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College of Business and Economics
School of Commerce

**The Effect of Strategic Supplier Partnership Management on Procurement
Performance: The Case of National Alcohol and Liquor Factory**

Addis Ababa, Ethiopia

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**EFFECT OF STRATEGIC SUPPLIER PARTNERSHIP MANAGEMENT ON
PROCUREMENT PERFORMANCE: THE CASE OF NATIONAL ALCHOL AND
LIQUOR FACTORY.**

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Declaration

I, Getahun Assefa, declare that this work titled “The Effect of Strategic Supplier Partnership Management on Procurement Performance: The Case of National Alcohol and Liquor Factory Addis Ababa, Ethiopia” is my original work, has not been presented in any of other university and that all sources of materials used for this thesis have been duly acknowledged.

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This thesis, entitled “Effect of Strategic Supplier Partnership Management on Procurement Performance: The Case of National Alcohol and Liquor Factory” was carried by Getahun Assefa as a prerequisite to obtain his second degree from Addis Ababa University School of Commerce. He conducted this thesis under my guidance and supervision.

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List of Acronyms and Abbreviations

DAP	Demonic Phosphate
FGD	Focus Group Discussion
H₂SO₄	Sulfuric Acid
NALF	National Alcohol and Liquor Factory
Oil+H₂SO₄	Antifoam
PP	Procurement Performance
SPSS	Statistical Packages of Social Sciences
SRM	Supplier Relationship Management
SSPM	Strategic Supplier Partnership Management
SSP	Strategic Suppliers Partnership

Abstract

Procurement Performance is one of the areas of study in an organization with the aim of assessing the performance, effectiveness, and expenditures of the procurement teams with the ongoing goal of enhancing the value of procurement to the business. The main objective of the study is to assess the Effect of Strategic Supplier Partnership Management on Procurement Performance at the National Alcohol and Liquor Factory in Addis Ababa. The study deployed a mixed research approach so as to provide extensive insight and generalizable results. Sample surveys were conducted with a sample size of 231 factory staff. The researcher used structured closed ended questionnaires as well as semi-structured interviews to collect primary data. Secondary data were also adopted from documents related to the area of the study. Of the 226 questionnaires used, 217 were used and entered into SPSS version 23 for data analysis. An explanatory study design was used to test the effect of independent variables on dependent variables using a multiple linear regression analysis. The major findings of the study indicate that attributes of Strategic Supplier Partnership Management which are Leadership Commitment, Use of Technology and Collaboration, Communication, and Joint Decision-Making have a significant and positive effect on the Procurement Performance of the Factory. The study concluded that variables of Strategic Supplier Partnership Management are very important aspects of Strategic supplier partnership management, which leads to an improvement in procurement performance. Finally the researcher recommends the need for implementing age-cutting technology, involving Key strategic suppliers in the planning and goal-setting activities as well as creating an enabling environment to have flexible and dynamic collaboration with the key supplier and thereby improves Procurement Performance.

Key Words: Strategic Supplier Partnership Management, Procurement Performance.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Procurement quality is the totality of features and characteristics of a material that bear on its ability to satisfy stated needs through the timely delivery of the required in-sourcing materials. This can be achieved if a well-formulated SSP is adopted by the company. However, there is a problem with the right quality at the right time of the delivery of procurements (Mesele, 2017). The Strategic Supplier Partnership (SSP) between suppliers and buyers is identified as a relevant practice that can facilitate their partnership more. To further advance partnerships, it is necessary to practice a better partnership strategy to ensure timely delivery and improve the quality of procurement materials for its buyers; thus, the adoption of SSP is significant today (Robinson & Malhotra, 2005).

Therefore, the issue of procurement performance in the beverage industry can ensure the quality of materials and reduce delays, which is the hallmark of a firm. Moreover, the issues of timely delivery of procurement are managing procurement activities at the right time and planning how the time can be divided into specific actions. Hence, organizations that practice good time management can procure the required materials as smoothly as possible to achieve the goals and objectives of a firm (Araz & Ozkarahan, 2007).

Further, the manufacturing firm has become highly competitive, and its competitiveness has increased across the globe (Pillania, 2007). Thus, firms across the world are under more pressure than ever to stay dynamic and responsive in all their competitive frontiers. Due to this fact, various manufacturing firms, like those in the alcoholic beverage industry, have realized the need to elevate traditional procurement systems to modern ones. However, in Africa, including Ethiopia's alcoholic beverage industry, there is a lack of reliable data regarding the numbers and amounts of alcohol produced, sold, and consumed. This explores the limited research done to provide an insight into the actual situation of the alcohol beverage industries in these countries (Cyrus, 2014).

In most Ethiopian alcoholic beverage industries, integrating diverse competitive strategic supplier partnerships into operation systems is not known or understood. Hence, such manufacturing companies can no longer sustain themselves in diverse, competitive business environments. As such, the reason for the delay in timely delivery of procurement, which reduces the performance of procurement, is usually due to a lack of well-experienced expertise that can realize the quality and timely delivery of procurement in the firm (De Meyer & Williams, 2017). Nevertheless, there are limited theoretical reviews and studies generally globally and particularly in Ethiopia regarding SSP, which signifies the quality and timely delivery of procurement and contributes to the procurement performance of many organizations. So far, most of the studies have focused on the general performance of the procurement system and not specifically on SSP's contribution to the performance of procurement. The existence of a knowledge gap in the subject and its prevalence in a competitive industry convinced the researcher to conduct this study.

1.2. Statement of the Problem

Strategic vendor the supply chain organization integrates suppliers as integrated partners (direct and indirect) who share the risks and rewards of operating their businesses. This is the new paradigm of supplier interactions known as partnership management. SRM is essentially a method used by firms to identify key supply categories and develop management plans for these products. Although it has a specific focus on controlling the continuous flow of goods at each echelon of the supply chain, its concepts are comparable to managing joint ventures (Sarkis & Talluri, 2002).

Any intelligent buyer will prioritize timely and high-quality material acquisition when dealing with the acquisition of the necessary materials. Despite the fact that the buyer and supplier have separate processes, it is difficult to meet these requirements. In the end, if there is no strategic supplier alliance, this affects the ability and loyalty of the buyers. Additionally, when the quality and on-time delivery of supplies are compromised, customers are responsible for a number of additional charges (Variances, 2006).

The importance of forging strong relationships with important suppliers for a customer comes in the form of better product delivery quality. On a strategic level, it ought to result in enduring enhancements in the provision of high-quality materials. The procurement process accounts for more than two-thirds of the organization's annual budget. Every organizational activity, whether it is in a manufacturing or service company, is largely reliant on input procurement activities (Yonas, 2014).

Some researchers had undertaken research on the novel idea of SSP. For instance, Arend and Wisner (2015) point out in their study that SSP only focuses on the upstream or downstream aspects of Supply Chain management rather than the impact of relationships with buyers and suppliers on enhancing supplier responsiveness. While Cyrus Ng'Arũ Githeru (2014) focused solely on the supplier side, Tutuncu et al. (2018) investigated the effects of buyer-supplier collaborations. Additionally, Abiy (2015) concentrates on the connections between manufacturers and merchants downstream. Kim (2016) added that in order for businesses to maintain growth and remain competitive, they must be aware of and cognizant of the trends that will shape their sector over the coming years. As a result, the main objective of supplier-buyer partnerships is to improve competitive performance by tightly integrating internal corporate functions and connecting them to the external operations of suppliers and consumers.

In another study by Ondieki et al. (2015), SSP entails determining how buyers interact with suppliers, which helps to ensure the quality of goods, timely delivery of procurement and assured deliveries, and information flows to assist both buyers and suppliers, but it is not significantly practiced in the majority of manufacturing firms in developing countries.

Mesele (2017) picks out that, in Ethiopia, the alcoholic beverages industry is not competitive and faces challenges in procurement at domestic or international levels. This is because there is little SSP adopted or there is none in Ethiopia on the issues of partnership that should be established within the suppliers-buyers while it has substantial importance and benefits to the Company.

Furthermore, from the field visit, the researcher realized that there is less insight into the overall Procurement performance of the National Alcohol and Liquor Factory (NALF), as well as the poor supply of materials and old technological usage in NALF. Based on these knowledge gaps, this study has examined the effect of strategic supplier partnership Management on the procurement performance of the National Alcohol and Liquor Factory (NALF).

1.3. Objectives of the study

1.3.1. General objective of the Study

The general objective of the study was to assess the effect of strategic supplier partnership management on the procurement performance of the National Alcohol and Liquor Factory in Addis Ababa, Ethiopia.

1.3.2. Specific objectives of the study

The specific objectives of this study were:

- 1- To investigate the effect of leadership commitment on the procurement performance of the National Alcohol and Liquor Factory.
- 2- To investigate the effect of technology use in SSP management on procurement performance of the factory
- 3- To assess the contribution of Collaboration, Communication and Joint decision making on the procurement performance of National Alcohol and Liquor Factory in Addis Ababa

1.4. Research Hypotheses

The Following Hypotheses have been tested in this thesis

Hypothesis 1 H0: Leadership commitment has no significant effect on Procurement Performance of the NALF.

Ha: Leadership commitment has significant effect on Procurement Performance of the NALF.

Hypothesis 2 H0: Technology use has no significant effect on Procurement Performance of the NALF.

Ha: Technology use has significant effect on Procurement Performance of the NALF.

Hypothesis 3 H0: Collaboration, Communication and Joint Decision Making have no significant effect on Procurement Performance of the NALF.

Ha: Collaboration, Communication and Joint Decision Making have significant effect on PP of the NALF.

1.5. Significance of the Study

The National Alcohol and Liquor Factory will gain from the results of this study in terms of strategic collaboration for enhancing procurement performance. In addition, the study will provide information that future researchers, decision-makers, or the government can use to better understand the issue at hand. In conclusion, the study might be a useful resource for anyone wanting to learn more about strategic supplier partnerships, including their significance and impact. It will be useful to understand how strategic supplier partnerships affect procurement performance, specifically when dealing with procurement. The Factory will also benefit from the strategic relationship by better enhancing the quality and prompt delivery of its procurement. Additionally, the study serves as a guide for people who perform research on a problem comparable to this in the future.

1.6. Scope of the Study

NALF is located in Addis Ababa City in Lideta Sub-City, Woreda 09 Administration, locally around Mexico Roundabout. Further, the study was focused only on the procurement of the major or critical raw materials, which are highly important and have the largest share of the procurement costs in the given organization under investigation. The list of raw materials that are covered under this study is as follows: Essences (Foreign Purchase), Molasses, Yeast, H₂SO₄ (Sulfuric acid), DAP, Steam, Antifoam (oil + H₂SO₄) (Both Foreign and Local Purchase), and Caustic soda (NaOH). Therefore, the study tried to address the healthy practices of strategic supplier partnership management for the improvement of procurement performance in the factory. Moreover, even though there are a few empirical and theoretical limitations, this study was focused on analyzing the effect of SSP Management on procurement performance in manufacturing industries in general and the National Alcohol and Liquor Factory (NALF) in particular.

1.7. Limitation of the study

The study's drawbacks included the respondents' unwillingness to complete the questionnaires and their failure to provide the necessary information with care because public procurement methods were a delicate area of work. Additionally, a few respondents were unable to complete the survey in time. The researcher tried to solve most of this problem by administering the questionnaires on site and awaring the purpose of the research to the respondents.

1.8. Definition of Terms

In this study, the words listed below were commonly used. Despite their apparent similarity, the words have different meanings. They are further explained as follows to clarify their meaning.

- **Strategic Supplier:** It's probably one of the most reliable suppliers and/or someone who offers materials that are difficult to find elsewhere or who offers an ingredient that is essential to the success of the good or service (Variances, 2006).
- **Strategic Supplier Partnership:** A strategic partnership is a long-term engagement between a focal firm and its suppliers that aims to give both the focal firm and its suppliers the most strategic and operational capabilities possible (Fogg, 2009).
- **Delivery:** It is the act of gathering and delivering the necessary materials to the person or organization that wants and sets the order to be delivered (Ibid).
- **Procurement performance:** It serves as a gauge of how effectively the procurement function achieves objectives and goals at the lowest possible cost (Van Weele, 2002). It is the methodical process of evaluating the productivity, effectiveness, and expenditures of the procurement teams with the ongoing goal of enhancing the value of procurement to the company.
- **Quality:** It is clear that a product's worth is tied to its quality, which may influence how users or customers perceive the product (Mesfin, 2009).
- **Timely Delivery:** According to Tutuncu and Kucukusta (2018), it is a method of delivery whereby materials that have been requested and purchased are brought to a customer at the precise moment or time that they are required to be received.

- **Procurement:** is the process of obtaining commodities, services, or materials in return for cash or through other means, such as stealing, leasing, or robbing a business (Ibid)

1.9. Organization of the Study

There were five key chapters in the paper. The first chapter serves as an introduction to the study, outlining its background, issue statement, aims, significance, research questions, scope, and organizational structure. The second chapter provides an overview of the related literature. The third chapter contains research design, source of data, method of data collection, sample size and sampling technique, data processing and analysis, and data presentation. The fourth chapter presents analysis and presentations of data, and the fifth chapter provides a conclusion and recommendation. Finally, the lists of bibliographies and different appendices were attached to the study.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1. THEORETICAL REVIEW

2.1.1. Definition and Concept of Strategic Suppliers Partnership

A long-term partnership between a company and its suppliers is known as a "strategic supplier's partnership" (SSP). It emphasizes direct, long-term relationships and is enthusiastic about group planning and problem-solving initiatives (Agus & Hassan, 2008). As a result, it's intended to strengthen each company's operational and strategic efforts and capabilities so they may better achieve their goals and objectives (Li & Lin, 2006). Leading-edge supply chains must have a strong supplier partnership, according to Agus and Hassan (2008). Therefore, a strategic partnership enables a business to collaborate more effectively with suppliers who are ready to share accountability for ensuring the organization's success. When a corporation and a supplier collaborate to design a product, this is the beginning of a partnership (IBD).

Contracts with suppliers are therefore becoming more and more significant for purchasing organizations. Customers are growing increasingly reliant on their suppliers as a result of our economic downturn, globalization, and, most recently, the trend of supplier base contraction. It is believed that access to the suppliers' knowledge is equally crucial for a customer as managing internal resources because the suppliers are more frequently considered extended knowledge resources. Building ties with suppliers allows for access to the material that needs to be purchased, increasing the strategic importance of the purchasing function for a buying firm (IBD).

2.1.2. Strategic Supplier Relationship Management

Hojbjerg (2013) asserts that the goal of SSRM is to forge strong bonds with a company's most valuable clients. With SSRM, the emphasis is on the most crucial suppliers and how to create and manage partnerships with them that significantly increase the company's competitive distinctiveness in the market. It entails things like creating 3-5-year business plans with key suppliers and updating them annually; collaborating more closely with suppliers on tasks like product development and demand forecasting; and appointing dedicated relationship managers

who identify fresh opportunities for supplier collaboration and mobilize the resources needed to pursue them (Kidist F, 2018).

The supplier partnership approach offers the framework for how partnerships with suppliers will be built at the strategic level. It is made up of sub-processes like reviewing corporate, marketing, manufacturing, and sourcing strategies; developing a framework of metrics; developing guidelines for sharing the benefits of process improvement with suppliers; and identifying criteria for categorizing suppliers in order to identify supplier segments that are crucial to the organization's success both now and in the future (Lambert & Schwieterman, 2012).

In order to gain a competitive edge, essential suppliers must be viewed strategically as more than just suppliers from whom you purchase goods. Instead, they must be recognized as actual or potential partners. This calls for extending the range of interactions with people beyond simple order and fulfillment processes and utilizing their skills and abilities to spur innovation, grow into new markets, raise the bar on quality, provide market trend information, and more. Additionally, it entails managing supplier relationships as assets from the outset (Hojberg, 2013).

As a result, the right criteria must satisfy the firm's unique needs and objectives. Which criteria will be used and how providers will be assessed for each criterion should be decided. At the operational level, a segmentation system is created that will be utilized to identify major suppliers and groups of other providers (Lambert & Schwieterman, 2012). It was unnecessary to connect with the supplier through cross-functional teams for non-critical and leveraged items.

The bottleneck items, however, were those with modest spending but high complexity, like hazardous alcohol, which has a negative impact on health and is challenging to dispose of. Both the complexity and the yearly cost of strategic goods are significant. Candidates for a partnership meeting must be suppliers of these commodities. In order to improve the financial performance of both companies, cross-functional teams from the supplier must take measures to boost revenues and cut expenses (Lambert, 2004).

As an illustration, the Coca-Cola Company has established supplier relationships, and it can be observed that a supplier segmentation matrix was constructed at the strategic level to serve as a

guide for segmenting suppliers. The SSP team at Coca-Cola opted to utilize supply risk and the opportunity to create value as segmentation criteria. As a result, a key component of the overall business process is how the SSP links with suppliers and customers. SSP, however, necessitates entirely other abilities, such as leadership, influencing, and change management (Oriso et al., 2014).

2.1.3. Measurement of Strategic Suppliers Partnerships Management

Over the past few decades, performance assessment in purchasing and supply management has grown in importance. From the perspective of the buying organization, Key Performance Indicators (KPIs) have proven to be helpful in systematic efforts to improve the performance of suppliers. However, in recent years, the idea of taking into account the nature and purposes of partnerships between buyers and suppliers has also expanded. Focusing on supplier relationships and interactions shifts the spotlight from suppliers as individuals carrying out their responsibilities to how the buyer and the supplier may work together to increase performance. Consideration of what the buying company can do for the supplier to be able to increase its performance in the partnership may hold a particularly large amount of promise (Damlin and Moen Brykt, 2012).

Cost, quality, time, and flexibility are the four main subcategories under which supply chain performance measurements fall under the Traditional Strategic Supplier Partnership Measurement System. Shepherd and Günter (2006) contend that in order to remain competitive, it is crucial to regularly measure and evaluate the performance of the supply chain in these areas and take appropriate action. According to Bamford and Forrester (2010), these performance metrics are extremely interdependent. For instance, if a business strives to be the fastest and offer the finest quality, costs may rise. When evaluating the effectiveness of a real connection, they fall short. As a result, additional qualitative metrics are also needed to evaluate the effectiveness of the partnership. According to the literature, the chosen relationship KPIs are effective communication, cooperation or collaboration, trust, power, and commitment.

Although they are all connected in some way, it is still crucial to evaluate each person to fully understand the nature of the relationship. The conventional KPIs and relationship performance KPIs are thought to be interconnected in such a way that, if you can improve the relationship, you can also achieve better performance in terms of cost, time, quality, and flexibility. (IBD)

2.1.3.1. Leadership Commitment

According to Mohr and Spekman (1994), commitment refers to the willingness of the trading partner to invest effort into the buyer-supplier relationship. Maintaining commitment in the buyer-supplier relationship has been shown to have a number of advantages, including increased operations willingness, optimism, investment, decreased selflessness, and increased personal effectiveness, all of which contribute to better procurement performance (Gounaris, 2005).

Mohr and Spekman (1994) suggest that a high level of commitment from both parties involved in the relationship can lead to that both individual as well as joint goals can be reached without increasing the possibility of opportunistic behavior. This is mainly since committed partners will place more effort in balancing short-term problems with long-term goals. It is suggested by little and Marandi (2003) that relationship commitment is directly related to the duration of the relationship, therefore the longer the relationship, the greater the commitment and or loyalty is. However, Hausman (2001) argues that the long-term endurance of a relationship is a consequence of the strength of the relationship. Rangan and Bell (2006) although suggest that trust between the supplier and buyer stimulates the development of commitment. Therefore, trust can build commitment and in turn commitment lays the foundation for trusting interactions between the two parties.

According to Giannakis (2007) there are three factors that affect the level of commitment: effort, loyalty and length of supplier relationship. Loyalty refers to the attachment and recurrence of interaction with the trading partner, whilst effort refers to the tendency of the associate to maintain the business relationship. Length of the supplier relationship however refers to the length of the contract with the supplier.

2.1.3.2. Collaboration, Communication and Joint Decision-Making:

The supply chain can be thought of as being held together by communication (Mohr and Nevin, 1990). According to Mohr and Nevin (1990), communication enables a supplier to enhance its performance in accordance with the needs of the customer, making it a crucial component of the supply chain's integration. In agreement with this, Paiva, Phonlor, and D'avila (2008) note that communication plays a crucial role in the supply chain since it enables a provider to enhance performance to meet the needs of the customer. Mohr and Nevin (1990) add that the probability of issues or conflicts can be significantly reduced by creating effective communication techniques between the buyer and supplier. Quality of communication is the most important success criterion for every operation, claim Mohr and Spekman (1994). According to Cousins and Menguc (2006), enhanced performance results from increased engagement and communication between suppliers and buyers. This is supported by Mohr and Spekman (1994), who argue that open and honest communication is crucial for the development of relationships. Furthermore, they assert that good communication between the two parties is necessary if collaboration is to be successful.

The identification and consolidation of requirements and deadlines for integrating the procurement engagements of two or more contracting partners can be part of joint decision-making for procurement performance (Olapoju, 2019). Finding suppliers in the supply chain depends on it. Because the availability of inputs impacts how well manufacturing organizations do in their procurement, efficient cooperative decision-making is crucial. According to Eduardo et al. (2014), manufacturing companies are under pressure to cut costs and lead times as a result of competition. Markets that are always shifting call for more original inventions and higher-quality goods and procedures. As a result, in order to implement effective PP, manufacturing businesses need to increase supplier involvement.

According to Maraka, Kibet, and Mike (2015), SRM expands the scope of interaction with key suppliers beyond conventional buy-sell transactions to include other joint activities based on a shift in perspective and a change in relationship management, which may or may not involve significant investment. These activities include collaborative research and development, information sharing that is more rigorous and structured, frequently improved demand forecasts,

and collaborative process re-engineering. Collaboration is divided into three categories by the strategic-focused outcomes model (SFOM). These involve market collaboration, which involves tasks like channel management, co-branding, collaborative selling, and shared merchandising. An operational collaboration that comprises link order management, collaborative capacity management, forecasting and sharing, and 12 shared operational planning data. Aligning consumer needs, sharing fundamental technologies, sharing production engineering, building combined market entry plans, and developing joint capital expenditures are all examples of strategic collaboration. In order to properly match supply and demand and boost overall supply chain profitability, supply chain participants need to work closely together (Simatupang & Sridharan, 2002).

2.1.3.3. Use of Technology

As per to Maraka, Kibet, and Mike (2015), SRM includes a wide range of abilities that make it easier for an organization and its trading partners to collaborate, source, carry out transactions, and monitor performance. SRM makes use of the most recent technological advancements to integrate and improve supplier-oriented supply chain processes like design-to-source, source to contract, and procure to pay. SRM entails simplifying the communications and procedures between the customer and the supplier while utilizing technological tools to make these procedures more effectively and efficiently managed.

Further, the use of technology to implement strategic supplier partnership can bring several benefits, including:

- **Improved Collaboration:** Technology can facilitate real-time communication, collaboration, and data sharing between organizations and their suppliers. This can help build stronger relationships and enable a more collaborative approach to achieving shared goals.
- **Increased Efficiency:** Technology can automate manual processes, such as procurement and supplier onboarding, reducing the time and effort required to manage suppliers. This can free up resources to focus on more strategic initiatives.

- **Enhanced Visibility:** Technology can provide real-time visibility into supplier performance, enabling organizations to identify areas for improvement and take proactive measures to mitigate risks.
- **Better Decision Making:** Technology can provide insights into supplier data, enabling organizations to make data-driven decisions and identify opportunities for cost savings and process improvements.
- **Improved Compliance:** Technology can help organizations ensure that their suppliers comply with relevant regulations and standards, such as environmental and social responsibility requirements.

Overall, the use of technology in strategic supplier partnership can help organizations build stronger relationships with their suppliers, achieve better outcomes, and drive innovation and growth. By leveraging technology tools, organizations can optimize their supplier management processes, reduce costs, and improve performance, ultimately delivering more value to their customers and stakeholders.

2.1.4. Strategic Procurement /Purchasing

According to Carr and Smeltzer (2000) and Carr and Pearson (1999 and 2002), the process of planning, implementing, controlling, and analyzing very significant purchases to achieve a firm's objectives is known as strategic purchasing. Top management sees a strategic purchasing department as a crucial resource for the company. A firm's resources can theoretically be used to support its competencies in order to gain a competitive advantage (Carr and Pearson, 2002).

Macro-level monitoring of the company's environment, forecasting of changes in that environment, sharing of pertinent information with suppliers and colleagues in other functions, and identification of the company's competitive advantages and disadvantages in relation to its suppliers are all necessary for strategic use of purchasing. Strategic purchasing, on a micro level, entails the identification of essential resources, the assessment of potential supply disruptions for each of them, and the creation of backup plans for any observable supply issues (Burt and Soukup, 1985). A corporation needs to engage with a network of capable suppliers if it wants to compete successfully on the global market. The purpose of supplier assessment and selection is

to build and sustain such a network as well as enhance the diverse supplier competencies that the purchasing organization needs to meet its escalating competitive difficulties.

2.1.5. Measures of Performance of Procurements

A regulated and systematic method for monitoring and evaluating the performance of suppliers or purchases is procurement performance measurement. Companies can use the information PP measurement provides to plan and manage their various organizational activities. In addition, PP metrics take into account a variety of variables, including quality and delivery performance, cost reduction, and other qualitative variables (Handfield et al., 2009).

There are various approaches to measuring supplier performance, including the performance pyramid or a balanced scorecard. Businesses must constantly monitor the PP in order to enable better managerial choices and successfully align the relationship with their strategic objectives. Additionally, PP measurement highlights the need for staff development and aids in providing suppliers with feedback to help prevent or resolve any potential issues (Leenders et al., 2016). Most crucially, according to Leenders et al. (2016), measurement results can influence suppliers' behavior and function as a catalyst for action. Measurement is done by purchasing companies in order to confirm that performance matches what was agreed upon, to spot any room for process changes, and to highlight any shortcomings on both sides (Fogg 2009).

Another concern in this activity is what to measure. Businesses should assess what is significant to them, especially when taking strategic products into account.. Measurement can be split down into a variety of categories, including price performance and cost effectiveness, quality and strategic performance, time or delivery responsiveness, sustainability and environmental safety, technical innovation.

It should be measured in some way, either subjectively or objectively, such as by using the number of defective components per million (Park et al., 2010). Delivery precision can be evaluated using on-time delivery statistics. Additionally, for quality management, various audits can be conducted to assess the performance of suppliers, and these findings have a significant impact on the overall results of performance measurement. As a result, businesses must create

performance measurement systems that are clear, have objectives, and make use of reliable and readily available data, especially with combined participation from suppliers and purchasers. Businesses should have a two-way measuring system in which buyers and sellers evaluate each other's performance. Due to the commitment of both participants to the performance indicators, this action will encourage collaboration, and the assessment will be more accurate (Paulraj et al., 2008).

A balanced scorecard can also be used to track the entire process of performance measurement over time. Value drivers serve as the foundation for performance oversight and improvement in the balanced scorecard. Financial, operational, and innovation components are frequently included in scorecard elements, along with internal and external viewpoints (Handfield et al., 2009). In order to improve performance moving forward, organizations should include development capabilities and performance indicators in the scorecard (Paulraj et al., 2008). The use of the planned SSP with a wonderful interaction between the customer and the supplier has an impact on the overall organizational performance as well. The supplier's total PP will be higher the better the customer and supplier relationships are. As a result, the organization may be evaluated immediately, assisting the manufacturing system in delivering the material as needed.

This measurement is possible if the organization and the dealer have a good working relationship that is relevant to the created SSP. The role of buyers is to select the best suppliers from a pool of available providers who can deliver the best value, cost, and functionality, which emphasizes the significance of assessing SSP. Suppliers are initially assessed using a set of criteria, after which they are either accepted or refused. As a result, the ability of a company to develop a procurement strategy that functions well and maintains positive relationships with other businesses that are a part of the supply chain network is crucial to the success of that organization's procurement (Oyuke & Shale, 2014).

A. Quality Delivery of Procurements

According to Miles and Snow (2007), quality is the degree to which a product successfully satisfies the needs of its target market. The sum of products or service's features and qualities

determines how well it can meet specific needs. The buyer will be satisfied and think the product is of acceptable or even exceptional quality if the materials meet their expectations (Ibid).

In general, the degree to which the product specification meets the customer's expectations is referred to as product quality. People are more likely to believe that the transaction is worthwhile if they believe that the product specification meets their needs (Trent, 2005). As a result, many businesses would try to provide excellent quality in an effort to keep their clients. High quality has been empirically demonstrated to generate favorable consumer behavioral intentions to repurchase, which in turn encourages customer retention. This suggests a favorable relationship between client loyalty and the quality of procurement. Numerous studies have demonstrated that, through consumer perceived value, quality is indirectly related to repurchase intention and customer loyalty (Abiy, 2015).

B. Timely Delivery of Procurements

For many suppliers, bringing items to market faster than rivals is a worrying issue. Companies that can shorten the time it takes for a new product to go from concept to distribution won't have much of a competitive edge. It is important to correctly identify the technological and managerial factors that pose barriers to the timely creation and delivery of products (Park et al., 2010). This will give an objective indicator of these factors. In many firms, there are too many time-consuming processes and purchases. A parallel design process will help in managing on time and on budget. The promptness of procurement can have a significant impact on the decision-making process. Surprisingly, despite purchasing the necessary things, many companies take a shorter time for material delivery. The effort made by companies to ensure on-time delivery of products involves working with suppliers early to transfer some of the materials as planned (Park et al., 2010).

2.1.6. Strategic supplier partnerships and the Procurement Performance

According to cips.org, procurement is a business management function that ensures the identification, sourcing, management, and access of the external resources that the organization needs. By implementing resource strategies and exploring market opportunities for suppliers and services, procurement aims to provide the best supply and services for stakeholders and

organizations. Profits for the company will rise as a result of improved procurement performance (Immanuel Z., 2021).

Strategic supplier alliances increase supply chain participants' capabilities and lead the company in the direction of achieving potential operational performance gains (Naveed, 2016). They encourage involvement and mutual benefit in crucial policy areas, including supply chain management and procurement. Strategic supplier partnerships, according to Kellner and Lasch (2016), are built on distributing each party's contributions and duties to foster a more productive atmosphere. Suppliers can contribute to the evaluation of product design, which aids in determining the most technological and economical production option. Strategic supplier alliances function best when the links between supply chain participants operate at peak efficiency. As a result, the more productive a company is internally, the more productive its supply chain will be. The effective use of technology and collaboration results in strategic supplier partnerships. Through this strategy, the supply chain can decide how to best meet market expectations (Ola & Limberg, 2011). Shared planning for procurement, supplier participation, and shared problem-solving are the essential components of strategic supplier partnerships (Ndolo and Wanyoike, 2022).

The importance of suppliers to a company's competitive success can be attributed to a number of important factors. First, manufacturers are starting to concentrate on their core competencies and technical areas of knowledge (Prahalad and Hamel, 1990); in other words, they are doing what they do best. Increased reliance on external providers is necessary to directly supply non-core requirements due to a concentration on internal competences. Second, creating strong supply-base management plans can assist in reducing the competitive pressures brought on by fierce international competition. Businesses in the United States must acquire competitive performance advantages from their suppliers that are equal to or greater than those that suppliers offer to their top overseas competitors if they are to stay globally competitive. Thirdly, a company's ability to develop in the crucial fields of product and process technology can be directly supported by suppliers. Organizations are rebuilding their supplier base and managing it as an extension of the

firm's business system as they continue to pursue performance improvements (Vonderembse and Tracey, 1999).

Given that purchased materials account for more than half of the cost of items supplied globally, choosing a supplier is a crucial strategic choice and a source of competitive advantage (Simpson, Siguaw, and White, 2002). As buyers seek to establish strategic alliances, supplier selection becomes a top priority (Spekman, 1988). Due to intense competition and increased business complexity, there is an increasing emphasis on building long-term channel partnerships, which has led many businesses to become very picky about the suppliers they work with. Organizations are adopting supplier selection criteria to improve the selection process and forge stronger ties with their suppliers. Managers should concentrate on a set of supplier selection criteria that assess suppliers across various dimensions, such as product quality, product performance, and delivery reliability, according to Vonderembse and Tracey (1999). One of the most important duties of purchasing and sourcing managers is the efficient assessment and selection of suppliers. Price, lead time for delivery, and quality are just a few of the crucial supplier performance factors that are frequently taken into account at the same time throughout the evaluation process

2.2. EMPERICAL REVIEW

The top procurement levels showed rising degrees of supplier collaboration and reorganization of existing ties, according to Deloitte's Procurement Performance Survey (2014). While 77% of procurement performance in some industries may be directly influenced by supplier innovation, the vast majority of companies view the success of their strategic supplier collaborations as bad or mixed. A strong supplier connection can significantly improve the performance of the procurement process and, in particular, serve as the cornerstone for realizing the Vision 2030 Strategy, according to the World Bank's overview study.

Adugna (2017) conducted a study with the title *“Effects of Supplier Relationship Management the Timely Delivery and Quality of Products in Commercial Banks in Ethiopia”*, and He came to the conclusion that the employees in the procurement department of a company are not familiar with the theories and concepts of supplier relationships, and he suggested that continuous training and awareness-building on these topics be done in order to improve and familiarize

employees working in the procurement area. Therefore, the competency of the staff can play a pivotal role in effective Supplier Relationship management to create long-term strategic relationships with the supplier.

Mwangi (2019) conducted a study on how Kenyan manufacturing companies' performance was affected by supply chain optimization. The results showed that several aspects of supply chain optimization affected the performance of manufacturing enterprises. In particular, the study found a significant correlation between manufacturing company performance and inventory controls, supplier management, and procurement cost optimization. Furthermore, the relationship between supply chain optimization and performance was moderated by employee competence.

According to the research done by Torabi, Baghersad, and Mansouri (2015), corporations are outsourcing their non-essential tasks and focusing more on their core businesses in the current setting of globalization. This behavior will make the supplier selection process even more crucial. The success of the supplier settlement procedure is crucial to the groups given the hostile worldwide environment. This procedure's disorganization or errors could also result in overly drawn-out or subpar client service. In this regard, the purchasing division's actions have a significant impact on the efficiency and value of enterprise performance because they directly affect cost reduction, business profitability, and flexibility.

A study by Onyango et al. (2015) found that buyer-supplier collaborative decisions and supplier communication management have a positive effect on the internal operational performance of manufacturing firms in Kenya. Moreover, the analysis showed that the impact was significant according to the result of the statistic. This suggests that companies with effective mechanisms for communicating with their suppliers, shared purchasing decisions, and better customer interactions are more likely to experience enhanced internal operational performance. The performance of internal operations is improved through improved supplier relations, which also improve supplier performance. Similar to this, an efficient communication system enhances information exchange between firms and suppliers, enhancing operational efficiency. The report thus advises managers in manufacturing businesses to improve communication mechanisms and forge long-lasting relationships with suppliers. A specialized information system may be utilized

to deliver real-time information flow and improve relationships between the business and its suppliers.

The adoption of SCM methods by businesses increased service delivery, decision-making, total cost reduction, and real-time delivery of goods and services, according to a study by Chesaro (2016). 45 businesses in Nairobi were utilized in their survey research design, which was based on a census approach. The findings showed a substantial correlation between operational success and SCM techniques.

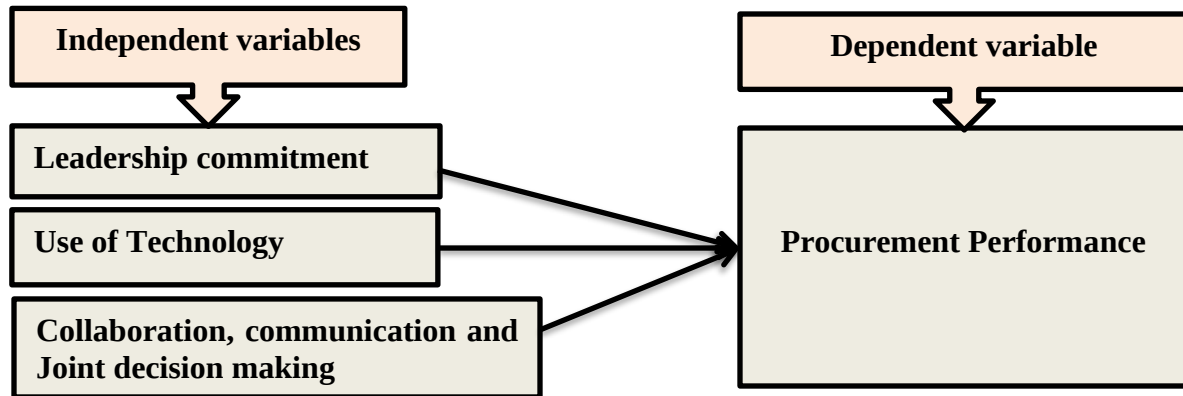
Musau (2018) conducted a study on the Kenyan textile manufacturing industry's supply chain determinants of organizational effectiveness. The study's conclusions showed that inventory management, buyer-supplier relationships, transportation management, and warehouse management all have a positive and significant impact on organizational performance. Additionally, bad scheduling and tracking systems for vehicles, late payments to suppliers, contractual disputes, automation of warehouses, ineffective modern inventory management techniques, and warehouse layout all had a detrimental impact on performance.

A study entitled ...*“The Effect of Strategic Supplier Relationship Management on Supply Chain Performance of Pharmaceutical Funds and Supply Agencies”* was conducted by Kidist (2018). The study's findings show that implementing technology and collaborating with suppliers positively and considerably improves supply chain performance.

2.3. CONCEPTUAL FRAMEWORK OF THE STUDY

A conceptual framework, according to Upton (2011), can be characterized as a collection of overarching concepts and guiding principles drawn from pertinent disciplines of study and utilized to organize subsequent research. As a result, a conceptual framework is a research instrument created to help researchers gain knowledge of the issue being studied, understand it, and interact with the study (Upton, 2011). The study creates conceptual framework models that can demonstrate a relationship between the independent variable strategic supplier partnership management and the dependent variable procurement performance, as shown in figure 2.3 below.

Figure 2.3: Conceptual Framework



Source: Constructed from Concepts of Other studies

N.B.: The main interest variable is strategic supplier Partnership Management, which is under investigation to check its effect on the Procurement performance of the study organization. The other variables, which are listed in this figure are derived from the literature review and are expected to affect strategic supplier Partnership Management and hence procurement performance of the Factory.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Description of the study area

The National Alcohol and Liquor Factory (NALF) was established in 1928 E.C. by a private company and transferred to the government institute in 1969 E.C. NALF produces pure alcohol and varieties of liquor. In 1971, E.C., through the decision of the Ethiopian government, Beverage Corporation was separated from the Awash Wine Factory to join the factory. The Factory is a pioneering, solely government-owned state corporation that produces and markets alcoholic beverages in our nation. The Ethiopian government seized and took ownership of the NALF factories in 1976 E.C. Since then, the plant has tried to meet consumer demand by producing and distributing alcohol and other liquor items. Two branch factories that were originally built and owned by different people at different times make up the factory. One of them is in the capital city of Addis Abeba, while the other is in Sebeta Town, which is 25 kilometers away. (Business Profile)

Based on consumer demand, NALF's mission is to produce and market alcohol and other alcoholic beverages. The company's mission is to meet the needs and expectations of its customers by consistently producing high-quality alcoholic beverages using modern technology, modern management practices, and qualified and experienced staff. It also aims to satisfy other stakeholders by generating value while advancing social progress and environmental protection in order to do our part to contribute to the development of our nation. Today, the Factory extends its production volume to the main consumers and customers, such as the main distributors, hotels, hospitals, bars, and restaurants, companies, individuals, and government and non-government institutes in Addis Ababa and the regional states, towns, and cities of Ethiopia (Ibid).

3.2. Research Approach

There are three different kinds of research methodologies: mixed, qualitative, and quantitative. The quantitative approach uses quantitative data gathering, which entails the generation of data in a quantitative form that can be subjected to formal, stringent statistical analysis. On the other

hand, qualitative research focuses on phenomena that are related to or include quality, kind, or qualitative phenomena. It is possible to define the mixed research technique as research in which the investigator collects and analyzes data, integrates the findings, and draws inferences using either qualitative and quantitative approaches or methods in a single study (Kothair, 2004: p. 3).

This study was conducted using a mixed approach (Quantitative and Qualitative). Thus, the quantitative result is significant enough to apply the results to a wider population. This is because the qualitative approach describes social phenomena as they occur naturally, so its findings cannot be generalized to the whole population to be studied.

3.3. Research Design

According to many authors, there are three main types of research design: descriptive, exploratory, and explanatory. In this study, the aim was to assess the Effect of Strategic Supplier Partnership Management on the Procurement Performance of NALF. Therefore, an explanatory research design was used as the study sought to establish a cause-and-effect relationship between variables.

3.4. Research Population and Sampling

3.4.1. Target Population of the Study

Population refers to all the components that fall under the study area's sample inclusion requirements. Therefore, the population of this study has comprised both managerial and other permanent workers of the Factory. Accordingly, the population of this study has been made up of marketing and Sales Department employees; Quality Control Department employees; Production Division employees; Supplies and General Services Office employees; maintenance repair and Section Unit employees; as well as workers of the Factory at Main Factory involved as target informants of this study. According to the company profile, there are 533 employees in these five departments, and they were selected as the target population of the investigation.

3.4.2. Sample Size and Sampling Procedure

A. Sampling

The sample was chosen using both non-probability and probability sampling methods. In line with this, the study involved qualitative data collection through purposive sampling, which is non-probability sampling from the study population. Whereas, for the quantitative data gathering, the samples were determined through probability sampling, which is a stratified random sampling technique such as closed-ended survey questionnaires that were distributed to workers of NALF to fill out.

B. Sample Size

Krejcie and Morgan's (1970) formula was used to calculate the study's sample size. So, the following is the formula to determine the sample size:

$$n = N / (1 + N(e)^2)$$

Where N = is the total population;

n = is the sample from the population;

E = is the error term, which is 5% (i.e., at 95% confidence interval).

Using the above formula, the sample size of the study is determined as:

$$n = 533 / (1 + 533(0.05)^2)$$

$$n = 231$$

Table 3.4: Distribution of the Sample selected for each department as follows

Major departments	No of the employees	Samples selected
Marketing and Sales Department employees	124	54
Quality Control Department employees	58	25
Production Division employees	103	45
Supplies and General Services Office employees	149	65
Maintenance Repair and Section Unit employees	99	43
Total employees	533	231

Thus, the total study's sample size was 231, of which 226 were all workers and the other 5 were members of the management body of the research organization.

Table 3.4: Sampling Size Determination Summary Table

No.	Study Participants	Total Population	Sample Size From the population	Sampling Techniques
1	Management Bodies	11	5	Purposive Sampling (Non-Probability)
2	Non-management bodies /Workers/	522	226	Stratified Random Sampling (Probability Sampling)
Total		533	231	

3.5. Type and Sources of Data

The study used data from both primary and secondary sources. The sources of primary data were the employees of the Marketing and Sales Department, Quality Control Department, Production Division, Supplies and General Services Office, and Maintenance, Repair, and Section Unit, as well as managers of the Factory. These participants were involved through semi-structured interview sessions and survey questionnaires distributed to factory workers. The secondary data sources were reviewing books, leaflets, searching on Websites such as journals, articles, and published and unpublished materials from previous studies. Moreover, it refers to procurement Manuals, bid documentation, Operational Procedures, and other annual and periodic progress reports, as well as periodic publications of the organization under investigation.

3.6. Method of Data Collection

To address the basic research questions, to acquire a real source of data in the process of the study, and to have thick and valuable data, information from both primary and secondary sources was used for this study. The primary data was collected from the managers of the selected departments and the sample employees from the purposively selected departments by Interview and structured questionnaires, respectively. Closed-ended questioners were distributed to employees. Secondary data was obtained from documents. In this regard, the researcher assessed the documents related to the area of the study. These documents include annual reports,

Procurement strategies, bid documents, Procurement policies and manuals, published and unpublished books, and other important materials.

3.7. Data Presentation and Analysis Plan

The analysis of the data was done in accordance with the study's goal. The individual analysis of each objective has been presented in the following section. Demographic characteristics were summarized using numbers and percentages for all variables, including age, sex, years in the organization, and educational level using descriptive statistics. Pearson's correlation was also used for displaying the relationship, degree, and direction of relationships between variables. Finally multiple regression analysis was performed as part of the overall data analysis process to determine the degree to which the components of strategic supplier partnership management have an impact on the firm's procurement performance. The statistical analysis has been concluded by providing a detailed interpretation and discussion of the findings. In this case, SPSS version 23 was used as a statistical tool.

3.8. Model Specification

According to Brooks (2008), it is very easy to generalize the simple model to one with k independent variables. $Y_i = \beta_1 + \beta_2 x_{1i} + \beta_3 x_{2i} + \dots + \beta_k x_{ki} + \epsilon_i$, $i = (1, 2, \dots, i)$. So, where Y_i is the i th observation of the dependent variable, $X_{1i}, \dots, X_{ki}$ is the i th observation of the independent variables, $\beta_0, \dots, \beta_k$ are the regression coefficients, ϵ_i is the i th observation of the stochastic error term.

Accordingly, to test factors affecting the performance of Procurement in NALF, the researcher have estimated a linear regression model in the following form.

$$PP = \beta_0 + \beta_1 TEC + \beta_2 COM + \beta_3 CCJDM + \epsilon$$

Where:

PP = Procurement Performance

TEC = Use of Technology

COM = Leadership Commitment

CCJDM = Collaboration, Communication and Joint Decision Making

β_0 = Constant

$\beta = 1, 2, 3$ are parameters to be estimate

In this model, all independent variables enter the regression equation at once to examine the relationship between the whole set of predictor and dependent variable.

3.9. Reliability Tests of the Measurement Instruments

Naredh & David (2007) define measurement as the process of allocating numbers or other symbols to an object's qualities in accordance with predetermined guidelines. Furthering measurement, scaling entails building a continuum on which measured things are positioned. Five-level Likert interval scales, which are a fairly common rating scale for evaluating ordinal data, will be the recommended scale.

Testing for both consistency and stability helps determine a measure's reliability. Cronbach's alpha is a reliability coefficient that shows how well items in a set are positively connected to one another, and consistency measures how well items assessing a notion fit together as a set (Sekaran U., 2009). The reliability of the questions for each variable is obtained when Cronbach's alpha coefficient is at least 0.6. And the internal consistency and reliability of the questions will be considered higher if the result is near 1. In general, the reliability of a scale or item may fall between 0 and 1. (Garson, D., 2012). He also stated that a reliability score of 0.9 or higher is excellent, high reliability (0.70-0.90), moderate reliability (0.50-0.70), and low reliability (0.50 and below) are the four reliability cut-off points proposed

Table 3. 8: Reliability Test Result

No.	Variables	Number of Items	Cronbach's Alpha (α) Coefficient	Reliability ranges
1	Use of Technology	5	.645	Moderate Reliability
2	Collaboration, Communication and Joint Decision-Making	10	.827	High reliability
3	Leadership Commitment	5	.703	High reliability
4	Procurement Performance	14	.872	High reliability

(Source: SPSS, Version 23)

According to the above table, Five questions were employed in this study to assess the use of technology, yielding an alpha coefficient of 0.645. Collaboration, communication, and Joint decision-making are measured using 10 items with an alpha coefficient of 0.827. This study used five items to determine leadership commitment, yielding an alpha coefficient of 0.703. In addition fourteen items were employed to determine to examine the performance of procurement with an alpha coefficient of 0.872.

According to Cronbach's theory, all test items should be considered adequate if they can each yield an alpha coefficient of at least 0.6 and a higher coefficient, which demonstrates that all items used to measure constructs are reliable and stable. As a result, it is thought that the relationships between the elements can and are reliable for analysis.

3.10. Validity Test

The validity test determines how well a test method captures the data it is intended to capture. Zikmund (2003) defined validity as a measure's capacity to capture the intended subject of measurement. There will be issues if it does not measure what it is supposed to measure. In this study the questionnaire was developed based on empirical literature as well as the pilot test conducted using ten participants prior to employing the instrument to address the issue of validity and also accepted by researcher adviser therefore the questionnaire were valid.

3.11. Ethical Consideration

The researcher took the ethical guidelines of this study into account so as to conduct the research in a professional manner. The researcher confirmed that the subject's confidentiality was protected and informed the study participants that the study's sole purpose was academic. The study's purpose was also introduced in the questionnaires' introduction sections and during interviews with the respondents. Additionally, respondents were awaked that their partaking in the study was depending on their consent and agreement that none of the respondents' responses would be personally associated with this research study during data presentation, analysis, and interpretation. All of the resources used for this study were also acknowledged.

CHAPTER FOUR

4. RESULT AND DISCUSSION

4.1. Introduction

This chapter places special attention on the presentation, analysis, and discussion of the study's findings regarding the evaluation of the impact of strategic supplier partnership management on procurement performance at the National Alcohol and Liquor Factory in Addis Abeba, Ethiopia. The data has been collected through questionnaires from employees and interviews conducted with higher officials to arrive at meaningful results. The collected questionnaire was then coded for analysis using Statistical Package for the Social Sciences (SPSS) version 23. Demographic factors and Strategic Supplier Partnership management were then analyzed using descriptive statistics. Correlation analysis, in particular Pearson correlation, was also performed in this study to measure the relationship between the various variables considered. Regression analysis was also used to test the effects of independent and dependent variables.

4.2. Response Rate

The researcher has given out questionnaires and an interview to 231 people who made up the sample to get the required data. 222 of the total questionnaires and interviews issued were completed and returned, while the other 9 respondents were unable to do so due to hectic schedules that prevented them from completing one questionnaire at a time. As a result, the researcher was able to gather 96% of the research questionnaires and interviews distributed, and the study's return rate of 96% met the requirements for conducting an analysis based on the collected data. The data presentation was built on the questionnaires and interviews, which were completed by 217 workers and 5 managers respectively at Ethiopia's National Alcohol and Liquor Factory.

4.3. Demographic Profile of the Respondents

This section provides descriptive statistics about the demographics of the respondents based on five demographic variables. Gender, age, education level, marital status, and work experience were analyzed.

Table 4.3: A description of the respondents' demographics

Variables	Description	Frequency	Percent	Cumulative Percent
Gender	Male	171	78.8	78.8
	Female	46	21.2	100
	Total	217	100	
Age	18-25	13	6.0	6.0
	26-40	123	56.7	62.7
	41-60	81	37.3	100
	Total	217	100	
Education Status	MA/MSC	61	28.1	28.1
	Diploma	7	3.2	31.3
	BA/BSC	149	68.7	100
	Total	217	100	
Work Experience	Less than Five Years	135	62.2	62.2
	5 - 10 Years	54	24.9	87.1
	10 – 15 years	21	9.7	96.8
	Above 15 years	7	3.2	100
	Total	100	100	
Marital Status	Married	128	59.0	59.0
	Single	77	35.5	94.5
	Divorced	12	5.5	100
	Total	217	100	

(Source: Computed from primary data)

4.4. Response Rate Analysis

As shown in the previous table, of the respondents, 79% (171) and 21% (46) are male and female, respectively. This shows that more male than female employees participated in the study, and the sample population is dominated by male employees.

The above table shows that 123 (57%) of the respondents found an age interval between 26 and 40, 81 (37% of the respondents) between 41 and 60, and the remaining 13 (6%) of the respondents found an age interval between 18 and 25 years. This shows that the Majority of the employees that participated in the study from NALF were between the ages of 18 and 40. This

group constituted 94% of the respondents sampled for this study. From this, we can understand that many of the employees of the NALF are youth.

The aforementioned table shows that, of the total respondents, 149 (69%) had a bachelor's degree, 61 (28%) had a master's degree, and the remaining seven (3%) had a diploma. Therefore, the majority of the respondents were first degree (BA/BSc) holders and second-degree (MA/MSc) holders. These two groups constitute about 97% of the employees selected for the sample. Thus, from this, we can conclude that most of the respondents are well educated and have good knowledge about the daily operation of the NALF with regards to strategic Supplier partnership management practices, as well as the effect of SSP management on procurement performance in the NALF.

As we can see from the above table, the largest groups of respondents have work experience of less than 5 years with NALF, which accounts for 62%, whereas 25% have work experience in the range of 5 to 10 years. The other group of employees, which is 21 (10%) of them, have work experience between 10 and 15 years in NALF. The remaining seven (3) of them have worked more than 15 Years in the NALF. Generally, the majority of the selected samples of employees from NALF have not had a long relationship, and this may not help them to know the overall effectiveness of SSP Management practices as well as their effect on procurement performance.

Married people make up the bulk of the respondents in this survey, according to Table 4.3 above. 59% of the respondents used in this study were married, compared to 35% of the respondents who were single. 6% of respondents said they were divorced, according to the survey. Therefore, this analysis reveals that there are more single and married employees in the chosen samples; this may be related to how old the respondents who participated in this study were.

4.5. Correlation Analysis.

One of the most popular methods for determining the relationship between two quantitative variables is correlation analysis (Bewick, Cheek, and Ball, 2003). A statistical concept known as correlation illustrates how strongly two or more variables are related to one another. According to Zaid (2015), a positive correlation means that the variables are rising or falling together, whereas a negative correlation means that one variable is rising while the other is falling.

The Pearson correlation coefficient, also known as r , is a statistical indicator of the strength and direction of a relationship between two continuous variables. It operates with a linear relationship between the two variables.

The Pearson correlation coefficient, according to Berwick, Cheek, and Ball (2003), is a gauge of the strength of a linear (straight line) link between two variables. Since it ranges from -1 to +1, the greater the link, the higher the value. Using the Pearson correlation coefficient, the significance of the relationship between the independent and dependent variables was determined. Independent factors that have an impact on dependent variables are called predictors.

Thus the Correlation Between Procurement Performance and the attributes of the SSP management such as Collaboration, communication, and Joint Decision Making, leadership Commitment, Technology Usage has been conducted to see the direction and strength of the correlation between each variable and the result will be presented in the following table 4.6

Table 4 .6: Correlations Matrix's between variables

		<i>Collaboration, Communication and Joint Decision Making</i>	<i>Leadership Commitment</i>	<i>Performance of Procurement</i>	<i>Use of Technology</i>
<i>Collaboration, Communication and Joint Decision Making</i>	<i>Pearson Correlation</i>	1	.334**	.530**	.811**
	<i>Sig. (2-tailed)</i>		.000	.000	.000
	<i>N</i>	217	217	217	217
<i>Leadership Commitment</i>	<i>Pearson Correlation</i>	.334**	1	.740**	.539**
	<i>Sig. (2-tailed)</i>	.000		.000	.000
	<i>N</i>	217	217	217	217
<i>Performance of Procurement</i>	<i>Pearson Correlation</i>	.530**	.740**	1	.658**
	<i>Sig. (2-tailed)</i>	.000	.000		.000
	<i>N</i>	217	217	217	217
<i>Use of Technology</i>	<i>Pearson Correlation</i>	.811**	.539**	.658**	1
	<i>Sig. (2-tailed)</i>	.000	.000	.000	
	<i>N</i>	217	217	217	217

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

(Source: SPSS output, Version 23)

A matrix of correlation coefficients for the four variables is presented in the SPSS output. With a Pearson correlation value of .74, the accompanying data demonstrates that there is a significant positive link between Leadership Commitment and PP. It can be concluded that there is a substantial association between the two variables since $p < 0.05$. The output also shows that Collaboration, communication, joint decision-making, and technology are positively related to the PP, with coefficients of $r = .530$ and $r = .658$ respectively, both of which are significant at $p = 0.000$. And it can be said that Technology has a strong relationship and Collaboration, Communication and Joint decision-making have a moderate relationship with Procurement performance.

4.6. Tests for the Model Assumptions

Making sure the data can be examined using multiple regressions is a step in the process when selecting to utilize multiple regressions to analyze data. This is due to the fact that multiple regressions should only be used if the data "passes" the assumptions necessary for a valid result. The relevant diagnostic tests were therefore performed on the variables in the following section.

A. Sample size adequacy

Field (2013) suggests two general guidelines for the bare minimum acceptable sample size, depending on whether you want to test the overall fit of your regression model (i.e., test the R^2) or the individual predictors inside the model (i.e., test the p-values of the model). He then suggests a minimum sample size of $50 + 8k$, where k is the number of predictors, to evaluate the model overall. Thus, you would want a sample size of $50 + 8 * 3 = 74$ when using three predictors. He also suggests a minimum sample size of $104 + k$ to test individual predictors; therefore, using the same example of 3 predictors, the sample size would be $104 + 3 = 107$ (Field, 2013). As a result, the study's sample size of 217 suggests that there is sufficient evidence to support the survey's ability to predict both the model as a whole and its individual components.

B. Linearity Test

According to the definition of linearity provided by Field (2013), the dependent variable is defined as a linear function of the predictor (independent) variables when the mean of the

outcome variable for each increment of the predictor lies along a straight line. This is tested using a normal P-P plot chart in SPSS. In Appendix III, it is noted that it has a linear relationship; the dots tempt you to follow the straight line (fit line) for each independent variable to the dependent variable. So the linearity assumption was met for the two variables. This allows the study to deploy Pearson correlation.

C. Normally Distribution test

The normal distribution test can be validated using the skewness and kurtosis tests. According to the definition, kurtosis is "the property of a distribution describing the widths of the tails." The tail is larger because the polar poles of the normal distribution have fewer points. Skewness is a symmetrical measure. A data set is said to be symmetric if the left and right of the midpoint are equal (Mardia, K.V., 1970). Alternately, one may say that kurtosis measures the distribution's peakness and skewness assesses its symmetry.

In addition, Hair (2010) further emphasizes the criteria for checking skewness and kurtosis values, and according to this author, if any value of these tests equals zero, the variable means that it is normally distributed. And any other non-zero value implies deviations from normality, but values within 2.58 are allowed. From the table below, Skewness (-.917 to -.0237) and Kurtosis value (1.499 to .163) are found to be within the acceptable range, which emphasizes that they are approximately normally distributed. Please also see Appendix III for other test approaches

Table 4.7C: Normally Distribution test

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Performance of Procurement	217	-.915	.165	1.499	.329
Leadership Commitment	217	-.542	.165	.647	.329
Collaboration, Communication and Joint Decision Making	217	-.237	.165	.163	.329
Use of technology	217	-.507	.165	1.418	.329
Valid N (listwise)	217				

(Source: SPSS output, Version 23)

D. Multi-collinearity Test

If there is a significant connection between two or more predictors in a regression model, it can be identified using the multi-collinearity test. This assertion can be put to the test using tolerance and the variance inflation factor (VIF). There is no collinearity in the data if the VIF value is less than ten and the tolerance figures are more than 0.1 (Field, 2013). In this regard, as can be seen from the table below, the Variance inflation factor value ranges from 1.475 to 3.838, whereas the tolerance value ranges from 0.261 to 0.678. Thus, the Tolerance and VIF values indicate no serious multi-collinearity problems.

Table 4.7D: Multi-collinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Collaboration, Communication and Joint Decision Making	.326	3.063
	Leadership Commitment	.678	1.475
	Use of Technology	.261	3.838

a. Dependent Variable: Performance of Procurement

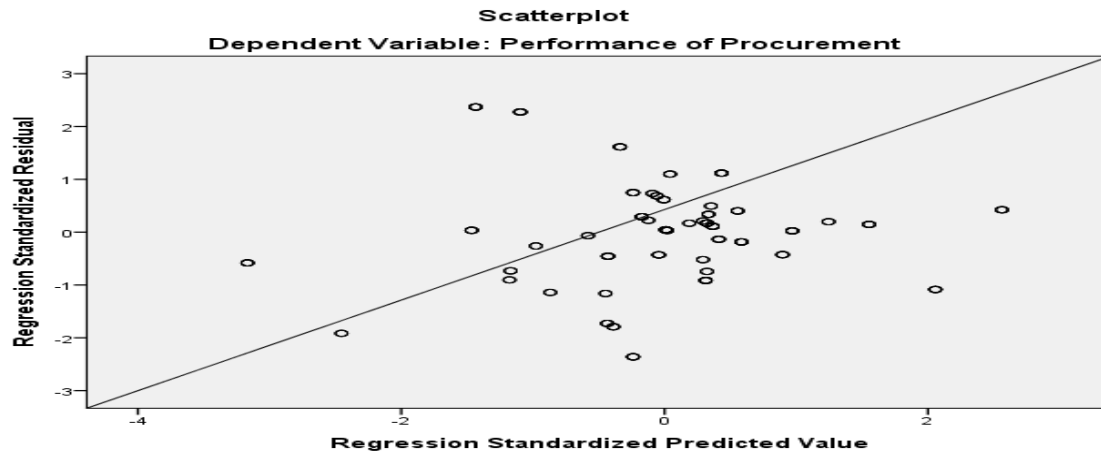
(Source: SPSS output, Version 23)

E. Test of Homoscedasticity

In regression analysis, homoscedasticity is the presumption that the residuals at each level of the predictor variable(s) have comparable variances. As Field, A. (2013) pointed out; the residuals should have the same variance (homogeneity of variance) at each level of the independent variable. In other words, the homoscedasticity test refers to the same error variance at all levels of the independent variable. This means that the error is evenly distributed among the variables (at each level of the predictor, the variance of the residual term should be constant).

The homogeneity of variances can be checked by visually inspecting the plot of standardized residuals against predicted standardized regression values. As it can be seen from the figure below, note how the points are randomly and evenly dispersed throughout the plot. This pattern indicates a situation where the homoscedasticity assumption is satisfied.

Figure 4.7E: Scatterplot



(Source: SPSS output, Version 23)

F. Autocorrelation Test

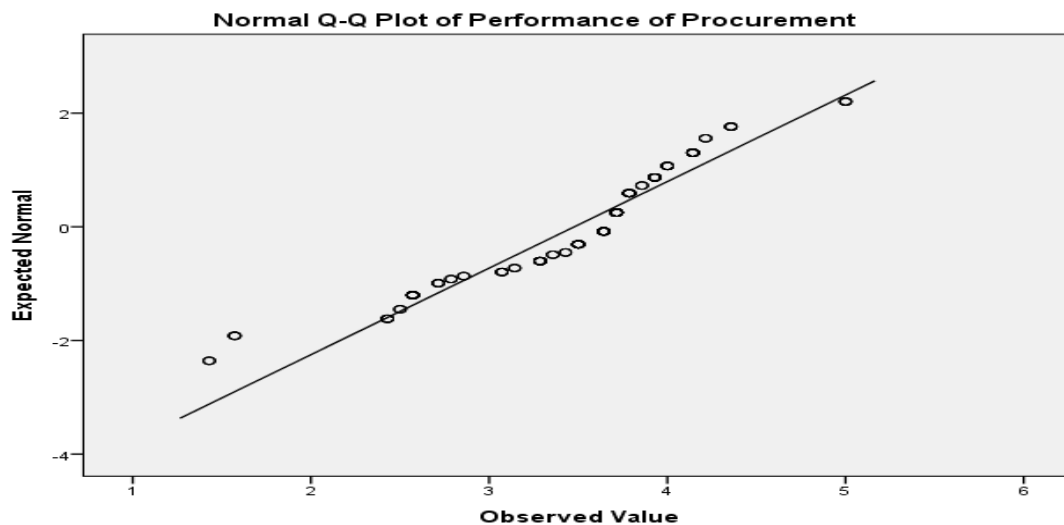
The degree of similarity or correlation between values of the same variable or data series across time is referred to as autocorrelation. Lagged correlation or serial correlation are other names for this correlation coefficient. It is employed to spot non-randomness in the given data. To conduct this test, the researcher has employed the powerful and well-known "Durbin-Watson Test". The Durbin-Watson statistic lies in the range 0-4. There is no first-order autocorrelation when the number is 2 or close to 2. The range of 1.50 to 2.50 is suitable. There is positive autocorrelation when successive error differences are minor and Durbin-Watson is low (less than 1.5). Therefore, the result of the Durbin-Watson test is provided in Table 4.8.1: Model Summary. And as it can be seen from the table, the Durbin-Watson value is 1.960. Therefore, the autocorrelation assumption is satisfied since it is between 1.5 and 2.5.

G. Normality Test

The residuals in the model are thought to be randomly distributed, normally distributed variables with a mean of 0. This simple assumption simply states that differences significantly larger than zero are rare and that most discrepancies between the model and the observed data are zero or very near zero. This presumption and the notion that predictors should have a normal distribution are sometimes confused. It is not necessary for the predictors to be regularly distributed.

To test the normality of residuals, the study used a histogram and normal probability plot. In a normal probability plot, the straight line in the plot represents a normal distribution, and the points represent the observed residuals. In a perfectly normally distributed data set, all points will lie nearly on the line (Field, A., 2013). From figure 4.7G below, it can be concluded that the residuals are approximately normally distributed due to the dots not being very distant from the line. In the histogram from Appendix B, the residuals look like a normal distribution (a bell-shaped curve).

Figure 4.7G: *Normal Q-Q Plot of Procurement Performance*



(Source: SPSS output, Version 23)

4.8. Regression Analysis Results

4.8.1. Model Summery

A regression model provides a function that describes the relationship between independent variables (Collaboration, communication, and Joint decision-making; leadership commitment; use of Technology) and dependent variables (Performance of Procurement). From the model summary table below, the column labeled R (.807) is the value of the multiple correlation coefficients between the predictors and the outcome, which indicates a strong correlation between SSP management practices and Procurement performance. The next column gives us a value of R square, which indicates a measure of how much of the variability in the outcome is accounted for by the predictors. The value of R square (coefficient of determination) from the

model summary is.651. This means that predictors (Collaboration, communication, joint decision-making, leadership commitment, and use of Technology) account for 65.1% of the variation in Procurement Performance. The remaining variation in PP cannot be explained by the indicated SSPM practice. This means that the rest 34.9% of the variation in Procurement Performance cannot be explained by the indicated Strategic Supplier Partnership Management practices. As a result, more study is needed to look at the remaining percent of variables that affect the National Alcohol and Liquor Factory's procurement performance.

Table 4.8.1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.807 ^a	.651	.646	.39071	1.990

a. Predictors: (Constant), Collaboration, Communication and Joint Decision Making, Leadership Commitment, Use of Technology

b. Dependent Variable: Performance of Procurement

(Source: SPSS output, Version 23)

4.8.2. ANOVA

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and form the basis for tests of significance. An ANOVA test was conducted to test the significance level of the whole model. The significance value is less than 0.05, and it was concluded that collaboration, communication, joint decision-making, use of Technology, and Leadership Commitment jointly have a statistically significant effect on the National Alcohol and Liquor Factory's procurement performance.

Table 4.8.2.: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.612	3	20.204	132.352	.000 ^b
	Residual	32.515	213	.153		
	Total	93.128	216			

a. Dependent Variable: Performance of Procurement

b. Predictors: (Constant), Collaboration, Communication and Joint Decision Making, Leadership Commitment, Use of Technology

Source: SPSS output, Version 23)

4.8.3. Statistical Significance Analysis of the Regression Coefficients to test the Hypotheses

The regression coefficient table specifically tells us what variables significantly predict the dependent variable and how the predictor variable impacts the dependent variable. The table below shows the B value for each predictor variable. The B-values tell us about the relationship between Procurement Performance and each predictor. A Positive B value is observed in all the predictors, which indicates these three predictors and the outcome variables have a positive relationship. So, as collaboration, communication, joint decision-making, use of Technology, and Leadership Commitment practices increase, Procurement performance increases. The B-values also indicate to what degree each predictor affects the outcome if the effects of all other predictors are held constant.

Table 4. 8.3: Coefficients of Strategic Supplier Partnership Management

		Coefficients^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.175	.169		1.037	.301
	Use of Technology	.232	.083	.223	2.814	.005
	Leadership Commitment	.566	.049	.566	11.511	.000
	Collaboration, Communication and Joint Decision Making	.152	.067	.160	2.264	.025

a. Dependent Variable: Performance of Procurement

Source: SPSS output, Version 23

A t-test is used as a measure of whether a predictor variable contributes significantly to the model. Therefore, if the t-test associated with the P-value is significant (the value in the column labeled 'Sig.' is less than 0.05), the predictor contributes significantly to the model. The smaller the value of Sig and the larger the value of t, the greater the contribution of that predictor (Field, A., 2013).

In the above regression model, only Leadership Commitment ($t = 11.511$, $p = .000$) is a significant predictor of Procurement Performance. From the magnitude of the t-statistics, it can be suggested that leadership commitment had a greater impact than the other variables of SSPM.

The standardized beta value (β) indicates the number of standard deviations by which the dependent variable changes as a result of a change in the standard deviation of the independent variable. Betas values are all measured in standard deviations and provide better insight into the 'importance' of predictors in the model (Field, A., 2013). The beta values for Technology ($\beta = 0.232$), Commitment ($\beta = 0.566$), and Collaboration, communication, and Joint decision-making ($\beta = 0.152$) indicate that all the predictor variables have different levels of importance in the model. Thus, the regression model is presented as follows:

$$PP = \beta_0 + \beta_1 TEC + \beta_2 COM + \beta_3 CCJDM$$

$$PP = 0.175 + 0.232TEC + 0.566COM + 0.152CCJDM$$

Where:

PP = Procurement Performance

TEC = Use of Technology

COM = Leadership Commitment

CCJDM = Collaboration, Communication and Joint Decision Making

4.9. Hypothesis Testing Result and Discussion

According to Field, A. (2013), if the p-value is less than the significant level 0.05, reject the null hypothesis; otherwise, do not reject the null hypothesis. According to Table 4. 8.3, there is a significant relationship between the explanatory and response variables since their coefficients are significant at a 5% significant level. Furthermore, the hypotheses were devised and tested as shown below:

From the above table 4. 8.3, the coefficients of leadership commitment (COM), collaboration, communication, and Joint decision-making (CCJD), and Use of Technology (TEC) have Positive coefficients; all of them are significant at a 5% level. Thus, having this empirical result, we can

conclude that all three variables have a positive and significant effect on the procurement performance, and hence the SSPM significantly affects the Procurement performance of the National Alcohol and Liquor Factory. Therefore, the four null hypotheses developed have been rejected as the p-values of Leadership Commitment, Collaboration communication, joint decision-making, and Use of Technology ($P = 0.00, 0.025, \text{ and } 0.005$) are below significant levels. 05

➤ ***Ha2: Leadership commitment has significant effect on PP of the NALF.***

The first objective is to investigate the effect of leadership commitment on the procurement performance of the National Alcohol and Liquor Factory, and considering the analysis of the first hypothesis, it was found that Leadership commitment has a significant effect on the PP of the NALF. The finding shows that the significance level of Leadership commitment on procurement performance is less than 0.05, which is 0.000. Furthermore, where each increase of 1 unit of Leadership commitment will increase the procurement performance value by 0.566, it can be concluded that leadership commitment affects procurement performance significantly positively.

The researcher conducted an interview about the Leadership Commitment of their organization for Strategic supplier partnership management with key management staff of the National Alcohol and Liquor Factory, and the majority of management-level staff agreed with the idea that there is a strong commitment among the leadership of the organization to have effective Strategic supplier partnership, which facilitates real-time (Immediate) communication and collaborates with the key supplier to solve the problems, and when it comes to the process of procurement, it has been positively affecting the performance of procurement in NALF. In addition, some of the management staff disagrees with this idea, and they have mentioned that sometimes less commitment is viewed negatively by some managers.

➤ ***Ha3: Technology use has significant effect on PP of the NALF***

The second objective of this research was to investigate the effect of technology use in SSP management on the procurement performance of the factory. Here also, the finding shows that the significance level of Technology use on procurement performance is less than 0.05, which is

0.005. Furthermore, where each unit of Technology use increases the procurement performance value by 0.232, it can be concluded that technology use affects procurement performance significantly and positively.

Further, having this empirical finding in mind, the researcher conducted an interview with key management staff of the National Alcohol and Liquor Factory, and the majority of management-level staff agreed that the implementation of the technology has positively contributed to the strategic supplier partnership management in the National Alcohol and Liquor Factory by increasing efficiency. Further, they have pointed out that, since there is IT-based automated ordering from Strategic suppliers and system integration within departments that has been achieved with technology, the SSP management system is improving and has contributed positively to the procurement performance improvement. Further, even though the majority of the respondents agreed that Technology has helped the company realize its strategic vision by increasing the efficiency of strategic supplier partnership management and, in turn, improving procurement performance, most of the time there is a delay in order processing and breakdown of production because of the implementation of old-age technology in the factory.

➤ ***Ha4: Collaboration, Communication and Joint Decision-Making have no significant effect on PP of the NALF.***

The third objective was to assess the contribution of Collaboration, communication, and Joint decision-making to the procurement performance of the National Alcohol and Liquor Factory in Addis Ababa. Again, the statistical significance analysis of the Regression Coefficients shows that the significance level of Collaboration, communication, and Joint decision-making on procurement performance is less than 0.05, which is 0.025. Furthermore, where each increase of 1 unit of Collaboration, communication, and Joint decision-making will increase the procurement performance value by 0.152, it can be concluded that Collaboration, communication, and Joint decision-making affect procurement performance significantly positively, and the result of this study is consistent with the research conducted by Onyango et al. (2015).

Moreover, the researcher has also conducted an interview with key management staff of the National Alcohol and Liquor Factory about the Collaboration, communication, and Joint Decision-Making practices of their organization for Strategic supplier partnership management, and the majority of management-level staff disagreed with the idea that there is effective and strategic communication and collaboration with key suppliers and that there is also joint decision-making during the supply of the necessary raw materials. Some of the staff have also admitted that there is no effective joint decision-making process because of the incompetent staff allocated to manage the SSP management process coupled with the lack of commitment among the leadership of the organization to have an effective Strategic supplier partnership, which hinders real-time (Immediate) communication and collaboration with the key supplier to solve problems when they arise in the process of procurement and sometimes negatively affects the performance of procurement in NALF. In addition to that, the majority of them admitted that there is weak strategic communication with key suppliers in NALF and problems with having effective and strategic communication with key suppliers to increase common understanding among key suppliers and NALF's management staff to increase the effectiveness of the SSP management practices. Finally, they have revealed that there are some technical and administrative problems that hinder free, flexible, and dynamic collaboration with the key supplier, as well as procedural and administrative restrictions that put a limit on collaboration with the key strategic supplier.

Finally, five Management staff of NALF, which has been selected for interview were asked to explain the contribution of the strategic supplier partnership management toward Cost reduction, timely delivery of raw materials and the provision of quality products, though some of the problems related to SPP management practices is hindering the full usage of the benefit of having strategic partnership with key supplier, SSP management practices of the NALF has been positively contributed a lot for the procurement of Cost reduction, timely delivery of the raw materials and the provision of the quality products, and thus it has positively contributed for the improvement of the procurement performance.

In general, the reliability of regression coefficients on procurement performance has clued that these variables are essential factors influencing procurement performance in the same direction at different levels of magnitude.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter briefly provides a summary of the findings, conclusion, and recommendation of the effect of Strategic Supplier Partnership Management on Procurement Performance at the National Alcohol and Liquor Factory. In addition, this chapter delivers more research directions based on current research limitations.

5.2. Summary of the Findings

The study intended to evaluate strategic supplier partnership management and Procurement Performance and examine the effect of SSPM on the PP at the National Alcohol and Liquor Factory in Addis Ababa, Ethiopia. The effect of three determinants of Strategic Supplier Partnership Management features (Use of Technology, Leadership Commitment and Collaboration, communication, and Joint Decision-Making) on Procurement Performance is covered in general. Hence, the major findings of this study are summarized and presented as follows:

As per the SPSS-derived findings, the adjusted R^2 (coefficient of determination) demonstrated 0.651, which means 65.1 percent of the change in procurement performance is explained (affected) by the attributes of the SSP management (Variables included in the model), as illustrated by the three independent variables studied. From the above multiple regression equation, all variables, which are attributes of effective SSP management such as use of Technology (TEC), Leadership Commitment (COM), Collaboration, communication, and Joint decision-making (CCJDM), have positive coefficients, and all of them are significant at the 5% level of significance. For Example, if the coefficient of the Leadership Commitment (COM) is 0.566 and is interpreted as follows: if COM increased by one unit by holding other variables constant, the procurement performance of the National Alcohol and Liquor Factory would increase by 0.566 units on average. The same explanation holds for the remaining variables. For

details, see Table 4. 8.3). The finding from the interview session with five management staff members of the NALF shows that, though there are some problems related to SSP management practices that hinder the full utilization of the benefits of having strategic partnerships with key suppliers, SSP management practices of the NALF have contributed a lot to the procurement process. Cost reduction, timely delivery of the raw materials, and the provision of quality products, and thus it has positively contributed to the improvement of the procurement performance.

5.3. Conclusion

It can be concluded that Leadership Commitment, the use of technology, collaboration, communication, and joint decision-making are very important aspects of Strategic supplier partnership management, which leads to an improvement in procurement performance. The study also concluded that Leadership Commitment, use of technology, collaboration, communication, and joint decision-Making are positively and significantly related to procurement performance and can be used to explain changes in procurement performance. Commitment with suppliers has generally been seen as highly positive for the firm's ability to improve the performance of procurement, partly because of the increased willingness to conduct operations, increased positivity, increased investment, reduced selflessness, and increased personal effectiveness, resulting in improved performance in procurement. The research also conclude that, because sometimes there is less commitment viewed by some managers, some of the management staff disagrees with the idea that there is a strong commitment among the leadership of the organization. In addition, even though technology has helped the company to realize its strategic vision by increasing the efficiency of strategic supplier partnership management and in turn improving procurement performance, most of the time there is a delay in order processing and breakdown of production because of the implementation of old-age technology in the factory. Moreover, it is concluded that because of the incompetent staff allocated to manage the SSP management process coupled with the lack of commitment among the leadership of the organization to have an effective Strategic supplier partnership as well as weak communication, collaboration and joint decision making with key suppliers during the supply of the necessary raw materials, performance of procurement in NALF has negatively

affected and problems were not solved immediate when they arise in the process of procurement. Finally the study come in to conclusion that, there are some technical and administrative problems that hinder free, flexible, and dynamic collaboration with the key supplier, as well as procedural and administrative restrictions that put a limit on collaboration with the key strategic supplier.

5.4. Recommendations

Based on the problems identified by the sample respondents of staffs of the National Alcohol and Liquor Factory, the following recommendations were suggested to improve the effectiveness of the strategic supplier partnership management practices and increase their contribution to the improvement of procurement performance at the National Alcohol and Liquor Factory in Addis Ababa:

- Though it is a well-known fact that using age-cutting technology in SSP management will make the process effective and thus enhance the effectiveness of the SSP management practices of the company, most of the respondents revealed that NALF is harnessing the use of age-cutting technology that hinders the effectiveness of its Strategic supplier partnership management practices, and hence its SSP management is backward, which is mostly performed manually by incompetent staff and vulnerable to defect. Therefore, it is highly recommended that the NALF use age-cutting technology in its SSP management system.
- This study found that there are problems related to Collaboration, communication, and Joint decision-making with the key strategic supplier, and that there is also less commitment among some of the management members of the NALF to implement the SSP plan to achieve the objectives. Further, Key suppliers are not included in the planning and goal-setting activities of the SSP in NALF, and this has created problems during implementation by hindering smooth Collaboration, communication, and joint decision-making to solve the problems when they arise. Therefore, it is highly recommended for the management of the NALF to involve Key strategic suppliers in the planning and goal-setting activities of the SSP to create an enabling environment for

effective implementation of the SSP management practices. This will help to create smooth Collaboration, communication, and joint decision-making to solve problems when they arise.

- The current, ever-changing market requires flexible and dynamic Collaboration with the Key supplier to solve daily problems that arise during the procurement process, and it can play a fundamental role in the organization's SSP management practices. However, this study has found that there are some technical and administrative problems that hinder free, flexible, and dynamic collaboration with the key supplier. Therefore, it is highly recommended that NALF's management body create an enabling environment to have flexible and dynamic collaboration with the key supplier to solve problems when they arise, increase the effectiveness of the SSP management practices, and thus improve procurement performance.
- Finally, since there is a statistically significant positive linear correlation between the key features of effective strategic Supplier partnership management and Procurement performance, management of the NALF should solve all obstacles that have been hindering the implementation of the key features of effective strategic Supplier partnership (SSP) management to increase its effectiveness and improve the performance of its procurement process.

5.5. Limitations and Future Research Direction

The National Alcohol and Liquor Factory was the only subject of this study, and its scope was restricted to assessing and identifying how strategic supplier partnership management techniques affected that company's procurement performance. As a result, the study's conclusion is unequivocal and precise, but because it only applies to NALF, it may not be appropriate to draw conclusions about other alcohol and liquor manufacturers based on its findings. Further examination is necessary using additional SSPM features that are not covered in this work since this research only used a few components of SSP management methods. Further study thus advises incorporating the upstream and downstream participants in SSP management and procurement performance. In order to learn more about the methods of other businesses and

draw a broad conclusion, interested scholars in the field could take up this subject and look into it further at another alcohol and liquor factory.

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APPENDIX I: QUESTIONNAIRE

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF LOGISTICS AND SUPPLY CHAIN MANAGEMENT

Dear respondents the objective of this question is to collect data on the effect of strategic supplier partnerships on procurement performance in the National Alcohol and Liquor Factory, Addis Ababa, Ethiopia. The purpose of the study is the partial fulfillment of the Master of Arts Degree in Logistics and Supply Chain Management at Addis Ababa University School of Commerce (AAUSC). The information you give will be kept confidential with the researcher, and it will be used for research purposes only. The researcher would like to thank you in advance for your valuable information.

Directions:

- ✓ *There is no need to write your name.*
- ✓ *Please read the questions carefully and indicate your answer in the space provided according to your choice by putting a (✓) sign on the box provided for all closed-ended questions.*
- ✓ *Read the question carefully and write your response in brief on the blank space provided for open-ended questions.*
- ✓ *If you have any suggestions or questions, please contact me at +251 911459713 or on E-mail address: gecha2001@gmail.com*

Part I: Background of the respondent

1. **Sex:** Male ☐ Female ☐
2. **Education status:** Certificate ☐ Diploma ☐ BA/BSc ☐ MA/MScs ☐ Ph.D ☐
3. **Work experience:** < 5 years ☐ 5 to 10 years ☐ 10 to 15 years ☐ above 15 ☐
4. In which **Age Category** do you fall?
18 - 25 years ☐ 26 - 40 ☐ 41-60 ☐
5. **Marital Status** Single ☐ Married ☐ Divorced ☐ Widowed ☐

Part 2: Main body of the Questionnaires

Listed below are statements about the effect of Strategic Supplier Partnership Management on Procurement Performance in your Organization. Please indicate your level of Agreement or Disagreement with the statements so that your answers to these questions provided below. By using the sign of (✓) mark on the specified tables for the following rating scales (Likert Scales):

1= strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree

2.1.Questionnaires on Independent Variables

Independent Variables	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Technology use for Supplier Partnership Management					
There is automated quality control to monitor the services provided by strategic supplier					
There is IT based automated ordering from Strategic supplier					
Procurement professionals utilize a variety of media to communicate with suppliers					
There is System integration within departments, that has been achieved with technology					
Technology has helped the company towards the realization of its strategic vision					
Collaboration, Communication and Joint decision making					
There is Adequate and quality of information sharing with strategic supplier Relationship					
There is open sharing of information which is indicated by the willingness of both parties to share important information					
There is constant sharing of information					
There is the involvement of the Strategic supplier in Planning, Biding, and other decision making process in Procurement					
There is Collective problem solving during Procurement process					

Sales forecast and Other relevant information is sharing with the key strategic suppliers					
There is involvement of the Strategic supplier in problem solving process					
There is effective communication which is a critical component of Strategic supplier relationships					
There is transparency achieved through effective communication					
Arising from our close collaboration with our strategic suppliers, product defects have been minimized					
Leadership Commitment					
The leadership of your Organization has committed to establish strategic supplier partnership with key suppliers					
The leadership of your organization believes, the strategic supplier relationship brings the desire to your organization					
There is willingness to make short-term sacrifices to maintain the relationship, a confidence in the stability of the relationship, and investments in the relationship thus improving procurement performance					
There is a sustained commitment from both sides to achieve their common goals of the supply chain					
There is commitment to a lasting strategic partnership to enhances the high procurement performance					

2.2.Questionnaires about the Dependent Variable

Dependent Variable	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Procurement Performance					
There is Well-defined Procurement policy and legal framework in procurement process in your organization					
Our Procurement policy and legal framework is Easy and flexible to adjust with changing market demand					

There is free and fair Contract management system in your organization					
Our procurement is fully Automated and its fully linked with all necessary departments					
There is quick and timely delivery of the products in our Company					
There is Quality Delivery of Procurements in our company					
Our procurement practice enable us to minimize total procurement cost in our company					
The existing procurement practice ensure us for the overall quality of procurement in the organization					
We have partnered with Key Supplier to improve our Procurement performance					
We involve our key suppliers in the planning processes and in goal setting in Procurement activities of our organization					
Our Strategic suppliers are flexible and responsive when the need arise					
Strategic Supplier partnership has helped the company towards the realization of its strategic vision					
Our strategic partnership with suppliers has thus enhanced our procurement Performance					
Our internal and External customers are greatly satisfied with the achievements of our procurement functions					

THANK YOU FOR YOUR COOPERATION.

APPENDIX II: INTERVIEW QUESTIONS

1. What is the overall effect of strategic supplier partnership management on Procurement performance of the factory?
2. Do you think there is an effect of the strategic supplier partnership on procurement Performance?
3. To what extent do you think strategic supplier partnership management contributed towards the improvement of the procurement performance at National Alcohol and Liquor Factory?
4. To what extent does technology affect procurement performance improvement in the factory?
5. Please, Rate your level of Agreement with the following questions and Explain them

The Question	High	Medium	Low
Your Organization efficiently employed Technology in its operation to increase the procurement performance and hence profitability			
There is effective and strategic communication and collaboration with key suppliers in your organization			
There is strong commitment among leadership of the organization to have effective Strategic supplier partnership.			

6. Clearly explain the contribution of the strategic supplier partnership management toward the Cost reduction, timely delivery of the raw materials and the provision of the quality products:
 - The improvement in the timely delivery of the Raw Materials, goods and service Ordered by NALF (Timely Delivery)
 - The provision of the Quality Raw Materials (Quality)
 - The procurement of Raw materials in Cost Efficient Manner (Cost)
 - Its overall contribution toward the improvement in the procurement performance in your organization.

THANK YOU FOR YOUR COOPERATION!!

APPENDIX III: SPSS OUTPUT RESULT

Reliability Statistics

Cronbach's Alpha	N of Items
.645	5

Reliability Statistics

Cronbach's Alpha	N of Items
.827	10

Reliability Statistics

Cronbach's Alpha	N of Items
.872	14

Reliability Statistics

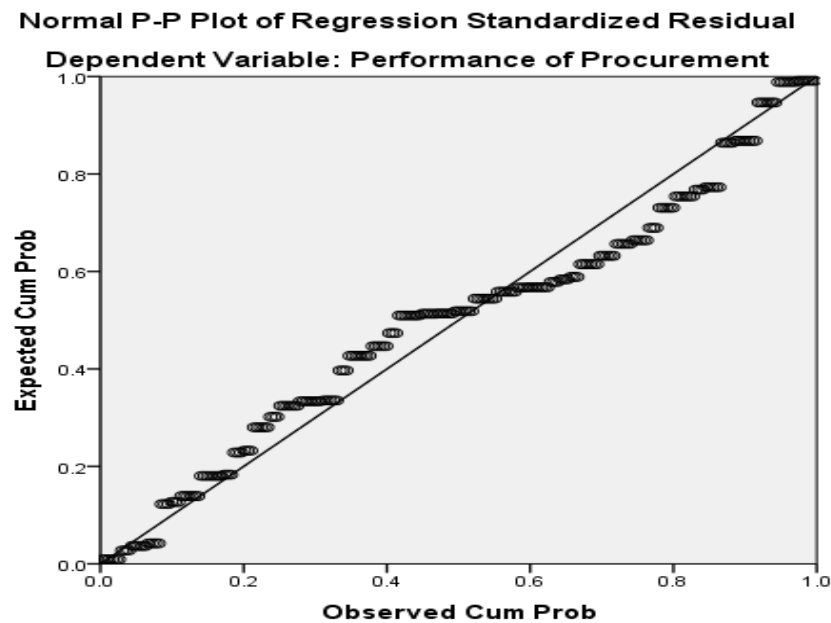
Cronbach's Alpha	N of Items
.703	5

Correlations

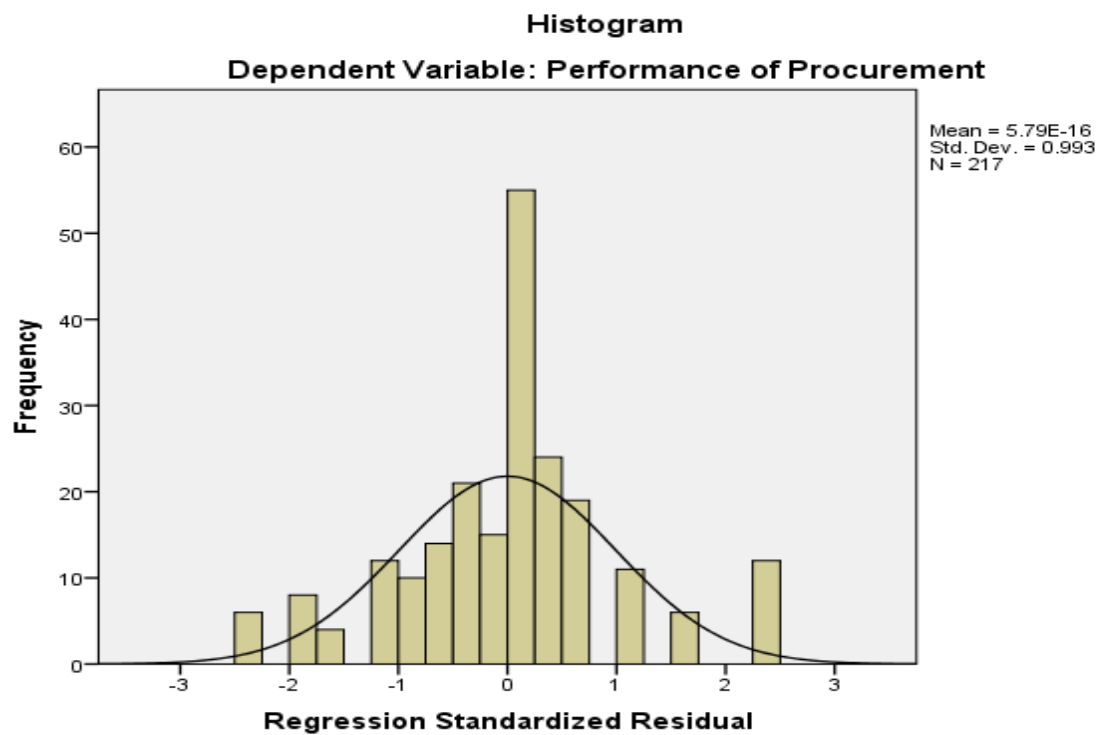
		Use of Technology	Performance of Procurement	Collaboration, Communication and Joint Decision Making	Leadership Commitment
Use of Technology	Pearson Correlation	1	.658**	.811**	.539**
	Sig. (2-tailed)		.000	.000	.000
	N	217	217	217	217
Performance of Procurement	Pearson Correlation	.658**	1	.530**	.740**
	Sig. (2-tailed)	.000		.000	.000
	N	217	217	217	217
Collaboration, Communication and Joint Decision Making	Pearson Correlation	.811**	.530**	1	.334**
	Sig. (2-tailed)	.000	.000		.000
	N	217	217	217	217
Leadership Commitment	Pearson Correlation	.539**	.740**	.334**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	217	217	217	217

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

Linearity Test Result



Normally Distribution test



Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.807 ^a	.651	.646	.39071	.651	132.352	3	213	.000	1.990

a. Predictors: (Constant), Collaboration, Communication and Joint Decision Making, Leadership Commitment, Use of Technology

b. Dependent Variable: Performance of Procurement

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.612	3	20.204	132.352	.000 ^b
	Residual	32.515	213	.153		
	Total	93.128	216			

a. Dependent Variable: Performance of Procurement

b. Predictors: (Constant), Collaboration, Communication and Joint Decision Making, Leadership Commitment, Use of Technology

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	.175	.169		1.037	.301	-.158	.507		
Use of Technology	.232	.083	.223	2.814	.005	.070	.395	.261	3.838
Leadership Commitment	.566	.049	.566	11.511	.000	.469	.663	.678	1.475
Collaboration, Communication and Joint Decision Making	.152	.067	.160	2.264	.025	.020	.284	.326	3.063

a. Dependent Variable: Performance of Procurement