

Journal of Procurement & Supply Chain



ISSN Online 2617-3581

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Peer Reviewed Journals & books

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ISSN: 2617-3581

Analysis of the Relationship between Strategic Procurement Practices and Corporate Performance in Rwanda: A Case of Bralirwa Ltd (2019-2022)

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How to cite this article: Irakoze S. & Akumuntu J. (2024). Analysis of the Relationship between Strategic Procurement Practices and Corporate Performance in Rwanda: A Case of Bralirwa Ltd (2019-2022). *Journal of Procurement & Supply Chain*. Vol 8(1) pp. 42-59 <https://doi.org/10.53819/81018102t2322>

Abstract

This research on analysis of the relationship between strategic procurement practices and corporate performance in Rwanda is motivated by the research problem, According to Bralirwa's financial report, the cost of purchase were respectively high at a rate of 1,756,012,000 in 2020 and increased by 3,755,000,000 in 2021 and increased by 8,595,700,000 and this lead to the poor corporate performance due to the high costs incurred during the acquisition of materials. The variation of the cost increase is 46.8% by 2021 and increased by 43.7% by 2022. The research objective is to analyze the relationship between strategic procurement practices and corporate performance of Bralirwa Ltd. The research specific objectives are: to investigate the relationship between supplier relationship and the corporate performance of Bralirwa Ltd; to examine the relationship between information technology and corporate performance of Bralirwa Ltd and to analyze the relationship between strategic sourcing and the corporate performance of Bralirwa Ltd. This study used three different theories which are: agency theory, Dynamic Capability Theory and Resource-based theory. The study was guided by the descriptive and correlation research design using quantitative approaches. The study targeted 100 respondents from different working unit. As the total population was small, census survey was used and data were collected by using of questionnaires. The study used Statistical Package for Social Sciences (SPSS) to analyze data and the findings of the study were presented through the use of descriptive statistics and inferential statistics. On the first research objective, a total of the respondents who were in agreement were 91.7% agreed that the strategic sourcing has led to efficiency and effectiveness of organization. The findings on second research showed that a total of 87.8% of the respondents were in agreement that information technology is very helpful in the identification and acquisition of goods. The third research objective revealed that there is adequately supplier relationship a total 96.4% of the respondents. Besides, regarding the correlation analysis, the study revealed that there is a significant, strong and positive correlation between Strategic sourcing ($r=0.993$, $p=0.000$), information technology ($r=0.987$, $p=0.00$) and supplier relationship with the corporate performance. The multiple regression analysis revealed that the regression model was statistically significant since the p-value was

<https://doi.org/10.53819/81018102t2322>

less than 5% and the resulting $R^2=0.987$ showed that the performance was due to the variations in the strategic procurement practices. The study recommends investigating in the Logistics management because the flow or movement of materials or money is usually triggered by associated information movement.

Keywords: *Strategic Procurement Practices, Corporate Performance, Bralirwa, Rwanda.*

1. Introduction

Strategic management is used in the procurement process so that functions and activities like logistics, transportation, and waste reduction, as well as the avoidance of overproduction and delays in processing and procurement, are all improved. A key component of delivering effective operations that are very successful inside diverse firms is excellence in procurement. The procurement function is crucial to the attainment of stated strategic goals during economic downturns when organizations must explore all available cost-cutting measures in order to survive (Schiele and McCue, 2016).

The Bralirwa's financial report (2022) shows the purchase costs were high at rates of 1,756,012,000 in 2020, increased by 3,755,000,000 in 2021, and increased by 8,595,700,000 in 2022. This resulted in the poor corporate performance because of the high costs incurred during the acquisition of materials. By 2021, the cost rise vary by 46.8%, and by 2022 and vary by 43.7% and this has been linked with the lack of information on the availability of materials to be acquired as well as the strategic procurement where suppliers are still limited and there is no completion during the acquisition of raw materials.

However, the increases of the acquisition cost lead to the corporate poor performance and this is justified by high cost during the acquisition of goods and services which after the production process and affect the profitability. As far as Bralirwa is concerned, procurement executives wear several hats and oversee a variety of tasks ranging from needs assessment to vendor management and payment processing to satisfy corporate performance and maintaining its pace in competition on Rwandan market share.

1.1 Objectives of the Study

1.1.1 General objective

The general objective of this study is to analyze the relationship between strategic procurement practices and corporate performance of Bralirwa Ltd.

1.1.2 Specific Objectives

- (i) To investigate the relationship between strategic sourcing and the corporate performance of Bralirwa Ltd.
- (ii) To examine the relationship between information technology and corporate performance of Bralirwa Ltd.
- (iii) To analyze the relationship between supplier relationship and the corporate performance of Bralirwa Ltd.

1.2 Research hypothesis

The study was guided by the following Null hypothesis;

H_{00} : There is no positive relationship between strategic procurement practices and corporate performance at Bralirwa Ltd.

H01: There is no relationship between strategic sourcing and corporate performance at Bralirwa Ltd.

H02: There is a significance relationship between information technology and corporate performance of Bralirwa Ltd.

H03: There is no relationship between suppliers' relationship and the corporate performance of Bralirwa Ltd.

2.1 Empirical Review

According to Porter (1998), the value chain serves as a template that businesses use to comprehend their cost position and identify the many strategies that may be employed to help achieve a chosen business-level strategy. The value chain of a company is split into core and supporting operations. Procurement is one of the most significant value chain operations. "All activities involved in obtaining goods and services and managing their inflow into an organization" are what Segev (1998) characterized as procurement. In his statement, Segev (1998) focused on the firm's management of materials and inputs.

Leonard (2000) made reference to the procurement's operational actions. Well-managed procurement business activities may provide a wide range of advantages for organizations. How procurement is done inside the company has a significant impact on the profit and competitiveness of the business. 50% to 70% of a company's total expenditures are attributable to the purchase of products and services (McGinnis & McCarty, 1998). Because the majority of the company's costs are related to procurement, it directly affects earnings. Due to the significant portion of internal expenses impacting interactions between the company and its suppliers, there is also an indirect effect on profit (Gadde & Hakansson, 1998). "Purchasing costs often stand for between 40 and 60 percent of a company's turnover," according to Gadde & Hkansson (1998). The growth of the procurement department has the power to affect a company's profitability. The procurement function has evolved from the passive, clerical perspective of the 1970s to a strategic proactive role that contributes, together with other business activities, to the development of a desired competitive advantage (Versendaal et al. 2005). According to Ellram and Carr (1994) and Carter and Narasimhan (1996), procurement has changed from a routine purchasing operation to a strategic business function that helps organizations maintain a competitive edge.

Gadde & Hakansson (1998) list a few factors that demonstrate the significance of purchases and why they account for a sizable portion of business revenue. First of all, a greater percentage of the company's entire activity is now involved in acquiring. This is due to the fact that the buying department's competence and aptitude have a significant impact on the effectiveness of the business. The profitability of the business is significantly influenced by purchasing. The fact that purchases have a direct impact on the outcome is a second factor in the rise in importance of consumption. The profit margin is increased by one dollar for every dollar less spent on purchases. The realization that advantages may be produced by close and ongoing ties with a supplier is the third factor supporting the significance of purchasing.

The knowledge of the supplier industry, including supplier marketplaces, events, and technology, should be accessible to the effective purchasing function. These potential advantages relate to the movement of goods, the movement of information, and collaboration in technological advancement. The increasing complexity that comes with buying is the second factor supporting the necessity of buying. As society develops, specialized units and diversification increase complexity in the procurement process. Because of the growing specialization, items are now more complex and the purchase process is more difficult. Many businesses import materials from foreign nations.

As a result, global procurement has grown as well, creating a variety of additional issues such as supplier accessibility, managing currencies, and dealing with various laws. The procurement function has grown in importance as firms have shifted their attention to cutting costs and improving efficiency. Procurement used to have a passive function in company organizations and was now involved in regular operational tasks. In addition to believing that procurement used to be more of an administrative than a strategic role, many strategists backed procurement as a strategy. It now plays a role in both tactical and strategic decisions in prosperous businesses. The strategic management of procurement has received increased attention over the past twenty years and is a subject that is frequently addressed. The strategic function that procurement plays in a company's profitability and enhancement of shareholder values.

How can supply and the supply chain successfully support corporate goals and strategy is a major topic in strategic supply. How can the organizational objectives and strategy effectively represent the contribution and possibilities available in the supply chain is the question that follows. The procurement tactics have been the subject of several prior research investigations. According to Ellram & Carr, who were mentioned in Virolainen (1998), the 1980s saw a change in perceptions regarding the function of purchasing in corporate strategy (Ellram & Carr, as cited in Virolainen, 1998).

Previous studies suggested that the procurement department may improve its reputation as a major factor in the company's performance. As the importance of supply-chain management has increased, purchasing has transformed from a nebulous buying function into a strategic business partner (Ellram & Carr, 1994; Cooper & Ellram, 1993). According to Cavinato (1999), strategic procurement makes a significant contribution to the corporate planning process. A procurement strategy, among other things, encourages cross-functional integration among supply chain operations and enables organization-environment alignment for mutual benefit (Carter & Narasimhan, 1996). In order to create and provide value to external consumers, buying serves as a crucial point of interaction between external suppliers and internal organizational customers (Novack & Simco, 1991).

2.1 Strategic sourcing and performance

Because supply managers consistently anticipate future cost increases, many big corporations in the United States and Europe adopt reverse e-sourcing to save expenses (Kaufmann and Carter, 2004). In reverse e-sourcing, suppliers bid on a buyer's business dynamically in real time and often reduce the price of an item to be purchased inside a set time period, frequently thirty minutes or even less. This improves organizational performance by lowering procurement costs, saving time, streamlining the bid process, and enabling suppliers to compete worldwide (Smart and Harrison, 2003). Inadequately estimating total costs associated with using suppliers with lower purchase prices, damaging supplier relationships, switching to incapable suppliers, and having a long-term negative impact on the supply market by driving out capable suppliers are risks associated with high costs (Smeltzer and Carr 2003). Prior to deployment, purchasing procedures should be assessed and changed to address the cost function in order to maximize benefit (Presutti, 2003). According to Lorenzoni, Shank, and Silvi (2009), strategic sourcing focuses on the firm's strategic posture, its complete value chain, and all of its cost drivers.

For the purposes of this study, the term "strategic sourcing" refers to a procurement process that connects data collection; spend analysis, market research, negotiation, and contracting. Also the organization, coordination, and control of cost systems using sophisticated cost accounting methods or computerized systems that produce high-quality cost data for use in

both strategic and operational decisions, such as those involving sourcing, product pricing and mix, and profitability as well as decisions relating to process improvement, product design, and performance measurement and evaluation (Swenson, 1995). The accuracy, reliability, completeness, timeliness, and relevance of CM effectiveness are the five elements of cost data quality that are the subject of this study. CM effectiveness is an important technique for a manufacturing firm because it supports the strategic and operational decision (Swenson, 1995). Moreover, it improves demand for increased quality, reduced costs, and on-time delivery (Robin, 1992).

All businesses must thus constantly reinvent themselves in order to thrive, especially manufacturing companies that must contend with more competitive conditions (Danneels, 2002). For a sustainable competitive advantage and firm success, manufacturing companies also use a number of management and management accounting techniques (Chenhall and Langfield-Smith, 1998). These techniques include total quality management, budgeting, balance scorecards, and strategic sourcing systems.

2.2 Information technology and performance

Technology boosts market openness and economic inclusion based on complementarity, as well as unlimited and unrestricted access to an organization's information (Carayannis and Popescu, 2005). The choice is subsequently made by the relevant company using procurement tools, which capture a virtual market with qualified vendors (Petrie, 2001). The entire procurement process is carried out online, which reduces prices, expands the pool of suppliers, makes it simple to obtain preferred items (those that meet pre-established quality requirements), and facilitates comparison. However, it is not simple for procurement managers to implement successful ICT in poor nations because of challenges including bureaucratic resistance, a lack of human capital, corruption, and fraud. Any effective long-term effort can be harmed in nations with ongoing war due to instability and violence (Dobler, 2002). Additionally costly and challenging to operate and maintain, ICT systems.

2.3 Supplier relationship and performance

One of the key ideas explored in relation to TQM is the notion of the supplier relationship, which may be characterized as a component of a company's strategic framework that works towards risk reduction, quality improvement, and collaborative relationships with key business suppliers, profit maximization, and customer satisfaction. Having dependable supplier's results in high-quality product manufacturing, prompt delivery, a stronger competitive advantage, more inventiveness, and overall reduced prices (Caeldries 2008).

In industrial organizations, supplier relationship management is crucial for cost containment and performance enhancement (Caeldries 2008). It has both short-term and long-term goals, with the former including increasing productivity, decreasing cycle time, and reducing inventory (Wisher and Tan 2000), while the latter includes adding value for customers, increasing profits, improving the efficiency of production operations, and growing market share (Williams 2006). According to Togar and Sridharan (2002), a supplier relationship is the result of two or more supply chain participants cooperating to gain a competitive advantage through information sharing, group decision-making, and benefit sharing that arises from a more profitable approach to meeting customer needs.

Transactions are based on relationships with suppliers rather than just the simple transfer of product ownership, as was the case in the past (Mac Neil 2004). According to Dion et al. (2004), buyer/supplier commitment is the convictions that trade partners are ready to uphold

the connection; however, Moorman, Zaltman, and Deshpande (2002) define it as a persistent willingness to uphold a valued partnership.

2.4 Research gaps

The studies said that in order for a firm to be competitive in a cutthroat climate, strategic procurement strategies, strategic sourcing, information technology, and supplier relationships are essential. The reviews showed that there is a connection between the strategic procurement system and organizational performance, and because these methods are interconnected, they have an impact on organizational performance. Although these strategies have been acknowledged to affect performance, the reviews did not explain how they affect an organization's performance. Therefore, the purpose of this study is to analyze the relationship between strategic procurement practices and corporate performance, with a particular emphasis on Bralirwa Ltd. in Kigali, Rwanda.

2.5 Conceptual Framework

Instead of starting with a specific theoretical framework in mind, this study's objective is to further current understanding of bargaining as a cost-saving tactic in the procurement of raw materials by introducing a fresh conceptual framework. Conceptual models differ from concepts in that they often focus on particular types of behavior in particular settings rather than basic categories of behavior.

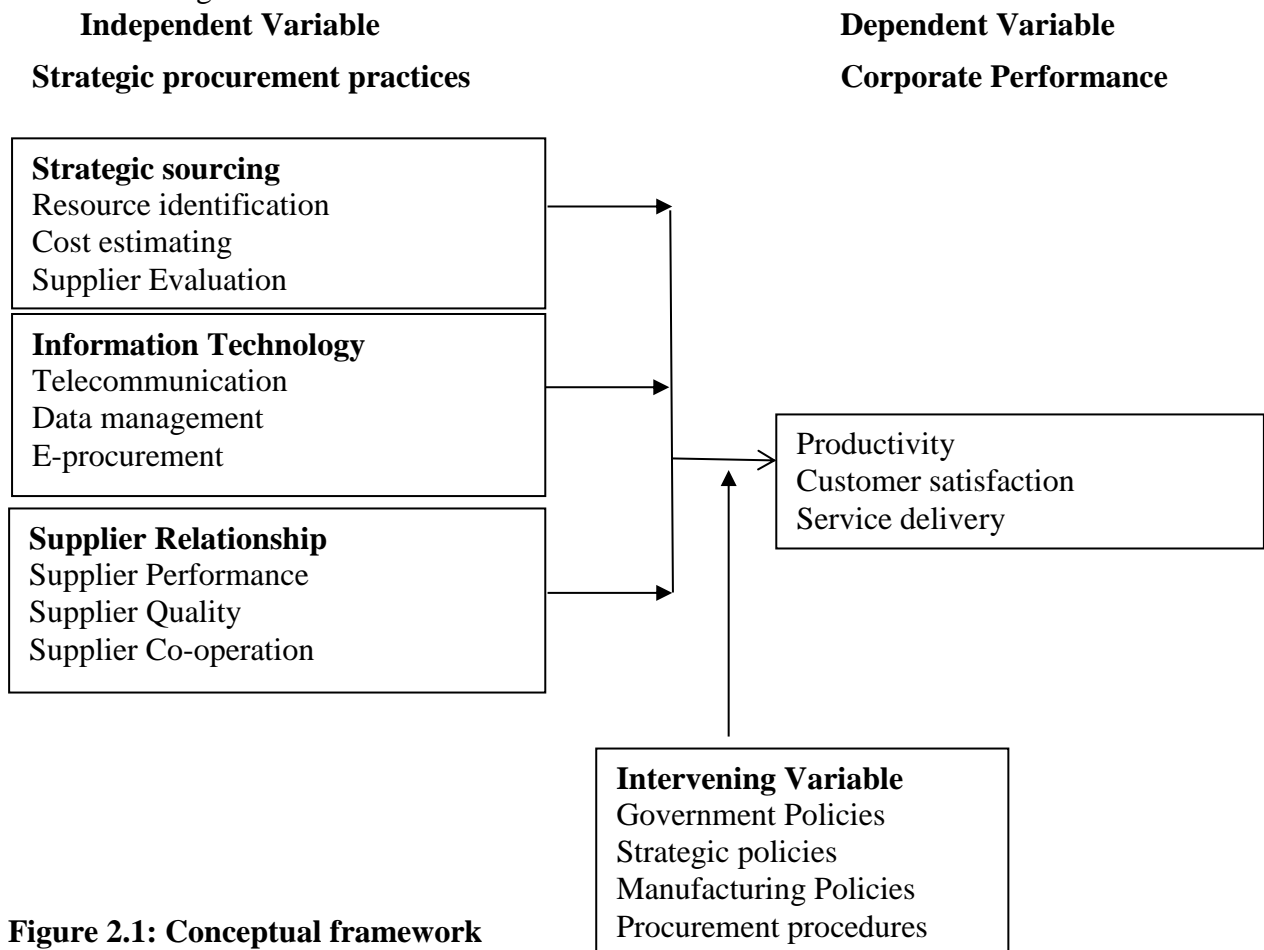


Figure 2.1: Conceptual framework
Source: Researcher (2023)

Figure 2.1: Conceptual Framework on the relationship between strategic procurement practices and corporate performance. The link between the independent and dependent variables is conceptualized in this image as follows: strategic sourcing impacts performance, information technology influences performance, and supplier relationship affects

performance of an organization. Corporate performance is a dependent variable that is influenced by the firm's profitability, productivity, and efficiency. Government policies, an intervening variable, also have an impact on performance since the corporation must follow the rules set out.

3. Materials and Methods

The study employed a descriptive research design and regression analysis to address an underexplored issue, aiming to gather extensive data and analyze the relationships between variables (Tracy, 2013). The target population was the entire workforce of Bralirwa Ltd, totaling 100 employees, chosen due to their relevance to the research objectives. The study adopted a census approach, considering the entire population as the sample, given its manageability and practicality (Duttolph, 2011).

Data collection utilized structured questionnaires, interviews, and documentation. Structured questionnaires were administered to employees in various departments, capturing their views on strategic procurement practices and business success. Face-to-face interviews allowed for in-depth exploration, and documentation from Bralirwa Ltd, such as annual reports and procurement-related documents, complemented the primary data collection (Mbaagah, 2009). The data collected underwent processing, including editing, coding, and tabulation. Editing involved identifying and correcting mistakes in the collected data, while coding categorized responses for interpretation. Tabulation organized the categorized data into tables, facilitating analysis (Kakooza, 2006).

To ensure the validity and reliability of the research instruments, a pilot study was conducted with a sample of 10% of the population, showing a high Cronbach's Alpha value of 0.981, indicating excellent internal consistency reliability (Connelly, 2008). Quantitative and qualitative data analysis techniques were applied. Descriptive statistics, including percentages, frequencies, and tabulations, were used for quantitative analysis. Qualitative analysis identified trends and patterns in the data. The research explored the relationships between corporate performance and cost management, information technology, and supplier relationships through regression analysis (Kothari, 2004). The study acknowledged limitations such as time and budget constraints, potential biases, and reliance on approved organizations for data collection. Ethical considerations were prioritized, ensuring participant consent, confidentiality, and adherence to ethical principles throughout the research process.

4.1 Presentation of findings

4.1.1 Strategic sourcing and corporate performance

This section deals with the views of respondents on the strategic sourcing and corporate performance as explained below:

Table 1: Views of respondents on strategic sourcing and corporate performance

| Statements | Mean | Std. Deviation |
|---|--------|----------------|
| Identification and selection of suppliers- Organization’s strategic identification and selection of suppliers prior to purchasing | 4.1500 | .83809 |
| Delegation of procurement authority- Organization delegating procurement activities to knowledgeable and skilled employees | 4.2200 | .84781 |
| Negotiation and contract management -Organizations engaging in procurement negotiation prior to procurement and contract management | 4.4300 | .85582 |
| The organization achieves value for money in the overall procurement process through strategic sourcing | 4.1500 | .83809 |
| Inventory management- Organization’s ordering, storage and distribution management and having requisite tracking systems in place | 4.2200 | .84781 |
| The organization uses technical expertise when seeking to source for goods | 4.4300 | .85582 |
| Matching demand and supply has helped the organization to improve cost reduction | 4.4300 | .85582 |
| The organization achieves procurement cycle time within the required time | 4.2200 | .84781 |
| Strategic sourcing techniques in place for minimizing expenses | 4.4300 | .85582 |
| The quality of goods sourced have improved due to strategic sourcing | 4.4300 | .85582 |

Source: Primary data (2023)

Table 1 shows the views of the respondent on the strategic sourcing and corporate performance and the findings revealed that negotiation and contract management - Organizations engaging in procurement negotiation prior to procurement and contract management, the organization uses technical expertise when seeking to source for goods, matching demand and supply has helped the organization to improve cost reduction, strategic sourcing techniques in place for minimizing expenses, the quality of goods sourced have improved due to strategic sourcing represent the mean of 4.4300 with a standard deviation of 0.85582. The same table shows that delegation of procurement authority- Organization delegating procurement activities to knowledgeable and skilled employees, Inventory management- Organization’s ordering, storage and distribution management and having requisite tracking systems in place, the organization achieves procurement cycle time within the required time represent a mean of 4.2200 with a standard deviation of 0.84781 while Identification and selection of suppliers- Organization’s strategic identification and selection of suppliers prior to purchasing, the organization achieves value for money in the overall procurement process through strategic sourcing represent the mean of 4.1500 with the standard deviation of 0.83809.

The results from the above table show that strategic sourcing lies at the heart of the organizational performance since the organization is considered to be performing if it has a healthy bottom line. Two things determine the bottom line namely (i) cost, and (ii) revenue. The organization moves from cost to performance or from failure to success, when it is

profitable. Hence, the main objective of any organization is that it is to be profitable and should be based on quality and cost of procured materials through Strategic sourcing. Being profitable also helps the organization to have sufficient funds for its growth as well as for its sustenance during the difficult periods.

The results imply that an organization benefits greatly when strategic sourcing is embraced to reduce costs, introduce sourcing management systems designed to address the organization’s needs, and work with the organization to streamline sourcing management (Mwenda, 2012).

4.1.2 Information Technology and corporate performance

This section deals with the examination of the respondents views on the information Technology and corporate performance and the findings are given below:

Table 2: Views of respondents on information Technology and corporate performance

| Statements | Mean | Std. Deviation |
|--|--------|----------------|
| The organization has in place an appropriate form of E-procurement process to automate the procurement process | 4.7634 | .98809 |
| Technology utilization in the procurement process increases efficiency of the organization as a whole | 4.6671 | .97781 |
| Technology utilization leads to simplification of processes | 4.4300 | .85582 |
| Technology utilization in the procurement process is vital in data management | 4.6671 | .97781 |
| Availability of Appropriate technologies in place for running organizational activities | 4.7634 | .98809 |
| Skills of employees to use the technologies in place for running organizational activities | 4.6671 | .97781 |
| Ability of the technologies to meet the needs of users at all levels of the organization | 4.7634 | .98809 |
| Flexibility and ease of use of the technologies in place | 4.6671 | .97781 |

Source: Primary data (2023)

Table 2 shows the respondents views on the information technology and corporate performance and the findings revealed that the organization has in place an appropriate form of E-procurement process to automate the procurement process, there is availability of appropriate technologies in place for running organizational activities; technology utilization in the procurement process is vital in data management represent the mean of 4.7634 and the standard deviation of 0.98809 The same table shows that there is technology utilization in the procurement process increases efficiency of the organization as a whole; there is a flexibility and ease of use of the technologies in place and the skills of employees to use the technologies in place for running organizational activities which represent the mean of 4.6671 and the standard deviation of 0.97781. Also it shows that the technology utilization leads to simplification of processes with a mean of 4.4300 with the standard deviation of 0.85582. The results from the above table show that Information and communication technology benefits the business world by allowing organizations to work more efficiently and to maximize productivity. Faster communication, electronic storage and the protection of records are advantages that IT can have on an organization.

As the global business environment has become more dynamic and complex, competition among firms has accelerated to unprecedented levels amid tighter budget constraints (Chanopas et al. 2006). IT is today a critical tool in attaining desired levels of growth and competitiveness, often constituting a major portion of an organization’s capital investment

(Huang et al. 2006; Kumar 2004; Alshawi et al. 2003). Compared to the 1990s, organizations today are carefully scrutinizing IT investments and questioning their value (Carr 2003).

According to a recent survey, 60% of executives do not know the size of their core software assets, more than half of them feel that the financial value of the organization’s core software assets were poorly assessed compared to other corporate assets such as brands and intellectual property, and only 10% rate their team’s efforts to communicate the business value of their core software assets to their boards (Dutta 2007).

Firms do not appropriate all of the value they generate from IT, because they cannot capture many of the qualitative and intangible benefits, despite evidence of a positive relationship between IT investments and organizational performance, firms have managed their IT as an expense item to be minimized rather than an asset for value creation. Findings are not conclusive and still vary across firms and performance measures of the business value of IT and assets business value.

4.1.3 Supplier Relationship and corporate performance

This section examines the respondents’ views on the supplier relationship and corporate performance as explained in the table below:

Table 3: Views on the supplier relationship and corporate performance

| Statements | Mean | Std. Deviation |
|---|--------|----------------|
| SRM has contributed increased partnership in the procurement process leading to good working relationship between the suppliers and the Bralirwa Ltd. | 4.6567 | .96988 |
| Suppliers are engaged through capacity buildings and collaborations to improve product design and quality of products | 4.6567 | .96988 |
| The organization has a process to ensure effective feedback, consultation and/or dialogue with suppliers | 4.7650 | .98849 |
| Good cooperation between suppliers and Bralirwa Ltd. has contributed to timely delivery of goods and services | 4.6567 | .96988 |
| Supplier Relations affect the Performance in terms of service delivery and cost incurred | 4.4300 | .85582 |
| SRM has contributed to improvement of customer satisfaction | 4.7650 | .98849 |
| The Bralirwa Ltd. is able to meet its objectives by having timely and quality deliveries | 4.4300 | .85582 |
| SRM has contributed to reduced cost in procurement procedures | 4.7650 | .98849 |

Source: Primary data (2023)

Table 3 shows the respondents’ views on the supplier relationship and corporate performance and the findings revealed that the organization has a process to ensure effective feedback, consultation and/or dialogue with suppliers SRM has contributed to improvement of customer satisfaction, SRM has contributed to reduced cost in procurement procedures represent the mean of 4.7650 with the standard deviation of 0.98849. The same table shows that SRM has contributed increased partnership in the procurement process leading to good working relationship between the suppliers and the Bralirwa Ltd., Suppliers are engaged through capacity buildings and collaborations to improve product design and quality of products, Good cooperation between suppliers and Bralirwa Ltd. has contributed to timely delivery of goods and services which represent the mean of 4.6567 with the standard

deviation of 0.96988. Also the same tables revealed that taking part in supplier relations affect the Performance in terms of service delivery and cost incurred, the Bralirwa Ltd. is able to meet its objectives by having timely and quality deliveries which represent the mean of 4.4300 with the standard deviation of 0.85582. The researcher finds that supplier relationship management aims to maintain a good relationship between the company and its suppliers. The objective is to build an ecosystem of collaborative partners, and work closely with them to build future service plans that benefit both the company and the suppliers.

Service management, together with sourcing, is responsible for developing and managing successful supplier relationships by adopting a clearly defined and structured approach to supplier collaboration. Service managers maintain supplier relationships through regular meetings that address not only current services development plans, performance and costs, but also opportunities to expand the relationship to different or new services, driven by the company's ambition to create innovative digital services. Supplier relationship and performance management aims to build a healthy supplier ecosystem able to answer the immediate needs from a company. A good supplier ecosystem would also be able to support the company's future business strategy by offering aligned innovative services or proposing proactive innovation or optimization opportunities to the company.

Supplier relationship management aims to maintain a good relationship between the company and its suppliers. The objective is to build an ecosystem of collaborative partners, and work closely with them to build future service plans that benefit both the company and the suppliers.

Performance management has an essential role in setting targets and controlling the supplier performance. It creates a quantitative scale for measuring and verifying contractually agreed and targeted performance of the suppliers. Performance management starts before any supplier relationship, as business performance targets must be decided before a service is implemented, or a solution purchased. Performance management then becomes an essential component of the supplier relationship, from the contracting phase until the purchased service's operational delivery.

The findings agree with research conducted by Wang, Wu, and Wu (2020) that indicated effective SRM positively impacts organizational performance. Their study found that organizations that implemented SRM practices experienced improved supplier performance, reduced supply chain disruptions, enhanced product innovation, and increased customer satisfaction. By fostering closer relationships with suppliers, organizations can benefit from better responsiveness, increased flexibility, and improved coordination in the supply chain, resulting in enhanced overall performance

4.1.4 Corporate Performance

This section assesses the views of respondents on the corporate performance as explained in the below table:

Table 4: Views of respondents on corporate performance

| Statements | Mean | Std. Deviation |
|---|--------|----------------|
| The Supplier defect rate is too low | 4.6567 | .96988 |
| Strategic sourcing has led to efficiency in the organization | 4.4300 | .85582 |
| The Bralirwa Ltd. has enough Vendors available to supply quality material on time | 4.7650 | .98849 |
| The Bralirwa has a steep rise in productivity | 4.6567 | .96988 |
| The Bralirwa Ltd. has Competitive Price on the market share | 4.7650 | .98849 |
| Strategies and policies in place to minimize cost in the organization to achieve profitability | 4.4300 | .85582 |
| The Compliance rate of the Bralirwa’s stakeholders is uncompromisable | 4.6671 | .97781 |
| The strategic procurement practices have reduced lead time in the procurement processes are in place and implemented | 4.6567 | .96988 |
| The Bralirwa Ltd. is able to shortlist potential suppliers for easy of evaluation process | 4.6671 | .97781 |
| Bralirwa Ltd. strategies and policies in place to minimize cost in the organization to achieve profitability | 4.6567 | .96988 |
| Purchase order cycle time of Bralirwa has been maintained to avoid stock-out | 4.4300 | .85582 |
| Provision of services on time and IT influence has led to a significant reduction of risk | 4.6671 | .97781 |
| Spend analysis has led to waste reduction leading to overall cost reduction | 4.4300 | .85582 |
| Profitability (BralirwaLtd. were able to produce a return on an investment based on assigned resources) | 4.6671 | .97781 |
| Competitive advantage (organization executed more projects with superior profit margins as compared to other rivals in Beverage manufacturing industry) | 4.7650 | .98849 |

Source: Primary data (2023)

Table 4 shows the views of the respondents on the corporate performance and the findings revealed that The Bralirwa Ltd. has enough Vendors available to supply quality material on time, having Competitive Price on the market share, Competitive advantage (organization executed more projects with superior profit margins as compared to other rivals in Beverage manufacturing industry) with the mean of 4.7650 and the standard deviation of 0.98849. The same table revealed that The Compliance rate of the Bralirwa’s stakeholders is uncompromised, being able to shortlist potential suppliers for easy of evaluation process, Provision of services on time and IT influence has led to a significant reduction of risk, Profitability (Bralirwa Ltd. were able to produce a return on an investment based on assigned resources) with the mean of 4.6671 and the standard deviation of 0.97781. The same table shows that the supplier defect rate is too low, the Bralirwa has a steep rise in productivity, the strategic procurement practices have reduced lead time in the procurement processes are in place and implemented, Bralirwa Ltd. strategies and policies in place to minimize cost in the organization to achieve profitability with the mean of 4.6567 and the standard deviation of 0.96988. The findings in the same table show that the Strategic sourcing has led to efficiency in the organization, strategies and policies in place to minimize cost in the organization to achieve profitability, purchase order cycle time of Bralirwa has been maintained to avoid stock-out, spend analysis has led to waste reduction leading to overall cost reduction with the mean of 4.4300 and the standard deviation of 0.85582.

<https://doi.org/10.53819/81018102t2322>

The researcher finds that performance review is a formal, regulated assessment mechanism in which managers and other key stakeholders evaluate an employee’s work performance. The purpose is to learn more about their strengths and weaknesses, offer constructive feedback for skill development in the future, and assist with goal setting. Whichever methodology you choose for performance reviews, a well-planned and executed appraisal boosts employee engagement and sets the tone for creating a culture of feedback and ongoing development at your organization.

4.2 Correlations Analysis

Table 5: Results of the correlation

| | | Independent variable | Dependent Variable |
|----------------------|---------------------|----------------------|--------------------|
| Independent variable | Pearson Correlation | 1 | .993** |
| | Sig. (2-tailed) | | .000 |
| | N | 100 | 100 |
| Dependent Variable | Pearson Correlation | .993** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 100 | 100 |

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

[-1-0.00[= Negative Correlation

[0.00-0.25[= Positive and very low correlation

[0.25-0.50[= Positive and moderate correlation

[0.50-0.70[= Positive and high correlation

[0.70-1.00]= Positive and very high correlation

The variation of Pearson correlation is between -1 and 1, there is a significant correlation when it is equal or greater than 0.01. According to this research the correlation between effective implementation and procurement planning is 0.993 thus 99.3% and falls in the interval [0.70-1.00 categorized as positive and very high correlation. As the significant level is 0.01 (1%), the p-value of 0.000 (i.e 0.0% is less than 1%, this leads to confirm that there is a significant relationship between strategic procurement and corporate performance.

4.3 Multiple regressions

A multiple regression analysis was performed in this section to identify the predictor and its contribution towards the supply chain performance. It aims to determine the prediction of a single dependent variable from a group of independent variables. The multiple regression analysis was performed with all the assumptions complied with. The results of the multiple regression are presented in the tables that follow.

Table 6: Model summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .993 ^a | .987 | .986 | 1.46138 |

a. Predictors: (Constant), strategic sourcing, Information Technology and Supplier management

Table 6 shows the quantity of variance that is explained by the predictor variables. The first statistic, R is the multiple correlation coefficients between all the predictor variables and dependent variable. In this model, the value is 0.993, which indicates that there is a great deal of variance shared by the independent variables and dependent variables. The next value, R Square=0.987, is simply the squared value of R. This is frequently used to describe the

goodness of fit or the amount variance explained by a given set of predictor variables and its value is 98.6 % of the variance in the corporate performance is explained by strategic procurement in the model.

Table 7: Significance of Independent variables (ANOVA Table)

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 153.141 | 1 | 153.141 | 71.695 | .000 ^b |
| | Residual | 209.291 | 98 | 2.136 | | |
| | Total | 362.432 | 99 | | | |

a. Dependent Variable: Productivity, Efficiency and Service delivery

b. Predictors: (Constant), Strategic Sourcing, Information Technology and Supplier management

Table 7 indicated standard regression which provides the significance of the prediction of individual predictor variables on the dependent variable. Those variables are strategic sourcing, Information Technology and Supplier management. The table shows the output analysis and whether there it has a statistically significant difference group mean. As seen, the model (F=71.695, p=0.000) was found to be significant at 5% since the p-value (P=0.000) was less than the 5% threshold. Therefore, strategic procurement significantly influences the corporate performance.

Table 8: Regression coefficients and significance of the independent variable

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.000 | .228 | | 4.386 | .000 |
| | Strategic sourcing | .198 | .072 | .241 | 2.750 | .006 |
| | Information technology | .242 | .093 | .289 | 2.602 | .008 |
| | Supplier relationship | .368 | .096 | .488 | 3.833 | .000 |

a. Dependent Variable: Performance

Information presented in Table 8 evidenced that all the indicator variables used in this research to study the strategic procurement were all statistically significant. This implied that they individually have significant contributions to the performance. The regression model was thus formulated as $Y=1.0+0.198X_1+0.242X_2 +0.368X_3 +\epsilon$ Where y= corporate performance, X₁, X₂ and X₃ represented the strategic sourcing, information technology and supplier relationship. The regression coefficients are useful to know which of the different independent variables is more important in contributing to the performance. They are used in comparison of impact of any independent variable on the dependent variable.

As indicated in regression coefficients table, supplier relationship ($\beta_3=0.368$) had the highest regression coefficient followed by information technology ($\beta_2=0.242$). This revealed that strategic procurement would greatly influence the corporate performance. This shows the regressions of independent variables are associated with the corporate performance. Multiple analysis regression result above indicates the influence of independent variables based on the regression coefficient.

Hypothesis testing

The hypothesis testing is related to the impact of each independent variable on the dependent variable. Here are the key elements you can use to interpret the results and assess your hypotheses:

Null Hypotheses (H₀):

The Null hypotheses would suggest that there is an effect, meaning the coefficient (B) is not equal to zero.

- H₀₁: β Strategic sourcing $\neq 0$ H₀: β Strategic sourcing = 0.198X₁
- H₀₂: β Information technology $\neq 0$ H₀: β Information technology = 0.242X₂
- H₀₃: β Supplier relationship $\neq 0$ H₀: β Supplier relationship = 0.368X₃

P-Values (Sig.):

Look at the p-values associated with each independent variable. If the p-value is less than your chosen significance level (commonly 0.05), you reject the null hypothesis. Therefore the Sig. for "Strategic sourcing" is 0.006, you would reject H₀₁ for "Strategic sourcing" because $0.006 < 0.05$., on Sig. for "Information Technology" equals to 0.008, the H₀₂ is rejected; and on Sig. for Supplier relationship equals to 0.000, The H₀₃ is rejected. After all, this implies that all independent variables in the study have the positive relationship with the corporate performance.

Coefficient (B) and Standardized Coefficient (Beta):

The sign of the coefficient (B) indicates the direction of the relationship (positive or negative). The magnitude of the coefficient reflects the strength of the relationship.

The standardized coefficient (Beta) provides a measure of the relative importance of each independent variable in influencing the dependent variable. A larger absolute value of Beta suggests a stronger impact. In summary, the p-values to assess the statistical significance of each independent variable. The p-value is below the significance level $0.006 < 0.05$, there we reject the null hypothesis and can conclude that the corresponding independent variable has a statistically significant effect on the dependent variable.

5.1 Conclusion

In conclusion, the study found that strategic procurement practices, including strategic sourcing, information technology, and supplier relationship, were occasionally practiced. These practices were determined to contribute moderately to corporate performance. The analysis revealed a positive and significant relationship between strategic procurement practices and corporate performance. Notably, each component of strategic procurement, namely strategic sourcing, information technology, and supplier relationship, demonstrated a strong association with corporate performance.

5.2 Recommendations

The study recommends that Bralirwa should implement effective strategic procurement practices, emphasizing efficient sourcing and cost-effective acquisition processes to enhance corporate performance. Furthermore, investing in computer systems, internet connectivity, and information communication systems is advised to ensure the availability of necessary information for material acquisition. Lastly, the company should focus on enhancing coordination in strategic acquisition processes to maximize benefits and optimize the logistical system, particularly addressing cost, speed, and consistency in operations.

5.3 Acknowledgement

I express gratitude to the Almighty for life, knowledge, and courage. Special thanks to my supervisor, Dr. Joseph Akumuntu, for his approachability and valuable feedback.

<https://doi.org/10.53819/81018102t2322>

Appreciation goes to the University of Kigali's administrative and academic staff for their genuine guidance. I am thankful to my supportive family, understanding the dissertation workload. Lastly, sincere appreciation to all who contributed to this study.

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