The Effect of Strategic Sourcing on Procurement Performance of Humanitarian Supplies: Evidence from Selected Local Humanitarian Organizations in Ethiopia

By

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DECLARATION

I, Gashahun Asrat, hereby declare that the dissertation titled “The Effect of Strategic Sourcing on Procurement Performance of Humanitarian Supplies: Evidence from Selected Local Humanitarian Organizations in Ethiopia” is an original product. It has never been submitted for any other academic degree in any other university, and all references of the citation sources have been properly cited.

Declared by: Gashahun Asrat

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STATEMENT OF CERTIFICATION

I hereby declare that the thesis titled “The Effect of Strategic Sourcing on Procurement Performance of Humanitarian Supplies: Evidence from Selected Local Humanitarian Organizations in Ethiopia,” presented by Gashahun Asrat, has complied with all the regulations stipulated by the university, thus meeting the criteria of acceptable quality and originality. It is deemed worthy of the degree of Master of Arts in Logistics and Supply Chain Management.

Approved by:

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External Examiner	Signature	Date
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ABSTRACT

This study examined the effect of strategic sourcing practices on the procurement performance of humanitarian supplies with evidence from selected local humanitarian organizations in Ethiopia. A quantitative research approach with a descriptive analysis was applied. Data were collected via structured questionnaires from 116 respondents across four selected local humanitarian organizations (Family and Children Integrated Development Foundation, NEXUS Ethiopia, Oromia Development Association, and Action for Social Development and Environmental Protection) through a census method. Descriptive statistics analysis of means and standard deviations, and inferential statistics of multiple linear regression analysis were used to analyze the data. The study findings obtained that supplier prequalification was the most established strategic sourcing practice with a mean of 4.0108, joint purchasing initiatives were the least performing with a mean of 2.9009. On the procurement performance, regulatory compliance recorded the highest score mean 4.0819 and lead time was the weakest performance, with a mean of 3.5754. The inferential study of regression analysis shows that the model is highly significant. The overall model score has a value of $F= 29.885$ and $p < 0.001$. The procurement performance was explained by 62.2% of the sourcing strategies in the study, where sustainability-oriented procurement ($\beta = 0.305$, $p = 0.001$), local supplier development ($\beta = 0.300$, $p < 0.001$), and inventory pre-positioning ($\beta = 0.255$, $p = 0.008$) emerged as statistically significant positive predictors of procurement performance. However, issues of political instability and security, whose mean is 4.14, and poor infrastructure, whose mean is 4.09, have been identified as having the highest levels of difficulty. The research has come to the conclusion that strategic sourcing activities are not completely embraced, and that procurement activities in lead times are driven by compliance cultures. The paper proposes that the local NGOs improve their procurement activities, develop programs for local suppliers, increase strategic pre-positioning, and focus on lead times as a major gap in procurement performance. The donors are advised to be more flexible in their funding arrangements for strategic sourcing and infrastructure.

Keywords: *Strategic sourcing, procurement performance, humanitarian supplies, local humanitarian organizations, Ethiopia*

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List of Acronyms

Acronyms	Meaning
ASDEPO	Action for Social Development and Environmental Protection
ESG	Environmental, Social, and Governance
FA	Framework Agreement
F&CIDF	Family and Children Integrated Development Foundation
HSCM	Humanitarian Supply Chain Management
ICNL	International Center for Not-for-Profit Law
ICRC	International Committee of the Red Cross
IPP	Inventory Pre-Positioning
JPI	Joint Purchasing Initiatives
LNGOs	Local Non-Governmental Organizations
LSD	Local Supplier Development
MA	Master of Arts
NGO	Non-Governmental Organization
ODA	Oromia Development Association
RBV	Resource-Based View
SD	Standard Deviation
SOP	Sustainability-Oriented Procurement
SP	Supplier Prequalification
SPSS	Statistical Package for the Social Sciences
TCE	Transaction Cost Economics
UNICEF	United Nations Children's Fund
VIF	Variance Inflation Factor
WASH	Water, Sanitation, and Hygiene

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CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Humanitarian logistics have continued to evolve due to the escalating global emergencies. According to the Global Humanitarian Overview 2025 report, 305 million people will need humanitarian aid worldwide, among whom will be 21.4 million people in Ethiopia requiring assistance, out of whom approximately 4.5 million will be internally displaced (UN OCHA, 2024; UNICEF, 2025). In such circumstances, rapid procurement and delivery of goods by humanitarian agencies are crucial in saving human lives.

There are several factors that make humanitarian operations entirely different from regular business operations in the sense that humanitarian operations are subject to high levels of uncertainties, volatility in demands, disruptions in infrastructures, and regulatory constraints imposed by donors from a strategic procurement perspective (Dubey *et al.*., 2020). From the literature review, it is evident that procurement processes make up to 65% of humanitarian operation costs and, therefore, constitute one of the strongest levers of improvement in the sector (Moshtari *et al.*., 2021; Haavisto & Kovács, 2015).

In this regard, strategic sourcing in the case of humanitarian logistics includes careful selection of suppliers, long-term contracts, framework agreements, prepositioning, sustainability, and collaborative procurement. According to Lamenza, Fontainha & Leiras (2018) and Gachau & Moronge (2018), such sourcing strategies help the organization to shorten lead times, guarantee the quality of products, ensure security of supply, and build resilience within the chain. From a procurement perspective, Haavisto and Kovács (2015) posit that procurement not only involves the process of obtaining goods but is also an instrument of passing innovation upstream in humanitarian logistics chains.

This development has been adopted by most humanitarian agencies globally. UNICEF, for instance, uses long-term agreements and pre-positioning of supplies to enable rapid response when emergencies arise through the provision of immediate help during disasters, while the

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ICRC integrates sustainability and suppliers' compliance in its system in ethical procurement (ICRC, 2023; UNICEF, n.d.). This shows that structured and data-driven procurement sourcing is increasingly being applied in humanitarian logistics.

However, this is not true about Ethiopia. Most of the local humanitarian agencies, who now take the burden of providing emergency humanitarian assistance at the forefront, lack procurement capabilities, a fragmented supplier market, and irregular funding sources, and thus, they have become compliance-based due to the requirements of the local nonprofit laws (ICNL, 2025). Unlike international humanitarian agencies that apply their processes within a global framework, local humanitarian organizations conduct supplier selection and make purchases randomly, in the short term, and on an ad hoc basis, failing to optimize costs, lead times, and quality.

Due to the scale of the humanitarian needs in Ethiopia, there is a necessity for one to know the role that strategic sourcing plays in enhancing the procurement performance of the humanitarian organizations in the area. The following study is conducted to establish the relationship between strategic sourcing and procurement performance of humanitarian supplies in Ethiopia.

1.2. Problem Statement

There are two major sets of procurement procedures that local humanitarian organizations involved in carrying out humanitarian operations have to deal with. First, there are the national procurement processes and laws, along with various financial laws and regulations put in place by the government. Secondly, there are the strict and often cumbersome donor rules and reporting processes that local humanitarian organizations have to follow to receive aid.

While the aforementioned two factors create a considerable administrative challenge for local humanitarian organizations, they actually dictate certain rules of making procurement decisions for the latter. In particular, donor regulations call for competitive bidding at a certain level, multiple stages of approvals, proper documentation, and pre-authorization of a budget prior to the commencement of any procurement processes (ICNL, 2025). Moreover, national rules regulating non-profit and financial organizations in Ethiopia require some degree of regulation and reporting to be done before contracts can be signed (ICNL, 2025). While such mechanisms

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may help with improving transparency, they often slow down decision-making and restrict flexibility regarding the choice of suppliers. Hence, most local organizations choose to wait for official notification on funding before deciding on procurement processes.

This leads to a transactional approach based on immediate purchase decisions driven by projects' immediate approval rather than the adoption of strategic purchasing. Literature suggests that when there is dominance in the procurement process from procurement procedures that are strictly regulated by compliance rules, organizational focus will be on doing things right and not on developing suppliers or market analysis, thus fostering reactive behavior in procurement (Dubey *et al..*, 2020; Moshtari *et al..*, 2021). In other words, donor and government needs, although important for accountability purposes, limit the strategic orientation of local humanitarian NGOs.

Traditional procurement systems that emphasize cost minimization may prove to be inadequate in this regard since they do not adequately respond to all the demands made to humanitarian NGOs. Hence, it is crucial for LNGOs to use procurement systems that strike a balance between cost, speed, quality, transparency, and compliance. The procurement strategy known as strategic sourcing provides a structured way of dealing with these issues through the better supplier management, framework agreements, and coordinated procurement decisions (Monczka *et al..*, 2020).

Even though its importance is gradually rising, literature documenting the impacts of selected strategic sourcing practices on the performance of the procurement function among local humanitarian NGOs, especially those based in Ethiopia, is still insufficient. As such, the increasing significance of strategic sourcing in enhancing the performance of the procurement process makes it clear that there is an important gap when it comes to organizations like Family and Children Integrated Development Foundation, NEXUS Ethiopia, Oromia Development Association (ODA), and Action for Social Development and Environmental Protection (ASDEPO).

However, there was a significant gap of literature pertaining to the influence of strategic procurement practices on the efficiency of procurement within local humanitarian organizations

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in Ethiopia. Past studies have paid little attention to local humanitarian organizations and have primarily concentrated on private businesses or international NGOs. Moreover, the past literature failed to provide a comprehensive understanding regarding the influence of supplier prequalification, framework agreement, joint purchase, development of local suppliers, pre-positioning of inventory, and sustainable procurement on procurement performance. This study has bridged that gap by using the selected local humanitarian organizations of Ethiopia.

1.3. Objective of the Study

The study examines the effect of strategic sourcing on procurement performance within the humanitarian supplies procurement of selected local humanitarian organizations in Ethiopia. The research will have the following specific objectives:

1. To assess the current strategic sourcing practices adopted by local humanitarian organizations in Ethiopia.
2. To evaluate the procurement performance of local humanitarian organizations in Ethiopia.
3. To analyze the effect of strategic sourcing practices on the procurement performance of humanitarian supplies.
4. To identify the key challenges that hinder effective strategic sourcing of humanitarian supplies procurement for local humanitarian organizations.

1.4. Research questions

1. How is current strategic sourcing being practiced by local humanitarian organizations in Ethiopia?
2. What is the procurement performance of local humanitarian organizations in the procurement of humanitarian supplies?
3. What is the effect of strategic sourcing practices on the procurement performance of humanitarian supplies of local humanitarian organizations?
4. What are the main challenges that hinder the effectiveness of strategic sourcing in the humanitarian supplies procurement of local humanitarian organizations?

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1.5. Scope of the Study

The study was conducted in Ethiopia to examine strategies for addressing recurrent humanitarian crises. The four Local Non-Governmental Organizations (LNGOs) selected for the study were Family and Children Integrated Development Foundation (F&CIDF), NEXUS Ethiopia, Oromia Development Association (ODA), and Action for Social Development and Environmental Protection (ASDEPO). The organizations were selected based on their active involvement in donor-funded operations, the existence of established procurement systems, operational experience of five years or more, and their engagement across multiple regions.

As regards the concept, the study was intended to examine the effect of six strategies of sourcing on the performance of procurement within five aspects, which are cost efficiency, quality conformance, procurement cycle, supplier reliability, and compliance. The study also identified five main issues in strategic sourcing, which include poor infrastructure, political instability, lack of capacity, and unethical behavior.

Regarding the time horizon, the study employed a quantitative cross-sectional survey design, and data were collected between February and March 2026.

1.6. Significance of the Study

The significance of the study lies in providing evidence of the effects of strategic sourcing on procurement outcomes in humanitarian aid procurement. This is an important study for a local humanitarian organization based in Ethiopia, which has not been researched so much up to now. Through an examination of the strategies for sourcing, such as prequalifying suppliers, making framework agreements, joint purchasing, promoting local sourcing, pre-positioning inventories, and sustainable procurement, the research will reveal some useful approaches that could be applied in improving procurement outcomes.

For a practitioner, it will be helpful in improving his knowledge about procurement procedures and sourcing strategies. For policymakers and humanitarian organizations, the study will provide relevant information concerning the existing procurement issues.

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Academically, the research closes an existing gap in the literature by associating the concept of strategic sourcing with procurement efficiency within the special case of local humanitarian organizations operating in Ethiopia. The research makes contributions to future studies on the topic, providing a basis for studying the optimization of procurement processes in humanitarian activities.

1.7. Organization of the Thesis

This research work is arranged into five chapters. Chapter one will highlight the introduction to the study, research problems, objectives, research questions, scope of the study, significance of the study, and structure of the research paper. Chapter two highlights the literature review, which comprises theoretical and empirical framework highlighting the gap in literature, which needs to be filled by this research and hypothesis of the study. Chapter three highlights the research methodology, which consists of research design, study participants, sampling techniques, sampling size determination, data collection tools, data analysis tools, and ethical issues. Chapter four provides the results of the data analysis and research questions. Chapter five concludes the whole research.

1.8. Operational Definitions

Procurement Cost Efficiency: The concept of cost efficiency in procurement can be defined as how efficient an organization is at reducing the overall cost of procuring products and services while meeting quality standards. In this case, cost efficiency in procurement can be seen as achieving the best possible value without compromising procurement performance (Sarkis, 2019; Purvis *et al..*, 2021).

Procurement Flexibility: Procurement flexibility involves modifying procurement decisions, procurement plan, procurement supplier, procurement quantity, and timing of procurement activities due to uncertainty. Procurement flexibility in humanitarian settings is characterized by adapting under conditions of uncertainty (Holguín-Veras *et al..*, 2020; Kovács & Spens, 2020).

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Procurement Framework Agreement: Procurement framework agreement refers to a lengthy contract entered into by an organization with pre-selected suppliers to ensure the use of already set terms and conditions of procurement during the period of the agreement.

Joint Purchasing Initiative: Joint purchasing initiative is defined as the collective procurement process, whereby two or more organizations combine their demand in order to obtain lower prices, negotiate better terms with suppliers and lower transaction costs. This increases the organization's bargaining power through cooperative purchasing (Colicchia *et al..*, 2017; Park & Hong, 2022).

Local Supplier Development: Local supplier development involves activities carried out by the organization in order to improve the capacity of the local suppliers to provide goods and services meeting procurement criteria. These activities involve training, quality support and inclusion of local suppliers within the procurement process (Mena *et al..*, 2018; Kunz & Reiner, 2020).

Procurement Performance: The capability of the humanitarian organization at the local level in Ethiopia to procure items and services effectively within an adequate period of time meeting quality standards while still adhering to donor regulations as well as the national laws governing procurement; measured using cost efficiency, procurement lead time, adherence to quality standards, and supplier performance.

Procurement Lead Time: Procurement lead time refers to the overall period of time from the time of initiating the procurement process to the delivery of the items and services.

Compliance with Quality Standards: Quality Adherence to quality standards involves the degree to which the items and services used during the procurement process meet the necessary technical specifications and other regulations (Büyüközkan & Göçer, 2018).

Time: Time denotes the speed at which procurement activities take place once a need has been recognized. These variable highlights promptness of action, particularly during emergencies (Van Wassenhove, 2019; Holguín-Veras *et al..*, 2020).

Strategic Sourcing Practices: In this study, strategic sourcing practices will be operationalized in relation to specific strategic procurement approaches undertaken by Local humanitarian organization in Ethiopia to enhance its procurement performance. Six dimensions of strategic

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sourcing practices include prequalification of suppliers, framework agreements, collaborative buying, development of local suppliers, pre-positioning of inventories, and sustainable procurement practices. Unlike in other definitions, strategic sourcing is conceptualized here as an approach to procurement characterized by these practices, which affect such elements as supplier selection criteria, types of contracts used, modes of collaboration among organizations, inventory management, and sourcing decisions. Thus, strategic sourcing practices become independent variables in the current study aimed at evaluating the impact on procurement performance (Monczka *et al.*., 2020; Dubey *et al.*., 2020).

Regulatory Compliance and Transparency: This construct is related to the degree to which the procurement activities conform to national laws, donor regulations, and ethical standards, as well as the high level of transparency observed (Govindan *et al.*., 2021; Masood & Faraimo, 2021).

Beneficiary Need Responsiveness: Beneficiary need responsiveness is connected to the ability of the procurement system to provide sufficient amount of goods and services that meet the demands of those involved (Tatham & Pettit, 2010; Balcik & Beamon, 2008).

Supplier Reliability: Supplier reliability is concerned with the frequency at which suppliers are able to provide the desired quantity and quality of goods and services. It is linked to reliability and consistency (Kovács & Spens, 2020; Govindan *et al.*., 2021).

Supplier Prequalification: Supplier prequalification is linked to the evaluation process that is carried out in order to find out whether potential suppliers are capable of providing the necessary goods/services under agreed terms and conditions (Brusset & Teller, 2017; Govindan *et al.*., 2021).

Sustainability-Oriented Procurement: Sustainable procurement is described as including ESG considerations in procurement activities for sustainable practices and minimizing any possible negative social and environmental impacts (Sarkis, 2019; Mena *et al.*., 2022).

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CHAPTER TWO

2. RELATED LITERATURE REVIEW

2.1. Theoretical Literature Review

In this chapter, an extensive review of theoretical approaches, empirical studies, and literature related to strategic sourcing and procurement performance in humanitarian supply chains will be provided. In order to have an in-depth examination of how strategic sourcing activities influence the procurement performance of selected local NGOs in Ethiopia, this chapter intends to provide a sound theoretical and empirical foundation for such a study. Therefore, the chapter focuses on various aspects, including global and regional literature on strategic sourcing and procurement performance, the conceptual framework of strategic sourcing and procurement performance, the unique nature of humanitarian supply chains, and major gaps in the existing literature base.

A total of seven sections make up this chapter. These include: introduction to humanitarian supply chain management; discussion on procurement in humanitarian context; concepts of strategic sourcing; procurement performance dimensions; theoretical frameworks; empirical literature review, and; major research gaps.

2.1.1. Humanitarian Supply Chain Management

Definition of Humanitarian Supply Chain Management (HSCM): Humanitarian supply chain management (HSCM) is defined as the planning, implementation, and controlling of the flow and storage of products, services, and data from the point of origin to the final destination with the key aim of alleviating suffering during disasters (Van Wassenhove, 2006). As opposed to commercial supply chain management that emphasizes profits and competition, HSCM is driven by concepts such as urgency, justice, accountability, and the moral obligation to preserve human life (Jahre & Kovács, 2017).

Most of the time, humanitarian supply chains operate in an extremely difficult environment characterized by uncertain demand levels, poor infrastructure, malfunctioning markets, and even volatile security scenarios (Dubey *et al.*., 2020). This makes humanitarian planning and

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implementation very difficult and places great emphasis on procurement in terms of importance in carrying out humanitarian missions. It is worth noting that the success of all humanitarian interventions is dependent on the availability and distribution of relief materials through successful procurement operations. Consequently, procurement has come to be viewed as one of the costliest and riskiest functions in humanitarian logistics, accounting for more than half of total operation costs (Haavisto & Kovács, 2015; Moshtari *et al.*., 2021).

The need to cope with increasingly complicated humanitarian crises has led to the evolution of humanitarian logistics practices into more structured and proactive supply chain management strategies. This development has seen strategic sourcing take on great importance in such supply chains (Jahre, 2017).

2.1.2. Procurement in Humanitarian Contexts

The procurement activity plays an important role in the humanitarian supply chain and refers to the purchase of goods, services, and works that are necessary to conduct emergency, relief, recovery, and development activities (Ertem & Buyurgan, 2013; Moshtari *et al.*., 2021). Within the humanitarian chain of activities, the procurement process is a vital link between needs assessment, supplier markets, logistics, and the delivery of goods and services to beneficiary organizations (Jahre & Kovács, 2017).

Many differences can be observed between humanitarian and regular supply chains owing to the urgent, uncertain, and highly accountable nature of activities involved in humanitarian chains (Dubey *et al.*., 2020). The key stages in humanitarian supply chains consist of needs assessment, procurement, transportation, warehousing, and distribution.

In practice, nevertheless, the procurement practices followed by the majority of humanitarian organizations, particularly the local humanitarian organization operating under resource-limited circumstances, still operate more out of necessity rather than due to strategic concerns. The procurement process is usually initiated upon receipt of donor funding and entails bid competitions, prices from suppliers, and contract awards based on considerations of cost and procedural efficiency alone. Often, there is an absence of supplier relations management,

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supplier performance evaluations, and market analysis (Haavisto & Kovács, 2015; Moshtari *et al.*., 2021).

In places like Ethiopia, the procurement process involves repeated tendering, impulse buying, and emergency procurement resulting from projects' schedules. This reactive approach has been determined by several factors including the donor-funding model, regulatory requirements, and resource limitations (ICNL, 2025; Dubey *et al.*., 2020).

Traditionally, procurement in humanitarian organizations has been predominantly reactive and transaction-based with significant focus on procedural compliance in terms of the donor and regulatory requirements (Haavisto & Kovács, 2015; Moshtari *et al.*., 2021). Compliance-based procurement can help minimize financial and reputational risks but is often characterized by fragmented sourcing practices, elongated lead times, inconsistency in quality, and lack of collaboration with suppliers. The growing complexity of humanitarian emergencies has led many scholars to point out that the existing reactive procurement approach cannot bring about an effective humanitarian response (Dubey *et al.*., 2020).

Procurement difficulties faced by Local humanitarian organization working in fragile and impoverished environments such as those in Ethiopia are additionally complicated by the absence of properly developed supplier marketplaces, price increases, shortages of foreign currency, and poor internal capabilities and technology (ICNL, 2025). Most Local humanitarian organization have distributed procurement processes that rely on little standardization and few procurement technologies (Muthee & Thogori, 2021). This reality calls for transformation of the role of procurement from a bureaucratic exercise to a strategic activity in the humanitarian supply chain management process (Monczka *et al.*., 2020).

2.1.3. Strategic Sourcing

Strategic sourcing is known as an analysis-based, systematic procurement process aimed at building long-lasting relationships with suppliers, considering total costs, addressing risks, and coordinating procurement activities according to the organization's goals (Monczka *et al.*., 2020). Unlike ordinary purchasing which often implies short-term price optimization, strategic sourcing

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involves gathering market information, evaluating different suppliers, analyzing their performance, and making constant improvements.

For example, in the case of humanitarian supply chains, strategic sourcing usually comprises such practices as prequalifying potential suppliers, signing up frameworks, concluding long-term contracts, engaging in joint purchasing, localizing supply, prepositioning goods in storage facilities, sustainable sourcing, and others (Lamenza *et al.*., 2018; Gachau & Moronge, 2018). This enables faster responses to crises and ensures that all quality and accountability standards are met.

A number of researchers claim that strategic sourcing is crucial for developing supply chain resilience as it helps avoid any improvised procurement actions and manage risks efficiently (Dubey *et al.*., 2020). As stated by Haavisto and Kovács (2015), procurement is considered the most strategic link connecting humanitarian organizations to markets where innovation and collaboration processes take place.

Strategically speaking, sourcing can be seen as a technique for building a resilient and well-governed supply chain amidst uncertainty and volatility. Based on the Transaction Cost Economics theory, scholars posit that a well-structured relationship between the organization and its suppliers, coupled with long-term contracting, mitigates opportunism, uncertainties, and transaction costs that come along with spot buying (Williamson, 2019; Van Weele, 2018). Likewise, within the framework of the Resource-Based View, the practice of strategic sourcing, including supplier development and collaborative purchasing, is considered an organizational capability, which helps organizations perform better through the utilization of internal and external rare resources (Monczka *et al.*., 2020).

Additionally, institutionalists propose that procurement decisions are heavily influenced by the regulation, pressure from donors, and normative factors (DiMaggio & Powell, 1983). In light of these theories, one can conclude that strategic sourcing is not only a procurement tactic but a governance structure for engaging in the market and managing risks.

Supplier Prequalification-This term can be defined as the process of systematically assessing prospective suppliers prior to their engagement in procurement processes. In humanitarian

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supply chains, supplier prequalification plays an essential role since it helps ascertain that suppliers have what it takes to deliver on expectations in a humanitarian context (Brusset & Teller, 2017; Büyüközkan & Göçer, 2018).

Research has established that proper supplier prequalification leads to better procurement outcomes since it allows for the exclusion of risky suppliers from the procurement process (Govindan *et al.*., 2021).

The process of supplier prequalification also facilitates compliance with donor requirements and other legal and regulatory obligations, which is relevant to Local humanitarian organizations that operate under the twin accountability model (Dubey *et al.*., 2020). As such, supplier prequalification positively impacts procurement performance.

Framework Agreement- The framework agreement refers to an arrangement made with suppliers who have been selected ahead of time to provide products and services according to predetermined terms, costs, and quality criteria. In humanitarian settings, the use of a framework agreement enables organizations to respond to emergencies effectively through the reduction of tendering activities and ensuring access to reliable supplies (Finkenstadt & Handfield, 2020; Nyaga *et al.*., 2020).

Empirically, it has been found that such agreements substantially shorten procurement timeframes and transaction costs, as well as enhance predictability of expenditure and supplier performance (Kwak *et al.*., 2021). Additionally, framework agreements contribute to emergency readiness because they ensure availability of key supplies when emergencies occur (Choi *et al.*., 2019). For the humanitarian organization in question, this type of arrangement would be particularly beneficial in situations where supplier markets are unstable and infrastructure is not properly developed (Liu *et al.*., 2022).

Joint Purchasing Initiative- Joint purchasing refers to an activity in which two or more organizations team up and combine their demand to secure volume discounts from suppliers.

In the context of humanitarian logistics, collaborative buying has proved to be quite efficient in enhancing procurement performance, particularly in case of high volume and standardized

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products (Kovács & Spens, 2020). Moreover, collaborative procurement helps in facilitating knowledge exchange and coordination of logistics activities, which play an important role when dealing with disasters where multiple organizations participate (Rossetti *et al.*., 2021). Furthermore, the research studies have demonstrated that collaborative procurement enhances buyer-supplier relations because the former signals predictability in terms of demands (Park & Hong, 2022).

Local Supplier Development-Local supplier development is the deliberate process of building capacities of local suppliers so that they can meet humanitarian procurement standards. This process is achieved through capacity building, quality assurance, access to financial institutions, and incorporation in broader supply chains (Mena *et al.*., 2018; Masood & Faraimo, 2021). Studies have shown that local suppliers develop more resilient supply chains due to reduced reliance on suppliers from far or abroad whose lead times can be uncertain (Kunz & Reiner, 2020). Local suppliers' development can also result in socio-economic impacts due to the stimulation of local economies and the increased acceptability of humanitarian activities within communities (Wagner & Dittmann, 2018; Gölgeci & Kuivalainen, 2020). But achieving these gains needs conscious effort and management of risks since local economies do not always have the formalities necessary for the supply chain.

Pre-positioning of Inventory-Pre-positioning of inventory refers to the deliberate storage of important relief supplies in proximity to disaster-prone regions prior to an emergency. This is regarded as one of the important practices for achieving increased humanitarian readiness, shortened lead times, and stock-out prevention (Van Wassenhove, 2019; Balcik *et al.*., 2019). The latest studies reveal that this approach lowers the cost and increases the effectiveness of humanitarian aid delivery, especially when coupled with accurate demand forecasting and coordination with suppliers (Holguín-Veras *et al.*., 2020). Pre-positioning of inventory contributes to efficient sourcing through enabling organizations to source from their existing inventory in addition to procurement (Gupta *et al.*., 2021). Although initial costs are high, the performance improvements in speed and effectiveness have been proven (Caunhye *et al.*., 2019).

Sustainability-Based Procurement-Sustainability-based procurement incorporates ESG considerations within procurement processes. Within humanitarian chains, sustainable

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procurement is now being seen as an urgent necessity in ensuring that humanitarian activities match larger humanitarian objectives (Sarkis, 2019; Mena *et al.*., 2022). The practice includes sourcing from environmentally-friendly organizations, ensuring that procurement processes incorporate ethical treatment of workers, and purchasing products that promote community welfare in the long run (Govindan *et al.*., 2021). Various studies have shown that sustainability-based procurement contributes to increased reputation and donor compliance as well as reduced social and environmental harm (Purvis *et al.*., 2021). Despite being complex and expensive to implement, sustainability principles are becoming part of procurement procedures within humanitarian organizations (Kunz *et al.*., 2022).

2.1.4. Procurement Performance in Humanitarian Organizations

The procurement performance in humanitarian organizations can be described as how procurement processes contribute to timely distribution of relief goods and services to people who require them. In contrast to business settings, procurement performance does not revolve around cost-efficiency alone; rather, other aspects have to be balanced with costs to make humanitarian organizations achieve better performance (Van Weele, 2018). In other words, because of extremely high levels of uncertainty associated with humanitarian operations, performance has to consider such factors as responsiveness, reliability, efficiency, and compliance (Beamon & Balcik, 2008; Van Weele, 2018).

In this study, performance of humanitarian organizations is estimated on the basis of the following measures:

Cost efficiency is a measure of how humanitarians manage to procure their products and services for minimal possible cost without compromising quality or time. As opposed to commercial activities, cost efficiency in humanitarian work cannot be attained at the expense of higher speed and lower quality of services (Beamon, 1999; Van Weele, 2018).

Quality compliance pertains to the conformity to defined technical specification, donor criteria, and regulations. Failure to comply with quality criteria will certainly compromise the success of the program itself and even put the lives of beneficiaries at risk (Beamon & Balcik, 2008).

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Lead time, also known as speed, measures the time between ordering a supply and receiving it and is an important performance criterion, especially in the humanitarian setting, where delays could mean prolonged sufferings or fatalities (Balcik *et al.*., 2010).

Supplier reliability pertains to the ability of the suppliers to fulfill the contractual terms in terms of quantity, quality, and delivery schedule. Reliable suppliers are critical to ensure sustained operations in highly dynamic humanitarian settings (Kovács & Spens, 2011).

Regulatory compliance and transparency pertain to the degree of conformity of procurement operations to the country's procurement laws, donors' guidelines, and ethical considerations. This criterion is important considering that LNGOs operate with two sets of compliance obligations – one domestic and another international (Tassabehji & Moorhouse, 2008).

Thus, from literature review, the strategic sourcing practices considered in the conceptual model are updated as follows: supplier relationship management, decentralized procurement with centralized coordination, framework agreements, ethical sourcing, and information sharing/coordination.

While it offers several advantages, strategic sourcing for humanitarian NGOs is faced with many obstacles as well. They include inadequate procurement capabilities at field level, poor supply markets in crisis-stricken regions, stringent donor obligations, and contradicting regulations. In addition to that, LNGOs may lack sophisticated procurement management information systems and enough negotiating clout to effectively engage in strategic sourcing techniques (Tatham & Pettit, 2010; Kovács & Spens, 2011).

2.2. Theoretical Framework of the Study

The resource-based view (RBV) is utilized in this study as the theory of choice since it offers the best explanation of the way that capabilities within an organization affect the performance of its procurement process in humanitarian NGOs. According to the theory, sustainable performance advantage results from valuable, rare, inimitable, and non-substitutable resources and capabilities available within organizations (Barney, 2019). In terms of humanitarian procurement, strategic sourcing includes such capabilities as supplier prequalification, framework agreements, joint

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purchasing strategies, developing local suppliers, pre-positioning of stocks, and sustainable procurement activities. They allow NGOs to make better use of limited resources and improve efficiency in the procurement process (Dubey *et al.*., 2020).

There are different theoretical perspectives that can be applied to analyze procurement performance. For example, transaction cost economics stresses minimizing transaction costs, ensuring control over risks, and protecting against any forms of opportunism and uncertainties (Williamson, 2019). According to the resource-based view, such organizational procurement capabilities as supplier management and planning competencies lead to performance improvement (Barney, 1991). From an institutional theory perspective, procurement results depend on regulatory pressures, demands of donors, and norms of organizational behavior (DiMaggio & Powell, 1983).

In essence, these theoretical perspectives view the performance of procurement from the standpoint of its efficiency, structure, and capability in complicated humanitarian settings.

While Transaction Cost Economics is mainly concerned with reducing transaction costs and overcoming opportunistic behavior, and Institutional Theory is centered on regulation and norms, RBV provides direct reasoning for how the internal competencies influence favorable procurement results. The importance of building such competencies lies in the need for humanitarian organizations that operate in constrained settings to be more reliant on reliable suppliers, shortened lead time, and cost-effective service delivery. Thus, the Resource-Based View of the firm represents a sound theoretical perspective for investigating the link between the application of strategic sourcing and improved procurement performance in the Local humanitarian organization in Ethiopia.

2.3. Empirical Literature Review

There have been increasing numbers of empirical studies related to the influence of strategic sourcing and the performance of procurement practices in humanitarian and non-profit supply chain settings. Nonetheless, empirical evidence relating to such strategies in relation to local

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NGO settings is still scarce, especially in Ethiopia, given that there are double restrictions faced by procurement practices in terms of regulation and resource management.

2.3.1. Strategic Sourcing Practices

Research has demonstrated that sourcing strategies such as supplier prequalification, framework agreements, collaborative purchasing, development of local suppliers, inventory pre-positioning, and sustainable procurement have positive impacts on procurement through increasing the reliability of suppliers and minimizing procurement risk (Dubey *et al.*., 2020; Khan *et al.*., 2023).

Supplier prequalification is known to reduce procurement risks since potential suppliers are screened based on their financial stability, technical competence, and regulatory history, ensuring high-quality and efficient delivery (Govindan *et al.*., 2021). On the other hand, framework agreements reduce bureaucracy and procurement time through pre-established contractual terms with suppliers, thus facilitating quick procurement in emergencies (Finkenstadt & Handfield, 2020).

The development of local suppliers helps to build local market capabilities and increases supply chain resilience due to incorporation of local suppliers into procurement processes (Mena *et al.*., 2018).

Pre-positioning of inventories improves operational readiness and minimizes lead times in humanitarian logistics through stockpiling of required products close to high-risk locations (Van Wassenhove, 2019).

Sustainable procurement practices, where environmental and social performance of suppliers plays an important role in their selection, increase organizational legitimacy and value creation for stakeholders (Sarkis, 2019).

Nonetheless, despite its positive effects, studies show that implementation difficulties, such as poor supplier capacity and dysfunctional procurement processes, limit the effectiveness of strategic sourcing in developing countries (Dubey *et al.*., 2020).

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2.3.2. Procurement Performance of the Local Humanitarian Organization

The empirical literature on procurement shows that the procurement performance at Local humanitarian organization may be hampered by administrative inefficiencies, small size of the supply market, and compliance-based procurement systems (Moshtari *et al.*., 2021).

The cost efficiency, lead times, quality compliance, and supplier reliability are common indicators of procurement performance within humanitarian supply chain studies (Beamon & Balcik, 2008). Empirical research shows that Local humanitarian organization encounters delays and quality deviations in its procurement process due to fragmentation of supply network and dependence on spot buying (Muthee & Thogori, 2021).

Performance evaluation identifies problems with attaining transparency and response, especially in those conditions when there are weaknesses in procurement documentation and supply base evaluation processes (Tassabehji & Moorhouse, 2008).

Empirically, the findings from the Ethiopian context suggest that Local humanitarian organization has an additional set of procurement-related problems associated with donor cycle financing, foreign currency restrictions, and regulations compliance (ICNL, 2025).

2.3.3. The Effect of Strategic Sourcing on Procurement Performance

It is well established through empirical studies that there is a positive connection between strategic sourcing and procurement performance. Frameworks and long-term partnerships with supplier's lower transaction costs and minimize the frequency of tenders as well as administrative hassles (Kwak *et al.*., 2021). Supplier development activities increase the capacity and quality of the supplier, thus leading to enhanced delivery success and lessening procurement risks (Krause *et al.*., 2007). The use of joint purchasing increases efficiency in negotiations because of aggregated demand, especially when dealing with standardized products (Park & Hong, 2022).

Empirical studies in the non-profit sector and other humanitarian organizations reveal that strategic sourcing helps to increase operational flexibility and responsiveness (Holguín-Veras *et al.*., 2020). Nevertheless, empirical research proves that the effects of strategic sourcing are dependent on organizational and market conditions (Dubey *et al.*., 2020). This empirical study

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will fill the knowledge gap by investigating the influence of strategic sourcing on the procurement performance of Ethiopian Local Humanitarian Organization, where there is a lack of empirical evidence in the field.

2.3.4. Challenges of Strategic Sourcing in Procurement Performance of Humanitarian Supplies

Despite the various benefits associated with it, the application of strategic sourcing poses substantial challenges in humanitarian procurement.

Limited Supplier Market-The primary challenge in the application of strategic sourcing in humanitarian supplies sourcing among local humanitarian organizations in Ethiopia lies in the presence of limited supplier markets. In many cases, many goods and services that are considered to be humanitarian are not commonly produced locally. As a result, it limits the number of choices available for humanitarian NGOs in choosing their suppliers (Dubey, Gunasekaran & Papadopoulos, 2020).

Limited infrastructure-Restrictions on road networks, inadequate warehousing facilities and poor transportation systems hinder the ability of humanitarian NGOs from timely distributing the relief goods. Such challenges are particularly difficult when it comes to supplying the remote areas that might need humanitarian assistance.

Political Instability and Security Issues-Some regions in Ethiopia are marked by political insecurity and security issues which hinder the smooth operation of humanitarian logistics in many cases (Moshtari *et al.*., 2021).

Capacity constraints- Humanitarian organizations working in local settings also suffer from capacity limitations such as the absence of trained procurement staff, lack of familiarity with modern strategic sourcing techniques, and poor information technology systems that hinder efficient supply chain management. This leads to an inability on the part of organizations to prepare themselves for any difficulties and manage their relationships with suppliers effectively (Dubey, Gunasekaran & Papadopoulos, 2020).

Ethical and transparency problems- These emerge due to the efforts made by humanitarian organizations to maintain accountability, fairness, and adherence to donor demands. It may be

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difficult for them to adhere to these demands amid the complicated nature of emergency scenarios; failure to do so would harm their reputation and overall procurement processes (Haavisto & Kovács, 2015).

These challenges make it extremely difficult for local humanitarian organizations in Ethiopia to adopt strategic sourcing approaches and conduct effective procurement activities within their supply chain networks (Moshtari *et al*.., 2021).

2.4. Conceptual Framework of the Study

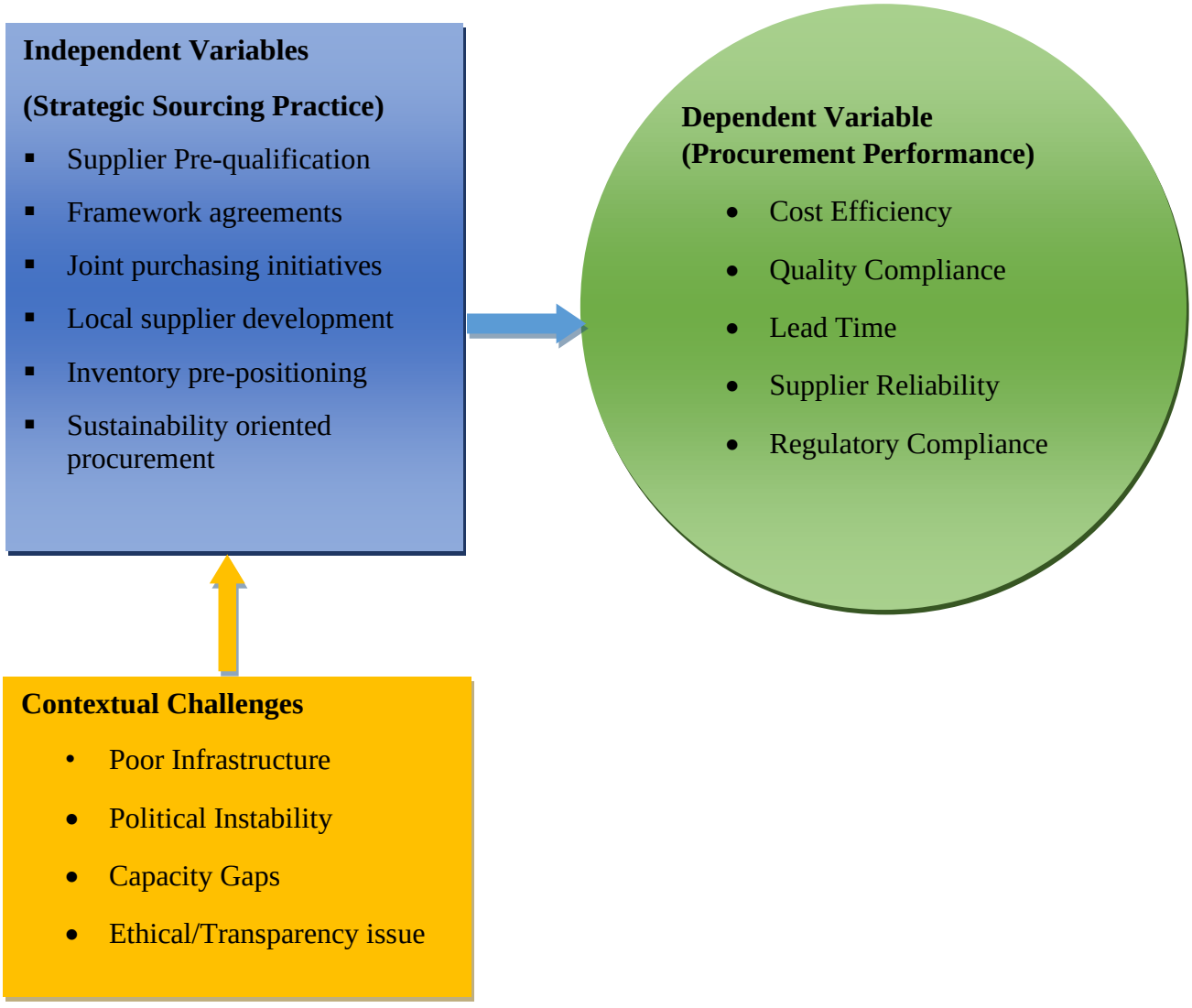


Figure 2. 1: Conceptual framework

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2.5. Research Hypothesis

In order to empirically investigate the effects of strategic sourcing practices on the performance of procurement in humanitarian supplies with evidence from selected local humanitarian organizations in Ethiopia, the following hypotheses are developed in this research. Based on the literature review carried out in relation to the theoretical framework described in this chapter, the general question this study seeks to answer is whether it is beneficial for humanitarian organizations to adopt strategic sourcing practices rather than reactive and transactional purchases of goods. The over-arching hypothesis that follows is further divided into six distinct sub-hypotheses reflecting the various dimensions of strategic sourcing. These hypotheses will be stated in the form of both null (H0) and alternative (H1) hypotheses and elaborated below.

H0: Strategic sourcing practices have no significant effect on procurement performance of humanitarian supplies in selected local humanitarian organizations in Ethiopia.

H1: Strategic sourcing practices have a significant effect on procurement performance of humanitarian supplies in selected local humanitarian organizations in Ethiopia.

2.5.1 Specific Hypotheses

H01: Supplier prequalification has no significant effect on procurement performance.

H11: Supplier prequalification has a significant effect on procurement performance.

H02: Framework agreements have no significant effect on procurement performance.

H12: Framework agreements have a significant effect on procurement performance.

H03: Joint purchasing initiatives have no significant effect on procurement performance.

H13: Joint purchasing initiatives have a significant effect on procurement performance.

H04: Local supplier development has no significant effect on procurement performance.

H14: Local supplier development has a significant effect on procurement performance.

H05: Inventory pre-positioning has no significant effect on procurement performance.

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H15: Inventory pre-positioning has a significant effect on procurement performance.

H06: Sustainability-oriented procurement has no significant effect on procurement performance.

H16: Sustainability-oriented procurement has a significant effect on procurement performance.

2.6. Literature Gap

Previous literature has shown that strategic sourcing interventions like framework agreements, standardization, supplier development, and digitization positively influence procurement performance in humanitarian organizations. However, the majority of the conducted studies involved empirical studies in international NGOs, institutions with stable institutional environments, and stable markets and procurement system (Moshtari *et al..*, 2021; Dubey *et al..*, 2020). The above-listed types of organizations do not match the situation of humanitarian organizations in Ethiopia experiencing fragmented markets, decentralized procurement systems, and unstable financing arrangements (Moshtari *et al..*, 2021; ICNL, 2025). Therefore, limited information exists concerning the influence of strategic sourcing on procurement performance in humanitarian organizations in Ethiopia. Moreover, while previous literature tends to focus extensively on cost effectiveness and compliance issues, other aspects like procurement lead time, quality compliance, and supplier reliability are left unattended under conditions of high uncertainties (Moshtari *et al..*, 2021; Jahre & Fabbe-Costes, 2015). In addition, few researchers have considered regulation in the analysis of the impact of strategic sourcing on humanitarian organizations in Ethiopia (Moshtari *et al..*, 2021; Dubey *et al..*, 2020; ICNL, 2025).

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CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Introduction

The methodology that was applied in this study is discussed in detail in this chapter, considering the fact that it helps determine the impact of strategic sourcing on the efficiency of procurement for humanitarian assistance in specific local non-governmental organizations (NGOs) in Ethiopia. This chapter explains the reason why certain methodologies have been selected as well as how the data was collected and analyzed for the research presented in Chapter Two. Due to the uncertainty, complexities, and limitations of humanitarian procurement, this methodology can be deemed appropriate (Creswell & Plano Clark, 2018; Kothari, 2004).

3.2. Study Area

This study was conducted in Ethiopia, a country where humanitarian emergencies are typical because of conflicts, weather-related disasters, displacements, and famine. It is noteworthy that Ethiopia is among the countries with one of the biggest humanitarian responses, where there is an increasing number of active and engaged Local Non-Governmental Organizations (LNGOs), which deliver front-line assistance in areas such as food security, health, nutrition, shelter, and WASH. This is especially important considering the localization trend, the growing role of LNGOs, and existing constraints for procurement.

Four LNGOs have been chosen as case studies: Family and Children Integrated Development Foundation (F&CIDF), NEXUS Ethiopia, Oromia Development Association (ODA), and Action for Social Development and Environmental Protection (ASDEPO). The selection was done considering the active participation of these LNGOs in donor-financed projects, well-established procurement practices, more than five years of work experience, and geographical diversity.

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3.3. Research Approach

This particular study adopts the quantitative research approach to examine the effects of strategic sourcing on procurement performance in humanitarian supply chains. As for why the use of the quantitative research approach would be appropriate for this research study, one should consider the fact that the investigation aims to test the links between certain predetermined variables. The application of the quantitative research approach allows for conducting objective measurements, quantitative analysis, and generalization across several selected local non-governmental organizations (LNGOs) (Creswell & Creswell, 2018; Creswell, 2023).

In addition to that, the application of the quantitative research approach can be considered quite appropriate for this particular study due to its consistency with the theoretical basis, which, in this case, implies the resource-based view (RBV) and transaction cost economics (TCE). These theories emphasize the importance of measurable organizational resources and organizational performance, which makes it possible to collect and analyze structured and numeric data (Sekaran & Bougie, 2020; Saunders, Lewis & Thornhill, 2022). Therefore, with the adoption of the quantitative research approach, the desired effects can be investigated effectively.

3.4. Research Design

To analyze systematically how the adoption of strategic sourcing will affect the efficiency of the procurement process in the context of Ethiopian humanitarian logistics, a comprehensive research methodology is proposed. The integration of descriptive, explanatory, and cross-sectional survey research designs is especially beneficial for this particular case for multiple reasons.

Firstly, due to the nature of this study, the cross-sectional survey design was used as a convenient tool to collect primary information from selected local humanitarian organizations through one-time observations. As Creswell and Creswell (2018) emphasize, this design is quite successful when measuring correlations between previously defined constructs, such as six strategic sourcing practices as independent variables and five procurement performance aspects as dependent variables.

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Second, through the descriptive research design, the study is able to develop an empirical basis of the baseline knowledge on which the study will build in terms of understanding the characteristics and challenges currently experienced in the humanitarian procurement process (John *et al.*., 2020; Tay *et al.*., 2024).

Third, through the use of an explanatory research design, the study moves from description to explanation of the variables under study. Using the approach involves the application of deductive reasoning through multiple regression analysis to evaluate the nature of the relationship between the variables of interest (Creswell & Creswell, 2018; Moshtari *et al.*., 2021).

3.5. Target Population and Sample Design

The target population is made up of workers involved either directly or indirectly in procurement and supply chain-related operations within the chosen LNGOs. These workers can be used as respondents as they are involved in procurement activities such as source identification, supplier pre-qualification, framework agreements, joint buying activities, and development of local suppliers and pre-positioning of inventories, as well as sustainable procurement and supply chain activities, all of which are important activities associated with strategic sourcing and procurement.

The study will purposely focus on four LNGOs that engage in humanitarian procurement and supply chain operations within Ethiopia. The four LNGOs are purposefully chosen based on certain criteria, including (1) having direct participation in donor-sponsored humanitarian procurement activities, (2) having a formal system of procurement with a documented process, (3) operating for more than five years, and (4) involvement in programs requiring the continuous acquisition of goods and services (Moshtari *et al.*., 2021). Four LNGOs have been chosen due to resource limitations.

Though not all the LNGOs in Ethiopia have been included in the study, the selection of the organizations ensures that they reflect typical procurement environments that exist for most local humanitarian NGOs, such as the compliance-oriented nature of their procurement systems, donor dependence, and dealings with a fragmented market of suppliers (ICNL, 2025). This enables the

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findings from this study to shed light on the issue of strategic sourcing and procurement performance of NGOs in the context of humanitarian work. Generalizability of the results in the statistical sense may be questionable owing to the use of purposeful sampling; however, generalizability in terms of analysis remains intact since the study investigates universally relatable procurement trends (Yin, 2018).

Purposive (judgmental) sampling is used to select four local humanitarian organizations based on their active engagement in humanitarian operations, management of donor-funded procurement, existence of formal procurement systems, and operational presence in multiple regions of Ethiopia (Creswell, 2014).

Within each NGO, procurement and logistics staff, finance staff, program staff, and others are purposively selected due to their direct involvement in procurement decision-making and supply chain management (Moshtari *et al.*., 2021).

Due to the manageability of the entire population, the census method is used. The total number of censuses in the study will be 120.

Table 3. 1: Target population and sample design

S.N.	Organization	Population	Remarks
1	Family and Children Integrated Development Foundation	23	Census Method
2	NEXUS Ethiopia	12	Census Method
3	Oromia Development Association (ODA)	45	Census Method
4	Action for Social Development and Environmental Protection (ASDEPO)	40	Census Method
Total		120	

3.6. Data Collection Instruments

A structured questionnaire was employed to collect quantitative data from procurement and related staff. It was developed based on the study objectives, conceptual framework, and measurement scales from prior studies. The questionnaire mainly used closed-ended questions measured on a five-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).

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It covered strategic sourcing dimensions, including supplier prequalification, framework agreements, joint purchasing initiatives, local supplier development, inventory pre-positioning, and sustainability-oriented procurement. Procurement performance was measured in terms of cost efficiency, lead time, quality compliance, supplier reliability, and regulatory compliance.

In addition, challenges of procurement sourcing strategies are also incorporated in the study questionnaire.

3.7. Methods of Data Analysis

Both descriptive and inferential statistics were used in analyzing the obtained data from the respondents. The means and standard deviations, which are part of descriptive statistics, were used to describe the measures of central tendency of the strategic sourcing practices and procurement performance variables. The other forms of statistical tests that were used were correlation and multiple regression. Specifically, the Pearson correlation coefficient test was applied to find out the relationship between the six independent variables and one dependent variable of strategic sourcing practices and procurement performance, respectively. The multiple regression test was performed to establish how the six variables together and separately predict procurement performance.

Before running the regression analysis, certain assumptions, such as normality, linearity, multicollinearity, and homoscedasticity, were made to guarantee the reliability of the findings from the regression. All statistical tests were done using the Statistical Package for Social Sciences version 27. The model for regression analysis is presented as follows: PP was set as the dependent variable, while the six sourcing strategies, such as SOP, LSD, IPP, SP, FA, and JPI, were used as independent variables. The regression equation is expressed as:

$$PP = \beta_0 + \beta_1 SOP + \beta_2 LSD + \beta_3 IPP + \beta_4 SP + \beta_5 FA + \beta_6 JPI + \varepsilon$$

where β_0 represents the intercept, β_1 through β_6 are the regression coefficients for each independent variable, and ε denotes the error term. The results of the study were tabulated and presented in tables, graphs, and charts to properly show the study outcome.

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3.8. Validity and Reliability

Validity was ensured by several approaches to improve the validity of the instruments. Content validity is achieved by basing the questions of the survey on well-researched theories of strategic sourcing and empirical studies of procurement performance. Furthermore, the instrument was reviewed by three experts in the field of supply chain management and two practitioners in Ethiopian humanitarian organizations, which resulted in minor changes to some question formulations and the exclusion of redundant questions. The construct's validity was confirmed by high values of Cronbach's alpha coefficients, meaning that all items of the instrument were highly correlated and reflected the same construct. Face validity was confirmed through a pilot study with 15 people from two local humanitarian organizations.

In this regard, the reliability of measurement instruments was determined using Cronbach's Alpha, with an acceptable value being 0.70 and above as suggested by Nunnally & Bernstein (1994) and Moshtari *et al.*. (2021) in studies on procurement issues. In the current study, all the constructs surpassed this benchmark in reliability, with a minimum score of Cronbach's alphas of 0.701 to a maximum score of 0.952. Joint Purchasing Initiatives was found to have a Cronbach's alpha of .952, making it the most reliable construct in the study, followed closely by Capacity Gaps (α = .891), Sustainability-Oriented Procurement (α = .876), and Supplier Prequalification (α = .867). Other constructs such as Inventory Pre-Positioning (α = .850), Poor Infrastructure (α = .853), Political Instability & Security Concerns (α = .842), and Regulatory Compliance (α = .803) also showed good reliability values, while the Cost Efficiency variable had the least acceptable value of Cronbach's Alpha of 0.70 Moshtari *et al.*. (2021). Due to the poor reliability indicated by very low values of Cronbach's alpha far below the acceptable threshold, the variable Limited Supplier Market was dropped from the study. Overall, the validity and reliability evidence confirm that the measurement instruments are both accurate and internally consistent, making them suitable for further statistical analysis, including correlation and multiple regression.

Table 3. 2: Reliability Statistics of Constructs (n=116)

Order	Construct	Number of Items	Cronbach's Alpha
1	Supplier Prequalification	4	.867
2	Framework Agreements	4	.848
3	Joint Purchasing Initiatives	4	.952

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4	Local Supplier Development	4	.855
5	Inventory Pre-Positioning	4	.850
6	Sustainability-Oriented Procurement	4	.876
7	Cost Efficiency	4	.701
8	Quality Compliance	4	.822
9	Lead Time	4	.775
10	Supplier Reliability	4	.761
11	Regulatory Compliance	4	.803
12	Poor Infrastructure	4	.853
13	Political Instability & Security Concerns	4	.842
14	Capacity Gaps	4	.891
15	Ethical & Transparency Challenges	4	.803

Source: **Author's survey data, 2026**

3.9. Ethical Considerations

Ethical concerns have been very central in maintaining research integrity and accountability. Some of the ethical considerations observed in this research include: informed consent, confidentiality, minimizing harm, openness, and protecting vulnerable groups.

Informed consent was not obtained in writing, but oral consent was obtained from the subjects. This is because of the risk that subjects may sign papers because of the presence of hierarchical relations within the police force. It was ensured that all subjects were informed about the purpose, procedure, risks, and voluntary nature of the research as stipulated by Beauchamp and Childress (2019). Confidentiality of information was assured through proper storage, identification anonymization, and the absence of any personal information in published findings, as described by Wiles (2013).

There was no physical, psychological, and emotional damage done to subjects since they were made aware that withdrawal from participation would not affect their status negatively, following Resnik (2018).

Integrity was ensured by not fabricating, falsifying, or plagiarizing data, while all methods, results, and possible conflicts of interest were reported openly, as described by Steneck (2006).

Data are stored on secure institutional servers and will be retained for five years before destruction.

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CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

4.1. Introduction

This chapter includes empirical findings, analysis, and interpretation of data gathered from the respondents from the selected local humanitarian agencies in Ethiopia. The discussion will focus on analyzing how strategic sourcing practices affect procurement performance in the context of humanitarian supplies procurement.

The chapter is divided into five parts. Part one contains an analysis of demographic features of the respondents. Part two analyzes strategic sourcing practices adopted by the selected organizations. Part three discusses the procurement performance measures. Part four highlights operational and organizational problems associated with the implementation of strategic sourcing practices. Part five presents regression analysis of the relationship between strategic sourcing and procurement performance measures. Finally, the chapter presents an overall synthesis of the findings.

4.2. Response Rate

A total of 120 structured questionnaires were administered to staff working in procurement, logistics, finance, program, and management departments across selected local humanitarian organizations. Out of these, 116 questionnaires were fully completed and returned, representing a response rate of 96.7%.

Table 4. 1: Response Rate

Description	Frequency	Percentage
Distributed Questionnaires	120	100%
Returned Questionnaires	116	96.67%
Unreturned Questionnaires	4	3.33%

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Source: Field Survey Data (2026)

The reason for the high response rate is due to a very good response from the respondents, which clearly denotes the importance of procurement and strategic sourcing among humanitarian organizations in Ethiopia. This would help to increase the credibility of the research findings.

According to Saunders *et al.*. (2019), a response rate that exceeds 70% in most studies is acceptable for conducting meaningful quantitative analysis. With this in mind, the response rate attained in this research (96.7%) is considered satisfactory enough to make it reliable and valid.

4.3. Demographic Characteristics of Respondents

This section focuses on describing the demographic profile of the participants under consideration, such as the participants' gender, age range, education level, organizational background, department, and number of years of experience. The need for a description of demographics is due to its role in determining the appropriateness of the participants to give reliable data.

Table 4. 2: Demographic Characteristics of Respondents

No	**Demographic Characteristics of Respondents**	**Category**	**Freq.**	**%**
1	Gender	Male	92	79.3%
		Female	24	20.7%
		Total	116	100%
2	Age group in years	Below 25	6	5.2%
		25–34	43	37.1%
		35–44	57	49.1%
		45 and above	10	8.6%
		Total	116	100%
3	Educational qualification	Diploma	5	4.3%
		Bachelor’s	74	63.8%
		Master’s	35	30.2%
		PhD	2	1.7%
		Total	116	100%
4	Name of your organization	NEXUS Ethiopia	12	10.3%
		ODA	43	37.1%
		F&CIDF	23	19.8%
		ASDEPO	38	32.8%
		Total	116	100%
5	Current department in the	Procurement &	25	21.5%

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	organization	Logistics		
		Finance	23	19.8%
		Program & Management	56	48.3%
		Others	12	10.3%
		Total	116	100%
6	Years of experience in a humanitarian Organization	Less than 2 years	23	19.8%
		2–5 years	29	25.0%
		6–10 years	34	29.3%
		Above 10 years	30	25.9%
		Total	116	100%

Source: **Author's survey data, 2026**

Gender was considered through the analysis of the data from the survey to ascertain the number of males and females who had participated in the study. According to the results obtained, more males were involved in the study than females. There was involvement of 92 males, accounting for 79.3% of the total population, while 24 females accounted for only 20.7%. It shows that the operations of humanitarian logistics and procurement activities are dominated by men in most cases. Nevertheless, the presence of 24 females indicates some form of gender balance being achieved.

The age distribution of the respondents shows that the majority of the respondents belong to the age groups of 25-34 years and 35-44 years. The highest percentage of the respondents belonged to the age group of 35-44 years, amounting to 57%. The age group of 25 to 34 years was second, with 43 respondents, or 37.1%. From this trend, one can observe that the majority of the participants had attained a relatively high level of operational experience.

As far as educational qualification is concerned, the study revealed that the majority of the respondents were holders of a Bachelor's degree. In total, there were 74 individuals who had Bachelor's degrees, making up 63.8% of the respondents. Moreover, it was notable that a substantial number of respondents had Master's level qualifications, where 35 individuals represented 30.2%.

With regard to organizational affiliation, the majority of the respondents worked with ODA, totaling 43 and constituting 37.1% of the total respondents. ASDEPO was the second

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organization, followed by F&CIDF, with 38 and 23, or 32.8% and 19.8%, respectively, followed by NEXUS Ethiopia, which had 12 respondents, constituting 10.3% of the total respondents.

In the current department, most of the respondents belonged to the program, with 56 respondents or 48.3% of all the respondents. The Department of Procurement and Logistics was second, with 25 or 21.5%. The Department of Finance is third, with 23 respondents or 19.8%, and the others category was the least, with 12 respondents or 10.3%.

Lastly, concerning the number of years of experience in humanitarian organizations, the responses were relatively balanced. The largest category was composed of those with 6 to 10 years of experience in the field, which counted for 34 participants (29.3%). Respondents who had over 10 years of experience made up 30 respondents (25.9%), while those who had between 2 and 5 years of experience comprised 29 people (25.0%). Finally, those who had less than 2 years of experience accounted for 23 participants (19.8%). These findings reveal that a considerable number of respondents had extensive experience in their fields, with more than half having at least six years of experience.

4.4. Strategic Sourcing Practices

This section discusses the descriptive findings regarding the six strategic sourcing practices adopted by the selected local humanitarian organizations in Ethiopia. The grand mean for each practice is interpreted against the five-point Likert scale.

Table 4. 3: The five-point Likert scale mean interpretations

Mean Range	Interpretation
1.00–1.80	Strongly Disagree
1.81–2.60	Disagree
2.61–3.40	Neutral
3.41–4.20	Agree
4.21–5.00	Strongly Agree

Source: **Bluman, A.G. (2017)**

4.4.1. Supplier Prequalification

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Humanitarian organizations in the local community perceive supplier prequalification as one of the major procurement practices for increasing supplier reliability and procurement efficiency. The above mentioned conclusion correlates well with the findings of Muriithi and Waweru (2024), who showed that supplier prequalification enhances the effectiveness of the entire procurement process by making sure that only qualified suppliers become involved in the procurement process, thus decreasing procurement risks and improving service provision. Yet, as can be seen from the results obtained, there are certain difficulties in keeping up-to-date databases of suppliers and assessing their competence regularly (Muriithi & Waweru, 2024).

Table 4. 4: Supplier Prequalification

No.	Statement	N	Mean	Std. Deviation
1	The organization applies formal criteria to evaluate suppliers prior to contract award	116	4.2155	.74374
2	Supplier prequalification is conducted as a standard requirement before procurement	116	4.0776	.78187
3	A list of prequalified suppliers is maintained and regularly updated	116	3.8103	.90327
4	Supplier prequalification procedures are consistently applied across procurement categories	116	3.9397	.86767
	Grand Mean	**116**	**4.0108**	**.69891**

Source: **Author's survey data, 2026**

From Table 4.4, it can be seen that the grand mean value for supplier prequalification practice was 4.0108 and the standard deviation was 0.69891. This value lies between the values of 3.41 and 4.20, which means that respondents agreed that there are consistent practices of supplier prequalification. Item one had the highest mean value of 4.2155, where the item suggested that the organization used criteria in evaluating the suppliers before making any contracts with them, with a standard deviation of 0.74374. This mean value indicates that the respondents were close to agreeing on the item strongly since the value of the threshold for strongly agreeing was 4.21. Item two had a high mean of 4.0776, where the item indicated that the requirement of supplier prequalification was considered before conducting any procurement. The above findings support the theory of transaction cost economics that states that the use of structured assessment reduces opportunism and uncertainty in supplier relations (Williamson, 2019).

4.4.2. Framework Agreements

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The framework agreement reveals that the selected local humanitarian organizations have already begun using long-term contracts within the procurement process, despite not being at the stage of high institutionalization. This finding is in line with the research conducted by Finkenstadt & Handfield (2020), according to whom framework agreements make the procurement process more efficient through reduced repetitive bidding and a continued procurement process. Similarly, the findings of Kwak *et al.*. (2021) reveal that organizations that use framework agreements are able to reduce transaction costs as well as procurement time. However, the moderate agreement levels in the present research show that local humanitarian organizations could be facing difficulties in implementing framework agreements owing to various issues such as uncertain funding and changing procurement requirements.

Table 4. 5: Framework Agreements

No.	Statement	N	Mean	Std. Deviation
1	Framework agreements are used for commonly procured goods and services	116	3.7586	.83009
2	Framework agreements are established with selected suppliers for repeated procurement	116	3.6724	.82120
3	The organization maintains active framework agreements for key procurement categories	116	3.6983	.83635
4	Framework agreements are reviewed and updated periodically	116	3.6466	.83670
	Grand Mean	**116**	**3.6940**	**.68848**

Source: **Author's survey data, 2026**

Table 4.5 summarizes the results concerning framework agreements. Grand Mean = 3.6940 and Standard Deviation = 0.68848, implying agreement with the use of framework agreements. The item with the highest mean in the set was item one (3.7586), which says, “Framework agreements are used for the procurement of regularly purchased goods and services.” It implies that companies are using long-term contracts for repeat purchases. Since all mean values obtained were moderate (no more than 3.80), it shows that there is no full utilization of framework agreements yet.

4.4.3. Joint Purchasing Initiatives

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However, since the neutral response to joint purchasing was given, it can be interpreted that collaborative procurement is not yet a frequent activity among the respondents. This finding is consistent with that of Rossetti *et al.*. (2021), who observed that while collaborative purchasing could create opportunities for cost savings, its successful implementation would depend on effective coordination among the organizations involved. Similarly, according to Park and Hong (2022), collaborative purchasing enhances negotiating skills and purchasing efficiency; however, there could be challenges to the process due to discrepancies in procurement policies, objectives of the organizations, and donor conditions.

Table 4. 6: Joint Purchasing Initiatives

No.	Statement	N	Mean	Std. Deviation
1	The organization participates in joint procurement activities with other organizations	116	2.8190	1.34875
2	Procurement collaboration with partners is practiced for selected categories	116	2.9224	1.23112
3	Joint purchasing arrangements are formally coordinated among participating organizations	116	2.9224	1.17326
4	The organization engages in shared sourcing initiatives when applicable	116	2.9397	1.14428
	Grand Mean	**116**	**2.9009**	**1.14725**

Source: **Author's survey data, 2026**

From Table 4.6 above, joint purchasing had a grand mean score of 2.9009 while the standard deviation was 1.14725. The number lies between the neutral values of 2.61 and 3.40. This means that respondents neither agreed nor disagreed with the statement that joint purchasing is a systematic practice. The fact that the standard deviation for all items was above 1.14 indicates variance among respondents.

4.4.4. Local Supplier Development

It can be seen that the positive perception of the development of local suppliers reveals that the organizations taking part in the research perceive the value of working with local suppliers in the procurement process. This observation is confirmed by the work done by Mena *et al.*. (2018), according to whom the development of local suppliers contributes to better results in terms of procurement since it allows for increasing supplier capabilities and building supply chain

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resilience. In a similar manner, Kunz and Reiner (2020) revealed that organizations developing local suppliers become less dependent on other markets and more responsive in emergency situations. The lower result associated with helping local suppliers reveals that engagement with local suppliers at the moment may be aimed more at buying from them than developing them.

Table 4. 7: Local Supplier Development

No.	Statement	N	Mean	Std. Deviation
1	The organization engages local suppliers in procurement activities	116	3.9741	.62500
2	Efforts are made to support the participation of local suppliers	116	3.6293	.79706
3	The organization maintains ongoing relationships with local suppliers	116	3.7328	.81676
4	Local suppliers are considered during sourcing decisions where applicable	116	3.7414	.87597
	Grand Mean	**116**	**3.7694**	**.65454**

Source: **Author's survey data, 2026**

From Table 4.7 above, local supplier development practices have attained a grand mean score of 3.7694 and a standard deviation of 0.65454. Agreement was therefore attained. For instance, statement one, "The organization involves local suppliers in its procurement process," had the highest mean score of 3.9741. This shows that local purchasing is a known phenomenon. However, statement two, "Efforts are made to encourage the involvement of local suppliers," has attained a low mean score of 3.6293. This means that even though organizations buy from local suppliers, they are not building their capability.

4.4.5. Inventory Pre-Positioning

Inventory pre-positioning is occurring to an extent in the surveying organizations; however, its usage in emergencies is still rather limited. This conclusion corresponds to the research results presented by Balcik *et al.*. (2019). Strategic pre-positioning of inventories positively impacts the organization's readiness and helps address the problem of delayed reaction in humanitarian crises. Likewise, according to Holguín-Veras *et al.*. (2020), inventory pre-positioning increases supply availability and leads to faster humanitarian response. In this case, the observed

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implementation rate may be attributed to such factors as financial limitations, inventory storage expenses, and funding structures.

Table 4. 8: Inventory Pre-Positioning

No.	Statement	N	Mean	Std. Deviation
1	The organization maintains pre-positioned inventory for key items	116	3.6379	.76211
2	Inventory is strategically stored to support program implementation	116	3.6466	.80492
3	Prepositioning practices are used for emergency preparedness	116	3.5086	.63923
4	Inventory levels are managed to ensure the availability of essential supplies	116	3.6638	.72164
	Grand Mean	**116**	**3.6142**	**.61005**

Source: **Author's survey data, 2026**

As illustrated in Table 4.8, pre-positioning of inventories practices exhibited a grand mean of 3.6142, with a standard deviation of 0.61005, showing agreement. Item number three regarding the use of pre-positioning practices in preparation for emergencies obtained the lowest mean value of 3.5086. This implies that although inventory practices are used, their strategic utilization for emergencies is minimal. Item number four, involving inventory quantities that were maintained to ensure provision of necessary materials, achieved the highest mean score of 3.6638. However, these results seem incongruent with the existing theoretical support for the practice of pre-positioning in humanitarian logistics. According to Van Wassenhove (2019) and Balcik *et al.*. (2019), pre-positioning is an important practice for improving responsiveness and lowering lead time. The agreement in this research can be attributed to the issue of limited resources due to budgetary restrictions and erratic donor cycles discussed in Chapter One that prevent the local organizations from investing in the pre-positioning of inventories (Holguín-Veras *et al*.., 2020).

4.4.6. Sustainability Oriented Procurement

The findings reveal that sustainability factors are increasingly becoming an integral part of the purchasing decision process in the chosen organizations. In turn, this can support the assertions by Sarkis (2019) regarding the impact of sustainability-based procurement on organizational

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accountability, stakeholder trust, and the creation of value in the long run. According to Mena *et al.*. (2022), sustainability factors help organizations gain higher organizational legitimacy and develop better donor and stakeholder relations due to their inclusion in purchasing processes.

Table 4. 9: Sustainability-Oriented Procurement

No.	Statement	N	Mean	Std. Deviation
1	Environmental considerations are incorporated into procurement decisions	116	3.5862	.81368
2	Procurement policies include sustainability related criteria	116	3.6121	.83167
3	Suppliers are expected to meet environmental or sustainability requirements	116	3.4569	.76206
4	Sustainability considerations are applied during supplier selection, where applicable	116	3.4569	.75056
	Grand Mean	**116**	**3.5280**	**.67468**

Source: **Author's survey data, 2026**

From Table 4.9, it can be seen that there is a high level of agreement on sustainability-based procurement practices with a grand mean of 3.5280 and a standard deviation of 0.67468. Nevertheless, practices relating to environmental considerations and sustainability within supplier selection were ranked low in terms of means of 3.4569. This is consistent with results from Sarkis (2019) and Mena *et al.*. (2022). Sustainability-based procurement is generally considered difficult to practice mainly because of costs and complexities involved. Within the humanitarian environment of Ethiopia, sustainability issues are less important than others like cost and urgency (Kunz *et al.*., 2022).

4.5. Procurement Performance

This section presents the descriptive findings regarding procurement performance across five key dimensions: cost efficiency, quality compliance, lead time, supplier reliability, and regulatory compliance. Data were collected from 116 respondents working within local humanitarian organizations in Ethiopia, and the results are summarized using means and standard deviations for each item and construct.

4.5.1. Cost Efficiency

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The positive perception regarding the cost efficiency means that the surveyed organizations have been relatively effective in managing the procurement cost without compromising their efficiency. Such a finding corroborates that of Moshtari *et al.*. (2021), who established that proper planning and supplier management play a critical role in ensuring cost efficiency in humanitarian operations. According to Monczka *et al.*. (2020), effective strategic sourcing strategies result in efficient procurement through total cost management approach as opposed to managing only the purchasing cost.

Table 4. 10: Cost efficiency

No.	Statement	N	Mean	Std. Deviation
1	Our organization procures goods and services at competitive and reasonable costs	116	4.2155	.62978
2	Procurement decisions consider the total cost, including transport, storage, and handling	116	3.9914	.75176
3	We can minimize unnecessary procurement expenses without affecting quality	116	3.9741	.63877
4	Our sourcing practices help reduce overall procurement costs while maintaining required standards	116	3.9052	.75732
	Grand Mean	**116**	**4.0216**	**.50278**

Source: **Author's survey data, 2026**

As depicted in Table 4.10, the grand mean for cost efficiency was 4.0216 with a standard deviation of 0.50278. Cost efficiency had an agreement level since the grand means were above 3.50. Item number one, which indicated that the organization purchases goods and services competitively and reasonably, had the highest grand mean at 4.2155, above the strongly agree level. It implies that organizations feel they have managed competitive pricing. On the other hand, item number four, which suggested that there are good practices that ensure reduced total procurement cost yet maintain the quality, had the lowest grand mean at 3.9052. The results are in line with what has been mentioned in previous literature, such as Moshtari *et al.*. (2021). Nevertheless, the comparatively low result for cost reductions through sourcing practices indicates that although competitive pricing is ensured, strategic sourcing strategies for cost reductions may not be very well-established.

4.5.2. Quality Compliance

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The fact that there was an extensive agreement on quality compliance implies that much effort is being put in place to ensure that products and services acquired meet certain quality levels. This can be explained by the findings of Beamon & Balcik (2008) who stated that it is important to comply with the set quality standards in order for the operation to succeed. Similarly, Govindan *et al.*. (2021) discovered that organizations that practice systematic supplier assessment and control practices have better quality and reliability in their procurement processes.

Table 4. 11: Quality compliance

No.	Statement	N	Mean	Std. Deviation
1	Goods and services procured by our organization consistently meet the required technical specifications	116	3.9569	.77339
2	Procurement processes ensure compliance with donor standards and regulatory requirements	116	4.0517	.75579
3	Quality checks and inspections are effectively carried out before acceptance of supplies	116	3.9483	.75579
4	Failure to meet quality standards is rare in our procurement activities	116	4.0690	.77711
	Grand Mean	**116**	**4.0065**	**.61808**

Source: **Author's survey data, 2026**

Results for quality compliance are reflected in Table 4.11. Grand mean and standard deviation were 4.0065 and 0.61808, respectively, signifying agreement. The fourth item, dealing with the frequency of failing to comply with quality standards, had the highest mean of 4.0690. Therefore, quality results obtained seem satisfactory among respondents. The third item, relating to the efficacy of the quality control and inspection process, had the lowest mean of 3.9483. It is in accordance with the empirical studies conducted by Büyüközkan and Göçer (2018) that stated quality compliance would guarantee that procurement products are safe to use. Overall, quality compliance shows consistency in terms of means greater than 3.94.

4.5.3. Lead Time

As compared to other performance measures, the lead time aspect was scored low, implying delays occurring during the procurement process. It is in line with the research conducted by Holguín-Veras *et al.*. (2020), which highlights procurement processes, transport difficulties, and procurement markets as factors responsible for delays in humanitarian operations. Similarly, according to the study by Dubey *et al.*. (2020), procurement cycles tend to be long when dealing

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with very compliance-driven procurement systems due to many approvals required throughout the process.

Table 4. 12: Lead Time

No.	Statement	N	Mean	Std. Deviation
1	Procurement processes in our organization are completed within the planned timeframes	116	3.6121	.75494
2	Goods and services are delivered on time to support program implementation	116	3.5603	.81602
3	Delays in procurement are minimal and well managed when they occur	116	3.6121	.76638
4	Our sourcing practices help reduce procurement lead time during normal and emergency procurement	116	3.5172	.62530
	Grand Mean	**116**	**3.5754**	**.57504**

Source: **Author's survey data, 2026**

According to Table 4.12, lead time had a grand mean of 3.5754, with a standard deviation of 0.57504, agreeing with itself. Nonetheless, this was the grand mean with the least value compared to other procurement performance parameters. The fourth parameter regarding sourcing techniques that will reduce procurement lead time had the least average of 3.5172. This was alarming considering the nature of humanitarian missions. According to the works by Balcik *et al.*. (2010) and Van Wassenhove (2019), lead time was an important performance measure within humanitarian activities since delays cause more harm. The moderate agreement in lead time performance could reflect the reactive procurement approach discussed in Chapter One, where the process begins only when funds have been secured (Dubey *et al.*., 2020).

4.5.4. Supplier Reliability

The concept of supplier reliability entails that suppliers are quite reliable in meeting their contractual obligations. The results obtained are consistent with the studies carried out by Kovács & Spens (2020). Their study entailed dependable suppliers who ensure that there is continuity in humanitarian operations. Further, according to Govindan *et al.*. (2021), corporations with effective relationships with their suppliers have fewer problems in the aspect of procurement practices. However, the failure to obtain extremely high scores indicates that, in

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the contemporary world, supplier reliability can be affected by factors affecting the developing countries' markets.

Table 4. 13: Supplier Reliability

No.	Statement	N	Mean	Std. Deviation
1	Suppliers consistently deliver goods and services as agreed	116	3.6034	.75618
2	Our suppliers meet delivery schedules and quantity requirements	116	3.7069	.76916
3	Suppliers respond effectively to urgent or emergency procurement needs	116	3.5776	.67439
4	We can rely on our suppliers to maintain consistent performance over time	116	3.4224	.77067
	Grand Mean	**116**	**3.5776**	**.56762**

Source: **Author's survey data, 2026**

According to Table 4.13, the average level of reliability of the supplier is 3.5776, while its standard deviation equals 0.56762. Specifically, it should be mentioned that item four, related to dependable performance of suppliers in the long run, scored the lowest among all the items (the average result is 3.4224). Thus, although suppliers may act in accordance with initial agreements, they may be unstable in this respect, because this conclusion fits well into the context of the analysis of supplier capability described in Table 4.13 and conclusions made by Kovács & Spens (2020) regarding the difficulty of ensuring supplier reliability in varying circumstances.

4.5.5. Regulatory Compliance

This can be seen by looking at how high success rates have been realized in matters of compliance. This is due to the fact that, according to Tassabehji and Moorhouse (2008), compliance is a critical measure of organizational performance for any entity that operates under strict accountability requirements. Further, ICNL (2025) reported that there is a situation of stringent regulation within which the local humanitarian organizations in Ethiopia operate. In this case, the high levels of compliance achieved are as a result of the compliance-oriented nature of procurement procedures in most donor-funded organizations.

Table 4. 14: Regulatory Compliance

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No.	Statement	N	Mean	Std. Deviation
1	Procurement activities in our organization comply with national regulations and policies	116	4.1466	.68847
2	Donor requirements and guidelines are consistently followed in procurement processes	116	4.0431	.67749
3	Procurement documentation and procedures meet audit and accountability standards	116	4.1638	.67171
4	Compliance requirements are well understood and applied by procurement staff	116	3.9741	.72785
	Grand Mean	**116**	**4.0819**	**.54849**

Source: **Author's survey data, 2026**

Based on Table 4.14, it is evident that the dimension scoring highest in the grand mean was regulatory compliance, with a score of 4.0819 and a standard deviation of 0.54849, reflecting a high level of agreement. Regulatory compliance item three, which focused on documents and process being in line with audit and accountability criteria, received the highest mean score of 4.1638. It is not surprising that the item received the highest mean score because of the dual regulatory regime as mentioned in Chapter One, requiring humanitarian organizations in localities to observe both the national procurement policies and donor guidelines (ICNL, 2025). The high mean reflects the institutional theory view of procurement outcomes, emphasizing the influence of regulatory and donor pressures on the same (DiMaggio & Powell, 1983).

4.6. Effect of Strategic Sourcing on Procurement Performance

This section presents the results of the multiple linear regression analysis conducted to examine the effect of six strategic sourcing practices on procurement performance. The independent variables included sustainability-oriented procurement (SOP), supplier prequalification (SP), joint purchasing initiatives (JPI), local supplier development (LSD), inventory pre-positioning (IPP), and framework agreements (FA). The dependent variable was procurement performance (PP). The analysis was based on a sample size of 116 respondents.

4.6.1. Regression Assumptions

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To ensure the validity and reliability of the multiple linear regression results, several diagnostic tests were conducted to assess whether the data satisfied the key assumptions of regression analysis. These included multicollinearity, collinearity diagnostics, normality of residuals, homoscedasticity, and the absence of extreme outliers.

4.6.1.1. Multicollinearity Assessment

Table 4. 15: Collinearity Statistics

Collinearity Statistics	
Tolerance	VIF
.601	1.663
.339	2.946
.636	1.572
.500	2.000
.394	2.540
.400	2.501

Source: **Author's survey data, 2026**

The presence of multicollinearity in the above table 4.15 was evaluated using tolerance and variance inflation factors (VIF). The existence of multicollinearity in a data set can be indicated by low tolerance levels less than 0.10 or high VIF levels greater than 5.0 or even 10.0. From Table 4.18, it is seen that the minimum level of tolerance obtained was 0.339 for the framework agreement variable, while the maximum level of VIF obtained was 2.946, again for framework agreement. All VIF values being way under 3.0 and all tolerance values far above 0.10 implies no problem with multicollinearity here.

4.6.1.2. Outliers and Residual Normality

The standardized residuals were studied for outliers and the normality of residuals. The minimum value among the standardized residuals was negative 2.442, and the maximum value was 2.488. All the standardized residuals lay well within the standard range of –3.0 to 3.0. Hence, there were no outliers in the data, which could distort the accuracy of the regression model. Table 4.16 displays the table of residual statistics.

Table 4. 16: Residual Statistics

Statistic	**Minimum**	**Maximum**	**Mean**	**Standard Deviation**	**N**

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Predicted Value	2.9052	4.5079	3.9286	.33288	116
Residual	-.45303	.54359	.00000	.25741	116
Standardized Predicted Value	-3.075	1.740	.000	1.000	116
Standardized Residual	-2.442	2.488	.000	.985	116

Source: **Author's survey data, 2026**

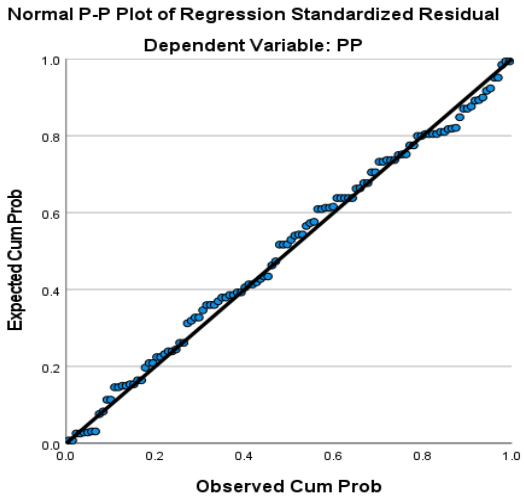


Figure 4. 1 Normal Probability Plot (P-P Plot) of Regression Standardized Residuals

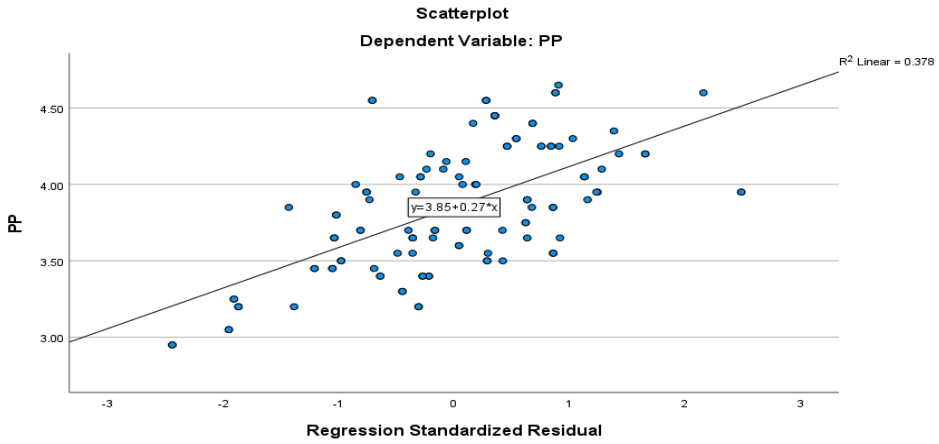


Figure 4. 2 Scatterplot of Standardized Residuals Vs Predicted Values

Source: **Author's survey data, 2026**

Figure 4. 2 Histogram of catterplot of Standardized Residuals versus Standardized Predicted Values

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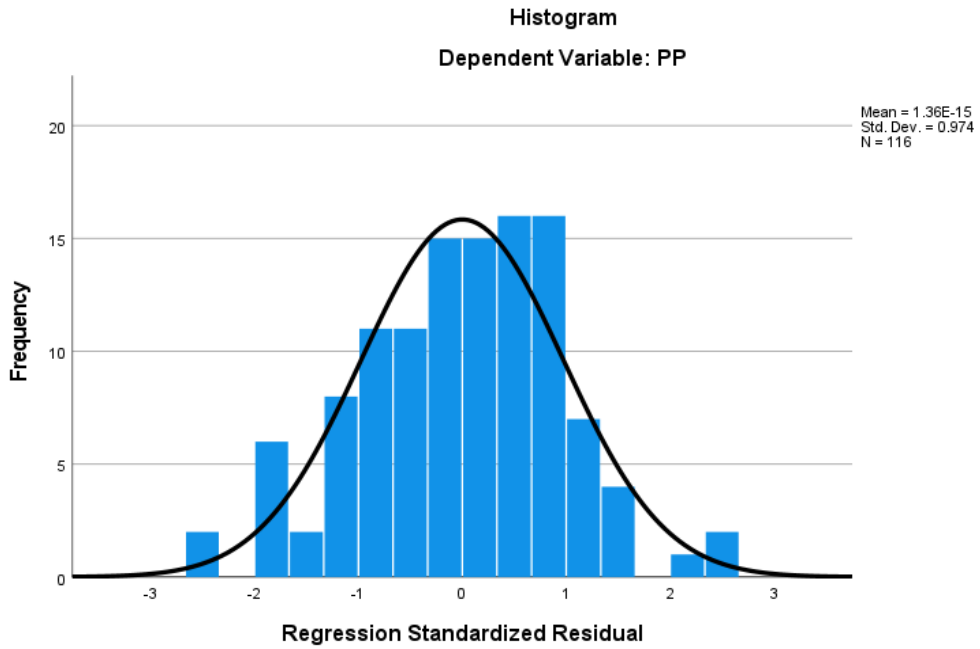


Figure 4. 3 Histogram of Regression Standardized Residuals

Source: **Author's survey data, 2026**

Figure 4. 3 Histogram of Standardized Residuals

In conclusion, all the assumptions of regression have been met. No multicollinearity exists in the model since tolerance values exceeded 0.10 and VIF scores were less than 3.0. In spite of the fact that there was a condition index exceeding 30, collinearity diagnostics revealed no problem in terms of stability of coefficient estimates, considering the presence of low VIF scores. Standardized residuals lied within the appropriate limit from -3.0 to +3.0, which means that no outliers existed in the model. All assumptions about normality, linearity, and homogeneity of variance were met with the help of normal probability plot, scatter plot of residuals, and histogram.

4.6.2. Regression analysis model summary

Table 4. 17: Regression analysis model summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	R^2Change	F Change	df1	df2	Sig. F Change
1	0.789	0.622	0.601	0.26512	0.622	29.885	6	109	0.000

Source: **Author's survey data, 2026**

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The regression model demonstrated a strong fit with the data. The multiple correlation coefficient R was 0.789, indicating a strong positive overall relationship between the set of predictor variables and procurement performance. The coefficient of determination R^2 was 0.622, meaning that the six strategic sourcing practices collectively explained 62.2 per cent of the variance in procurement performance. The adjusted R^2 value was 0.601, confirming that the model is robust and not subject to overfitting.

4.6.3. Analysis of Variance (ANOVA)

Table 4. 18: Analysis of Variance (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	12.603	6	2.100	29.885	0.000
Residual	7.661	109	0.070		
Total	20.264	115			

Source: **Author's survey data, 2026**

The results from the analysis of variance (ANOVA) were a value for the F-statistic equal to 29.885, which had 6 degrees of freedom for the numerator and 109 degrees of freedom for the denominator, with a p-value of less than 0.001. These findings are statistically very significant. This indicates that the application of all six strategic sourcing processes significantly predicts procurement performance. Table 4.19 presents the model summary, and Table 4.18 presents the ANOVA results.

4.6.4. Multiple Regression Coefficients

Table 4. 19 Multiple Regression Coefficients for Strategic Sourcing Practices and Procurement Performance

Variables	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	T	Sig.
Constant	1.523	0.186	—	8.173	<0.001
SP	0.075	0.046	0.124	1.637	0.105
FA	0.014	0.062	0.023	0.226	0.822
JPI	−0.018	0.027	−0.048	−0.652	0.516
LSD	0.193	0.053	0.300	3.607	<0.001
IPP	0.175	0.065	0.255	2.714	0.008
SOP	0.190	0.058	0.305	3.279	0.001

a Dependent Variable: PP (Procurement Performance)

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b Predictors: (Constant), SOP (Sustainability Oriented Procurement), SP (Supplier Prequalification), JPI (Joint Purchasing Initiatives), LSD (Local Supplier Development), IPP (Inventory Pre-Positioning), FA (Framework Agreements)

Source: **Author's survey data, 2026**

Among the significant predictors, sustainability-oriented procurement (SOP) to be the most significant predictor of procurement performance with a coefficient value of B = 0.190, standardized beta of 0.305, t-value of 3.279, and p-value of 0.001. It is clear from this positive and statistically significant result that when the SOP increases by one unit, there will be a corresponding increase in procurement performance by 0.190 units.

In a similar manner, local supplier development (LSD) was determined to have a significant impact on procurement performance (B = 0.193, β = 0.300, t = 3.607, $p < 0.001$). Therefore, developing the capabilities of suppliers within the locality has a significant effect on procurement performance, with an increase in one unit of LSD leading to an increase in procurement performance by 0.193 units.

Inventory Prepositioning (IPP) has also exhibited a statistically significant positive impact on procurement performance (B = 0.175, β = 0.255, t = 2.714, p = 0.008). It means that organizations with more inventory prepositioning tend to perform well in terms of procurement, since a change in IPP by one unit increases the procurement performance by 0.175 units.

On the other hand, Supplier Prequalification (SP), Framework Agreement (FA), and Joint Purchasing Initiative (JPI) have been found to have no statistically significant impacts on procurement performance, as their p-values exceed the significant value of 0.05 (SP: p = 0.105; FA: p = 0.822; JPI: p = 0.516).

4.6.5. The Hypothesis Testing

The findings from the regression analysis confirm that strategic sourcing practices play an important role in enhancing the performance of procurement processes in humanitarian organizations at a local level in Ethiopia. The three strategic sourcing practices analyzed, local supplier development, prepositioning of inventory, and sustainability-oriented procurement, were all positively and significantly correlated with procurement performance. It is therefore evident

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that any organization that adopts these strategic sourcing practices has a high chance of experiencing improved procurement performance. This finding agrees with previous research conducted by Holguin-Veras *et al.*. (2020), where preparedness and supplier capabilities development were noted as key elements in enhancing humanitarian supply chain management performance. According to Dubey *et al.*. (2020), strategic sourcing practices also enhance procurement performance through improved responsiveness, risk reduction, and the establishment of strong relationships between organizations and their suppliers. On the other hand, the absence of significance relationship between supplier pre-qualification, framework agreement, and joint purchasing with procurement performance might mean that these practices can be effective depending on certain factors such as organizational capabilities and availability of funds.

To analyze the effect of strategic sourcing practices on the level of procurement performance, multiple linear regression was carried out, and the result of this regression is shown below:

PP = 1.523 + 0.190(SOP) + 0.193(LSD) + 0.175(IPP) + 0.075(SP) + 0.014(FA) - 0.018(JPI)

Based on the findings from the regression analysis, it is evident that strategic sourcing practices tend to have a positive impact on the procurement performance of the selected local humanitarian organizations in Ethiopia.

Local Supplier Development was found to be the highest determinant of procurement performance with a β coefficient value of 0.193. This shows that when local suppliers are developed through such factors as engagement and relationship, their procurement performance will be enhanced.

Sustainability-oriented procurement was identified as having a very positive impact on procurement performance, with a coefficient value of $\beta = 0.190$. This is an indication that organizations that make use of sustainability-oriented procurement in making procurement decisions have better procurement performance.

The coefficient value for inventory pre-positioning was found to be 0.175, showing its positive impact on procurement performance. Having strategically placed inventory stocks is essential for procurement performance because it ensures the readiness of humanitarian goods.

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Supplier prequalification had a coefficient value of β = 0.075, suggesting that the process helps in improving procurement performance.

On the other hand, Framework Agreements had a positive relation with procurement performance, having a coefficient of β = 0.014. This means that frameworks help increase procurement performance through faster procurement procedures and continuity of supply.

Conversely, Joint Purchasing Initiatives have a negative effect on procurement performance with a coefficient of β = -0.018. Increased involvement in joint purchases appears to reduce procurement performance slightly owing to coordination problems and procedural differences among organizations.

The findings from the regression analysis suggest that out of the six strategic sourcing variables, five of them positively impact procurement performance while joint purchasing had a negative impact. Local Supplier Development, Sustainability-Oriented Procurement and Inventory Pre-Positioning are the three sourcing variables that significantly affect procurement performance.

Table 4. 20 Summary of Hypothesis Testing

Hypothesis	Relationship of variables	Coefficient (β)	Interpretation	Status
H11	Supplier Prequalification on Procurement Performance	0.075	Positive and not significant	Supported
H12	Framework Agreements on Procurement Performance	0.014	Positive and not significant	Supported
H13	Joint Purchasing Initiatives on Procurement Performance	-0.018	Negative and not significant	Not Supported
H14	Local Supplier Development on Procurement Performance	0.193	Positive and significant	Supported
H15	Inventory Pre-Positioning on Procurement Performance	0.175	Positive and significant	Supported
H16	Sustainability-Oriented Procurement on Procurement Performance	0.190	Positive and significant	Supported

Source: **Author's survey data, 2026**

4.6.6. The Regression Equation

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Based on the unstandardized coefficients, the multiple linear regression equation for predicting procurement performance and hypothesis testing conducted three variables of local suppliers' development, inventory pre-positioning and sustainability-oriented procurement has positive and significant relationships. Framework agreement and supplier prequalification has positive relationship with insignificant contributions. Whereas, joint purchasing initiative has inverse relationship with insignificant contributions as pe

This equation indicates that when all independent variables are held at zero, the baseline value of procurement performance is 1.523. The positive coefficients for SOP, LSD, IPP, SP, and FA indicate that increases in these practices are associated with increases in procurement performance, while the negative coefficient for JPI (not statistically significant) suggests a weak inverse relationship with the coefficients below.

PP = 1.523 + 0.190(SOP) + 0.193(LSD) + 0.175(IPP) + 0.075(SP) + 0.014(FA) - 0.018(JPI)

Therefore, the procurement performance with significant positive coefficients will be as per the regression equation below.

PP = 1.523 + 0.190(SOP) + 0.193(LSD) + 0.175(IPP)

4.7. Challenges of Strategic Sourcing in Humanitarian Supplies Procurement

This section discusses the five categories of challenges identified in the conceptual framework and empirical literature.

4.7.1. Poor Infrastructure

Table 4. 21: Poor Infrastructure

No.	Statement	N	Mean	Std. Deviation
1	Inadequate transport infrastructure delays the sourcing and delivery of supplies	116	4.1379	.84335
2	Weak logistics systems slow down emergency procurement operations	116	4.1034	.79541
3	Transportation challenges increase sourcing costs and lead time	116	4.1724	.74921

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4	Limited warehousing and storage capacity constrain effective sourcing decisions	116	3.9569	.82770
	Grand Mean	**116**	**4.0927**	**.8039**

Source: **Author's survey data, 2026**

As is evident from Table 4.20, poor infrastructure had a grand mean of 4.0927 and a mean of standard deviations of 0.8039, suggesting that there was a high level of agreement. Item three, which dealt with difficulties in transportation causing increased costs of sourcing and lead time, had the highest mean score of 4.1724. This result provides very strong support to what Haavisto and Kovács (2015) had stated about the effects of poor road networks and transportation problems on the distribution of relief materials. All the means for the four items were more than 3.95, confirming the severity of this problem.

4.7.2. Political Instability and Security Concerns

Table 4. 22: Political Instability & Security Concerns

No.	Statement	N	Mean	Std. Deviation
1	Political instability disrupts sourcing and procurement activities	116	4.2500	.78988
2	Security concerns limit access to potential suppliers and markets	116	4.0948	.81271
3	Restricted access to certain regions delays sourcing and delivery	116	4.1207	.73609
4	Unstable political conditions increase uncertainty in sourcing planning	116	4.1034	.80627
	Grand Mean	**116**	**4.1422**	**.64793**

Source: **Author's survey data, 2026**

Findings for the variables political instability and security issues are shown in Table 4.21. The grand mean was calculated to be 4.1422 with a standard deviation of 0.64793, showing strong agreement. The highest mean score was obtained in item one on the effects of political instability in hindering sourcing and procurement. This is consistent with findings from Moshtari *et al.*. (2021), which state that disruptions in supply lines, limited accessibility, and security concerns affect the delivery of aid. The high level of agreement across all items, with no mean falling below 4.09, confirms that political and security factors are among the most significant challenges facing local humanitarian organizations in Ethiopia.

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4.7.3. Capacity Gaps

Table 4. 23: Capacity Gaps

No.	Statement	N	Mean	Std. Deviation
1	Limited staff skills in strategic sourcing affect sourcing effectiveness	116	3.7672	.83778
2	Insufficient procurement staff capacity delays sourcing processes	116	3.6724	.85237
3	Weak systems and tools hinder effective sourcing decision making	116	3.7069	.91383
4	Capacity gaps reduce the ability to manage suppliers and sourcing risks	116	3.6379	.79560
	Grand Mean	**116**	**3.6961**	**.73854**

Source: **Author's survey data, 2026**

As shown in Table 4.22, capacity gaps scored a grand mean of 3.6961, with a standard deviation of 0.73854. Item four, which addresses capacity gaps lowering the capability of managing suppliers and procurement risks, showed the lowest mean score of 3.6379. Item one, on insufficient skills of the staff members related to strategic sourcing, achieved the highest mean score of 3.7672. The results have aligned with the empirical work conducted by Dubey *et al.*. (2020), as they established skill shortages among procurement specialists as barriers to strategic sourcing implementation. The moderate agreement, in contrast with the higher agreement in case of infrastructure and political obstacles, can imply that the former is not as pressing as the latter.

4.7.4. Ethical and Transparency Challenges

Table 4. 24: Ethical & Transparency Challenges

No.	Statement	N	Mean	Std. Deviation
1	Weak enforcement of transparency standards affects sourcing decisions	116	3.8190	.66723
2	Ethical risks influence supplier selection and sourcing processes	116	3.6207	.76505
3	Strict donor compliance requirements limit sourcing flexibility	116	3.6983	.82588
4	Lack of transparency in procurement processes undermines effective sourcing	116	3.7931	.83943
	Grand Mean	**116**	**3.7328**	**.61655**

Source: **Author's survey data, 2026**

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From Table 4.23, there is an indication that ethical and transparency challenges scored a grand mean of 3.7328, with a standard deviation of 0.61655, which shows that there was agreement. Concerning item number one, dealing with weak enforcement of transparency standards in relation to sourcing decisions, a mean score of 3.8190 was obtained, the highest for the item. Regarding ethical challenges impacting supplier selection in item two, the lowest mean score of 3.6207 was obtained. These results are supported by literature on the topic, including Haavisto and Kovács (2015) and Govindan *et al.*. (2021), where it is shown that accountability and transparency pose difficulties within emergencies.

Generally, the descriptive analysis reveals several important patterns. Firstly, regarding the six strategies adopted in the procurement process, supplier prequalification emerged with the highest grand mean score of 4.0108, demonstrating that supplier evaluation is the most common strategy. Joint procurement efforts obtained the least grand mean score of 2.9009, which means it is an underdeveloped strategy. Secondly, among all procurement performance metrics, regulatory compliance obtained the highest grand mean score of 4.0819, which proves that compliance is a defining element in the procurement process in humanitarian organizations locally. Lead time obtained the least grand mean score of 3.5754, suggesting it is still an issue. Thirdly, among the challenges, political instability and insecurity emerged as having the highest grand mean score of 4.1422, closely followed by poor infrastructure, with 4.0927.

These findings collectively suggest that while local humanitarian organizations in Ethiopia have adopted certain strategic sourcing practices, particularly those related to compliance and supplier evaluation, they face significant external constraints that limit the full realization of strategic sourcing benefits. The strong emphasis on regulatory compliance, while ensuring accountability, may inadvertently reinforce reactive procurement behaviors rather than enabling proactive, strategic sourcing as envisioned in the Resource-Based View (Barney, 2019; Dubey *et al.*., 2020).

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4.8. Overall Synthesis of Strategic Sourcing, Procurement Performance, and Challenges

A number of patterns have been discovered through the descriptive analysis. First, with respect to the strategic sourcing practices, the highest grand mean of 4.0108 has been witnessed for the supplier prequalification, indicating that formal supplier evaluation is the most widely practiced strategic sourcing approach. The joint purchasing process has recorded the lowest grand mean of 2.9009, implying that collaboration in procurement practices is infrequent.

Second, with respect to procurement performance dimensions, the highest grand mean of 4.0819 has been witnessed for regulatory compliance, showing that compliance-based procurement practices dominate. Lead time has proven to be the poorest performance dimension with a grand mean of 3.5754, implying that lead time continues to remain a challenge.

Third, with respect to challenges faced in procurement management, the highest grand mean of 4.1422 has been witnessed for political instability and insecurity, followed closely by poor infrastructure with a grand mean of 4.0927.

Fourth, the regression analysis showed that sustainability-based procurement strategy ($\beta = 0.305$, $p = 0.001$), supplier development ($\beta = 0.300$, $p < 0.001$), and inventory positioning ($\beta = 0.255$, $p = 0.008$) were the only strategic sourcing strategies that had statistically significant positive impacts on procurement performance. These three strategies, altogether, accounted for 62.2% of the variance in procurement performance.

In conclusion, it can be argued that although local humanitarian organizations in Ethiopia have implemented certain strategic sourcing strategies, especially those focused on regulatory compliance and supplier assessment, there are considerable constraints from outside factors that make it impossible for the organizations to reap the benefits of implementing the strategy of strategic sourcing. Moreover, an intense focus on compliance, which is critical for accountability, might contribute to reactive procurement rather than strategic sourcing advocated by Resource-Based View (Barney, 2019; Dubey *et al.*., 2020).

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CHAPTER FIVE

5. SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

This chapter presents the summary of the major findings of the study, the conclusions drawn from the empirical analysis, and recommendations for practice, policy, and future research. The chapter synthesizes the key results obtained from the analysis of strategic sourcing practices and procurement performance within selected local humanitarian organizations in Ethiopia. It further highlights the implications of the findings for humanitarian procurement management and strategic sourcing within resource-constrained humanitarian environments.

5.1. Summary of Findings

In this section, a condensed summary of the empirical findings in relation to each of the four specific objectives of the study is provided.

Strategic Sourcing Practices: The study measured the level of application of six aspects of strategic sourcing practices. Supplier prequalification emerged to be the most practiced aspect, recording a grand mean of 4.0108. The adoption of the framework agreement strategy was at a moderate level, having a grand mean of 3.6940. Local supplier development had a grand mean of 3.7694. Inventory pre-positioning had a grand mean of 3.6142. Sustainability-oriented procurement had the lowest grand mean score of 3.5280 out of all six practices. Joint purchasing initiatives had a grand mean score of 2.9009, which was within the neutral category.

Procurement Performance: The study investigated the performance of procurement operations using five indicators. Regulatory compliance achieved the highest grand mean of 4.0819. Cost efficiency achieved a grand mean of 4.0216. Quality compliance had a grand mean of 4.0065. Supplier reliability recorded a grand mean of 3.5776. Procurement lead time achieved the lowest grand mean of 3.5754.

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Effect of Strategic Sourcing on Procurement Performance: From the multiple linear regression analysis, it is clear that the model was very significant ($F = 29.885$, $p < 0.001$), and it explains 62.2% of the variance in procurement performance. There were three strategic sourcing practices that were positively statistically significant: sustainability-oriented procurement ($\beta = 0.305$, $p = 0.001$), development of local suppliers ($\beta = 0.300$, $p < 0.001$), and inventory pre-positioning ($\beta = 0.255$, $p = 0.008$). The other three strategies were supplier pre-qualification, framework agreement, and joint purchasing initiatives.

Challenges: In the present study, five types of challenges have been identified. Political instability and security issues ranked first as the most challenging issue with an average score of 4.1422. Poor infrastructure was the second type with a grand mean score of 4.0927. Ethical and transparency challenges had an average score of 3.7328. Finally, capacity issues ranked fifth with a grand mean of 3.6961.

5.2. Conclusions

Based on the major findings of the study, the following conclusions were drawn.

Firstly, the study concludes that strategic sourcing is partly embraced by humanitarian organizations locally operating in Ethiopia. Although practices associated with supplier prequalification and compliance are reasonably developed, more strategic practices like joint purchasing activities, sustainable procurement, and strategic inventory positioning are not yet sufficiently developed within the organizations. In other words, strategic sourcing is partly adopted owing to a procurement culture that is compliance-driven rather than strategic in nature.

Secondly, it is concluded from the findings that the level of procurement effectiveness is higher when it comes to regulatory compliance and cost efficiency, whereas it is low in relation to procurement lead time and supplier reliability over time. In other words, the procurement process is better aligned with the organization's accountability objectives, whereas its timely nature remains questionable.

Third, it should be emphasized that sustainable procurement, the development of local suppliers, and pre-positioning of inventories were identified as the most impactful factors influencing the

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efficiency of strategic sourcing. The proven positive effect confirms the hypothesis suggesting that the likelihood of obtaining the desired results through strategic procurement increases when an organization is committed to sustainable procurement policies, develops local suppliers, and has its inventories pre-positioned before the occurrence of any crisis situation. Taken together, the strategies under consideration explain 62.2 percent of variations in procurement efficiency. However, it should be stressed that pre-qualification of suppliers, framework agreement, and joint purchasing have no statistically significant effect on the dependent variable. This suggests that none of the considered approaches is a critical factor influencing procurement efficiency at least for the organizations under study. Apparently, this may be due to one of two reasons: either because they are not widely used, or because they fail to produce visible results for the organizations.

Fourthly, from the findings of the study, while both internal and external factors influence strategic sourcing processes, the external factors are perceived to be more serious threats. In particular, political instability and poor infrastructures pose more serious problems to strategic sourcing operations compared to the capacity of organizations to implement such practices and their ethics.

Finally, the humanitarian organizations operating in Ethiopia have a very reactive culture of procurement. The characteristics of this culture include the fact that procurement begins after the funds have been secured, spot purchases are made instead of entering into framework agreements, joint procurement is rarely carried out, and little effort is put into placing strategic inventories. Although such a reactive strategy can guarantee compliance and reduce financial risks, it fails to harness the benefits of strategic sourcing.

5.3. Recommendations

Based on the conclusions drawn above, the following recommendations are offered for practice, policy, and future research.

Recommendations for Local Humanitarian Organizations

- Integrate sustainability into procurement

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- Adopt formal sustainability procurement guidelines with minimum environmental, social, and governance requirements.
- Make environmental, social, and governance criteria mandatory in requests for proposals and tender documents.
- Train procurement staff in environmental and social assessment methods.
- Create a shared supplier prequalification database among partner organizations.

- Invest in local supplier development
  - Implement structured training on quality standards, delivery requirements, and procurement documentation.
  - To provide a competence-based capacity development process that seeks to build the competence of the individuals involved in the process of procurement in relation to the documentation, compliance, and skills required.
  - Provide mentorship through dedicated supplier relationship managers.
  - Facilitate access to working capital through partnerships with local financial institutions.
  - Offer long-term purchase commitments to encourage supplier investment and quality improvement.
- Expand strategic inventory pre-positioning
  - Use risk assessments to select pre-positioning sites based on historical crisis patterns and transport access.
  - Pre-position the top twenty percent most frequently procured items to maximize return on investment.
  - Seek donor approval to allocate around ten to fifteen percent of project budgets to strategic inventory pre-positioning.
  - Set review protocols with minimum and maximum stock levels linked to demand forecasting and consumption patterns.
- Reduce procurement lead time
  - Conduct end-to-end lead time audits to identify bottlenecks from requisition to delivery.

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- Establish service level agreements with suppliers that specify delivery timelines, penalties for delays, and performance incentives.
- Implement tracking systems, such as digital dashboards, to monitor progress in real time.
- Collaborate with donors to streamline approval processes for routine, low-risk procurements.

- Pilot joint purchasing where feasible
  - Form informal working groups with peer organizations to identify common items suitable for demand aggregation.
  - Pilot joint purchasing for high-volume, standardized, non-sensitive items, such as stationery and basic relief commodities, and document results.
  - Use lessons learned from pilots to guide future collaborative procurement decisions.

Recommendations for Donors and Policymakers

- Provide funding flexibility for strategic sourcing
  - Allow local humanitarian organizations to allocate ten to fifteen percent of project budgets to framework agreements, supplier prequalification, and inventory pre-positioning before full funding confirmation.
  - Treat pre-positioning and supplier development as allowable direct costs.
  - Offer multi-year funding cycles where appropriate to support long-term supplier relationships and framework agreements.
- Support shared infrastructure and market intelligence
  - Fund shared regional warehousing facilities accessible to multiple local humanitarian organizations.
  - Develop common supplier prequalification platforms to reduce duplicate assessments and lower transaction costs for suppliers.
  - Finance coordinated market assessments that can serve multiple organizations and improve market information quality.

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- Harmonize and streamline compliance requirements
    - Standardize procurement documentation and compliance rules across donors and government authorities.
    - Enable mutual recognition of supplier prequalification decisions among major donors to reduce repetitive assessments.
    - Apply differentiated compliance thresholds, with greater flexibility for routine, low-value procurements and stricter oversight for high-value, high-risk categories.

Recommendations for Future Research

Conduct Longitudinal Studies on Strategic Sourcing Adoption**.** Future research should employ longitudinal designs to examine how strategic sourcing practices evolve over time as organizations gain experience and as contextual conditions change.

Examine the Compliance Performance Trade Off**.** Future research should systematically examine the relationship between donor compliance requirements and procurement lead times to identify where compliance mechanisms can be streamlined without compromising accountability.

Replicate the Study in Different Humanitarian Contexts**.** Future research should replicate the study in other countries with different regulatory environments, infrastructure conditions, and crisis profiles to distinguish between context specific and generalizable findings.

Develop a Strategic Sourcing Maturity Model for Local Humanitarian Organizations**.** Future research should develop and validate a strategic sourcing maturity model tailored to local humanitarian organizations. The six dimensions examined in this study could serve as foundational components of such a model.

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SCHOOL OF COMMERCE
Department of Logistics and Supply Chain Management
RESEARCH QUESTIONNAIRE

Dear Respondent,

Thank you for your willingness to participate in this study titled: **"The Effect of Strategic Sourcing on the Procurement Performance of Humanitarian Supplies: Evidence from Selected Local NGOs in Ethiopia."**

The purpose of this questionnaire is to collect data for a research project being conducted in partial fulfillment of the requirements for a Master's Degree in Logistics and Supply Chain Management. Your expertise and honest feedback are vital to the success of this study. I kindly request a few minutes of your time to complete this questionnaire. Please be assured that your responses will be treated with the utmost confidentiality and used strictly for academic research purposes.

Researcher Contact Information:

- **Name:** Gashahun Asrat
- **Mobile:** 0913889266
- **Email:** gashu3579@gmail.com

Instructions: > Please indicate your level of agreement with the following statements by placing a tick (✓) in the box that best represents your opinion.

Part 1: Demographic Information

1. **Gender:** ☐ Male ☐ Female
2. **Age group in years:** ☐ Below 25 ☐ 25–34 ☐ 35–44 ☐ 45 and above
3. **Highest educational qualification:** ☐ Diploma ☐ Bachelor's ☐ Master's ☐ PhD ☐ other
4. **Name of your organization:** ☐ NEXUS Ethiopia ☐ ODA ☐ F&CIDF ☐ ASDEPO
5. **Current department in the organization:**

   ☐ Procurement & Logistics ☐ Finance ☐ Program & Management ☐ Others

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6. **Years of experience in a humanitarian organization:**

☐ Less than 2 years ☐ 2–5 years ☐ 6–10 years ☐ Above 10 years

Part 2: Strategic Sourcing Practices

Please rate the strategic sourcing practices of your organization using a 5-point Likert scale, where; Scale: 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree

S.NO	Description: Strategic sourcing practices	Scale				
A	**Supplier Prequalification**	**1**	**2**	**3**	**4**	**5**
1	The organization applies formal criteria to evaluate suppliers prior to contract award					
2	Supplier prequalification is conducted as a standard requirement before procurement					
3	A list of prequalified suppliers is maintained and regularly updated					
4	Supplier prequalification procedures are consistently applied across procurement categories					
B	**Framework Agreements**	**1**	**2**	**3**	**4**	**5**
5	Framework agreements are used for commonly procured goods and services					
6	Framework agreements are established with selected suppliers for repeated procurement					
7	The organization maintains active framework agreements for key procurement categories					
8	Framework agreements are reviewed and updated periodically					
C	**Joint Purchasing Initiatives**	**1**	**2**	**3**	**4**	**5**
9	The organization participates in joint procurement activities with other organizations					
10	Procurement collaboration with partners is practiced for selected categories					
11	Joint purchasing arrangements are formally coordinated among participating organizations					
12	The organization engages in shared sourcing initiatives when applicable					
D	**Local Supplier Development**	**1**	**2**	**3**	**4**	**5**
13	The organization engages local suppliers in procurement activities					
14	Efforts are made to support the participation of local suppliers					
15	The organization maintains ongoing relationships with local suppliers					
16	Local suppliers are considered during sourcing decisions where applicable					
E	**Inventory Pre-Positioning**	**1**	**2**	**3**	**4**	**5**
17	The organization maintains pre-positioned inventory for key items					
18	Inventory is strategically stored to support program implementation					

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19	Pre-positioning practices are used for emergency preparedness					
20	Inventory levels are managed to ensure the availability of essential supplies					
F	**Sustainability-Oriented Procurement**	**1**	**2**	**3**	**4**	**5**
21	Environmental considerations are incorporated into procurement decisions					
22	Procurement policies include sustainability-related criteria					
23	Suppliers are expected to meet environmental or sustainability requirements					
24	Sustainability considerations are applied during supplier selection, where applicable					

Part 3: Procurement Performance

Please rate the Procurement Performance of your organization using a 5-point Likert scale, where; Scale: 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree

S.No	Description	Scale				
A	**Cost efficiency**	**1**	**2**	**3**	**4**	**5**
1	Our organization procures goods and services at competitive and reasonable costs					
2	Procurement decisions consider the total cost, including transport, storage, and handling					
3	We can minimize unnecessary procurement expenses without affecting quality					
4	Our sourcing practices help reduce overall procurement costs while maintaining required standards					
B	**Quality compliance**	**1**	**2**	**3**	**4**	**5**
5	Goods and services procured by our organization consistently meet the required technical specifications					
6	Procurement processes ensure compliance with donor standards and regulatory requirements					
7	Quality checks and inspections are effectively carried out before acceptance of supplies					
8	Failure to meet quality standards is rare in our procurement activities					
C	**Lead Time**	**1**	**2**	**3**	**4**	**5**
9	Procurement processes in our organization are completed within the planned					

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	timeframes					
10	Goods and services are delivered on time to support program implementation					
11	Delays in procurement are minimal and well-managed when they occur					
12	Our sourcing practices help reduce procurement lead time during normal and emergency procurement.					
D	**Supplier Reliability**	**1**	**2**	**3**	**4**	**5**
13	Suppliers consistently deliver goods and services as agreed					
14	Our suppliers meet delivery schedules and quantity requirements					
15	Suppliers respond effectively to urgent or emergency procurement needs					
16	We can rely on our suppliers to maintain consistent performance over time					
E	**Regulatory Compliance**	**1**	**2**	**3**	**4**	**5**
17	Procurement activities in our organization comply with national regulations and policies					
18	Donor requirements and guidelines are consistently followed in procurement processes					
19	Procurement documentation and procedures meet audit and accountability standards					
20	Compliance requirements are well understood and applied by procurement staff					

Part 4: Challenges of Strategic Sourcing in Humanitarian Supplies Procurement

Please rate the Challenges of Procurement Sourcing of your organization using a 5-point Likert scale, where: Scale: 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree

S.NO	**Description: Challenges of strategic sourcing**	**Scale**				
A	**Poor Infrastructure**	**1**	**2**	**3**	**4**	**5**
1	Inadequate transport infrastructure delays the sourcing and delivery of supplies					
2	Weak logistics systems slow down emergency procurement operations					
3	Transportation challenges increase sourcing costs and lead time					
4	Limited warehousing and storage capacity constrain effective sourcing decisions					
B	**Political Instability & Security Concerns**	**1**	**2**	**3**	**4**	**5**
5	Political instability disrupts sourcing and procurement activities					
6	Security concerns limit access to potential suppliers and markets					
7	Restricted access to certain regions delays sourcing and delivery					

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8	Unstable political conditions increase uncertainty in sourcing planning					
C	**Capacity Gaps**	**1**	**2**	**3**	**4**	**5**
9	Limited staff skills in strategic sourcing affect sourcing effectiveness					
10	Insufficient procurement staff capacity delays sourcing processes					
11	Weak systems and tools hinder effective sourcing decision-making					
12	Capacity gaps reduce the ability to manage suppliers and sourcing risks					
D	**Ethical & Transparency Challenges**	**1**	**2**	**3**	**4**	**5**
13	Weak enforcement of transparency standards affects sourcing decisions					
14	Ethical risks influence supplier selection and sourcing processes					
15	Strict donor compliance requirements limit sourcing flexibility					
16	Lack of transparency in procurement processes undermines effective sourcing					

Thank You

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School of Commerce

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ትምህርት ክፍል
Logistics and Supply Chain Management
Department

TO WHOM IT MAY CONCERN

Subject: Request for Collaboration for conducting research

Dear Sir/Madam,

The Department of Logistics and Supply Chain Management at Addis Ababa University offers comprehensive academic programs at the Bachelor's (BA), Master's (MA), and Doctoral (PhD) levels. Our department is committed to providing high-quality education, pioneering research, and practical expertise in logistics, supply chain management, and business operations. Through these diverse programs, we aim to equip students with the knowledge and skills needed to thrive in the global marketplace, while promoting innovation, sustainability, and leadership in the logistics and supply chain sector both in Ethiopia and internationally.

I am writing to request your kind cooperation concerning a graduate student, [redacted] ID number: [redacted], currently enrolled in the Master's program at Addis Ababa University's School of Commerce, specializing in Logistics and Supply Chain Management. The student is conducting research for his/her thesis titled: [redacted] in the 2024/25 academic year.

We would greatly appreciate your assistance in approving his proposal and providing any necessary information or collaboration that could contribute to the successful completion of his/her research thesis. Your support in this matter would be highly valued.

Thank you for considering this request. Should you require any additional information, please do not hesitate to contact me.

Sincerely,

Tariku Jebessa, PhD
Head, Department of Logistics and Supply Chain Management
School of Commerce, Addis Ababa University, Ethiopia
Email: [redacted]

Family & Children Integral Development Foundation

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ዋና ሥራ አስኪያጅ
Yohannes Demissie
General Manager

[redacted]

SEEK WISDOM, ELEVATE YOUR INTELLECT, AND SERVE HUMANITY

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School of Commerce

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Logistics and Supply Chain Management
Department

ቀን/Date: 05/11/2024

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Sincerely,

Tariku Jebena, PhD
Head, Department of Logistics and Supply Chain Management
School of Commerce, Addis Ababa University, Ethiopia
Email: tariku.jebena@aau.edu.et

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School of Commerce

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ትምህርት ክፍል
Logistics and Supply Chain Management
Department

ቀን/Date: 01-07-2025

TO WHOM IT MAY CONCERN

Subject: Request for Collaboration for conducting research

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School of Commerce, Addis Ababa University, Ethiopia
Email: tariku.jebena@aau.edu.et

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School of Commerce

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Logistics and Supply Chain Management Department

ቀን/Date: 01/08/2016

TO WHOM IT MAY CONCERN

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