JRIIE Journal of Research Innovation and Implications in Education
Center for Research Implications & Practice

Website:www.jriiejournal.com ISSN 2520-7504 (Online) Vol.9, Iss.2, 2025 (pp. 760 - 769)

# Effect of Strategic Sourcing on Organizational Performance: A case of Sulfo Rwanda Industries (2021-2024)

Annualitte Vumiriya & Akumuntu Joseph
University of Kigali
https://orcid.org/0009-0001-5693-2478
Email: annualittev@gmail.com

***Abstract:*** *The general objective of this study was to examine the effect of strategic sourcing on organizational performance of Sulfo Rwanda Industries. The Statistical Package for the Social Sciences (SPSS) version 25 was used for statistical analysis, employing both descriptive and inferential statistics. Descriptive statistics summarized key data characteristics, while correlation analysis explored the relationships between strategic sourcing elements and organizational performance. Strategic supplier selection has an unstandardized coefficient of 0.233, indicating that a one-unit increase in strategic supplier selection results in a 0.233-unit increase in organizational performance ($\beta$ = 0.233, t = 2.505, P = 0.013). Strategic supplier negotiation has an unstandardized coefficient of 0.213, indicating that a one-unit increase in strategic supplier negotiation results in a 0.213-unit increase in organizational performance ($\beta$ = 0.213, t = 2.536, P = 0.012). Furthermore, strategic supplier collaboration has an unstandardized coefficient of 0.212, signifying that a one-unit increase in strategic supplier collaboration leads to a 0.212-unit increase in organizational performance ($\beta$ = 0.212, t = 3.072, P = 0.002). Strategic supplier monitoring also has an unstandardized coefficient of 0.238, indicating that a one-unit increase in strategic supplier monitoring corresponds to a 0.238-unit increase in organizational performance ($\beta$ = 0.238, t = 4.175, P = 0.000). The study recommended that Sulfo Rwanda Industries should enhance strategic supplier management by improving communication, strengthening collaboration, increasing supplier participation, and empowering suppliers through capacity-building programs to enhance organizational performance.*

***Keywords:*** *Strategic Sourcing, Organizational Performance, Strategic Supplier Selection, Strategic Supplier Negotiation, Strategic Supplier Collaboration*

**How to cite this work (APA):**

Vumiriya, A. & Akumuntu, J. (2025). Effect of strategic sourcing on organizational performance. A case of Sulfo Rwanda Industries (2021-2024). *Journal of Research Innovation and Implications in Education, 9*(2), 760 – 769. **https://doi.org/10.59765/mgyr9.**

## 1. Introduction

In Rwanda, strategic sourcing has been increasingly prioritized within both the public and private sectors to enhance procurement processes and boost organizational performance. By adopting strategic sourcing practices, institutions can optimize their supply chains, ensuring the acquisition of goods and services at competitive prices while maintaining quality. This approach also emphasizes supplier collaboration and innovation, fostering long-term partnerships that contribute to sustainability and national development. Strategic sourcing supports Rwanda's economic goals by enhancing efficiency, supporting local manufacturers, and improving the delivery of goods and services across various sectors, including education, healthcare, and infrastructure (Mbonigaba *et al.*, 2024).

Bralirwa, a leading brewery in Rwanda, leverages strategic sourcing to optimize procurement processes and drive operational efficiency. The company focuses on selecting suppliers based on quality, cost, and reliability, fostering long-term partnerships. Bralirwa utilizes advanced technology for procurement, improving visibility and streamlining supply chain management. This approach allows Bralirwa to manage procurement costs, minimize supply chain disruptions, and ensure the timely acquisition of raw materials. As a result, strategic sourcing contributes significantly to Bralirwa's cost reduction and enhanced corporate performance (Irakoze & Akumuntu, 2024).

Strategic sourcing at the Rwanda Basic Education Board (REB) focuses on optimizing procurement activities to improve organizational performance. This approach involves evaluating and selecting suppliers based on cost-efficiency, long-term partnerships, and alignment with institutional objectives. It emphasizes thorough planning, effective supplier relationship management, and cost control to ensure timely and quality procurement of goods and services. The process aims to enhance operational efficiency, support the "Made in Rwanda" initiative, and ensure that resources are utilized effectively, contributing to the achievement of educational goals while supporting national economic growth.

Strategic sourcing has the potential to significantly enhance organizational performance in Rwanda. However, many organizations face challenges in optimizing sourcing strategies due to factors such as inefficiency in procurement processes, resource mismanagement, and inadequate supplier relationships. These challenges hinder the full realization of benefits from strategic sourcing, affecting operational efficiency and overall performance (Twum, 2022).

Strategic sourcing in Rwandan companies had critical challenges, with 18.2% of potential export growth lost due to decreased exports (6.7%) and cessation in established markets (11.5%). Exporter survival is low, with only 30% continuing beyond the first year. Export complexity and diversification remain underutilized, highlighting the need for strong sourcing strategies (Twum, 2022).

Bralirwa Ltd highlighted a significant increase in purchasing costs, with a 46.8% rise in 2021 alone. This shows the financial implications of suboptimal sourcing strategies. Simultaneously, the COVID-19 pandemic exposed vulnerabilities in global supply chains, leading to delays, shortages, and increased costs for Rwandan businesses (Irakoze & Akumuntu, 2024).

Manufacturing companies that invest in strategic sourcing are 50% more likely to report improvement in product quality and customer satisfaction (PwC, 2021). Yet, many Rwandan manufacturers remain unaware of the potential benefits that strategic sourcing can bring. Isingizwe *et al.* (2022) found that 67% of manufacturing firms in Rwanda reported challenges in sourcing raw materials, such as high costs and inconsistent quality. This challenge adversely affects overall operational performance, resulting in increased production lead times and reducing the ability to meet customer demand promptly.

While numerous studies including Twum, (2022), Irakoze and Akumuntu, (2024) and Isingizwe *et al.* (2022) on strategic sourcing in Rwanda focus on manufacturing companies, limited research targets Sulfo Rwanda Industries. This study on effect of Strategic Sourcing on Performance of Sulfo Rwanda Industries addressed this gap, exploring how strategic sourcing affects Sulfo Rwanda Industries's performance outcomes.

The general objective of this study was to examine the effect of strategic sourcing on the organizational performance of Sulfo Rwanda Industries.
Specific objectives:

1. To assess the effect of strategic supplier selection on performance of Sulfo Rwanda Industries.

2. To evaluate the effect of strategic supplier negotiation on performance of Sulfo Rwanda Industries.

3. To investigate the effect of strategic supplier collaboration on performance of Sulfo Rwanda Industries.

4. To examine the effect of strategic supplier monitoring on performance of Sulfo Rwanda Industries.

Hypotheses

The following research null hypotheses were developed:
$H_{01}$: Strategic supplier selection has no significant effect on performance of Sulfo Rwanda Industries.
$H_{02}$: Strategic supplier negotiation has no significant effect on performance of Sulfo Rwanda Industries.
$H_{03}$: Strategic supplier collaboration has no significant effect on performance of Sulfo Rwanda Industries.
$H_{04}$: Strategic supplier monitoring does not significantly affect performance of Sulfo Rwanda Industries.

# 2. Literature Review

## 2.1 Theoretical Review

The study was based on Dynamic Capabilities Theory, Social Exchange Theory and Transaction Cost Economics Theory.

### 2.1.1 Dynamic Capabilities Theory

Dynamic capabilities theory proposed by David Teece, Gary Pisano and Amy Shuen, in their 1997 paper Dynamic Capabilities and Strategic Management. Dynamic Capabilities Theory examines how firms develop the ability to adapt and reconfigure their resources and capabilities in response to rapidly changing environments. This theory emphasizes the need for organizations to not only possess valuable resources but also the capacity to innovate, learn, and integrate new capabilities as market conditions evolve. It stresses that sustaining competitive advantage requires ongoing adjustments to firm-specific competencies, which enable firms to sense new opportunities, seize them, and reconfigure their operations accordingly. These processes of adaptation and transformation help firms remain competitive in an environment where technological advancements, market shifts, and consumer demands change frequently (Ghosh *et al.*, 2022).

The Dynamic Capabilities Theory was utilized to explain how Sulfo Rwanda Industries develop and reconfigure its strategic sourcing practices to improve resource allocation, supplier management, and adaptation to changing demands. This theory supports identifying mechanisms that enhance sourcing strategies to drive continuous organizational performance improvement.

## 2.1.2 Social Exchange Theory

Social exchange theory was developed by George Homans, a sociologist. It first appeared in his essay "Social Behavior as Exchange," in 1958. Social Exchange Theory provides a framework for understanding the nature of relationships between individuals or organizations based on the principle of reciprocity. According to this theory, relationships are formed and maintained when each party in an exchange perceives that the benefits outweigh the costs. The theory assumes that individuals and organizations engage in interactions where they seek to maximize rewards, such as resources, information, or cooperation, and minimize costs, such as effort, time, or risk. Over time, these exchanges help establish trust, commitment, and cooperation, which are crucial for long-term collaboration (Ahmad *et al.*, 2023).

The Social Exchange Theory was applied to demonstrate how strategic supplier relationships at Sulfo Rwanda Industries create mutually beneficial partnerships. It highlights the role of trust, collaboration, and perceived value in building effective exchanges, leading to enhanced performance through cooperative sourcing practices and sustained supplier commitment.

### 2.1.3 Transaction Cost Economics (TCE)

The theory of transaction cost economics (TCE) was developed by British economist Ronald Coase in 1937 and refined by American economist Oliver Williamson in 1975. Transaction Cost Economics focuses on the costs associated with economic exchanges, exploring how firms choose between market transactions, hybrid governance structures, and internal organization to minimize transaction-related costs. The theory was developed to address the inefficiencies that arise when conducting exchanges in markets, such as the costs of negotiating, monitoring, and enforcing contracts. Transaction Cost Economics posits that when the costs of using the market are high, firms may opt to internalize certain activities or form long-term contracts to reduce the need for frequent market exchanges (Hasanah, 2024).

The Transaction Cost Economics Theory was employed to assess Sulfo Rwanda Industries' decisions in sourcing arrangements that minimize costs and optimize efficiency. It emphasizes the importance of evaluating governance structures, including outsourcing or vertical integration, to ensure cost-effective supplier relationships and improved organizational outcomes.

## 2.2 Empirical Review

Kaufmann *et al.* (2021) examined the use of narratives in buyer-supplier negotiations, focusing on how these narratives can influence supplier relationships and improve both relational and economic negotiation outcomes. The study was conducted in two phases: the first involved narrative writing workshops to identify key design elements of effective narratives, while the second utilized fuzzy-set qualitative comparative analysis to examine how these elements function in different power situations. The findings reveal that the effectiveness of narratives is a complex phenomenon, shaped by interlinked design elements. This research also contributes to narrative transportation theory, showing that narrative elements are causally complex and that their interaction with structural power in negotiations can significantly impact outcomes. By analyzing different configurations of narratives in power contexts, the study provides propositions that advance theory in buyer-supplier negotiations. These findings offer insights into the role of narratives as a tool for influencing negotiation dynamics.

Butt *et al.* (2021) examined the strategies employed by purchasing firms to streamline Supplier Relationship Management (SRM) during the COVID-19 pandemic. The study, which involved 42 semi-structured interviews with procurement managers across six firms in the UAE, identified six key strategies: revising supply chain costs, planning orders in advance, sharing critical information with suppliers, planning for contingencies, developing partnerships with suppliers, and improving supplier visibility. These strategies were implemented to manage supplier relationships more effectively during the crisis, ensuring business continuity and mitigating risks. The findings contribute to the SRM literature by emphasizing the importance of strategic supplier negotiations during crises. The study recommends that firms should adopt these strategies to maintain resilient supplier relationships, particularly in uncertain times, and focus on strengthening collaboration through information sharing and joint problem-solving. However, the study's limitations include the small sample size and its focus on firms in the UAE, suggesting the need for further research in different contexts.

Chepng'etich (2020) investigates the influence of strategic negotiation on the performance of devolved systems of government in Kenya. The study targeted employees from the finance and procurement departments in 10 counties, with a sample size of 186 respondents selected through stratified random sampling. The research utilized a cross-sectional survey design, incorporating both quantitative and qualitative approaches. Data were analyzed using descriptive and inferential statistics, aided by Statistical Package for the Social Sciences (SPSS) version 24, with multiple regression analysis and F-tests applied for hypothesis testing. The findings indicate a moderate positive correlation between strategic negotiation and government performance, with Pearson's correlation coefficient supporting the relationship. The study highlights that strategic negotiation practices such as price determination, delivery terms, packaging, and transportation agreements play crucial roles in improving procurement processes and government performance. The research emphasizes the importance of adopting strategic negotiation for enhancing the efficiency of devolved government systems in Kenya.

Jenkins and Holcomb (2021) explore how nascent firms enhance their customer attractiveness to attract strategic supplier collaboration. The study utilizes data from 26 participants across 15 nascent firms, supported by a grounded theory approach. It develops a theoretical model illustrating that social capital, derived from strong social connections and shared histories, mitigates supplier collaboration risks. This increased trust strengthens the nascent firm’s customer appeal, facilitating supplier commitment. The authors argue that these relational practices are crucial for nascent firms, particularly given their resource constraints, as they help secure essential supplier resources for growth and survival. The study fills a gap in research, as it moves beyond the mature firm context, addressing unique supplier management challenges in nascent firms. Managers in such firms can use these findings to better navigate relationships with strategic suppliers, improving the likelihood of successful collaboration and resource acquisition.

Arif, Malik, Khan, Karim, and Jabbar (2021) examined the impact of supplier collaboration and firms' risk management capabilities on the organizational performance within the oil and LPG marketing sector of Pakistan. The study used a quantitative approach with a survey of 200 professionals from the supply chain, retail, and marketing sectors, analyzing the data through SPSS. The findings revealed that supplier collaboration positively influences firm performance and that the firms' risk management capabilities moderately mediate this relationship. This indicates that integrating supplier collaboration within firms, coupled with robust risk management strategies, enhances organizational performance, particularly in competitive environments. The study emphasizes the strategic advantage gained through effective supply chain integration and suggests that policymakers and researchers focus on strengthening these aspects to boost organizational efficiency. The research also highlights the importance of risk management in moderating the effects of supplier collaboration, offering practical insights for firms in similar sectors.

Tarigan and Siagian (2021) examined the effects of strategic planning, purchasing strategy, and strategic Partial Least Squares partnership on operational performance within manufacturing companies in East Java, Indonesia. The study involved 135 companies, with data analyzed using (PLS) to assess measurement model validity and reliability. Findings revealed that strategic planning positively influences purchasing strategy and strategic partnerships. Additionally, purchasing strategies, such as evaluating supplier capabilities, enhance supplier involvement in business processes, which, in turn, strengthens strategic partnerships. Both purchasing strategies and strategic partnerships mediate the impact of strategic planning on operational performance. This research contributes to supply chain management theory, emphasizing the importance of integrating strategic planning with effective purchasing strategies and strong partnerships to improve operational outcomes.

# 3. Methodology

This section outlines the study methodology, providing a detailed description of the methods, it describes sampling techniques to ensure that key informants from various departments are represented.

## 3.1 Research Design

In this study, both descriptive and correlation analyses were employed. Descriptive analysis summarized demographic data and key variables, providing an overview of the dataset. Correlation analysis examined relationships between strategic sourcing practices and organizational performance, providing deeper insights into how different sourcing strategies affect Sulfo Rwanda Industries. A quantitative methodology was applied, using questionnaires as the primary tool for data collection, ensuring that the gathered data aligns with the study’s research objectives.

## 3.2 Population of the Study

This study focused on 278 participants, including Sulfo Rwanda Industries Management and Leadership, Tender committee members, Supply chain management staffs and purchasing and procurement staffs.

## 3.3 Sample Design

In situations where studying the whole population would be impractical owing to lack of time or resources, researchers may still use Slovin's technique to accurately sample the community. researcher applied Slovin's formula to find out a sample required to produce reliable findings.

This is how the researcher determined which version of Slovin's formula to use:

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

n= Number of samples or sample size
N= Total population
e = Error tolerance

$$n = \frac{278}{1 + (278x0.05^2)} = \frac{278}{1 + (278x0.0025)}$$
$$= \frac{278}{1 + 0.695} = \frac{278}{1.695} = 164$$

## 3.4 Data Collection Methods and Instruments

In this study, the questionnaire focused on areas relevant to stakeholders' experiences and perspectives regarding strategic sourcing practices at Sulfo Rwanda Industries. The questions were crafted to elicit both qualitative and quantitative feedback, providing a comprehensive view of strategic sourcing and its effect on organizational performance.
The researcher employed this documentary approach to efficiently collect and assess secondary data related to the strategic sourcing practices and organizational performance of Sulfo Rwanda Industries.

## 3.5 Data Analysis

Data analysis in this study used descriptive and inferential statistical techniques to examine the relationship between strategic sourcing practices and performance of Sulfo Rwanda Industries. Descriptive statistics summarized participants' perceptions and performance outcomes, while inferential statistics tested hypotheses and allow for generalizations about the broader population.

To evaluate the relationships between elements of strategic sourcing practices and performance of Sulfo Rwanda Industries, correlation coefficients were applied. These metrics helped assess the strength and direction of associations between strategic sourcing activities and organizational performance outcomes. The analysis was structured as follows:

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Where:
Y = Organizational performance
X1 = Strategic supplier selection
X2 = Strategic supplier negotiation
X3 = Strategic supplier collaboration
X4 = Strategic supplier monitoring
$\alpha$ = Constant
$\beta$ = Coefficients of the model

## 3.6 Ethical Considerations

The researcher prioritized informed consent by providing comprehensive information about the study's purpose, procedures, potential risks, and benefits to all stakeholders involved. This process allowed participants to make well-informed decisions regarding their involvement, thereby respecting their autonomy and individual rights. In addition to obtaining consent, ensuring the anonymity of participants throughout the research process is essential.

# 4. Results and Discussion

This section presents the findings of the study based on the data collected from the field. The analysis is centered on the overall objective of the study.

## 4.1 Respondent Rate

The respondent rate represents an essential aspect of the research, reflecting the effectiveness of the data collection process as well as the level of engagement from the target population. A higher response rate often correlates with more reliable findings, as it indicates a broader consensus among participants.

**Table 1: Respondent Rate**

| Response | Frequencies | Percent |
|---|---|---|
| Responded | 157 | 95.73 |
| Not Responded | 7 | 4.27 |
| **Total** | 164 | 100.00 |

Source: Field data, 2025

Table 1 presents the response distribution, illustrating that a significant majority of the participants, 157 individuals, took part in the survey, representing 95.73% of the total sample. Only 7 participants, accounting for 4.27%, did not respond, indicating a high level of engagement and willingness to share their insights, which enhances the reliability of the collected data.

## 4.2 Inferential Statistics

This section illustrates inferential statistics aimed at understanding the relationships among various strategic supplier management practices and their impact on organizational performance at Sulfo Rwanda Industries.

The analyses include correlation analysis and regression analysis, assessing the significance of the relationships and effects identified.

This section examines the correlation between strategic supplier management practices and organizational performance.

### 4.2.1 Correlation Analysis

**Table 2: Correlations**

| | | Strategic supplier selection | Strategic supplier negotiation | Strategic supplier collaboration | Strategic supplier monitoring | Organizational performance |
|---|---|---|---|---|---|---|
| Strategic supplier selection | Pearson Correlation | 1 | .812** | .733** | .651** | .753** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 |
| | N | 157 | 157 | 157 | 157 | 157 |
| Strategic supplier negotiation | Pearson Correlation | .812** | 1 | .743** | .505** | .715** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 |
| | N | 157 | 157 | 157 | 157 | 157 |
| Strategic supplier collaboration | Pearson Correlation | .733** | .743** | 1 | .534** | .707** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 |
| | N | 157 | 157 | 157 | 157 | 157 |
| Strategic supplier monitoring | Pearson Correlation | .651** | .505** | .534** | 1 | .648** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 |
| | N | 157 | 157 | 157 | 157 | 157 |
| Organizational performance | Pearson Correlation | .753** | .715** | .707** | .648** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 157 | 157 | 157 | 157 | 157 |

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

Source: Field data, 2025

Table 2 presents the correlation analysis results among the independent variables: strategic supplier selection, strategic supplier negotiation, strategic supplier collaboration, strategic supplier monitoring, and the dependent variable, organizational performance at Sulfo Rwanda Industries. The analysis indicates significant positive relationships between each independent variable and organizational performance. Strategic supplier selection exhibits a strong positive relationship with organizational performance ($r = 0.753$, $p < 0.05$), indicating that effective supplier selection enhances performance metrics within the organization.

The findings are supported by Bartoo, Namusonge, and Makokha (2023), who emphasized that supplier selection significantly influences organizational performance. Their study indicates that effective supplier selection is critical for enhancing efficiency. This study on Sulfo Rwanda Industries similarly reveals that strategic supplier selection positively impacts performance metrics within the organization, demonstrating its importance.

Additionally, strategic supplier negotiation shows a strong positive relationship with organizational performance ($r = 0.715$, $p < 0.05$), highlighting the critical nature of negotiation practices in achieving favorable outcomes.

The findings resonate with Butt et al. (2021), who highlighted the importance of strategic supplier negotiation during crises. Their study indicates that effective negotiation strategies can enhance supplier relationships and mitigate risks. This study on Sulfo Rwanda Industries shows that negotiation practices contribute significantly to achieving favorable organizational outcomes, reinforcing their critical role.

Similarly, strategic supplier collaboration ($r = 0.707$, $p < 0.05$), aligning with Jenkins and Holcomb (2021), who explored the significant role of social capital in facilitating supplier collaboration. Their study indicates that strong relationships enhance collaboration potential. This study on Sulfo Rwanda Industries confirms that strategic supplier collaboration practices, such as joint problem-solving and mutual training, positively affect organizational performance.

and strategic supplier monitoring ($r = 0.648$, $p < 0.05$) contribute positively to organizational performance, demonstrating the vital role these practices play in achieving overall business success. The significance level of $p < 0.05$ confirms that these relationships are statistically significant.

The findings are consistent with Al Shraah et al. (2022), who investigated the impact of sourcing strategies on organizational performance. Their study indicates that effective sourcing strategies improve performance metrics in the pharmaceutical sector. This study on Sulfo Rwanda Industries similarly highlights that strategic supplier monitoring enhances performance through compliance and performance reviews, driving organizational success.

### 4.2.2 Regression Analysis

This section illustrates the regression analysis examining the impact of strategic supplier selection, strategic supplier negotiation, strategic supplier collaboration, and strategic supplier monitoring on organizational performance at Sulfo Rwanda Industries.

**Table 3: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .817[a] | .667 | .658 | .29460 | 1.951 |

a. Predictors: (Constant), Strategic supplier monitoring, Strategic supplier negotiation, Strategic supplier collaboration, Strategic supplier selection

b. Dependent Variable: Organizational performance

Table 3 presents the model summary, where the R value is 0.817, indicating a strong relationship between the predictors and organizational performance; the R Square value of 0.667 indicates that approximately 66.7% of the variance in organizational performance is explained by the independent variables in the model. The Durbin-Watson statistic of 1.951 suggests no significant autocorrelation in the residuals, reinforcing the reliability of the model.

The findings are consistent with Frederico *et al.* (2021), who emphasized that strategic sourcing significantly enhances organizational effectiveness through optimized procurement activities. Their study indicates that evaluating suppliers based on cost, quality, and reliability is essential for forming long-term relationships, which contribute to operational efficiency. This study on Sulfo Rwanda Industries indicates that implementing strategic sourcing practices, including effective supplier selection and negotiation strategies, active collaboration, and robust monitoring mechanisms, plays a crucial role in improving organizational competitiveness and aligning procurement goals with broader business strategies. Both studies highlight the significant impact of these variables on achieving improved performance outcomes in organizational contexts.

**Table 4: ANOVA**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 26.405 | 4 | 6.601 | 75.874 | .000[b] |
| | Residual | 13.192 | 152 | .087 | | |
| | Total | 39.597 | 156 | | | |

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Strategic supplier monitoring, Strategic supplier negotiation, Strategic supplier collaboration, Strategic supplier selection

Source: Field data, 2025

Table 4 provides the ANOVA results, demonstrating an F statistic of 75.874, significant with a p-value of 0.000. This indicates that the regression model is statistically significant, confirming that at least one of the independent variables has a significant effect on organizational performance at Sulfo Rwanda Industries.

The findings are supported by Man *et al.* (2024), who emphasized that strategic sourcing practices are critical in sectors such as logistics, pharmaceuticals, and electronics. Their study illustrates how companies like GlaxoSmithKline maintain compliance through rigorous supplier monitoring, while Flextronics prioritizes supplier relationships to drive product innovation and quality. This study on Sulfo Rwanda Industries indicates that these strategic practices significantly impact organizational performance, as reflected in the ANOVA results, which highlight a statistically significant model. Both studies validate the necessity of employing effective sourcing strategies to enhance operational efficiency and overall business success within competitive markets.

**Table 5: Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | .376 | .198 | | 1.899 | .060 | | |
| | Strategic supplier selection | .233 | .093 | .236 | 2.505 | .013 | .248 | 4.035 |
| | Strategic supplier negotiation | .213 | .084 | .221 | 2.536 | .012 | .291 | 3.442 |
| | Strategic supplier collaboration | .212 | .069 | .231 | 3.072 | .002 | .391 | 2.558 |
| | Strategic supplier monitoring | .238 | .057 | .259 | 4.175 | .000 | .564 | 1.774 |

a. Dependent Variable: Organizational performance

Source: Field data, 2025

Table 5 presents the coefficients for the regression model analyzing the effect of strategic supplier selection, strategic supplier negotiation, strategic supplier collaboration, and strategic supplier monitoring on organizational performance at Sulfo Rwanda Industries. The unstandardized coefficient for the constant is 0.376, indicating the baseline value of organizational performance when all predictor variables are zero.

Strategic supplier selection has an unstandardized coefficient of 0.233, indicating that a one-unit increase in strategic supplier selection results in a 0.233-unit increase in organizational performance ($\beta = 0.233$, $t = 2.505$, $P = 0.013$). This significant finding confirms that strategic supplier selection positively influences organizational performance. The findings are consistent with Woschank et al. (2022), who emphasized that structured supplier selection processes enhance supplier performance. Their study indicates that process formality significantly influences performance in Industry 4.0 environments. This study on Sulfo Rwanda Industries confirms that strategic supplier selection positively impacts organizational performance, highlighting the need for systematic practices.

Strategic supplier negotiation has an unstandardized coefficient of 0.213, indicating that a one-unit increase in strategic supplier negotiation results in a 0.213-unit increase in organizational performance ($\beta = 0.213$, $t = 2.536$, $P = 0.012$). This outcome underlines the importance of negotiation practices in achieving better performance. The findings resonate with Chepng'etich (2020), who emphasized that strategic negotiation practices improve performance in devolved government systems. Their study reveals that effective negotiation contributes positively to operational success. This study on Sulfo Rwanda Industries indicates that strategic supplier negotiation significantly enhances organizational performance, reinforcing the importance of clear agreements and terms.

Furthermore, strategic supplier collaboration has an unstandardized coefficient of 0.212, signifying that a one-unit increase in strategic supplier collaboration leads to a 0.212-unit increase in organizational performance ($\beta = 0.212$, $t = 3.072$, $P = 0.002$). This finding emphasizes the effectiveness of collaboration in enhancing organizational outcomes. The findings align with Arif et al. (2021), who discovered that supplier collaboration positively influences organizational performance and is crucial for effective supply chain integration. Their results suggest that collaboration fosters competitive advantages. This study on Sulfo Rwanda Industries indicates that strategic supplier collaboration significantly enhances performance outcomes through joint efforts and mutual training.

Strategic supplier monitoring also has an unstandardized coefficient of 0.238, indicating that a one-unit increase in strategic supplier monitoring corresponds to a 0.238-unit increase in organizational performance ($\beta = 0.238$, $t = 4.175$, $P = 0.000$). This significant result shows the strong impact of monitoring practices on improving organizational performance. The findings are supported by Tarigan and Siagian (2021), who highlighted that strategic planning and purchasing strategies enhance operational performance. Their research indicates that evaluating supplier capabilities strengthens partnerships. This study on Sulfo Rwanda Industries demonstrates that strategic supplier monitoring significantly impacts organizational performance, ensuring compliance and accountability in supplier relationships.

Regarding collinearity statistics, tolerance values range from 0.248 to 0.564, indicating no multicollinearity issues among the predictors, as tolerance values above 0.1 are acceptable. The VIF values range from 1.774 to 4.035, further confirming that multicollinearity does not present significant concerns within the analysis.

Table 5 presents the hypotheses results, establishing that all hypotheses were rejected based on statistical significance at the level where $p < 0.05$.

$H_{01}$: Strategic supplier selection has no significant effect on the performance of Sulfo Rwanda Industries; the p-value confirms rejection of this hypothesis. $H_{02}$: Strategic supplier negotiation has no significant effect on the performance of Sulfo Rwanda Industries; the p-value confirms rejection of this hypothesis. $H_{03}$: Strategic supplier collaboration has no significant effect on the performance of Sulfo Rwanda Industries; this hypothesis is also rejected based on the provided p-value. $H_{04}$: Strategic supplier monitoring does not significantly affect the performance of Sulfo Rwanda Industries; the p-value indicates that this hypothesis is rejected as well.

The results of the hypothesis testing affirm that each strategic supplier management practice investigated strategic supplier selection, strategic supplier negotiation, strategic supplier collaboration, and strategic supplier monitoring has a significant positive influence on the organizational performance of Sulfo Rwanda Industries. This conclusive evidence emphasizes the importance of effective supplier management strategies in driving overall performance outcomes within the organization.

# 5. Conclusion and Recommendations

## 5.1 Conclusion

The findings of this study highlight the positive impact of strategic supplier management practices on the organizational performance of Sulfo Rwanda Industries. The results emphasize the critical role of effective supplier selection, negotiation, collaboration, and monitoring in enhancing overall business success. Therefore, the strategic management practices of supplier selection, negotiation, collaboration, and monitoring are integral to the performance of Sulfo Rwanda Industries. These practices enhance operational efficiency, foster positive supplier relationships, and significantly contribute to the organization's overall success and sustainability.

### 5.1.2 Recommendations

1. Sulfo Rwanda Industries should prioritize enhancing strategic supplier management practices by establishing effective communication channels to ensure all internal stakeholders and suppliers are informed and engaged in the planning and decision-making processes.
2. Collaboration among procurement teams, suppliers, and relevant departments should be strengthened through joint workshops and meetings, fostering a shared understanding and efficient operational execution.

### 5.1.3 Suggestions for Future Research

Future research should examine the effect of inventory management practices on organizational performance of Sulfo Rwanda Industries. The effect of procurement process efficiency on organizational performance of Sulfo Rwanda Industries.

# References


Ahmad, R., Nawaz, M. R., Ishaq, M. I., Khan, M. M., & Ashraf, H. A. (2023). Social exchange theory: Systematic review and future directions. *Frontiers in Psychology*, *13*, 1015921.

Al Shraah, A., Abu-Rumman, A., Alqhaiwi, L., & AlSha'ar, H. (2022). The impact of sourcing strategies and logistics capabilities on organizational performance during the COVID-19 pandemic: Evidence from Jordanian pharmaceutical industries. *Uncertain Supply Chain Management, 10*(1077–1090).

Arif, A. R., Malik, M. H., Khan, A., Karim, T. A., & Jabbar, S. (2021). Impact of supplier collaboration and firms' risk management capabilities on the organizational performance in Oil Marketing and LPG Marketing Companies sector companies of Pakistan. *Indian Journal of Economics and Business*, *20*(4), 611-623.

Bartoo, D. C., Namusonge, G. S., & Makokha, E. N. (2023). Influence of supplier selection on organizational performance in food and beverage manufacturing companies in Kenya. *African Journal of Emerging Issues, 5*(3), 64-80

Butt, A. S., Alghababsheh, M., Arshi, T. A., & Shah, S. H. (2021). Strategies to streamline supplier relationship management during crises: Lessons learned from COVID-19 and future pathways. *Journal of Business Research, 144*, 435-444.

Chepng'etich, C. (2020). Strategic negotiation on the performance of government's devolved systems in Kenya. *International Journal of Research in Business and Social Science, 9*(7), 233–238.

Frederico, G. F., Kumar, V., & Garza-Reyes, J. A. (2021). Impact of the strategic sourcing process on the supply chain response to the COVID-19 effects. *Business Process Management Journal*, *27*(6), 1775-1803.

Ghosh, S., Hughes, M., Hodgkinson, I., & Hughes, P. (2022). Digital transformation of industrial businesses: A dynamic capability approach. *Technovation*, 113, 102414.

Hasanah, N. (2024). Transaction costs: A legendary theory of the firm. *Journal of Business Studies and Management Review*, *7*(2), 79–95.

Irakoze, S., & Akumuntu, J. (2024). Analysis of the relationship between strategic procurement practices and corporate performance in Rwanda: A case of Bralirwa Ltd (2019-2022). *Journal of Procurement & Supply Chain, 8*(1), 42–59.

Jenkins, M., & Holcomb, M. (2021). Strategic supplier management in nascent firms: An examination of how nascent firms improve customer attractiveness to obtain strategic supplier collaboration. *The International Journal of Logistics Management*, *32*(4), 1290–1314.

Kaufmann, L., Schreiner, M., & Reimann, F. (2023). Narratives in supplier negotiations—The interplay of narrative design elements, structural power, and outcomes. *Journal of Supply Chain Management*, *59*(1), 66-94.

Man, L. C., Lin, Y., Pang, G., Sanderson, J., & Duan, K. (2024). Digitalization to achieve greener ssssssssssshealthcare supply chain. *Journal of Cleaner Production*, 142802.

Mbonigaba, C., Kumar, A. D., & Vasuki, M. (2024). Sustainable procurement in the agricultural sector: A COMESA perspective. *International Journal of Advanced Trends in Engineering and Technology, 9*(2), 14-24.

Tarigan, Z. J. H., & Siagian, H. (2021). The effects of strategic planning, purchasing strategy and strategic partnership on operational performance. *Uncertain Supply Chain Management, 9*, 363–372.

Twum, A. (2022). Using trade to propel high growth: Lessons from Rwanda's export performance in the past decade. Final Report, May 2022.

Woschank, M., Dallasega, P., Zunk, B. M., & Pacher, C. (2022). Strategic supplier selection: The importance of process formality in non-automated supplier selection decisions. *Sustainability*, *14*(13), 8044.