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The role of strategic partnerships on operational performance:
Focus on agricultural products export firms in Addis Ababa

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Declaration

I Kirubel Solomon declare that this thesis is my original work and it is the result of my effort prepared under the advice of Meskerem Mitiku (Ph.D.). The entire sources of material used for the study were duly acknowledged. This research has not been submitted for any degree in part or full in this university or any other higher institutions, rather it is presented for the partial fulfillment of the degree of Master of Science in Management.

Date: June 2023

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Date: _____

Certification

This is to certify that the thesis conducted by Kirubel Solomon with a title called “The role of strategic partnerships on operational performance: focus on agricultural products export firms in Addis Ababa”. The thesis was submitted in partial fulfillment of the requirements for the Master of Science in Management and complies with the regulations of the university. Further, the thesis meets the accepted standard with respect to originality and quality.

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Chair of Department or Graduate Program Coordinator

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Abstract

It is hard to stay profitable in today's competitive business environment without making sound strategic decisions. Creating strategic alliances or partnerships is one of the core decisions organizations make to maximize market opportunities or minimize the impact of threats. This research assesses the role of strategic partnerships on operational performance for agricultural export firms in Addis Ababa, Ethiopia. Primary data was collected from 62 firms that were registered as Agro products exporters in kirkos sub city Addis Ababa. The findings show that strategic partnerships in technology / research development, marketing, production / supplier and logistics influence operational performance of organizations. The study recommends managers to carefully assess the opportunities and threats their firms will face before creating strategic partnerships. In addition, if there is shortage of supplies, expertise or infrastructure, considering creating partnerships with other firms, institutions or individuals can be a wise approach.

Keywords: Strategic partnerships, Collaborations, Strategic alliances, Operational Performance

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Acronyms and Abbreviations

ANOVA - Analysis of Variance

BSC - Balanced Score Card

CEO - Chief Executive Officer

CSR - Corporate Social Responsibility

EFQM - European Foundation for Quality Management

GDP - Gross Domestic Product

MSME - Micro, Small and Medium Enterprises

NEPC - Nigerian Export Promotion Council

PLS - Partial Least Square

R&D - Research and Development

SPSS - Statistical Package for Social Sciences

USD - United States Dollar

VIF - Variance Inflation Factor

Chapter 1 – Introduction

1.1 Background

It is hard to stay profitable in today's competitive business environment without making sound strategic decisions. Creating strategic alliances or partnerships is one of the core decisions organizations make to maximize market opportunities or minimize the impact of threats (Diorgenes et al., 2018). The origin of such collaborations is often linked to firms' resource scarcity (Gundolf et al., 2018). In modern theory of strategy, competition for values gained from strategic partnerships is being treated as one of the pillars of organizational strategy preceding competition for products and markets as well as resources and competences (Adamik 2016). This is because the partnering parties expect greater benefits from the partnership than from their own efforts (Bentolhoda et al., 2021).

In academic literature, both the strategic partnerships and strategic alliances are often used interchangeably to describe collaborative relationships among businesses. However, some researchers argued that there are subtle differences between the two. According to Kim and Hwang, strategic partnerships are "a type of cooperative relationship where partners work together on projects, products or services while retaining their separate identities and profit motives". In contrast, strategic alliances are more encompassing and involve "the formation of a new entity to control a specific business…in which two or more firms invest resources and share risks and rewards" (Kim and Hwang 2020). Similarly, Zayed, El-Taher, and Sammakia (2020) distinguish between the two terms by stating that strategic partnerships are "collaborative relationships between two or more independent entities that share resources and knowledge to enhance their operational capabilities". On the other hand, strategic alliances refer to "a formal agreement and

long-term relationship between two or more companies aimed at achieving mutually beneficial objectives by sharing resources, knowledge and risks". However, despite these distinctions, many researchers use the terms interchangeably. For instance, Hsieh et al. (2021) use strategic partnerships and strategic alliances interchangeably to refer to "collaborations between companies to gain complementary resources, capabilities, and access to new markets".

Overall, while some researchers draw distinctions between strategic partnerships and strategic alliances, others use the terms interchangeably. Nonetheless, the common idea is that both terms refer to collaborative relationships among businesses aimed at achieving mutually beneficial objectives.

Organizations seek partnerships or alliances due to many reasons including obtaining new technology, best quality or cheapest cost, ease for entering new markets, increasing speed to market, reducing financial risks and sharing cost of product development and process improvement (fjeldstad et al., 2012, Elmuti et al., 2001, Margarita 2009). In addition to these they might also form partnerships for gaining access to funding, to gain access to knowledge, expertise, skills, networks, and contacts, improve reputation and credibility and gain access to new (future) markets (A Kolk 2013). Therefore, in general partnerships enable autonomous companies to combine their individual strengths and create beneficial outputs. These beneficial outputs can be expressed by an increase in organizational performance.

Some examples of strategic partnerships include franchises, licensing agreements, dealerships, strategic investments, distributorships and joint ventures (George et al., 2001).

Unfortunately, there aren't many studies on how strategic partnerships affect a firm's performance in the context of developing countries (Raheem et al., 2018, Gomes et al., 2020). Therefore, this

study examines how strategic partnerships affect an export firm's performance in the context of Addis Ababa, Ethiopia.

While exporting is a process where countries sell their domestically produced goods and services to other countries, numerous experts perceive it as one of the crucial factors that contribute positively to an economic growth. (Baliamoune-Lutz 2011, Tapşın 2016, Agbo et al. 2018, Hagemejer and Muck 2019). In this regard, what countries export matters. Researchers showed that the type of goods in which a country specializes has important implications for future economic performance (Hausmann et al. 2007). When we see the context of Ethiopia, agriculture is the prominent supporter of the economy which represents about 37.57% of its GDP on 2021 and accounted for generating 2.68 billion USD through export in 2020 (O'Neill 2022). As a result, this research focuses on analyzing how strategic partnerships affect the performance of agricultural export firms.

1.2 Statement of the problem

Partnerships are created to improve organizational performance; however, we need to answer if they are always beneficial to the partnering parties. Because it is interesting to see some partnerships increasing firm value, while others decrease it (Cabral et al., 2018, Das et al., 1997, Kale and Singh, 2009). Some researchers like Kale and Singh 2009 show in their research that the success rate of partnerships is surprisingly low. Moreover, according to Cabral and his colleagues, alliance termination rates reportedly exceed 50%, failure rates have been claimed to be as high as 60% to 70%, and 30% to 70% of partnerships fail to meet their financial and strategic objectives and reduce shareholder value. Researchers used the term "partnership paradox" for expressing this

alarming finding (Cabral et al., 2018). So, more studies should be conducted to understand the trend in formation and success of strategic partnerships.

In addition, another problem identified is that research done on strategic partnerships is not inclusive. The majority of studies on strategic partnerships, according to a study of the literature by Ahmar and Zoabi, had been carried out in North America, Europe, and Asia, with minimal focus on partnerships in Africa (Ahmar & Zoabi, 2021). Gomes and his colleagues also argue that research made on the past two decades about strategic partnerships are limited to the context of few countries (Gomes et al., 2020). Supporting these, given the particular difficulties and opportunities that emerging markets bring, Chen and his colleagues also argued that greater research on strategic partnerships is necessary (Chen et al., 2020). In addition, Kwon and Suh stated that understanding the cultural context of strategic partnerships was essential, and that more research was needed on this topic across different countries and regions (Kwon & Suh, 2021). Therefore, in this research we see how operational performance can be affected by strategic partnerships in Ethiopia's context through analyzing the relationship between partnerships and company performance metrics in agricultural export businesses.

1.3 Research questions

The following questions have been identified as key areas of inquiry in this study. The research seeks to investigate the influence of partnerships in the technology, marketing, production and logistics sectors on the performance outcomes of firms engaged in the export of agriculture produce in Ethiopia. By examining the effects of these strategic partnerships, the study aims to provide valuable insights into how firms can maximize their performance and competitiveness in

the global marketplace. The following questions guided the research study and provided a framework for analyzing the data and findings.

- What impact do technological / R&D partnerships have on operational performance of agricultural export firms?
- What is the impact of marketing partnerships on operational performance of agricultural export businesses?
- What effect do production / supplier partnerships have on operational performance of agricultural export firms?
- What is the impact of logistics partnerships on operational performance of agricultural export firms?

1.4 Objective of the study

1.4.1 General Objective

The general objective of this research is to investigate the effect of strategic partnerships on performance of agricultural product export firms in Kirkos, Addis Ababa, Ethiopia.

1.4.2 Specific Objectives

In order to achieve the general objective, the following specific objectives are established:

- Investigate the effect of technological / R&D partnerships on the agricultural export firm's performance
- Assess the effect of marketing partnerships on the agricultural export firm's performance
- Study the effect of production / supplier partnerships on the agricultural export firm's performance

- Examine the effect of logistics partnership on the agricultural export firm's performance

1.5 Significance of the study

The research conducted in this study will present insights into how strategic partnerships impact an organization's performance in this increasingly competitive global market. The findings can aid business executives to adopt or modify strategies to promote growth and succeed in the present competitive global marketplace. It will also help managers in determining which partnerships are most beneficial, so that they can share resources and technologies with the right partners, to reduce their production costs, increase market access, improve the quality of products and increase their profitability.

In line with the above significance, managers and other stakeholders will benefit if they know how strategic partnerships affect different parts of their business so that they can make informed decisions while creating and discontinuing partnerships.

Moreover, the research will add a perspective about strategic partnerships in the context of developing countries which are not studied well. The findings of this research can also be used as a starting point for future research and serve as an inspiration for new studies in the dynamic field of strategic partnerships.

1.6 Scope of the study

This research is concerned about measuring the significance of strategic partnerships on operational performance in agricultural exporters registered in Kirkos sub city, Addis Ababa, Ethiopia.

The research only focused on local partnerships so international strategic alliances (ISA) are not covered due to limitation of resources, in spite of them being highlighted as very important in the effort of internationalization for organizations in international business literature (Yeniyurt and Carnovale, 2017).

The research focused on the same sector partnerships that are formed to increase competitive advantage. It did not cover cross-sector partnerships, which can be used to create a heterogeneous portfolio.

The data collected for this research study is limited to 3 years.

1.7 Structure of the study

This study has a comprehensive structure comprised of five distinct sections. In the first section, there is an introduction, which provides the essential background information such as statement of the problem, research questions, objectives of the study, significance of the research, and scope. In the second section, the literature review encompasses a concise examination of a range of recent research efforts into strategic partnerships and organizational performance, followed by research hypotheses. The third section contains the research design and methodologies, data collection and analysis. The fourth section is dedicated to presenting the study's findings and facilitating the discussion of specific results. Finally, based on the findings, recommendations and future directions are proposed.

Chapter 2 - Literature Review

2.1 Theoretical Review

2.1.1 Strategic partnerships

Over the past two decades, much research has been made on strategic partnerships and alliances. Different researchers have described an alliance or partnership in various ways, including the following: Raheem defines a partnership as an agreement between two or more businesses to work together on a certain commercial activity in order for each to capitalize on the strengths of the other and obtain an advantage over the competition. (Raheem et al., 2018). Similarly, Abideen and his colleagues described it collaborating with one another to pool resources and carry out collaborative initiatives in order to achieve a shared strategic goal (Abideen et al., 2021). It is a formal agreement between parties to achieve a well-defined goal (Livia 2020). It is also described as an ongoing collaboration with an emphasis on strategic objectives that aim to benefit partners and customers alike (Zeplin et al., 2021). All the above definitions agree on the fact that partnerships are synergies to gain competitive advantage or in other words, they are formed so that the partnering parties will benefit. That being said, not all partnerships are considered as strategic. According to Dr, Nguyen, only those alliances that change the current rules of the game in the industry through eliminating competitors or strengthening bargaining positions of the allies in relation to suppliers or customers are treated as strategic ones (Nguyen 2020).

Different studies on strategic partnerships

The study of strategic partnerships and strategic alliances has been a long-standing area of research, stretching back several decades, with contributions from experts in both professional settings and academia.

The concept of strategic partnerships has its roots in the joint venture and strategic alliances of the 1970s and 1980s. These partnerships were established to share risk, resources, and human capital to increase efficiency and market competitiveness (Child et al., 2005).

Different researchers from several theoretical perspectives have explained the motives for the formation of strategic partnerships. The dominant theories in the study area include the resource-based theory, the knowledge based theory and the concept of dynamic capabilities.

The Resource-Based Theory, also known as the Resource-Based View (RBV), has been a prominent theory in the field of strategic management since the 1980s. It states that firms have specific resources that can be difficult for other firms to imitate (Tsang, 1998; Das and Teng, 2000). Using these resources, firms can obtain core competencies that rival firms cannot duplicate and catch up (Wernerfelt, 1984). The historical development of the RBV can be traced back to the early work of Penrose (1959), who argued that a firm's resources and capabilities are the key determinants of its growth and profitability. Other early contributors to the RBV include Wernerfelt (1984), who argued that a firm's resources and capabilities are the primary sources of its competitive advantage, and Rumelt (1984), who argued that a firm's resources and capabilities are the basis for its strategic position. The RBV gained significant prominence in the 1990s, due in large part to the groundbreaking work of Barney (1991), who developed a framework for analyzing a firm's resources and capabilities. Barney states that firms must create or acquire resources and capabilities that are valuable, rare, inimitable, and non-substitutable (VRIN). He argues that these resources and capabilities could lead to sustained competitive advantage and that

the acquisition of such resources and capabilities was a key goal for firms. In the context of strategic alliances, researchers have emphasized the importance of leveraging the VRIN resources and capabilities of alliance partners. For example, Dyer and Singh (1998) argue that alliances can provide access to resources and capabilities that a firm may not possess, allowing the firm to create new sources of competitive advantage. Das and Teng (2000) suggest that firms should form alliances that are based on complementary resources and capabilities, which can lead to increased value creation and competitive advantage. More researches has also emphasized the importance of the strategic fit between partners in a strategic alliance. For example, Kale et al. (2002) suggest that strategic fit is an important consideration in selecting alliance partners, and that the alliance must be designed in a way that leverages the complementary resources and capabilities of the partners. Other researchers, such as Gomes-Casseres (1996), have emphasized the importance of managing the inter-organizational relationship in a way that ensures the successful leveraging of resources and capabilities. Moreover, in recent researches, the partnership created by start-ups with corporates is seen as important because by grouping target audiences together or cooperating with already established organizations, businesses can create more efficient marketing and distribution channels. (Hora et al. 2017).

On the other hand, Strategic partnerships are believed to increase the effectiveness of knowledge application, according to the Knowledge-Based View (KBV), a hypothesis that was presented by Grant and Baden-Fuller in 2004. It states that knowledge is a key resource driving competitive advantage for firms. It views all productivity as knowledge-dependent, which means that an organization's competitive advantages depend on the generation and integration of knowledge (Mejri et al 2018). Within the context of strategic alliances, knowledge-based theory describes that strategic alliances enable firms to leverage knowledge or skills that they do not already have, by

exchanging or co-creating knowledge with their strategic partners. The KBV has its early origins in the work of such scholars as Polyani (1966), Nonaka and Takeuchi (1995), and Grant (1996), all of whom emphasized the importance of knowledge in organizational contexts. Within the strategic management field, Conner and Prahalad (1996), who argued that knowledge is a key strategic resource that drives competitive advantage, developed the KBV. The KBV theory achieved significant prominence in strategic alliance research in the 2000s. Researchers emphasized that creation, diffusion, and application of knowledge are crucial aspects of successful strategic alliances. For example, Lane et al. (2001) suggest that strategic alliances can help firms create new knowledge by combining the knowledge and expertise of their partners, thus leading to innovation and capability development. Inkpen and Tsang (2005) highlight the importance of knowledge flows within strategic alliances and argue that partners should focus on knowledge sharing as it enhances capability development and innovation.

Other researchers has also developed the concept of Dynamic Capabilities, which focus on firms' abilities to acquire, develop, and leverage knowledge over time in response to a changing environment. According to Teece et al. (1997), firms need dynamic capabilities to leverage knowledge effectively, through adaptability and responsiveness to change. Strategic alliances can play an important role in enhancing the dynamic capabilities of firms through knowledge diversity, learning, and co-creation of new knowledge.

This theory has led to the development of knowledge management (KM) as a significant field within management research. Researchers have suggested a variety of strategies, processes and tools for effective knowledge management within strategic alliances, including creating knowledge management systems to leverage, capture, and transfer knowledge (Desouza & Awazu, 2006), developing collaborative projects that leverage partners' knowledge and skills (Baden-

Fuller & Van Den Bosch, 2013) and enhancing communication and knowledge exchange (Liao, Fei, & Liu, 2008).

Recent research has focused on several key areas, including drivers of success, the impact of trust and collaboration, and the role of digital technologies in the area of strategic partnerships. Menter et al. (2019) identified six key success factors for strategic partnerships: strategic fit, partner selection, communication, trust, commitment, and governance. These factors were supported by a review of empirical literature on strategic partnerships. Ward et al. (2021) found that trust is particularly critical for partnership performance, and that trust-building activities can improve outcomes. As such, these factors are important considerations for companies looking to form and manage strategic partnerships. Collaboration is also a key component of successful strategic partnerships, and recent research has focused on the relationship between collaboration and innovation. Stucchi et al. (2020) found that collaboration can lead to both incremental and radical innovation, and that trust and communication are critical factors in achieving successful collaborative outcomes. Additionally, Ward et al. (2021) found that trust is a key driver of effective collaboration, and that trust-building activities can improve partnership outcomes. These findings highlight the importance of building trust and fostering collaboration when forming and managing strategic partnerships. In addition, the role of digital technologies in strategic partnerships is being discussed by different recent researches. Word (2019) argues that ecosystems enabled by digital technologies are redefining traditional boundaries and opening up new possibilities for value creation. These ecosystems require new approaches to partnership management, including enhanced data sharing, collaborative innovation, and agile decision-making. As such, the role of digital technologies in shaping strategic partnerships is an important consideration for companies looking to stay competitive in fast-changing business environments (Word 2019).

Types of strategic partnerships

Another important topic in strategic partnership research is the type of partnerships. Researchers have different perspectives while writing about types of partnerships (Gomes 2016). According to Albers and her colleagues, the types are classified into activity-domain-based, partner-characteristics-based and alliance-structure-based classifications (Albers et al., 2013).

Activity-domain-based classifications: - are those that focus on the distinctions in the activities that partners undertake in collaboration, such as research and development (R&D), co-marketing, production, back-office procedures, and so forth.

Partner-characteristics-based classifications: - focus on the characteristics of the individual organizations engaged in the partnership. This might include their industry affiliation or relative position within the industry value chain (vertical, horizontal and lateral partnerships), where they are located (domestic and international, or close by and distant partnerships), and the institutional setting of the partners (to identify public-private partnerships).

Alliance-structure-based classifications: - focus on how the partnerships are structured, governed, and managed. such as completely unwritten agreements, formal contracts, deals involving minority equity shares in partner companies, or collaborations entailing the creation of an equity joint venture (Albers et al., 2013).

In addition to this view, Haiying Lin and Nicole Darnall proposed another way of classifying the types of strategic alliances (Lin et al., 2014). According to their research, alliances are classified based on alliance orientation and alliance structure.

Alliance orientation: - containing two subdivisions, competency based (mostly motivated by internal growth needs like organizational learning, resource acquiring, etc..) and legitimacy based (mostly motivated by external pressures like regulations, industry norms, etc..).

Alliance structure: - containing four subdivisions, Organizational learning (Explorative or Exploitative), Partner Diversity (Homogeneous or Heterogeneous), Governance (Non-equity and equity based) and Partner Relations (Strong tie or weak tie). (Lin et al., 2014)

However, the most common strategic partnership types, according to recent research are equity strategic partnerships, non-equity strategic partnerships and joint ventures (Bentolhoda et al., 2021, Chan 1997, Chathoth et al., 2003).

1. **Joint venture**: - It is formed by two or more parties; where they agree to make a new entity by sharing in the costs associated with it, revenue, losses, and control of the enterprise (Bentolhoda et al., 2021). The collaboration will create a newly incorporated company in which each partnering party has partial ownership (Chathoth et al., 2003, Išoraitė 2009).
2. **Equity strategic partnerships**: - is a type of collaboration where two or more businesses share some of their resources and expertise to create a competitive advantage and then each hold a different percentage of the new company they have created (Bentolhoda et al., 2021).
3. **Non-equity strategic partnerships**: is an agreement between two or more businesses to share part of their special resources and skills in order to gain a competitive edge without creating a new corporation (Bentolhoda et al., 2021). For example, partnerships in production, marketing and sales, purchasing and logistics, and research and development (R&D) (Rezaei 2018).

2.1.2 Organizational performance

Organizational performance refers to how well an organization is achieving its mission, vision goals and objectives. Moreover, the performance measurement is defined by Neely as the process of quantifying the efficiency and effectiveness of past actions (Neely et al., 1995). It is also defined as a brief and precise set of measures (financial or non-financial) that supports the decision-making process of an organization by collecting, processing and analyzing quantified data of performance information (Gimbert et al., 2010). So based on the above definitions, we can clearly see that multiple perspectives and multiple measures are required for describing organizational performance (Bents et al., 2012). Many scholars researched how to measure performance of organizations in the past three decades. Until the start of the 1980's, research focused on measuring organizational performance focusing on financial return to the shareholders (Porter 1980, Johnson and Kaplan 1987, Keegan et al., 1989). The techniques used to measure performance before the 1980's is referred by researchers as traditional performance measurements (Ghalayini and Noble, 1996). Then new dimensions were introduced for measuring performance, which include quality, time, flexibility and customer satisfaction (Hayes and Abernathy 1980, Kaplan 1984, Slack 1983). These developments led to the start of the 1990's where researchers started to prepare widely accepted multi-dimensional metrics and frameworks to measure organizational performance (Reich 1998, Post et al., 2002).

One of these frameworks is the balanced scorecard (BSC) performance measurement system, which was introduced, by Kaplan and Norton in 1992. This framework enabled managers to measure their organization's performance from four main perspectives (Kaplan and Norton 1992):

Financial perspective: How is the organization benefiting stakeholders? This can be measured from revenue growth (increasing income) or productivity (reducing costs) points of view.

Customer perspective: How do customers see the organization? Which can be measured from product, price, service, relationship, and image that a company offers to its customers.

Process perspective: What must the organization excel at? Which can be measured by the efforts of a company to

- Encourage innovation to develop new products and services in order to penetrate into new markets or attract customers.
- Increase customer value by expanding and deepening relationships with existing customers.
- Achieve organizational excellence through improving supply-chain management, internal processes, asset utilization, resource-capacity management, and other processes.
- Exercise good corporate citizenship by establishing effective relationships with external stakeholders.

Learning and growth perspective: Can the organization continue to improve and create value? Measured by organization's commitment for continuously improving employee capabilities and skills, technology, and corporate climate needed for better value creation.

The BSC measurement system is very important, according to the researchers, since in the twenty-first century, a better performance evaluation system is needed that goes beyond evaluating financial indicators for tangible assets, because intangible assets have become the primary source of competitive advantage. And the BSC enables managers to adequately measure intangible assets such as customer relationships, innovative products and services, high-quality and responsive operating processes, skills and knowledge of the workforce, the information technology that supports the work force and links the firm to its customers and suppliers, and the organizational climate that encourages innovation, problem-solving, and improvement (Kaplan and Norton 2001).

The European Foundation for Quality Management (EFQM) excellence model 1999 is also another well-known performance measurement framework. This framework is composed of 9 criteria that are used to accurately measure performance of organizations in order to give the European Quality Award for top performing organizations. These criteria include customer satisfaction, impact on society, people development, leadership, policy and strategy, people satisfaction, resources, processes and financial results (Wongrassamee et al., 2003).

There are also other researchers who proposed different performance measurement frameworks. For example, Keegan et al. 1989 introduced the performance measurement matrix and Dixon et al 1990 presented the performance measurement questionnaire which helps identify if a firm's performance measurement system encourages continuous improvement (Neely 1995). SMART Performance Pyramid (Lynch and Cross 1991) and Performance Prism by Neely and his colleagues are also among some of the well-known performance measurement frameworks introduced in this area (Neely, Adams et al. 2001).

In this research, the BSC is used as a performance measurement framework. This framework is chosen because it is one of the most accepted frameworks so far and it has been evolving with the changing business environment. On the recent update of the BSC, the original four perspectives changed a bit. The financial perspective is replaced by **outcomes perspective** to incorporate economic, environmental and social metrics in order to be able to measure the triple bottom line performance strategies that most companies are following nowadays. The customer perspective is also updated to **stakeholders' perspective** because now organizations are expected to have value propositions not only for their own customers but also for multiple stakeholders including the community, suppliers, government, investors, etc. **Business processes perspective** remain the same concerned on how to propose high quality value with lower cost by excelling at every internal

processes. Finally, the learning and growth perspective is changed to **enablers perspective** holding the idea that enablers will help the above perspectives to be executed successfully and sustainably through equipping employees with the necessary knowledge, skills, tools, needs (for retention) and having and maintaining resources and connections appropriately. (Kaplan and McMillan 2020).

Measuring operational performance on export sector

Various researches are conducted regarding measuring performance for export firms. These researches used different measuring variables to assess performance. On the following section, variables that are used to measure export performance using the four perspectives of the Balanced Score Card are presented.

Outcome perspective

Among the reasons why organizations create strategic partnerships, we find: getting access to resources with cheap cost, reducing operating costs (for example: - through sharing cost of product development and process improvement), getting access to new markets or increasing market share in an existing market. In addition to these economic benefits, organizations might start partnerships to protect the environment (for example by choosing ecofriendly suppliers) and develop communities.

So, measuring the impact of strategic partnerships on business performance can be done using the variables below.

Variable	Description	References
Profit	Increasing profit is seen as one of the important	Morgan et al. 2004,

	variables to measure organizational performance in the export sector	Sousa et al. 2010
Cost	Decreasing costs (Operating expenses) is also one of the important variables to consider while measuring organizational performance for export firms	Leonidou 2004, Morgan et al. 2004, Manzanares 2019, Rua et al. 2018
CSR activities	Corporate Social Responsibility activities are also seen as one of the variables to measure organizational performance	Manzanares 2019

Table 1 – Variables for measuring operational performance on outcome perspective

Stakeholders' perspective

Organizations will also create partnerships aiming at providing value to stakeholders. We can assess the influence of strategic partnerships on business performance using the following variables.

Variable	Description	Reference
Importers	Increasing and maintaining export destinations / distribution channels / clients is one of the variables found in organizational performance literature for export firms	Morgan et al. 2004, Oura 2016
Investors	Acquiring and maintaining investors or access to financial resources is also	Leonidou 2004, Morgan et al. 2004, Beleska-Spasova 2014,

	an important variable to measure organizational performance in the export sector	Cardoza et al. 2016, Rua et al. 2018
Suppliers	Increasing and retaining suppliers is also one of the variables for measuring organizational performance for export firms	Morgan et al. 2004

Table 2 – Variables for measuring operational performance on the stakeholders' perspective

Business processes perspective

Another reason for organizations to create strategic partnerships is to get access to technology, resource or processes and connections for improving performance, reputation and credibility (Bustinza et al., 2017). The variables listed below can be used to study the influence of strategic partnerships on business performance.

Variable	Description	References
Turnaround time	Decreasing average time to deliver an order / time taken to complete a request is also a variable for measuring organizational performance in export firms	Morgan et al. 2004
Innovation	The tendency of using innovative solutions in business processes is one of the variables for measuring	Morgan et al. 2004, Oura 2016, Manzanares, 2019, Rua et al. 2018

	performance in export firms	
R&D	Research and development activities inside the organization are also variables that can be used to measure performance	Manzanares 2019
Marketing and Sales	Marketing and sales operations is also an important variable to assess performance of an organization in the export sector	Leonidou 2004, Morgan et al. 2004, Manzanares 2019
Technology	Using technology is also a variable to measure organizational performance for export firms	Morgan et al. 2004, Wang et al. 2013, Rua et al. 2018, Krammer et al. 2018

Table 3 – Variables for measuring operational performance on the business process perspective

Enablers perspective

Organizations can seek strategic partnerships in order to gain access to knowledge, expertise and skills in order to increase their competitive advantage (A Kolk 2013).

So, the following variables can be used to assess the role of strategic partnerships on business performance.

Variable	Description	References
Recruitment	Hiring high quality talent is also an important variable in measuring organizational performance in firms	Love et al., 2016, Rua et al. 2018

Employee retention	Retaining employees is also seen in the organizational performance literature for export firms	Morgan et al. 2004
Trainings	The frequency and consistency of training the workforce is also an important variable to measure organizational performance in the export sector	Leonidou 2004, Manzanares 2019
Products	Diversifying products is also one of the important variables to measure organizational performance in export firms.	Leonidou 2004, Morgan et al. 2004, Manzanares 2019, Rua et al. 2018

Table 4 – Variables for measuring operational performance for the enablers' perspective

2.2 Empirical Review

On a study titled "Effect of strategic alliance and partnership on the survival of MSME's post covid-19 pandemic" written by Abideen et al. (2021), the authors used data collected from 228 MSME's in Ojo LGA, Nigeria. On this research, the first null hypothesis "Strategic alliance and partnership does not have an effect on MSMEs' survival post-COVID-19" was rejected which showed that strategic alliance and partnership had positively contributed to the survival of MSME's after the pandemic. And the second hypothesis "Strategic Alliance and Partnership does not have any positive relationship on the performance of MSMEs post COVID -19 in the Nigerian

economy" was also rejected because the data showed a positive correlation between strategic alliance and performance of MSMEs.

Raheem et al. (2018) wrote an article "Strategic alliance and firm performance: A focus on service industry" which collected data from 4 selected firms in Nigeria. The researchers took 175 sample respondents and got 152 questionnaires filled from a population of 2147 staff members. They found out that there is a linear direct relationship between strategic alliance and firm effectiveness, strategic alliance and sales revenue and strategic alliance and customer satisfaction.

Another study on this area was "The effects of strategic planning, purchasing strategy and strategic partnership on operational performance" by Tarigana and Siagianb in 2021. On this study, the researchers defined 6 hypothesis and one of them was "Strategic partnership influences the operational performance". The population of this study was manufacturing companies located in the region of East Java, Indonesia. And the researchers surveyed, using a questionnaire with a five-point Likert scale, 135 manufacturing companies domiciled in that region. The data was analyzed using the partial least square (PLS) technique. Finally, the researchers found out that strategic partnership affects operational performance. They further explained that strategic partnerships in manufacturing companies in east java were related to excellent innovation, reduction of operational costs and improved completion of production which positively affects order fulfillment.

On the other hand, Indra Muis and Puji Isyanto published an article titled "Market Orientation, Transformational Leadership, Partnership Effects on Organizational Performance: A Competitive Advantage as a Mediator" in 2021 where we can see a different result. The research had 3

independent variables (market orientation, transformational leadership, and partnership strategy), 1 intervening variable (competitive advantage) and the dependent variable organizational performance. The researchers collected primary data from 38 rectors or vice-rectors from private universities selected using simple random sampling. And the data was analyzed using PLS technique. At the end, they found out that all independent variables except partnership strategy have a positive effect on competitive advantage which in turn has positive effect on organizational performance.

2.3 Conceptual Framework

A conceptual framework is the outcome of combining several related ideas in order to explain or forecast a certain event, provide a deeper understanding of the topic of interest, or simply to address a research problem (Imenda, S. 2014).

In this study, the independent variables included in strategic partnerships are measured using four major perspectives namely, Technological / R&D partnerships, Marketing partnerships, Production / Supplier partnerships and Logistic partnerships. On the other hand, the dependent variable operational performance in terms of export performance is evaluated using different variables that reside in the four perspectives of the BSC performance measurement tool.

Technological / R&D partnerships

The fast-paced advancements in technology, the sky-high expenses involved, and the challenge of staying competitive in the current dynamic market have led to an increased emphasis on Research & Development (R&D) within companies. This type of partnerships are especially crucial for agricultural product export companies in developing countries to enhance their competitiveness

and increase their market share. Such partnerships can help them to access new technologies, knowledge, and expertise to improve their productivity, quality, and sustainability.

According to a study by Khandker et al. (2018), technological partnerships between farmers and researchers can help to overcome the constraints faced by smallholder farmers in developing countries. The study found that such partnerships can improve farmers' access to information, inputs, and markets, leading to higher yields, better quality, and increased income. For example, in Bangladesh, a partnership between farmers and researchers helped to develop a new variety of rice that is resistant to flooding, leading to higher yields and better income for farmers (Khandker et al., 2018).

Similarly, R&D partnerships between agribusiness firms and research institutions can help to develop new technologies and products that meet the needs of export markets. For example, a study by Lema et al. (2020) found that a partnership between a Kenyan agribusiness firm and a Dutch research institute helped to develop a new technology for processing fresh fruits and vegetables, leading to improved quality and longer shelf life. The technology helped the firm to increase its exports to European markets and improve its competitiveness.

Marketing partnerships

Marketing partnerships are also crucial for agricultural product export companies in developing countries because they provide an opportunity for companies to gain access to new markets, increase their visibility, and reduce marketing costs. According to a study by Arora et al. (2019), marketing partnerships can help companies overcome the challenges of limited resources, lack of market knowledge, and inadequate infrastructure in developing countries.

One real-world example is the partnership between the Nigerian Export Promotion Council (NEPC) and the African Export-Import Bank (Afreximbank) to promote the export of agricultural products. The partnership provided financial support to Nigerian exporters and helped them access new markets (NEPC, 2019).

According to a study by Crespi et al. (2018), marketing partnerships can also help companies improve their competitiveness by sharing knowledge, resources, and expertise with other companies in the value chain.

Production / Supplier partnerships

Production/Supplier partnerships are critical for agricultural product export companies in developing countries as they enable them to access reliable sources of high-quality raw materials while also providing a stable market for farmers. Such partnerships help mitigate supply chain risks and ensure consistent product quality, which is critical for meeting the stringent requirements of international markets.

One real-world example of the importance of production/supplier partnerships in Ethiopia is the partnership between EthioChicken and smallholder farmers. EthioChicken is a poultry company that works with over 2,000 smallholder farmers across Ethiopia to produce high-quality chickens for both local and international markets. The partnership provides farmers with training, inputs, and a guaranteed market for their products. In return, EthioChicken receives a reliable source of high-quality chickens that meet international standards. (Tadesse & Bahiigwa 2015)

According to a study published in the Journal of Economics and Sustainable Development, such partnerships can have a significant positive impact on the livelihoods of smallholder farmers. The

study found that the partnership between EthioChicken and smallholder farmers had led to an increase in income, food security, and access to education and healthcare for farmers.

Another example of the importance of production/supplier partnerships in Ethiopia is the partnership between coffee exporters and smallholder farmers. According to a study by Teklu,& Kassie (2017), such partnerships have helped Ethiopian coffee farmers access new markets and receive better prices for their products. The study found that the partnership between coffee exporters and smallholder farmers had led to an increase in income and improved livelihoods for farmers.

Logistic partnerships

Logistic partnerships play a crucial role in the success of agricultural product export companies in developing countries, such as Ethiopia. These partnerships can help to address the challenges of exporting agricultural products, such as limited infrastructure, insufficient transport and storage facilities, and limited access to markets.

One example of a successful logistic partnership in Ethiopia is the partnership between Olam International, a leading agri-business company, and the Ethiopian government. According to a case study published in the "Journal of East African Studies" (Alemu & Kebede, 2019), this partnership has led to the development of a number of infrastructure projects, including the construction of a new terminal at the Dry Port of Modjo, which has improved Olam's ability to export coffee and other agricultural products from Ethiopia. This has not only benefited Olam but has also helped to boost the country's agricultural exports.

Another example is the partnership between the Ethiopian government and logistics service providers such as DHL, which has helped to improve the country's supply chain management and export capabilities. According to a study published in the "Journal of International Logistics and Trade" (Tadesse & Edea, 2020), this partnership has helped to increase the efficiency and reliability of Ethiopia's export processes, by providing access to advanced logistics services such as customs clearance, freight forwarding, and warehousing. This has not only benefited the country's agricultural export companies but has also helped to increase the competitiveness of Ethiopia's agricultural products in international markets.

To assess the above mentioned impacts of different types of partnerships, this study used a conceptual framework adopted from Job et al. (2022) which is illustrated diagrammatically below.

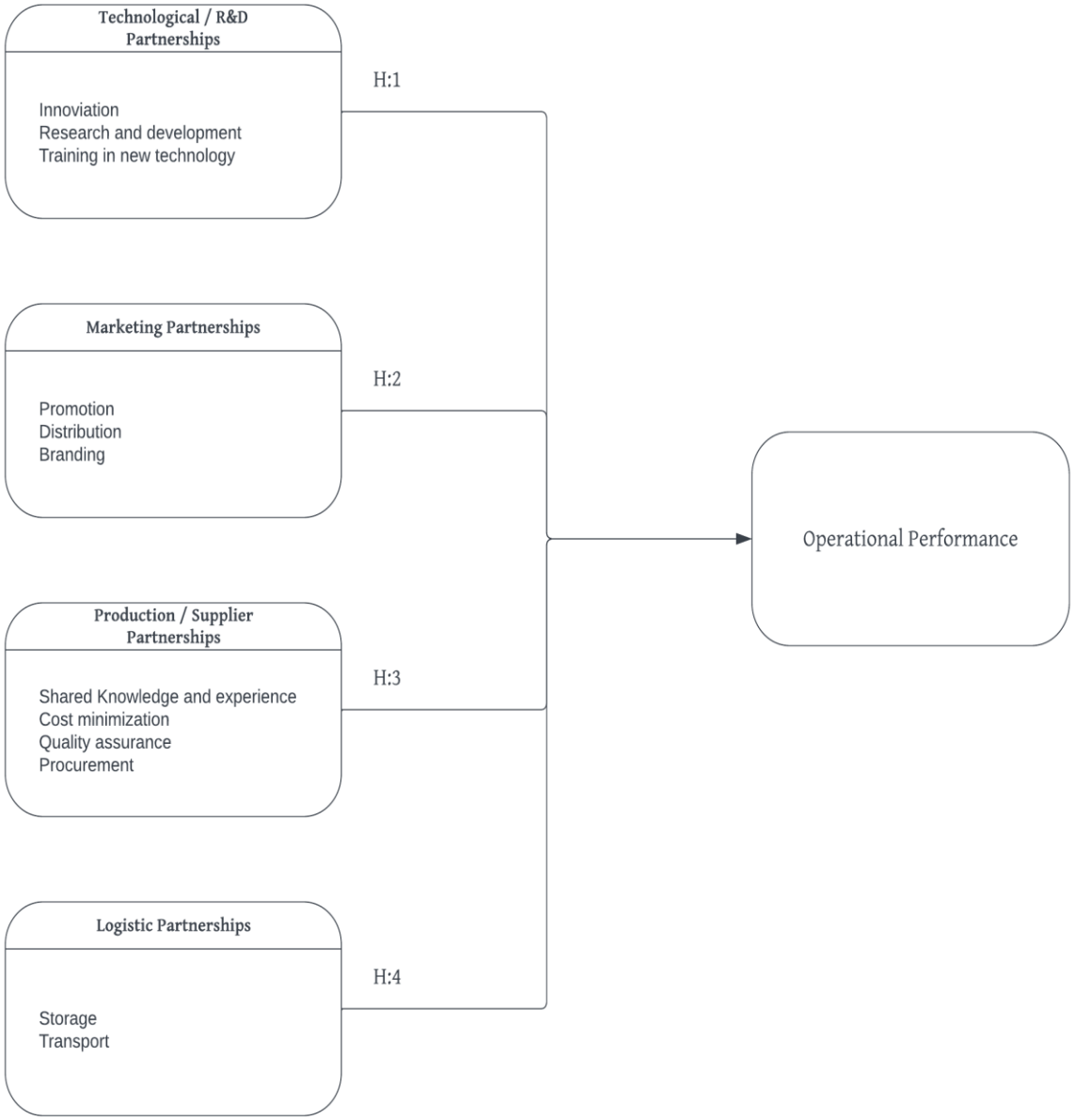

Figure 1 - Conceptual framework adopted from Job et al. 2022

2.4 Hypothesis

This study focuses on the impact of strategic partnerships on the operational performance of agricultural product export firms in Ethiopia. To do this, the study offers four hypotheses, each of which argues that strategic partnerships improve the performance of such organizations. The study

seeks to provide empirical evidence and improve understanding of the benefits of strategic partnerships in improving operational performance of such firms in Ethiopia's context. The four hypotheses are listed below.

H:1 - Technological / R&D partnerships have significant effect on operational performance of agricultural products export firms

H:2 - Marketing partnerships have significant effect on operational performance of agricultural products export firms

H:3 - Production / Supplier partnerships have significant effect on operational performance of agricultural products export firms

H:4 - Logistic partnerships have significant effect on operational performance of agricultural products export firms

Chapter 3 - Research Methodology

The general objective of this study is to examine the effect of strategic partnerships on performance of agricultural product export firms in Kirkos, Addis Ababa, Ethiopia. In this chapter, research design, research approach, population of the study, sampling, data collection methods, model of the study, reliability, validity and ethical considerations are covered.

3.1 Research Design

For the research, survey research design is selected. The survey is used to gather cross-sectional data which is collected at one point in time without repetition. At the start of the study, previous literature about strategic partnerships and metrics for operational performance is reviewed. Using that as a base, survey questions are prepared and primary data is collected from multiple agricultural products export firms registered in Kirkos, Addis Ababa, Ethiopia.

3.2 Research Approach

A Quantitative research approach which is used to analyze the relationship between variables is used for the study. The quantitative research approach uses statistical and numerical analysis techniques to form conclusions about the collected data. Descriptive data is collected without controlling or manipulating variables. The data is then analyzed to identify the impact of strategic partnerships in operational performance of the agro export firms.

3.3 Population of the study

As described earlier, this study is conducted on agricultural product export firms that are registered and operational in Kirkos, Addis Ababa, Ethiopia. As of February 2023, there are 116 firms in this area that export cereals, oil seeds, spices, fruits and vegetables. 78 of this firms export two or more of the above-mentioned products and 44 of them export all of the products while the remaining export only a single product. This study focused on the firms that export two or more of the products. Therefore, the 78 firms that export two or more products from cereals, oil seeds, spices, fruits and vegetables are took as the population of the study.

3.4 Sampling

Purposive sampling technique is used for this research. The judgment sampling method, also known as purposive sampling, involves selecting participants on purpose based on personal characteristics (Ilker 2016). So, in order to collect representative data within the limitations of resource constraints, the researcher selected firms that are registered on a specific area to conduct the research. Therefore, out of the 116 businesses registered as agricultural product export firms in kirkos sub-city, only 78 firms are choose in the research since they export two or more of the above-mentioned agricultural products. The researcher believes that these firms are more relevant for answering the research questions at hand. To do this, all the 78 firms are studied as a population without taking out samples because they are few in number. In addition, the data is collected only from higher management personnel or owners because the information for the study requires the interviewee to have a full understanding of the overall business operations in the firm.

3.5 Data Collection and Analysis

Primary data is collected using interviews with owners or top-level managers to determine the role of strategic partnerships in the performance of agricultural products export firms in Kirkos, Addis Ababa. The interview questionnaires have two parts. The first part is used to capture the current operational performance of the firms using the four perspectives of the BSC framework. While the second part is used to record relationship between strategic partnerships and the operational performance. The different independent variables used on the study are assessed through 7 point Likert scale questions that range from "Strongly disagree" to "Strongly agree".

After collecting the data, descriptive analysis is used to show the summary of the responses and multiple liner regression is used to see how the change in the independent variables affect operational performance of the agricultural product export firms. The final result is then used to construct conclusion and recommendations.

3.6 Model of the study

On this research, different independent variables are defined that are used to determine the role of strategic partnerships on operational performance for agricultural products export firms in Kirkos, Addis Ababa. Description about each of the independent variables are stated above in the literature review section of this study. Now, let us list them down and construct the model for the study. Other variables that are not included below are captured by the error term ϵ.

Independent variables

Innovation (INO), Research and Development (RD), Training in new technology (TRT), Promotion (PRM), Distribution (DIST), Branding (BRD), Shared knowledge and experience

(KNE), Cost minimization (COM), Quality Assurance (QA), Procurement (PRC), Storage (STR), Transport (TRN)

Here is a general model that is used: -

$Y = a + b_1x_1 + b_2x_2 + \ldots + b_nx_n + \epsilon$ where a = constant and ϵ = error term

Here is the model with all the variables in place

$OP = a + b_1(INO) + b_2(RD) + b_3(TRT) + b_4(PRM) + b_5(DIST) + b_6(BRD) + b_7(KNE) + b_8(COM) + b_9(QA) + b_{10}(PRC) + b_{11}(STR) + b_{12}(TRN) + \epsilon$

3.7 Validity and Reliability

3.7.1 Validity

When we consider validity, it is the accuracy in with the findings of the research correspond to the data. It is described as how precisely a concept is examined in a quantitative study (Heale & Twycross, 2015). A research's degree of validity indicates how closely the conclusions connect to the actual characteristics and features of the physical world. The higher it is, the closer it will be to the case of actual world. Therefore, for this research, the questionnaire is designed by referring to previously done researches which showed high validity results on the attributes used. In addition, In order to determine whether the questionnaire appropriately cover the study area, the adviser reviewed it before it was distributed.

3.7.2 Reliability

Lee Cronbach created Cronbach's alpha (also known as the coefficient alpha), which is a reliableness indicator, in 1951. This test determines the internal consistency, or how closely connected a group of items are to one another, of multiple-question Likert scale surveys. It serves as a gauge of scale dependability. Excellent (1-0.9), Good (more than 0.8), Acceptable (greater than 0.7), Questionable (greater than 0.6), Poor (higher than 0.5), and Unacceptable (less than 0.5) are the reliability test categories according to George and Mallery (2003). For this research, the overall Cronbach's alpha value is 0.936 for all the measured variables. This shows that the data collected from the respondents is reliable and consistent. Summary of the measurement using SPSS is presented below.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.936	.936	27

Figure 2- Reliability Statistics | SPSS 2023

In addition, the reliability test for each variables measured in this research are summarized and presented in the below table.

Variables	***N of items***	***Cronbach's Alpha***
Technological / R&D Partnerships	3	**0.73**
Marketing Partnerships	3	**0.77**

Production / Supplier Partnerships	4	**0.87**
Logistic Partnerships	2	**0.81**
Operational Performance	15	**0.88**
Overall	27	**0.936**

Table 5 – Summarized Cronbach's alpha for the research questions

3.8 Ethical Consideration

A research project must be conducted within the framework of overall research code of conduct that outlines the process of undertaking the research (Kumar, 2011).

Accordingly, the study was carried out in accordance with the main guidelines of research ethics. Respondents were initially fully informed of the study's purpose during the data collection process. They were communicated about the confidentiality of the information they provide. Data was collected from respondents after getting their consent for the process. Furthermore, the researcher made an effort to follow the recommendations of the advisor in addition to guidelines of the university.

Chapter 4 - Results and Discussion

The main objective of this study is to examine the effect of strategic partnerships on performance of agricultural product export firms in Kirkos, Addis Ababa, Ethiopia. In this chapter, the data collected from respondents is analyzed and results are presented. The analysis is composed of inferential and regression statistics.

4.1 Response rate

The research was conducted on agricultural export firms that were registered in Kirkos, Addis Ababa, Ethiopia. The data was collected through face to face and phone interviews with owners and managers of the companies. Among 78 firms that were selected for the research, data was collected from 62 of them. Nine firms reported that they stopped operation and the researcher did not get response in time for the remaining seven firms. This means the response rate is approximately 79.48%.

4.2 Descriptive statistics

For all replies collected from all respondents, descriptive statistics was produced in forms of mean, and standard deviation. The proportion of respondents who selected each response is calculated using a frequency distribution. The computed mean is used to determine the central tendency on each perspective in the interview questionnaire, indicating the respondents' degrees of agreement and disagreement with each item. Finally, the standard deviation shows how much variance there is in a result relative to the mean.

Mean and Standard Deviation

In this study, the researcher used mean and standard deviation to assess how respondents felt about the influence of strategic partnerships on operational performance in agricultural export firms. The following table presents the data collected from the respondents.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Innovation	62	1	5	2.23	1.137	1.292
Research and Development	62	1	4	2.23	.965	.932
Training	62	1	6	2.84	1.473	2.170
Promotion	62	1	6	3.18	1.208	1.460
Distribution	62	2	6	3.95	1.122	1.260
Branding	62	1	6	2.66	1.159	1.342
Shared knowledge and experience	62	1	6	2.95	1.552	2.407
Cost minimization	62	2	6	4.50	1.067	1.139
Quality Assurance	62	2	7	4.85	1.377	1.897
Procurement	62	2	7	5.10	1.387	1.925
Storage	62	2	7	4.79	1.175	1.382
Transport	62	2	7	4.02	1.166	1.360
Operational Performance	62	2.466666667	5.466666667	3.907526882	.8101680627	.656
Valid N (listwise)	62					

Figure 3– Descriptive analysis | SPSS (2023)

The respondents expressed less agreement with innovation, training, and research and development for the Technological / R&D partnerships, as seen in the above table. This suggests that the respondents did not mention the positive effects of strategic partnerships on boosting innovation, research and development, and training initiatives within their firms.

Less agreement was shown by the respondents regarding the influence of marketing partnerships on the promotion and branding efforts made by their firms. However, the value of marketing partnerships in distribution activities received a response that was almost average.

Only shared information and expertise have indicated a lower level of respondents' acceptance of being positively impacted by strategic partnerships in the context of production / supplier partnerships. The remaining variables, cost reduction, quality assurance, and procurement showed higher levels of agreement, indicating that respondents saw them as characteristics that are positively impacted by strategic partnerships.

Finally, for the logistic partnership, the respondents showed moderate agreeableness for the impact of strategic partnerships on facilitating transport of goods in their firms while agreeing that they positively affect storage related operations.

Overall, strategic partnerships have shown an impact on key areas of an organization's performance including cost minimization, quality assurance, procurement and storage which go in accordance with previous researches of Raheem et al. (2018), Abideen et al. (2021) and Tarigana et al. (2021).

4.3 Regression Analysis

4.3.1 Normality

Through a normality test, a researcher can determine if the distribution of the error term was normal or not. The test is essential before performing a regression analysis. It is expected that the sampling distribution of the Mean should be normal. For the data collected on this research, the assumption of normality is not violated, and the histogram below shows that it has a bell-shaped distribution.

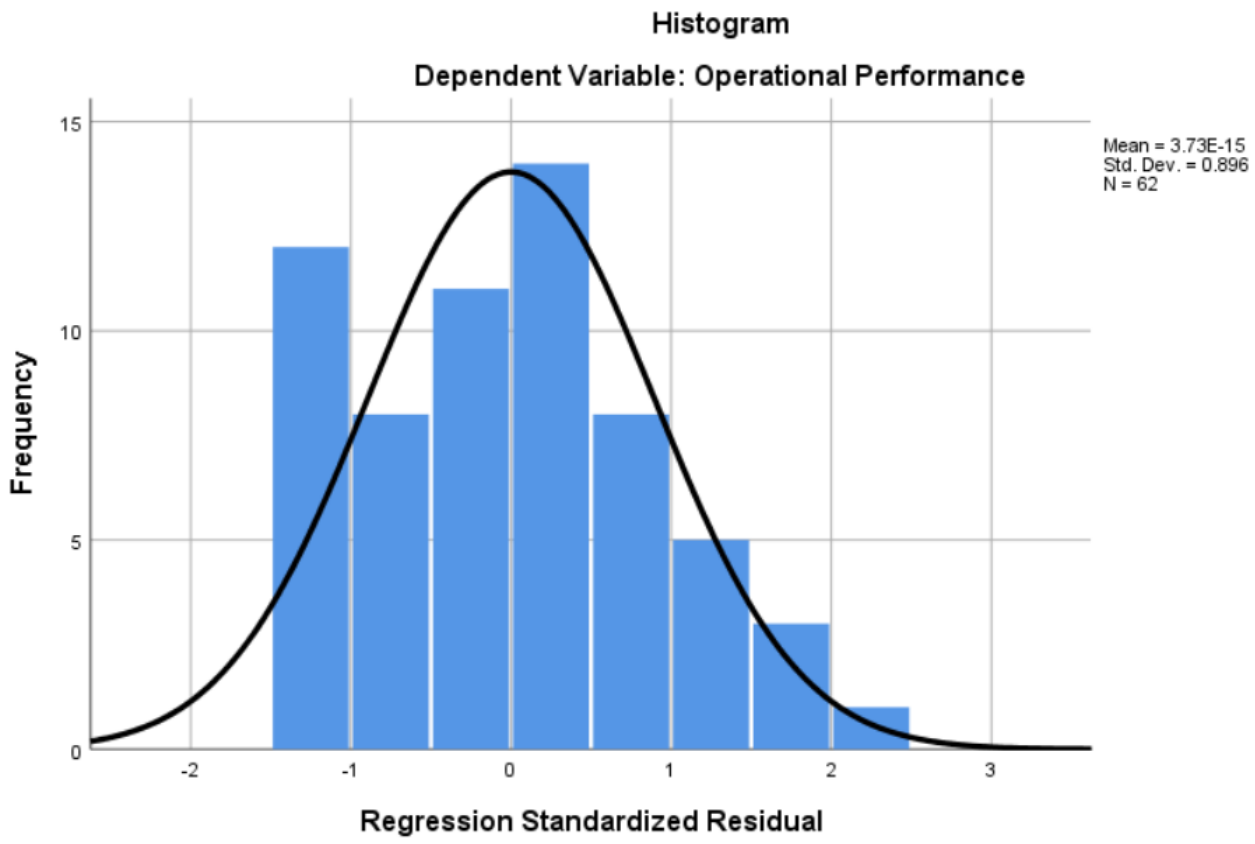

Figure 4- Normality test | SPSS (2023)

4.3.2 Multi-collinearity

For this research, a collinearity diagnostic test was conducted in order to identify whether a multi-collinearity issue exists. The result shows tolerance ranges from 0.246 to 0.756 which shows none of the values were below 0.2. In addition, Variance Inflation Factor (VIF) lays from 1.322 to 4.063, where every value is below 10. Therefore, one of the fundamental assumptions of regression is true and there is no perfect multi-collinearity. The test is shown below.

Model	*Collinearity Statistics*

		Tolerance	VIF
1	(Constant)		
	Innovation	.414	2.414
	Research and Development	.391	2.558
	Training	.756	1.322
	Promotion	.579	1.726
	Distribution	.419	2.385
	Branding	.709	1.411
	Shared knowledge and expertise	.435	2.298
	Cost minimization	.418	2.392
	Quality Assurance	.339	2.949
	Procurement	.561	1.783
	Storage	.246	4.063
	Transport	.458	2.185

Table 6 - Multi-collinearity test | SPSS (2023)

4.3.3 Homoscedasticity

Homoscedasticity, which implies a condition in which the error term is constant across all explanatory variable values, is defined as having the same variance. Heteroscedasticity results from the residual variance being uneven throughout a range of measured values. A fan or cone-shaped residual plot indicates the presence of heteroscedasticity, which deviates from the assumptions of regression. This research used scatter plot test to examine the absence of heteroscedasticity.

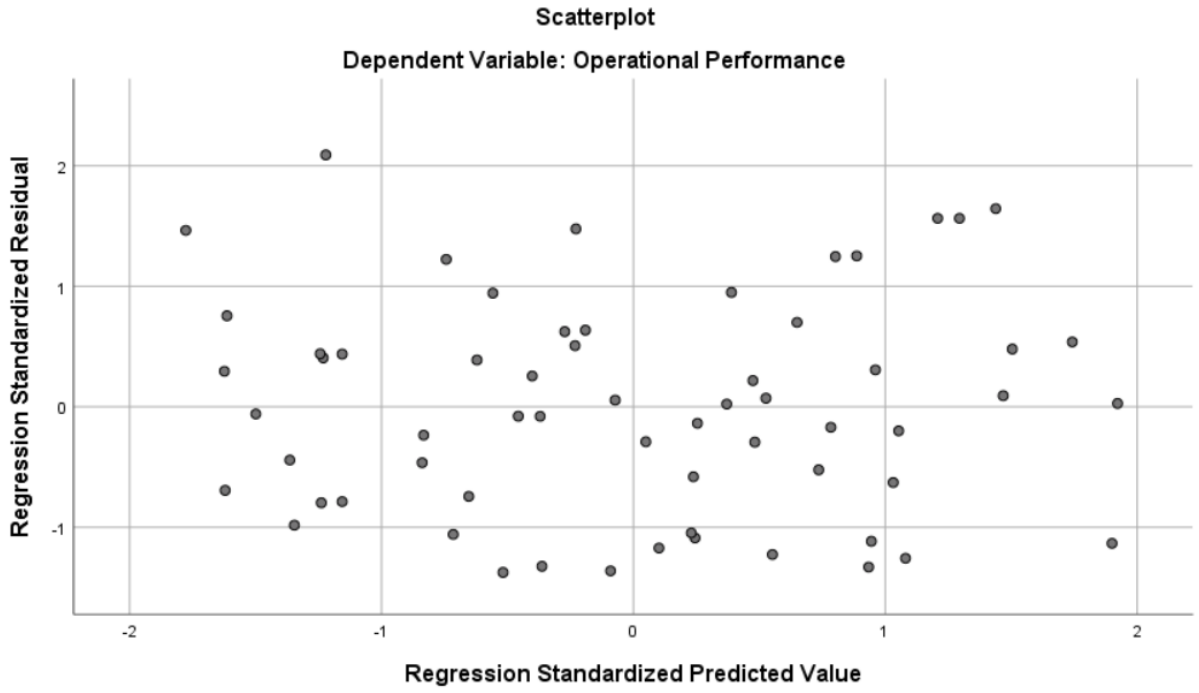

Figure 5- Homoscedasticity test | SPSS (2023)

The above plot shows that the plots of the residuals have constant variance and are distributed evenly. Therefore, there is no presence of heteroscedasticity.

4.3.4 Autocorrelation

To test autocorrelation, the researcher used the Durbin-Watson statistic test. The outcome of the Durbin-Watson test ranges from 0 to 4. An outcome close to 2 means a very low level of autocorrelation. Usually, values from 1.5 – 2.5 are considered to show low level of autocorrelation. An outcome closer to 0 suggests a stronger positive autocorrelation, and an outcome closer to 4 suggests a stronger negative autocorrelation. For this research the Durbin-Watson test showed a result 1.574 as shown in the below table, which shows that there low level of autocorrelation and the assumption of autocorrelation is fulfilled.

Model	Durbin Watson
1	1.574

Table 7 – Autocorrelation assumption test | SPSS (2023)

4.3.5 Model Summary

The model summary table for this research shows that R square is 0.909 or 90%. This means 90% of the variation in operational performance is explained through the change in all the independent variables listed under Technological / R&D partnerships, Marketing partnerships, Production / Supply partnerships and Logistics partnerships while the remaining 10% of the variation can be explained by other unobserved or not included variables.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.954[a]	.909	.887	.2722945995	.909	40.918	12	49	.000	1.574

a. Predictors: (Constant), Transport, Branding, Innovation, Training, Promotion, Procurement, Cost minimization, Shared knowledge and experience, Distribution, Research and Development, Quality Assurance, Storage

b. Dependent Variable: Operational Performance

Figure 6- Model Summary | SPSS (2023)

4.3.6 ANOVA analysis

As presented in the below Anova table, the significance level is less than 0.01 which shows that the model is significant on showing the relationship between the independent variables and the dependent variable. We can clearly see that the probability of the results to be like that by chance is < 0.01. Therefore, it can be concluded that the overall regression model is significant (12, 49) = 40.918, $p < 0.01$ and the independent variables used on the study significantly influence operational performance in the studied agricultural product export firms.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.406	12	3.034	40.918	.000[b]
	Residual	3.633	49	.074		
	Total	40.039	61			

a. Dependent Variable: Operational Performance

b. Predictors: (Constant), Transport, Branding, Innovation, Training, Promotion, Procurement, Cost minimization, Shared knowledge and experience, Distribution, Research and Development, Quality Assurance, Storage

Figure 7- Anova table | SPSS (2023)

4.3.7 Regression Coefficients

The below table presents the p-value and beta coefficients of the independent variables used on the research with their respective standard error. The Beta value measures how strongly each predictor or independent variable affects the dependent variable operational performance in the regression model.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.781	.201		3.878	.000
	Innovation	.103	.048	.145	2.166	.035
	Research and Development	-.126	.058	-.150	-2.175	.034
	Training	.059	.027	.107	2.171	.035
	Promotion	.087	.038	.130	2.306	.025
	Distribution	-.101	.048	-.140	-2.107	.040
	Branding	.078	.036	.112	2.189	.033
	Shared knowledge and experience	.132	.034	.252	3.863	.000
	Cost minimization	.102	.051	.134	2.014	.049
	Quality Assurance	.116	.043	.198	2.677	.010
	Procurement	.076	.034	.129	2.252	.029
	Storage	.129	.060	.188	2.166	.035
	Transport	.126	.044	.181	2.848	.006

a. Dependent Variable: Operational Performance

Figure 8– Regression coefficients table | SPSS (2023)

So, the overall regression model can be written as: -

$$OP = 0.781 + 0.103(INO) – 0.126(RD) + 0.59(TRT) + 0.87(PRM) – 0.101(DIST) + 0.78(BRD) + 0.132(KNE) + 0.102(COM) + 0.116(QA) + 0.076(PRC) + 0.129(STR) + 0.126(TRN) + \epsilon$$

Where:

INO = Innovation, RD = Research and Development, TRT = Training in new technology, PRM = Promotion, DIST = Distribution, BRD = Branding, KNE = Shared knowledge and experience, COM = Cost minimization, QA = Quality Assurance, PRC = Procurement, STR = Storage, TRN = Transport, ϵ = Error term

4.4 Hypothesis Testing

Based on the regression analysis, the 4-hypothesis formed for this research are discussed below.

H:1 - Technological / R&D partnerships have significant effect on operational performance of agricultural products export firms

As we can see the p-values of coefficients for variables related to the Technological / R&D partnerships, all of the variables are significant at $p < 0.05$. This means 14.5% of change in operational performance is due to innovation related to strategic partnerships, - 15% of change in operational performance is due to research and development in cooperation with strategic partners and 10.7% of change in operational performance can be explained by trainings related to strategic partnerships. Therefore, the null hypothesis is accepted.

H:2 - Marketing partnerships have significant effect on operational performance of agricultural products export firms

All the independent variables promotion, distribution and branding are significant at $p < 0.05$. This means about 13% of the change in operational performance is connected to promotion brought by strategic partnerships while – 14% of the change in operational performance is due to distribution opportunities created by strategic partnerships and 11.2% of the variation in operational performance is explained by branding related to strategic partnerships. So, the hypothesis is accepted.

H:3 - Production / Supplier partnerships have significant effect on operational performance of agricultural products export firms

The p-values of all the variables have $p < 0.05$. This means 25.2% of the change in operational performance can be linked to shared knowledge and experience gained by strategic partnerships, 13.4% of the change in operational performance can be explained by cost minimization achieved through strategic partnerships, 19.8% of the change is due to quality assurance activities related to strategic partnerships and 12.6% of the change in operational performance is because of procurements linked to strategic partnerships. Therefore, the null hypothesis is accepted.

H:4 - Logistic partnerships have significant effect on operational performance of agricultural products export firms

All independent variables in this regard show significance at $p < 0.05$. This means about 18.8% of change in operational performance is due to storage facilitation that is linked to strategic partnerships while 18.1% of the change in operational performance can be explained by transport facilitation through strategic partnerships. Therefore, the null hypothesis is accepted.

Summary of research questions, hypothesis and research results

Research Question	Hypothesis	Result
What impact do technological / R&D partnerships have on operational performance of agricultural export firms?	H:1 - Technological / R&D partnerships have significant effect on operational performance of agricultural products export firms	Accepted
What is the impact of marketing partnerships on operational	H:2 - Marketing partnerships have significant effect on	Accepted

performance of agricultural export businesses?	operational performance of agricultural products export firms	
What effect do production / supplier partnerships have on operational performance of agricultural export firms?	H:3 - Production / Supplier partnerships have significant effect on operational performance of agricultural products export firms	Accepted
What is the impact of logistics partnerships on operational performance of agricultural export firms?	H:4 - Logistic partnerships have significant effect on operational performance of agricultural products export firms	Accepted

Table 8 – Summary of research questions, hypothesis and research results

Chapter 5 - Summary, Conclusions, Recommendations and Future research direction

5.1 Summary

This study assess the effect of strategic partnerships on operational performance of agricultural export firms registered in kirkos sub-city Addis Ababa, Ethiopia. The general objective of the research is to investigate the effect of strategic partnerships on performance of agricultural product export firms in Kirkos, Addis Ababa, Ethiopia. The BSC performance measurement tool is used to structure the independent variables used in the research and measure organizational performance. For choosing the independent variables, literature about organizational performance related to export firms was reviewed. The study is conducted on 78 firms that export cereals, oil seeds, spices, fruits and vegetables to foreign markets.

Out of the total 78 interviews planned for the study, data was collected from 62 (79.48%) interviews which were conducted face to face and on phone. 16 (20.51%) interviews were not conducted due to unresponsiveness, denial of approval and discontinued operation. Based on the data collected from the 62 interviews, which has a 79.48% response rate, further analysis was done. SPSS version 23 (Statistical Package for Social Science) statistical tool was used for analyzing collected data. During the analysis, combined mean and standard deviation values were used for the descriptive analysis part, and before doing the regression normality assumption, multi-collinearity assumption, homoscedasticity and autocorrelation tests are conducted. At last a multiple regression analysis with one-way ANOVA was performed and finally, the pre-formulated hypotheses were tested.

The description analysis shows the mean and standard deviation of each variable concerning the minimum and maximum values. The respondents expressed less agreement with innovation, training, and research and development for the Technological / R&D partnerships, as seen in the above table. This suggests that the respondents did not mention the positive effects of strategic partnerships on boosting innovation, research and development, and training initiatives within their firms. Less agreement was shown by the respondents regarding the influence of marketing partnerships on the promotion and branding efforts made by their firms. However, the value of marketing alliances in distribution activities received a response that was almost average. Only shared information and expertise have indicated a lower level of respondents' acceptance of being positively impacted by strategic partnerships in the context of production / supplier partnerships. The remaining variables—cost reduction, quality assurance, and procurement—showed higher levels of agreement, indicating that respondents saw them as characteristics that are positively impacted by strategic partnerships. Finally, for the logistic partnership, the respondents showed moderate agreeableness for the impact of strategic partnerships on facilitating transport of goods in their firms while agreeing that they positively affect storage related operations.

For the data collected on this research, the assumption of normality was not violated, and it is shown by a bell-shaped distribution histogram generated by SPSS.

Multi-collinearity assumption was also tested and the result shows tolerance ranges from 0.246 to 0.756 which shows none of the values were below 0.2. In addition, Variance Inflation Factor (VIF) lays from 1.322 to 4.063, where every value is below 10. Therefore, showing there is no perfect multi-collinearity in the data.

The research used scatter plot test to examine the absence of heteroscedasticity. The plot showed that the plots of the residuals have constant variance and are distributed evenly. Therefore, there is no presence of heteroscedasticity.

In addition, Durbin-Watson test was used to test autocorrelation on this research, which showed a result 1.574. The result indicates that there is low level of autocorrelation and the assumption of autocorrelation is fulfilled.

The model summary shows that an adjusted R square is 0.909 or 90.9% which means 90.9% variation in operational performance is explained through a change in all independent variables of Technological / R&D partnerships, Marketing partnerships, Production / Supply partnerships and Logistics partnerships that are included in the model. However, the remaining 9.1% variation in operational performance can be explained by other or unobserved variables than the independent variables in the model.

Moreover, the significance of the model in explaining the relationship between independent and dependent variables tested through ANOVA. As presented above, the significance value is less than 0.05. Therefore, we can conclude that there is a linear relationship between independent variables and operational performance, where the model is fit and acceptable.

The regression output of SPSS also shows that profit, investors, suppliers and products related to strategic partnerships influence operational performance of agricultural export firms in kirkos Addis Ababa.

5.2 Conclusions

The general objective of this research was to assess the effect of strategic partnerships on operational performance of agricultural product export firms in kirkos Addis Ababa, Ethiopia. Therefore, by reviewing different studies about strategic partnerships and organizational performance in addition to collecting and analyzing primary data from agricultural export firms, this research reached the following conclusions.

The results of the descriptive analysis in this study suggest that there is a relationship between strategic partnerships and operational performance. The analysis revealed that having strategic partnerships can have a positive impact on specific areas such as cost reduction, quality assurance, optimizing procurement processes, and efficient storage systems. On the other hand, the study also found that strategic partnerships did not significantly affect other aspects of operational performance, such as innovation, research and development, employee training in new technology, promotion, distribution, branding, shared knowledge and experience, and transport. Although partnerships in these areas may play a vital role in other aspects of organizational functioning, the descriptive analysis results suggest that such relationships may not have a significant impact on the firms studied.

Based on the empirical results discussed in chapter 4, this study found that strategic partnerships in certain areas can have a significant impact on the operational performance of agricultural export firms. In particular, strategic partnerships in the areas of technological/research and development, marketing, production/supply, and logistics have all been shown to have an influence on operational performance. However, not all types of strategic partnerships have a positive impact on performance. The study found that strategic partnerships related to research and development

and distribution showed a negative impact on operational performance. This suggests that not all strategic partnerships are equally helpful and that organizations need to be thoughtful in selecting partnerships and need to choose ones that align with their goals.

5.3 Recommendations

The results from this study lead the researcher to give the following recommendations. It is seen that strategic partnerships affect an organization's financial performance shown through cost minimization. Therefore, managers should carefully assess the opportunities and threats that their firms will face before creating strategic partnerships. Managers of export firms should also be aware that strategic partnerships can be used to acquire and retain suppliers in addition to different institutions that provide quality assurance and storage services. So, if there is shortage of supplies or infrastructure to run the business smoothly, considering creating partnerships with other firms, institutions or individuals can be as wise approach. In addition, managers can see from this research that strategic partnerships did not show positive impact on operational performance especially on research and development and distribution areas. Therefore, managers should assess their existing partnerships in terms of the advantages they get from the partnerships for competing in the current dynamic business environment. At last, as the research showed a significant relationship between product / supply partnerships, logistics partnerships and operational performance. Therefore, managers should consider partnering with others in order to strengthen their procurement, production, storage and transportation activities.

5.4 Future research direction

This research was constrained by limitations including time and financial resources, which in turn limited it in scope and research participants. Nevertheless, the research tried to show a new perspective in the study of strategic partnerships that can be extended by other researchers. The researcher believes that there are more variables that were not included in the study that can be studied by other researchers for having a complete understanding of strategic partnerships in operational performance. In addition, the study can be done on different business sectors to see if the results show similar findings, which will help decision makers to be confident on creating and running strategies for different firms.

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Appendix

Interview Questions

Part 1

The following questions are about operational performance. Therefore, please express your level of agreement by putting "X" mark on the box that best describe your opinion.

Ratings:

1 = Strongly Disagree

2 = Disagree

3 = Somewhat Disagree

4 = Neutral

5 = Agree

6 = Somewhat Agree

7= Strongly Agree

No	Description	Ratings						
		1	2	3	4	5	6	7
	Outputs Perspective							
1	The company is profitable.							
2	Operations in the company are performed with low cost.							
3	The company regularly conducts social and environmental activities.							
	Stakeholders Perspective							
4	The company has large number of export destinations / distribution channels.							
5	The company has access to sufficient financial resources.							
6	There is ample supply for the company to perform export operations.							
	Business Processes Perspective							
7	Turnaround time (average time to deliver an order) is short.							
8	The company is known for innovation and use of innovative solutions.							
9	The company performs astonishing research and development activities.							
10	The company is performing well on marketing and sales.							
11	The company is utilizing advanced technologies to gain competitive advantage.							
	Enablers Perspective							
12	The company is regularly recruiting high quality talent.							
13	The company has good culture of retaining employees.							

14	Carrier development trainings are given to employees regularly.							
15	The company works towards diversifying its products for export.							

Part 2

The following part contains questions about strategic partnerships and operational performance. Therefore, please express your level of agreement by putting "X" mark on the box that best describe your opinion.

Ratings:

1 = Strongly Disagree

2 = Disagree

3 = Somewhat Disagree

4 = Neutral

5 = Somewhat Agree

6 = Agree

7 = Strongly Agree

No	Description	Ratings						
		1	2	3	4	5	6	7
	Technological / R&D Partnerships							
1	Entering a partnership enhanced the level of innovativeness in the firm.							
2	Partnership in Research and Development lead to introduction of new capabilities in the firm that eventually enhanced performance.							
3	Transfer / training in new technology because of strategic partnerships enhanced capacity of the firm.							
	Marketing partnerships							
4	Promotions resulting from strategic partnerships improves market operations of the firm.							
5	Strategic market partnerships result into efficient market distribution system that enhanced the firm's operations.							
6	The branding system resulting from marketing partnerships increased the ability of the firm to penetrate the global market.							
	Production / Supplier Partnerships							
7	Shared knowledge and expertise in production / supplier partnerships improved efficiency in the firm's processes.							
8	Operation costs decreased due to supplier partnerships.							
9	Enhancing the quality assurance capabilities through partnerships reduced the level of product defects in the firm.							
10	Supplier partnerships resulted in the firm getting products and raw materials on time.							

	Logistics Partnerships							
11	Logistic partnerships enabled the firm to save on storage expenses.							
12	Logistic partnerships enabled the firm to save on transport expenses.							