, with organizational resources as a moderating variable.

**Organizational Resources, Sourcing Strategies, Performance of Alcoholic beverage companies**

In Malaysia, Rose, Abdullah and Ismad (2020) examined the relationship between organizational resources, competitive advantage and performance. Understanding the sources

of sustained competitive advantage has become a focal point in strategic management research. The resource-based view (RBV) theory posits that firms achieve competitive advantage and superior performance through the attributes of their resources, particularly those that are valuable and difficult to imitate. To surpass industry performance averages and outperform competitors, organizations must comprehend the relationship between their internal resources, competitive advantage, and performance. The findings indicated that organizational resources have a positive and significant effect on competitive advantage and performance of firms.

In Kenya, Katuse (2018) examined the influence of organizational resources on organizational effectiveness. The research aimed to investigate the impact of available resources on organizational effectiveness within registered non-governmental organizations (NGOs), employing a positivist research philosophy and adopting an explanatory and descriptive research design. The population under study consisted of project managers, with data collected through a questionnaire. Utilizing inferential and descriptive statistics, the analysis encompassed standard deviation, mean, percentages, regression analysis, and ANOVA. The findings indicated that fundraising efforts and the allocation of funds to strategic activities significantly influenced organizational process efficiency, while staff empowerment had a negative impact on efficiency.

The reviewed studies establish the importance of organizational resources in enhancing organizational effectiveness, competitive advantage and performance. However, Rose, Abdullah and Ismad (2020) examined organizational resources, competitive advantage and firm performance in Malaysia, limiting the direct applicability of their findings to alcoholic beverages manufacturing companies in Kenya. Similarly, Katuse (2018) focused on organizational resources and effectiveness among registered NGOs in Kenya rather than manufacturing companies. Although the studies establish the contribution of organizational resources to organizational outcomes, they do not examine their moderating effect on the relationship between sustainable sourcing strategy and organizational performance. Methodologically, the studies also differ in their organizational settings and research focus, providing limited industry-specific evidence on how financial, technological and human resources influence sustainable sourcing implementation. Consequently, the current study addresses these contextual, conceptual and methodological gaps by examining the moderating effect of organizational resources on the relationship between sustainable sourcing strategy and the performance of alcoholic beverages manufacturing companies in Kenya.

## METHODOLOGY

The study adopted explanatory research design. The unit of analysis in this study was 30 alcoholic beverages manufacturing companies in Kenya as indicated by Kenya Revenue Authority (2023). The unit of observation was the heads of finance, administration, procurement, ICT, operations, marketing and logistics departments in these institutions. These departments were selected because they were directly involved in supply chain management. The target population was therefore 210 heads of departments working in finance, administration, procurement, ICT, operations, marketing and logistics departments in alcoholic beverages manufacturing companies in Kenya.

The study used Slovin's formula in the determination of the sample size.

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{210}{1 + 210(0.05)^2}$$

$$n = \frac{210}{1.525}$$

$$n = 137.7 \approx 137$$

Thus, the overall sample size was proportionately allocated across the five sub-sectors, and rounding the individual allocations to whole numbers resulted in a final sample of 137 respondents.

**Table 1: Sample Size**

| Sub-Sector | No. Companies | Respondents per company | Target Population | Sample Size |
|---|---|---|---|---|
| Ethyl Alcohol | 2 | 7 | 14 | 9 |
| Beer | 4 | 7 | 28 | 18 |
| Spirits and Spiritous Beverages | 9 | 7 | 63 | 41 |
| Wines | 2 | 7 | 14 | 9 |
| Opaque Beer | 13 | 7 | 91 | 60 |
| **Total** | **30** | **7** | 210 | 137 |

The study used stratified random sampling in the selection of the sample size. The objective is to ensure that each subgroup is adequately represented in the final sample. The strata in this study were the five categories of alcoholic beverage manufacturers. Stratified random sampling offers several benefits, including increased precision and representativeness in the sample by ensuring that important subgroups within the population are adequately represented (Hair, Page & Brunsveld, 2020).

The study used primary as well as secondary data. Secondary data was derived from yearly reports of different alcoholic beverages manufacturing companies in Kenya. Primary data was obtained using semi-structured questionnaires. Structured questions were in the form of a Likert scale as well as nominal scale. A pilot test was carried out so as to ensure the reliability and validity and reliability of the research instrument. According to Kumar (2019), the sample size for a pilot study should be 10 percent of the sample size. The pilot group comprised of 10 percent of the sample size that was selected from East African Breweries Limited.

The questionnaires generated qualitative and quantitative data. Thematic analysis was used to analyze qualitative data and the results were presented in a narrative form. Moreover, descriptive as well as inferential statistics was employed in analyzing quantitative data with the assistance of SPSS version 25 statistical software. Descriptive statistics comprised of frequency distribution, percentages, standard deviation and mean. Inferential data analysis was carried out using Pearson correlation coefficient, multivariate linear regression, and step-wise regression analysis. Regression analysis allows the researcher to quantify the strength of the relationship between the independent variable (sustainable sourcing strategies) and the dependent variable (performance). By estimating regression coefficients, the researcher determined the extent to which changes in sustainable sourcing strategies are associated with changes in performance outcomes. Regression model was as follows;

$$Y = \beta_0 + \beta_1 X_1$$

Whereby; Y = Performance of alcoholic beverages manufacturing companies; $B_0$ = Constant; $\beta_1$=Coefficient of determination; $X_1$ = Sustainable Sourcing Strategy

## FINDINGS AND DISCUSSIONS

The researcher distributed 137 questionnaires to the heads of finance, administration, procurement, ICT, operations, marketing, and logistics departments in 30 alcoholic beverages manufacturing companies in Kenya. As presented in Table 1, out of the 137 questionnaires distributed, 123 were fully completed and returned, representing a response rate of 89.78%. Latwal (2020) noted that a response rate of 50% is sufficient for effective analysis, 60% is considered good, while 70% or higher is regarded as excellent. This study attained an impressive response rate of 89.78%, surpassing these benchmarks. Such a high response rate demonstrates not only more than adequate participation but also strong engagement from the respondents.

**Table 2: Response Rate**

| Sub-Sector | Sample Size | Response | Response Rate |
|---|---|---|---|
| Ethyl Alcohol | 9 | 7 | 77.78 |
| Beer | 18 | 13 | 72.22 |
| Spirits and Spiritous Beverages | 41 | 39 | 95.12 |
| Wines | 9 | 7 | 77.78 |
| Opaque Beer | 60 | 57 | 95.00 |
| **Total** | **137** | **123** | **89.78** |

### Sustainable Sourcing Strategy

The respondents were asked to indicate the extent to which they agree with various statements on sustainable sourcing strategy. The results were as shown in Table 3. With a mean of 4.342 (SD=0.808), the respondents agreed that they believe that considering social impacts in sourcing decisions contributes to the well-being of workers and communities. These findings align with Shou, Kang, and Park (2023) observations that incorporating social considerations in sourcing decisions contributes to the well-being of workers and local communities, promoting ethical practices and sustainable development within the supply chain. Also, the respondents agreed with a mean of 4.276 (SD=0.969) that socially responsible sourcing practices enhance our company's reputation and brand image. Similarly, with a mean of 4.219 (SD=0.979), the respondents agreed that sustainable sourcing enhances their company's resilience to environmental risks and regulatory changes.

With a mean of 4.163 (SD=0.935), the respondents agreed that they believe that considering economic factors in sourcing decisions promotes supply chain resilience and competitiveness. Also, the respondents agreed with a mean of 4.138 (SD=0.813) that they believe that environmentally friendly sourcing practices contribute to the conservation of natural resources and biodiversity. The respondents also agreed with a mean of 4.065 (SD=0.921) that they feel confident that integrating economic considerations into sourcing decisions leads to mutually beneficial partnerships and collaborations. These findings conform to Magembe (2020) who observed that integrating economic considerations into sourcing decisions fosters mutually beneficial partnerships and collaborations, enhancing value creation and long-term sustainability for all parties involved.

In addition, the respondents agreed with a mean of 4.049 (SD=0.991) that they feel confident that integrating environmental considerations into sourcing decisions leads to cost savings and

operational efficiencies. With a mean of 3.959 (SD=0.995), the respondents agreed that sustainable sourcing practices contribute to the economic development of local communities and suppliers. Moreover, with a mean of 3.886 (SD=1.095), the respondents agreed that they feel confident that integrating social considerations into sourcing decisions fosters stronger relationships with stakeholders. These findings concur with Shou, Kang, and Park (2023) observations that integrating social considerations into sourcing decisions fosters stronger, more trusting relationships with stakeholders, enhancing collaboration and stakeholder engagement across the supply chain.

The respondents were further asked to indicate how sustainable sourcing strategy influences the performance of alcoholic beverage manufacturing companies in Kenya. According to the findings, sustainable sourcing strategy influences company performance by promoting operational efficiency and reducing long-term costs. Sustainable practices, such as sourcing energy-efficient equipment, environmentally friendly packaging materials, and responsibly produced raw materials, can help alcoholic beverage manufacturing companies reduce waste and control production costs associated with energy and resource consumption. The strategy also encourages manufacturers to work with suppliers who comply with environmental regulations and industry standards, thereby reducing the risk of penalties, supply disruptions, and reputational damage. In addition, sustainable sourcing enables companies to manage supply chain risks associated with environmental challenges, resource scarcity, and climate-related disruptions.

Furthermore, sustainable sourcing strategy positively contributes to the reputation and competitiveness of alcoholic beverage manufacturing companies in Kenya. By working with suppliers committed to ethical and environmentally responsible practices, companies demonstrate corporate social responsibility, which can strengthen their brand image and stakeholder trust. Consumers are increasingly attentive to environmentally responsible production and packaging practices, which may enhance customer loyalty and market acceptance. Moreover, sustainable sourcing encourages collaboration with suppliers in developing innovative production processes, sustainable packaging solutions, and environmentally responsible technologies that can improve operational efficiency and product quality. Thus, adopting sustainable sourcing strategies can support alcoholic beverage manufacturing companies in improving operational performance, strengthening market competitiveness, managing supply chain risks, and achieving sustainable growth.

**Table 3: Sustainable Sourcing Strategy**

| | 1 | 2 | 3 | 4 | 5 | Mean | Std. Deviation |
|---|---|---|---|---|---|---|---|
| I believe that considering social impacts in sourcing decisions contributes to the well-being of workers and communities. | 0.0 | 3.3 | 11.4 | 33.3 | 52.0 | 4.342 | 0.808 |
| Socially responsible sourcing practices enhance our company's reputation and brand image. | 2.4 | 4.9 | 7.3 | 33.3 | 52.0 | 4.276 | 0.969 |
| I feel confident that integrating social considerations into sourcing decisions fosters stronger relationships with stakeholders. | 4.9 | 7.3 | 14.6 | 40.7 | 32.5 | 3.886 | 1.095 |
| I believe that environmentally friendly sourcing practices contribute to the conservation of natural resources and biodiversity. | 0.0 | 4.9 | 12.2 | 47.2 | 35.8 | 4.138 | 0.813 |
| Sustainable sourcing enhances our company's resilience to environmental risks and regulatory changes. | 2.4 | 4.9 | 9.8 | 34.1 | 48.8 | 4.219 | 0.979 |
| I feel confident that integrating environmental considerations into sourcing decisions leads to cost savings and operational efficiencies. | 2.4 | 4.9 | 17.1 | 36.6 | 39.0 | 4.049 | 0.991 |
| I believe that considering economic factors in sourcing decisions promotes supply chain resilience and competitiveness. | 0.0 | 7.3 | 14.6 | 32.5 | 45.5 | 4.163 | 0.935 |
| Sustainable sourcing practices contribute to the economic development of local communities and suppliers. | 2.4 | 7.3 | 14.6 | 43.1 | 32.5 | 3.959 | 0.995 |
| I feel confident that integrating economic considerations into sourcing decisions leads to mutually beneficial partnerships and collaborations. | 0.0 | 9.8 | 9.8 | 44.7 | 35.8 | 4.065 | 0.921 |

**Organizational Resources**

The respondents were asked to indicate the extent to which they agree with numerous statements on organizational resources. The findings were as illustrated in Table 4.8. The respondents agreed with a mean of 4.431 (SD=0.942) that they are satisfied with the accessibility and reliability of the technological resources provided. Similarly, with a mean of 4.276 (SD=0.943), the respondents agreed that they feel supported in their professional growth and development within the organization. These findings are in line with Rose, Abdullah and Ismad (2020) observations that employees feel supported in their professional growth and

development, fostering increased motivation, engagement, and long-term commitment to the organization. With a mean of 4.065 (SD=0.894), the respondents agreed that their organization values and invests in the development of its human resources.

With a mean of 4.098 (SD=0.909), the respondents agreed that their technological infrastructure is regularly updated to meet evolving needs and standards. Also, with a mean of 3.959 (SD=0.995), the respondents agreed that there are clear pathways for career advancement and skill enhancement. The respondents agreed with a mean of 3.951 (SD=0.965) that they are satisfied with the level of financial support available for projects and operations. These findings align with Katuse (2018) who observed that providing clear pathways for career advancement and opportunities for skill enhancement motivates employees, strengthens their capabilities, and contributes to overall organizational performance.

In addition, the respondents agreed with a mean of 3.869 (SD=1.024) with the statement indicating that their organization allocates financial resources effectively to support strategic initiatives. With a mean of 3.854 (SD=1.076), the respondents agreed that their organization effectively leverages technological resources to enhance productivity and innovation. These findings conform to Rose, Abdullah and Ismad (2020) observations that organizations effectively leverage technological resources to enhance productivity, drive innovation, and improve overall operational efficiency. Moreover, with a mean of 3.821 (SD=1.056), the respondents agreed that their financial resources are managed transparently and responsibly.

Further, the respondents were asked to indicate how organizational resources additionally influence the performance of their organization. The respondents indicated that organizational resources significantly influence the performance of their organization by providing the essential assets, capabilities, and infrastructure needed for efficient operations and achieving strategic objectives. Adequate financial resources enable investment in technology, employee training, and process improvements, enhancing productivity and service quality. Skilled and motivated human resources contribute to innovation, problem-solving, and operational excellence. Physical and technological resources, including equipment, software, and communication systems, streamline workflows, reduce errors, and improve response times. Organizations optimize processes, reduce operational costs, and maintain high levels of service delivery, by effectively managing and deploying these resources.

In addition, organizational resources play a crucial role in supporting long-term strategic initiatives and sustainable growth. Access to specialized knowledge, innovative technologies, and structured internal processes allows organizations to respond effectively to changing market demands and emerging opportunities. Strong financial resources support research and development, expansion, and risk mitigation strategies, ensuring continued performance. Continuous human capital development enhances employee efficiency, engagement, and retention, while integrated technological systems enable better coordination, data-driven decision-making, and process automation. Strategic utilization of organizational resources, therefore, fosters operational efficiency, innovation, and competitive advantage, ultimately contributing to improved organizational outcomes and sustained growth.

**Table 4: Statements Organizational Resources**

| | 1 | 2 | 3 | 4 | 5 | Mean | Std. Deviation |
|---|---|---|---|---|---|---|---|
| Our organization allocates financial resources effectively to support strategic initiatives. | 2.4 | 9.8 | 15.4 | 43.1 | 29.3 | 3.869 | 1.024 |
| I am satisfied with the level of financial support available for projects and operations. | 2.4 | 7.3 | 12.2 | 48.8 | 29.3 | 3.951 | 0.965 |
| Our financial resources are managed transparently and responsibly. | 4.9 | 7.3 | 14.6 | 47.2 | 26.0 | 3.821 | 1.056 |
| Our organization values and invests in the development of its human resources. | 0.0 | 7.3 | 14.6 | 42.3 | 35.8 | 4.065 | 0.894 |
| I feel supported in my professional growth and development within the organization. | 2.4 | 2.4 | 12.2 | 30.9 | 52.0 | 4.276 | 0.943 |
| There are clear pathways for career advancement and skill enhancement. | 2.4 | 7.3 | 14.6 | 43.1 | 32.5 | 3.959 | 0.995 |
| Our organization effectively leverages technological resources to enhance productivity and innovation. | 4.9 | 7.3 | 14.6 | 43.9 | 29.3 | 3.854 | 1.076 |
| I am satisfied with the accessibility and reliability of the technological resources provided. | 2.4 | 2.4 | 9.8 | 20.3 | 65.0 | 4.431 | 0.942 |
| Our technological infrastructure is regularly updated to meet evolving needs and standards. | 0.0 | 7.3 | 14.6 | 39.0 | 39.0 | 4.098 | 0.909 |

**Performance of Alcoholic Beverage Manufacturing Companies**

The respondents were asked to indicate the agreement level with various statements on performance of alcoholic beverage manufacturing companies in Kenya. The results were as shown in Table 4. The respondents agreed with a mean of 4.512 (SD=0.890) with the statement indicating that alcoholic beverage manufacturing companies invest in initiatives to enhance customer loyalty and retention. Similarly, with a mean of 4.390 (SD=1.013), the respondents agreed that feedback and insights from customers are actively collected and utilized by alcoholic beverage manufacturing companies to improve retention strategies. With a mean of 4.350 (SD=1.008), the respondents agreed that alcoholic beverage manufacturing companies effectively capture and retain market share in competitive markets. These findings conform to Javed (2022) observations that alcoholic beverage manufacturing companies effectively capture and retain market share by implementing strategies that enhance competitiveness and respond proactively to market dynamics.

With a mean of 4.244 (SD=0.961), the respondents agreed that their organization closely tracks changes in market share within the alcoholic beverage industry. In addition, with a mean of 4.228 (SD=0.787), the respondents agreed that alcoholic beverage manufacturing companies effectively manage costs to maintain healthy profit margins. These findings conform to

Ramjaun and Sanchez (2024) who observed that alcoholic manufacturing beverage companies effectively manage operational and production costs, enabling them to maintain healthy profit margins and enhance overall financial performance. The respondents also agreed with a mean of 4.138 (SD=0.813) that alcoholic beverage manufacturing companies demonstrate strong competitive positioning through significant market share.

With a mean of 4.049 (SD=0.965), the respondents agreed that their organization benefits from the high levels of customer retention maintained by alcoholic manufacturing beverage companies. These findings align with Shou, Kang, and Park (2023) observations that organizations benefit from the high levels of customer retention achieved by alcoholic beverage manufacturing companies, which strengthens brand loyalty and supports sustained revenue growth. The respondents agreed with a mean of 3.984 (SD=0.958) that they believe the profit margins of alcoholic beverage manufacturing companies are consistently strong. In addition, with a mean of 3.886 (SD=1.262), the respondents agreed that their organization's profitability is positively impacted by the performance of alcoholic beverage manufacturing companies.

**Table 4: Statements on Performance of Alcoholic Beverage Manufacturing Companies in Kenya**

| | 1 | 2 | 3 | 4 | 5 | Mean | Std. Deviation |
|---|---|---|---|---|---|---|---|
| I believe that the profit margins of alcoholic beverage companies are consistently strong. | 2.4 | 4.9 | 17.1 | 43.1 | 32.5 | 3.984 | 0.958 |
| Alcoholic beverage companies effectively manage costs to maintain healthy profit margins. | 0.0 | 2.4 | 14.6 | 40.7 | 42.3 | 4.228 | 0.787 |
| Our organization's profitability is positively impacted by the performance of alcoholic beverage companies. | 7.3 | 9.8 | 12.2 | 28.5 | 42.3 | 3.886 | 1.262 |
| Alcoholic beverage companies demonstrate strong competitive positioning through significant market share. | 0.0 | 4.9 | 12.2 | 47.2 | 35.8 | 4.138 | 0.813 |
| Our organization closely tracks changes in market share within the alcoholic beverage industry. | 2.4 | 4.9 | 7.3 | 36.6 | 48.8 | 4.244 | 0.961 |
| I believe that alcoholic beverage companies effectively capture and retain market share in competitive markets. | 2.4 | 4.9 | 9.8 | 21.1 | 61.8 | 4.35 | 1.008 |
| Our organization benefits from the high levels of customer retention maintained by alcoholic beverage companies. | 0.0 | 9.8 | 14.6 | 36.6 | 39.0 | 4.049 | 0.965 |
| I believe that alcoholic beverage companies invest in initiatives to enhance customer loyalty and retention. | 2.4 | 2.4 | 4.9 | 22.0 | 68.3 | 4.512 | 0.89 |
| Feedback and insights from customers are actively collected and utilized by alcoholic beverage companies to improve retention strategies. | 2.4 | 4.9 | 9.8 | 17.1 | 65.9 | 4.39 | 1.013 |

## Correlation Analysis

Correlation analysis is a statistical method used to measure the strength and direction of the relationship between two or more variables. The study employed the Pearson correlation coefficient to analyze the relationship between sustainable sourcing strategy and the performance of alcoholic beverage manufacturing companies in Kenya. According to results in Table 5, there is a significant positive correlation between sustainable sourcing strategy and the performance of alcoholic beverage companies (r = 0.681, p-value = 0.000). This implies that effective sustainable sourcing practices are linked to enhanced performance in alcoholic beverage companies. The findings agree with Magembe (2020) observations that EPZ firms in Kenya extensively adopt sustainable procurement trade-offs, such as procuring products with minimal environmental impact, building new supplier relationships for sustainable products, and investing in environmentally-friendly materials. The findings further align with Shou, Kang, and Park (2023) observations that sustainable sourcing positively influences agility performance.

Also, there is a significant positive correlation between organizational resources and the performance of alcoholic beverage companies (r = 0.764, p-value = 0.000). This suggests that strong organizational resources contribute positively to the performance of alcoholic beverage companies. The findings align with Katuse (2018) observations that fundraising efforts and the allocation of funds to strategic activities significantly influenced organizational process efficiency. The findings also agree with Rose, Abdullah and Ismad (2020) observations that organizational resources have a positive and significant effect on competitive advantage and performance of firms.

**Table 5: Correlation Analysis Results**

| | | Performance of Alcoholic beverage companies | Sustainable sourcing strategy | Organizational Resources |
|---|---|---|---|---|
| Performance of alcoholic beverage companies | Pearson Correlation | 1 | | |
| | Sig. (2-tailed) | | | |
| | N | 123 | | |
| Sustainable sourcing strategy | Pearson Correlation | .681** | 1 | |
| | Sig. (2-tailed) | .000 | | |
| | N | 123 | 123 | |
| Organizational resources | Pearson Correlation | .764** | .616** | 1 |
| | Sig. (2-tailed) | .000 | .000 | |
| | N | 123 | 123 | 123 |

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

## Linear Regression Analysis

Linear regression was employed to assess the relationship between sustainable sourcing strategy and performance. As illustrated in Table 6, the R-squared for the relationship between sustainable sourcing strategy and performance of alcoholic beverages manufacturing companies in Kenya was 0.464, which means that 46.4% of the variation in the dependent variable (performance of alcoholic beverages manufacturing companies in Kenya) can be explained by sustainable sourcing strategy.

**Table 6: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .681[a] | .464 | .460 | .34124 |

a. Predictors: (Constant), Sustainable sourcing strategy

As depicted in Table 7, the F-calculated (104.784) was greater than the F-critical from the F-distribution table (3.920). In addition, the p-value (0.000) was less than the significance level of 0.05. Therefore, the model is a good fit for the data and hence can be used to examine the influence of sustainable sourcing strategy on the performance of alcoholic beverage manufacturing companies in Kenya.

**Table 7: Analysis of Variance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 12.202 | 1 | 12.202 | 104.784 | .000[b] |
| | Residual | 14.090 | 121 | .116 | | |
| | **Total** | **26.292** | **122** | | | |

a. Dependent Variable: Performance of Alcoholic beverage companies
b. Predictors: (Constant), Sustainable sourcing strategy

Regression equation for the unstandardized coefficients was;

$Y = 1.258 + 0.679X_1$

Sustainable sourcing strategy had a positive and statistically significant effect on performance ($\beta_1 = 0.679$, $p < 0.001$). A one-unit increase in sustainable sourcing strategy was associated with a 0.679-unit increase in performance. These findings are in agreement with Shou, Kang, and Park (2023) observations that sustainable sourcing positively influences agility performance in China. The findings are in line with Magembe (2020) observations that EPZ firms in Kenya extensively adopt sustainable procurement trade-offs, such as procuring products with minimal environmental impact, building new supplier relationships for sustainable products, and investing in environmentally-friendly materials in Kenya.

**Table 8: Regression Coefficients**

| | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|
| **Model** | **B** | **Std. Error** | **Beta** | **t** | **Sig.** |
| 1(Constant) | 1.258 | .244 | | 5.148 | .000 |
| Sustainable sourcing strategy | .679 | .066 | .681 | 10.236 | .000 |

a. Dependent Variable: Performance of Alcoholic beverage companies

**Moderation Analysis**

Stepwise regression analysis was used in the research to determine how organizational resources (z) moderate the relationship between the independent variables and the dependent variable. In Model 1, the R-squared was 0.464, which means that 46.4% of the variability in the dependent variable (organizational performance) can be explained by the predictor (sustainable sourcing strategy). In Model 2, the R-squared was 0.613. This indicates that 61.3% of the variability in the dependent variable can be explained by the predictors when including the interaction term (sustainable sourcing strategy * Organizational Resources). The increase from 46.4% (Model 1) to 61.3% (Model 2) suggests that adding Organizational Resources and

its interaction term provides a better fit to the model, explaining an additional 14.9% of the variability in organizational performance.

**Table 9: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .681[a] | .464 | .460 | .34124 |
| 2 | .783[b] | .613 | .607 | .29110 |

a. Predictors: (Constant), Sustainable sourcing strategy
b. Predictors: (Constant), Sustainable sourcing strategy, Sustainable sourcing strategy *Organizational Resources

In Model 1, as shown in the results, the F-calculated (104.784) was statistically significant with a p-value (0.000) less than the significance level (0.05). This indicates that the predictor (sustainable sourcing strategy) collectively explains a significant amount of the variance in the performance of alcoholic beverages manufacturing companies.

In Model 2, the F-calculated (95.135) was also statistically significant with a p-value (0.000) less than the significance level (0.05). This indicates that the extended set of predictors (sustainable sourcing strategy and the interaction term between sustainable sourcing strategy and organizational resources) explains a significant amount of the variance in the performance of alcoholic beverages manufacturing companies.

**Table 10: Analysis of Variance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 12.202 | 1 | 12.202 | 104.784 | .000[b] |
| | Residual | 14.090 | 121 | .116 | | |
| | **Total** | **26.292** | **122** | | | |
| 2 | Regression | 16.123 | 2 | 8.062 | 95.135 | .000[c] |
| | Residual | 10.169 | 120 | .085 | | |
| | **Total** | **26.292** | **122** | | | |

a. Dependent Variable: Performance of Alcoholic beverage companies
b. Predictors: (Constant), Sustainable sourcing strategy
c. Predictors: (Constant), Sustainable sourcing strategy, Sustainable sourcing strategy *Organizational Resources

Regression equation for the unstandardized coefficients was;

$$Y = 1.258 + 0.679X_1 + 2.175Z + 0.122X_1Z + \varepsilon$$

In Model 1, sustainable sourcing strategy ($\beta = 0.679$, $p = 0.000$) demonstrates a significant positive relationship with the performance of alcoholic beverage companies. The unstandardized coefficient ($B = 0.679$) implies that a unit increase in sustainable sourcing strategy results in a 0.679-unit increase in company performance.

The results demonstrate the moderating effect of organizational resources on the relationship between sustainable sourcing strategy and the performance of alcoholic beverage companies. In Model 2, the interaction between sustainable sourcing strategy and organizational resources ($\beta = 0.122$, $p = 0.000$) exhibits a significant positive interaction. These results suggest that organizational resources positively moderate the relationship between sustainable sourcing strategy and the performance of alcoholic beverage companies, implying that increased organizational resources strengthen the positive contribution of sustainable sourcing strategy

to company performance. The findings establish that organizational resources play a significant moderating role in the relationship between sustainable sourcing strategy and the performance of alcoholic beverage companies.

**Table 11: Regression Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | 1.258 | .244 | | 5.148 | .000 |
| | Sustainable sourcing strategy | .679 | .066 | .681 | 10.236 | .000 |
| 2 | (Constant) | 2.175 | .248 | | 8.761 | .000 |
| | Sustainable sourcing strategy | -1.308 | .315 | -1.312 | -4.151 | .000 |
| | Sustainable sourcing strategy *Organizational Resources | .122 | .018 | .808 | 6.803 | .000 |

a. Dependent Variable: Performance of Alcoholic beverage companies

## CONCLUSION AND RECOMMENDATIONS

### Sustainable Sourcing Strategy

The study concludes that sustainable sourcing strategy have a positive and significant relationship with the performance of alcoholic beverage manufacturing companies in Kenya. The study revealed that social considerations, environmental considerations and economic considerations have an effect on the performance of alcoholic beverage manufacturing companies in Kenya. This implies that an improvement in sustainable sourcing strategy would lead to an improvement in the performance of alcoholic beverage manufacturing companies in Kenya.

The study found that sustainable sourcing practices involve integrating social, economic, and environmental considerations into sourcing decisions to enhance overall supply chain performance. It is recommended that firms institutionalize sustainability frameworks that guide sourcing decisions to ensure consistent integration of social, economic, and environmental considerations across all procurement activities. This can be achieved through the development of clear sustainability policies, supplier assessment criteria, and sustainability performance standards that guide sourcing decisions.

The study revealed that considering social impacts in sourcing decisions contributes to the well-being of workers and communities, enhances corporate reputation and brand image, and strengthens stakeholder relationships. It is recommended that organizations strengthen social sustainability practices by adopting supplier codes of conduct that prioritize fair labor practices, community engagement, and ethical sourcing. Firms should also conduct regular social impact assessments to ensure that sourcing decisions positively contribute to worker welfare and community development.

The study further found that sustainable sourcing enhances resilience to environmental risks and regulatory changes, promotes competitiveness, and supports mutually beneficial partnerships and collaborations. It is recommended that firms integrate environmental risk management practices into sourcing decisions by adopting eco-friendly procurement policies and collaborating with suppliers who comply with environmental regulations. In addition, organizations should invest in long-term supplier partnerships that promote innovation,

resource efficiency, and compliance with sustainability standards to enhance competitiveness and long-term supply chain performance.

**Organizational Resources**

The study concludes that organizational resources have a statistically significant moderating effect on the relationship between sustainable sourcing strategy and performance of alcoholic beverages manufacturing companies in Kenya. The study revealed that financial resources, human resources and technological resources have a significant moderating effect on the relationship between sourcing strategies and the performance of alcoholic beverage manufacturing companies in Kenya. This implies that an improvement in organizational resources would strengthen the relationship between sourcing strategies and the performance of alcoholic beverage manufacturing companies in Kenya.

The study found that technological resources are accessible, reliable and support operational efficiency and productivity. It is recommended that firms continue investing in the modernization and upgrading of technological infrastructure to ensure alignment with emerging operational needs and industry standards. Organizations should also strengthen system integration and digital adoption across departments and provide continuous employee training to enhance the effective utilization of technological resources.

The study revealed that organizations support employees' professional growth and development through investments in human resource development, which enhance employee motivation and engagement. It is recommended that organizations strengthen human resource development through structured career development programmes, mentorship, continuous professional training and clear succession planning frameworks. Firms should also establish clear pathways for career advancement and skills enhancement to improve employee retention, motivation and organizational performance.

The study further found that financial resources are available and generally allocated to support organizational projects and strategic initiatives, although their effectiveness is moderate compared to technological resources. It is recommended that firms enhance financial resource management by improving budgeting efficiency, strengthening financial planning systems and ensuring timely allocation of funds to priority projects. In addition, organizations should strengthen transparency and accountability through regular financial audits and performance reviews to optimize financial resource utilization and improve overall organizational performance.

**Areas for Further Research**

The objective of the study was to examine the relationship between sustainable sourcing strategy and the performance of alcoholic beverage manufacturing companies in Kenya, including the moderating effect of organizational resources. The study was limited to selected alcoholic beverage manufacturing companies in Kenya; consequently, the findings may not be generalized to other manufacturing sectors or industries. The study found that sustainable sourcing strategy accounted for 46.4% of the variation in the performance of alcoholic beverage manufacturing companies in Kenya, implying that the remaining 53.6% was attributable to other factors not examined in the study. Accordingly, further research should investigate additional factors that may influence company performance, such as technological adoption, supply chain integration, innovation capability and regulatory environment. Further studies should also examine other organizational factors that may moderate the relationship

between sustainable sourcing strategy and company performance. Additionally, future research could investigate the relationship between sustainable sourcing strategy and organizational performance in other manufacturing sub-sectors, including food processing, pharmaceuticals and fast-moving consumer goods in Kenya.

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