



Determinants of Strategic Sourcing and Organizational Performance: Evidence from Tanzania Port Authority, Dar es Salaam

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Abstract: *The study examined the determinant of strategic sourcing on organizational performance. An exploratory research design was employed in the study. Questionnaires were used to gather data using only a quantitative method. Both stratified and simple random techniques were used to select hundred and seventy-one (171) participants determined using Yamane formula. Quantitative data were analyzed using descriptive and multiple regression analysis with the help of SPSS. Study findings revealed that supplier negotiation was found to have no significant effect on organization performance which implies that supplier negotiation practice at TPA do not substantially influence performance outcome including attainment of fair price for the specified quality of the goods, payment terms, liability claims and delivery terms. Consequently, study findings revealed that organizational performance may be influenced more strongly by supplier relationship management and supplier selection since SRM and supplier selection show significant effect on organization performance which implies sharing of quality information between strategic sourcing partners, involvement in supplier development and capabilities. The study recommends that public sector reforms should concentrate on bolstering the institutional capacities of its employees that enable strong negotiation skills, supplier management and selection as procurement resources and government should implement policies that support transparent supplier selection processes, negotiation, strategic procurement management and long-term supplier relationship management.*

Keywords: *Supplier relationship management, Supplier selection, Supplier negotiation and Organization Performance.*

How to cite this work (APA):

Magesa, P. R. & Salum, K. N. (2026). Determinants of Strategic Sourcing and Organizational Performance: Evidence from Tanzania Port Authority Dar es Salaam. *Journal of Research Innovation and Implications in Education*, 10(2), 1105 – 1118. <https://doi.org/10.59765/nvh629g>

1. Introduction

Strategic sourcing has emerged as a crucial procurement strategy in both public and private organisations since it emphasises long-term supplier relationships, cost reduction, quality improvement, risk mitigation, and

operational efficiency (Kariuki et al., 2024). In contrast to traditional procurement that primary focus on price consideration and transactional purchasing, strategic sourcing prioritises value creation, market analysis, contract management, and supplier evaluation to improve organisational performance (Mchopa et al., 2024). Effective strategic sourcing promotes accountability,

transparency, and long-term procurement results in public institutions, particularly in settings where procurement inefficiencies adversely affect operational productivity and service delivery. Recognizing these benefits currently in Tanzania public procurement reforms place a strong emphasis on strategic procurement methods to boost institutional efficacy and efficiency (Changalima & Mwangike, 2025).

Globally, ports are vital to economic growth, international trade, and logistics coordination. Port authorities are under pressure to increase productivity, decrease cargo delays, lower procurement costs, and improve supplier relationships as a result of growing competition and globalisation (Salasia et al., 2025). As a result, strategic sourcing has become a crucial instrument for enhancing port operations' cost control, operational dependability, and logistics capacity. Effective sourcing techniques facilitate improved supplier performance, timely delivery of goods and services, and procurement planning, all of which enhance organisation performance.

In Africa, it is estimated that 10% – 20% of the total cost of sourcing operations can be reduced through strategic sourcing. Strategic sourcing suitable for goods and services can be used to explain these business practices (Nazar et al., 2022). Furthermore, the abilities, knowledge, and skills of procurement professionals enable an organisation to get valuable insights including information regarding the opportunities, market of supplies or conservation reservations, that enhance organization's ability to achieve and maintain a competitive position (Zerihun & Wondemalem, 2022).

In Tanzania, Tanzania Port Authority (TPA), especially at Dar es Salaam Port serves as strategic gateway for international trade neighboring landlocked nations like Rwanda, Zambia, Burundi, the Democratic Republic of the Congo and Uganda. The growing volume of regional Trade has increased pressure on TPA to enhance operational efficiency, control cost, strengthen procurement performance and ensure reliable supplier management. However, difficulties related to project delays, supplier dependability, cargo congestion, cost control has continued to affect the authority's procurement efficiency. These difficulties emphasize the embracing of strategic sourcing practices which enhancing the overall organizational performance.

Although Tanzania Port Authority (TPA) is strategically vital in ensuring the smooth flow of goods and services and promoting regional economic integration, some of the issues affecting its performance and efficiency in the procurement process persist. The Public procurement regulatory authority (PPRA, 2023) reports that delayed procurement processes, poor procurement planning, poor

contract management, supplier related inefficiencies and non-tender fulfilment remains an issue. The problems have led to project delays, rising prices, loss of procurement, and goods and service acquisition that don't conform to project specifications. Despite the fact that strategic sourcing is known to improve supplier management, control procurement costs and improve the performance of organizations, there is relatively little empirical evidence that strategic sourcing practices impact the performance of TPA. Hence, the study sought to examine determinants of strategic sourcing and their impact on the performance of Tanzania Port Authority at Dar es Salaam.

1. Literature Review

2.1 Theoretical Literature Review

Resource-Based Theory which were developed by Birger W. (1984) and Jay B. in 1991. RBV theory explains how organizational performance is influenced by both internal and external resources. The RBV theory argued that every organization requires a unique set of resources to compete and gain advantages in a dynamic business environment through tendering. RBV highlights that effective management of both internal and external resources improves an organization's performance. This theory becomes relevant to the study since strategic sourcing helps procurement managers at Tanzania Port Authority (TPA) find trustworthy suppliers, negotiate advantageous contracts, and procure high-quality supplies like fuel, ICT systems, cargo handling equipment, maintenance services, and infrastructure support. This increases port efficiency, lowers procurement costs, and fortifies operational capabilities (Kihanya et al., 2023).

These resources are financial, legal, human, organizational, informational, and relational. TPA works in a cutthroat maritime and logistics sector where effectiveness and service quality are crucial. By using strategic sourcing, TPA can establish enduring relationships with suppliers who offer timely resource delivery and high-quality services. These supplier relationships become strategic intangible resources under RBV, making them difficult for rivals to replicate. Consequently, TPA can increase customer satisfaction, decrease delays, and improve cargo turnaround time. Therefore, based on RBV, the Tanzania Port Authority (TPA) can increase operational efficiency, lower procurement and operational costs, improve cargo handling and turnaround time, and strengthen service delivery by utilizing strategic resources like contemporary port infrastructure, knowledgeable procurement staff, solid supplier relationships, cutting-edge information systems, and managerial expertise. The theory helps explain how TPA can optimize both tangible and intangible resources to improve organizational performance by using strategic

sourcing as a crucial capability. As a result, RBV offers a solid theoretical framework for elucidating how strategic resource management can enhance Tanzania Port Authority's overall performance, sustainability, and competitiveness.

2.2 Empirical Literature Review

Previous studies have been conducted based on the effect of strategic sourcing on organizational performance locally and globally. Empirical studies mainly focused on digital adoption, strategic negotiation, internal integration, supplier development, procurement planning and inventory management. Empirical studies showed that procurement excellence, strategic sourcing, inventory management, and digital adoption all have an impact on firm performance; procurement excellence is greatly impacted by digital adoption, strategic sourcing, and inventory management; and procurement excellence is positively impacted by digital adoption, strategic sourcing, and inventory management (Setiadi et al., 2024). Additionally, empirical evidence by Owino et al. (2023) showed that strategic negotiation techniques have significantly and favorably improved procurement performance. Stephano (2023) found that procurement performance at KINAPA is significantly impacted by procurement planning ($p < .05$). In particular, among the components of procurement planning that significantly impact the performance of public procurement needed assessment, procurement cost estimation, and quality specification. Therefore, this study explores the determinant of strategic sourcing on the performance of TPA Dar es Salaam would provide empirical contribution by offering real-world examples of how strategic procurement practices, including negotiation, supplier relationship and selection, enhance TPA performance.

Zerihun and Wondemalem (2022) evaluated the impact of strategic sourcing on the performance of an organization in the construction industry in Ethiopia. Explanatory research design with quantitative approach and Census technique was used in the study; in which all 105 employees of Ethiopian Construction Works Corporation (ECWC) were used. The questionnaires were used to collect data, and the results of the questionnaires had a response rate of 88.6%, which were analyzed using correlation analysis and regression analysis. The results indicated that strategic practices, such as supplier selection, buyer–supplier relationship management and contract management, played a major role in improving organizational performance. The model accounted for about 43% of the variance of organizational performance. Based on the study, the following recommendations were made to enhance performance of the construction firms: effective supplier selection, strategic supplier relationships and contract management practices. The study, however, was

limited to the construction sector of Ethiopia and concentrated primarily on the selection of suppliers, buyer–supplier relationship, and contract management. It did not focus specifically on strategic sourcing aspects like supplier negotiation, supplier relationship management and supplier selection in the public sector institutions like Tanzania Port Authority (TPA). Hence, there is a gap in understanding which factors influence strategic sourcing and how it impacts organizational performance in the public port sector in Tanzania, which this study aims to fill.

Ofori et al. (2026) investigated the relationship between strategic sourcing and firms' financial performance, with supply chain efficiency serving as a moderating variable. The findings revealed that strategic sourcing has a positive and significant effect on firms' financial performance. Additionally, strategic sourcing was found to enhance supply chain efficiency, which in turn positively influences financial performance. The study further established that supply chain efficiency positively moderates the relationship between strategic sourcing and financial performance. The authors recommended that organizations establish long-term relationships with reliable suppliers and standardize supplier evaluation criteria to improve sourcing efficiency and financial outcomes (Ofori et al., 2026). However, the study focused primarily on financial performance and the moderating role of supply chain efficiency in a general business context. It did not specifically examine the influence of strategic sourcing dimensions such as supplier negotiation, supplier relationship management, and supplier selection on organizational performance within public sector institutions. Therefore, a contextual and empirical gap exists regarding the determinants of strategic sourcing and their effect on organizational performance in public entities such as Tanzania Port Authority (TPA), which the current study seeks to address.

2.3 Conceptual Framework

A conceptual framework is an intermediate diagrammatic theory that attempts to link and illustrate the relationship between the variables under study. For empirical research, it provides a framework (Gibson, 2017). The performance of the organisation was the dependent variable, and the impact of supplier negotiation, supplier selection and supplier relationship management was theorised as independent variables based on this study. It is anticipated that supplier relationship management, supplier negotiation, and supplier selection will directly enhance organizational performance. However, the proficiency of procurement staff plays a major role in their efficacy (Monczka et al., 2024). Competent procurement employees are better equipped to choose competent suppliers, negotiate advantageous contracts, and sustain fruitful supplier relationships, all of which translate

strategic sourcing practices into increased organisational performance. Therefore, strategic sourcing practices improve efficiency, cost savings, service quality, and

overall organizational performance through the mediating mechanism of staff competence.

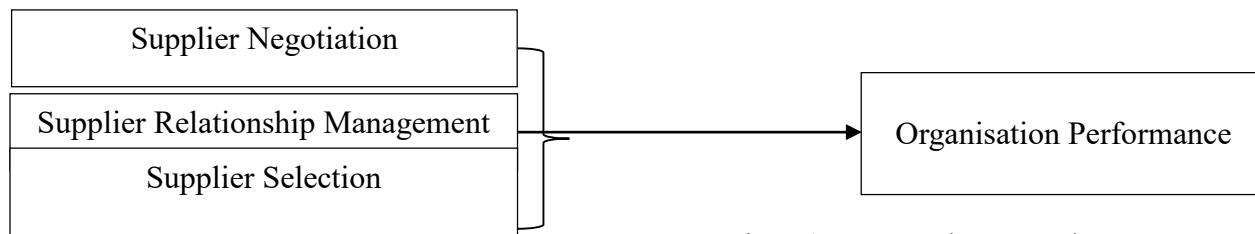


Figure 1: Conceptual Framework

Source: Authors Construct (2026)

3.1 Research Design and Data Collection Methods

In this study, an explanatory research design was used to determine the causal relationship between variables (Gray, 2021). Explanatory design was relevant since it enables the study to employ structured techniques like surveys, which provide quantifiable data appropriate for a quantitative study. A structured questionnaire that was created using validated tools from past studies was used to collect data. With the help of Google Form, 171 completed questionnaires were obtained, guaranteeing a high response rate. A 5-Point Likert scale was used to score the questionnaire's items, with 1 denoting strongly disagree, 2 disagree, 3 not sure, 4 agree, and 5 strongly agree. A Likert scale is relevant because it transforms subjective respondents' opinions, beliefs, attitudes and perceptions into quantitative data, measurable data that can be statistically examined (Creswell & Creswell, 2018).

The population of the study involved 300 employees working as port operators (97), shipping lines (28), government agency (28), general public (115) and TPA employees (32) – Dar es Salaam, Tanzania. The study population was relevant because of their responsibilities and significance in enhancing the effectiveness of port operations and competition. To guarantee that the sample fairly represents the various TPA employees, a stratified sampling technique was used to select employees. To guarantee proportionate representation across TPA employees, the population was split into strata according to departments, and simple random sampling was carried out within each stratum (Kiptum et al., 2024). The stratified sampling technique was relevant to the study since the target population included a variety of employee categories with a range of traits and responsibilities (Saunders et al., 2019). A stratified sample of 171 employees was derived using the Yamane formula of 1967 for departmental representation. A stratified sample of 171 employees was derived using the Yamane formula of 1967 for departmental representation.

3.2 Population, Sampling Procedures and Sample Size

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

$$n = 300 / (1 + (300) (.05^2))$$

$$= 171$$

Table 1: Population and sample size

Category	Number of employees (N)	Sample size (n)
Government Agency	28	16
General Public	115	66
Shipping Lines	28	16
TPA Employees	32	18
Port Operation	97	55
Total	300	171

Source: Study survey (2026)

3.3 Data Processing and Analysis

Before the analysis process, the collected data were edited, coded, categorised, and cleaned to ensure accuracy and completeness. Quantitative data were analysed using descriptive statistics with the help of SPSS (Pallant, 2011). The results were presented using percentages, averages, and frequencies. The process involved counting responses, calculating the percentage differences in responses, and interpreting the data according to the specific objectives and hypotheses of the study. Multiple regression analysis was used to determine the variability of TPA performance caused by independent variables of the study (Saunders et al., 2023). For this analysis, a multiple regression model, as described below, was used.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Y – Organisation Performance; X₁, X₂, X₃ – Supplier Negotiation, Supplier Relationship Management and Supplier Selection respectively; β₁, β₂, β₃ – Regression Coefficient; β₀ – Constant & ε – Error Estimate

3.4 Ethical Issues

Observance of the confidentiality principle guaranteed study participants that any information they submitted was kept completely private and confidential. This principle was explained by the researchers before participants were given questionnaires to complete and return. Regarding the voluntary participation principle, participants' consent to take part in the study was highly valued. Consequently, no participant was forced to disclose information against their will.

3.5 Data Validity

The Kaiser-Meyer-Olkin (KMO) test was used to measure sampling adequacy for the study variables and the overall model to determine whether the data were suitable for analysis. The KMO value was compared with the standard scale, where values of .70 or above are generally considered good and acceptable for validating the data (Pallant, 2011). Since the KMO test result was .751, the study concluded that the data were adequate and valid for analysis.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.751
Bartlett's Test of Sphericity	Approx. Chi-Square	2691.787
	df	150
	Sig.	.000

Source: Study findings (2026)

3.6 Data Reliability

Cronbach's Alpha coefficients were used to guarantee internal consistency. According to Vaske, Beaman, and Sponarski (2017), reliability is guaranteed when the Cronbach's Alpha coefficient value is at least 0.7. The

Cronbach's Alpha coefficient value of the study is .785 are within permissible bounds. Additionally, construct reliability is reached if the value is at least 0.7. Table 1 shows that every construct reliability value has a minimum of 0.7.

Table 3: Reliability test
Reliability Statistics

Cronbach's Alpha	Number of Questionnaire Items
.785	20

Source: Study findings (2026)

4. Results and Discussion

4.1 Response Rate

A total of 156 questionnaires out of 171 were completed and returned for analysis. This implies that about 91.2% of administered questionnaires were returned. Babbie (2016)

argue that a response rate of 50% is typically regarded as sufficient for analysis, 60% is good, and 70% or higher is very good, indicating that the gathered data are likely to accurately reflect the opinions of the target population. The returned questionnaires were from all five (5) targeted populations. Therefore, all stakeholders were involved in the final sample. The distribution of response rate based on the targeted population is shown below:

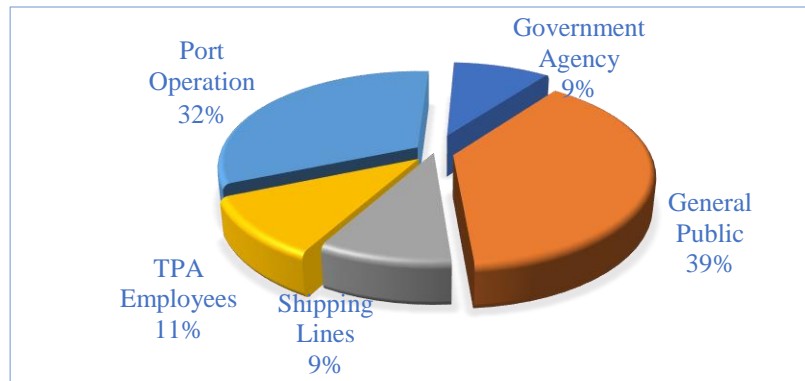


Figure 2: Response rate

Source: Study findings (2026)

2.1. Supplier Negotiation Practices toward Organisation Performance

Table 4 show that organisation enables to get a fair price for the specified quality of the goods to promote organisation performance to a great extent by an average mean of 3.77 (M=3.77 & SD=1.095), organisation enables to agree on the common methods of inspection to promote organisational performance to a great extent by an average mean of 3.77 (M=3.77 & SD=1.372), and organisation enables to agree on the payment terms to promote organisational performance to a great extent by an average mean of 3.77 (M=3.77 & SD=1.297). Additionally, the findings show that the organisation enables agreement on the liability for claims and damages to promote organisational performance to a great extent by an average mean of 3.62 (M=3.62 & SD=1.282). Finally, the findings show that the organisation enables agreement on the delivery period to promote organisational performance to a moderate extent by an average mean of 3.19 (M=3.19 & SD=1.138). Overall, descriptive analysis suggests that while TPA struggle to strengthen its operational performance, it should ensure it obtains a fair price for the specified quality of the goods, effective inspection methods, agrees on liability for claims and damages, and delivery period.

Public organisations benefit from effective supplier negotiation because it enhances procurement performance,

lowers costs, boosts efficiency, and produces stable supply chains through improved quality, dependable delivery, and risk reduction. Effective negotiation requires careful preparation, knowledgeable negotiation teams, and a commitment to moral behaviour to match supplier and organisation objectives and guarantee that the organisation gets the most out of public funds. These findings are consistent with the results reported by Kitaka et al. (2022), which showed that supply chain decisions play an important role in ensuring that procurement activities align with an organisation's strategy. Effective supply chain management is essential for the long-term success of an organisation. Regular negotiations with suppliers help to ensure value for money and improve service delivery. Through negotiation, organisations can agree on important aspects such as cost, delivery schedules, packaging, and transportation methods. They can also determine how often progress reports should be submitted, the type of tests to be conducted, and the frequency of inspections. In addition, organisations may negotiate bonuses, discounts, or other incentives to improve supplier relationships (Tula et al., 2023). Therefore, public entities can develop effective negotiation strategies with different suppliers to improve performance and operational efficiency. The importance of supplier negotiations in improving organisational effectiveness cannot be overstated. Effective supplier negotiations help to build strong supplier relationships, which directly influence operational costs, supplier cooperation, and long-term organisational performance (Basiru et al., 2023).

Table 4: Supplier negotiation

Statement	N	Min	Max	Mean	Std. Deviation
Our organisation enables us to get a fair price for the specified quality of the goods to promote organisational performance.	156	1.00	5.00	3.77	1.10
Our organisation enables agreement on the common methods of inspection to promote organisational performance.	156	1.00	5.00	3.77	1.37
Our organisation enables agreement on the payment terms to promote organisational performance.	156	1.00	5.00	3.77	1.30
Our organisation enables agreement on the liability for claims and damages to promote organisational performance.	156	1.00	5.00	3.62	1.28
Our organisation enables agreement on the delivery terms to promote organisational performance.	156	1.00	5.00	3.19	1.14
Average Mean				3.62	1.24

Source: Study findings (2026)

4.2 Supplier Relationship Management toward Organisational Performance

Table 5 show that organisation shares quality information and competences with suppliers to embraces organisational performance to a great extent by an average mean of 4.28 (M=4.28 & SD=.914), organisation directly involves suppliers in planning to promote organisation performance to a great extent by an average mean of 4.19 (M=4.19 & SD=1.336) and organisation allows joint development and design to embraces organisational performance to a great extent by an average mean of 4.09 (M=4.09 & SD=1.302). Additionally, the findings show that the organisation develops supplier capabilities of supply to promote organisation performance to a great extent by an average mean of 3.65 (M=3.65 & SD=1.237). Finally, the findings show that the organisation stresses the suitability when outsourcing activities from suppliers to promote organisation performance to a great extent by an average mean of 3.41 (M=3.41 & SD=1.233). Overall, descriptive analysis suggests that TPA should continue providing quality information to suppliers and involve suppliers in planning to improve TPA performance. The strong relationships between buyers and suppliers improve

communication, build commitment and trust, increase operational efficiency, and spur innovation, quality, and cost savings through resource sharing and collaborative learning.

These results are in line with Yehuala (2023) findings, which demonstrated that buyer-supplier relationship practices enhance organisational performance by boosting sales and market share, enhancing return on investment, and optimising corporate profits. Strong relationships with suppliers, collaborative problem-solving and decision-making, utilising supplier expertise in product design, and frequent monitoring and evaluation of supplier performance are all ways to improve organisational performance. Positive relationships between buyers and suppliers foster innovation, lower costs, enhance quality, and boost operational effectiveness, all of which have a positive impact on the overall performance of the company (Janet & Miriam, 2023). Poor relationships, on the other hand, can cause problems with quality, performance, and disruptions. The Resource-Based View (RBV) theory, which emphasises that good communication, cooperation, dedication, and adherence to procurement laws, rules, and guidelines help enhance public organisational performance, is also supported by these findings.

Table 5: Supplier relationship management

Statement	N	Min	Max	Mean	Std. Deviation
Our organisation shares quality information and competencies with suppliers to embrace organisational performance.	156	1.00	5.00	4.28	0.91
Our organisation directly involves suppliers in planning to promote organisational performance.	156	1.00	5.00	4.19	1.34
Our organisation allows joint development and design to embrace organisational performance.	156	1.00	5.00	4.09	1.30
Our organisation develops supplier capabilities to promote organisational performance.	156	1.00	5.00	3.65	1.24
Our organisation stresses the suitability of outsourcing activities from suppliers to promote organisational performance.	156	1.00	5.00	3.41	1.23
Average Mean				3.92	1.20

Source: Study findings (2026)

4.3 Supplier Selection toward Organisation Performance

Table 6 demonstrates that an organization's procurement management unit (PMU) narrows the range of goods and services procured through effective supplier performance to a great extent by an average mean of 4.18 (M=4.18 and SD=.869), that an organization chooses experienced suppliers to align with a specification to ensure variety reduction to a great extent by an average mean of 4.27 (M=4.27 and SD=.897), and that effective supplier performance in procurement practices enhances operational flexibility and embraces organizational performance to a great extent by an average mean of 4.09 (M=4.09 and SD=1.302). Furthermore, by an average mean of 3.90 (M=3.90 and SD=1.039), the results demonstrate that efficient supplier selection procedures in procurement practices enhance delivery time and significantly strengthen organizational performance. Lastly, the results demonstrate that, with an average mean of 3.76 (M=3.76 and SD=1.132), the organization largely complies with selection criteria to choose suppliers in its procurement activities. Overall, descriptive analysis

indicates that TPA should choose seasoned suppliers to speed up delivery, reduce the variety of items offered, and increase operational flexibility in order to boost TPA performance. Strategic supplier selection increases cost structures, product quality, delivery times, and flexibility by bolstering capabilities in matching domains, all of which significantly boost an organization's competitive performance. These findings support Changalima et al.'s (2024) assertion that supplier selection is a crucial instrument for ensuring an organization's performance because it is a strong and positive predictor of cost reduction. The association is justified by the fact that PEs are more likely to incur costs when they select inferior suppliers. For example, poor supplier selection may result in increased reevaluation costs. Additionally, PEs can discover current pricing through supplier selection by employing market analysis. Cost-cutting outcomes have been linked to procurement performance as measured by efficiency (Kumar & Ganguly, 2021). Supplier selection criteria are the most widely utilized criterion by procurement organizations to determine which suppliers to contact (Meena et al., 2022). In order to improve procurement performance, these suppliers are essential (Changalima et al., 2022).

Table 6: Supplier selection

Statement	N	Min	Max	Mean	Std. Deviation
Our organisation selects experienced suppliers to align with a specification to ensure variety reduction.	156	1.00	5.00	4.27	0.90
Our organisation's procurement management unit (PMU) is narrowing the range of goods and services procured through effective supplier performance.	156	1.00	5.00	4.18	0.87
Effective supplier performance in procurement practices improves operational flexibility and embraces organisational performance.	156	1.00	5.00	4.09	1.30
Effective supplier selection processes in procurement practices improve delivery time and enhance organisational performance.	156	1.00	5.00	3.90	1.04
Our organisation complies with the selection criteria to select suppliers in its procurement operations.	156	1.00	5.00	3.76	1.13
Average Mean				4.04	1.05

Source: Study findings (2026)

4.4 Multicollinearity Test

In this study, a multicollinearity test was conducted for all independent variables of the study. Based on the findings

of the multicollinearity test, as can be seen by examining the VIF and Tolerance values of the Collinearity statistics, the total data exhibits a significance value above 0.1. Therefore, the study concludes that multicollinearity symptoms were absent.

Table 7: Multicollinearity test

	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Supplier Negotiation	.870	1.150
Supplier Relationship Management	.795	1.258
Supplier Selection	.907	1.103

a. Dependent Variable: Organisation Performance

Source: Study findings (2026)

4.5 Multiple Regression Analysis

4.5.1 Model Fit

In this study, multiple regression analysis was used to indicate the variation of the organisation's performance caused by supplier negotiation, supplier relationship management and supplier selection. Based on the regression model, the findings show that .143 equal to 14.3% of the variation in organisation performance can be explained by supplier negotiation, supplier relationship

management and supplier selection (Adjusted R²=.143). This suggests that strategic sourcing improves organisational performance, albeit not very much. Strategic sourcing has a limited overall impact on organisational performance based on regression analysis, despite being crucial for increasing productivity, cutting costs, and improving procurement effectiveness. As a result, organisational performance may also be significantly influenced by other elements. Although strategic sourcing helps to improve performance, it is not the only factor influencing organisational success based on the Adjusted R-squared result.

Table 8: Model fit

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.399 ^a	.159	.143	.36038

a. Predictors: (Constant), Supplier Selection, Supplier Negotiation, Supplier Relationship Management

Source: Study findings (2026)

4.5.2 Simultaneous Test Significance F

The significance F test was carried out to test the influence of supplier negotiation, supplier relationship management and supplier selection simultaneously on organisation performance. ANOVA test was used to compare the significance level of 5% set for the study with the

significance value of the study findings. Based on the test, the study findings indicate that the calculated significance value was .000, which was less than 5% ($F=9.590$, $p<.05$) significance value set for the study. Therefore, multiple regression analysis was viable to use, and all independent variables play a significant role in the organisation's performance.

Table 9: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.736	3	1.245	9.590	.000 ^b
	Residual	19.741	152	.130		
	Total	23.478	155			

a. Dependent Variable: Organisation Performance

b. Predictors: (Constant), Supplier Selection, Supplier Negotiation, Supplier Relationship Management

Source: Study findings (2026)

4.6 Hypotheses Results: Determinants of Strategic Sourcing

Results in Table 8 show that there is a statistically insignificant effect between supplier negotiation and organisation performance ($p\text{-value}=.272>.05$). Therefore, the study accepts the null hypothesis that supplier negotiation has no statistically significant influence on the organisation performance. Further, results show that a unit increase in supplier negotiation led to low organisation performance by .033 ($\beta=-.033$). These findings based on the fact that most of public organisation in Tanzania don't understand the need to develop strong supplier negotiation team and come up with proper negotiation plan as significant aspects in supplier negotiation processes for attaining organisation strategic objectives and performance. Organisations that possess negotiation skills seek to minimize expenditures while optimizing contract performance and enhancing service delivery and quality. To negotiate better terms with service providers, it becomes crucial to hire professionals with strong negotiation skills in the absence of a capable negotiating team (Mtegetu & Gabagambi, 2025). These findings contradict the findings by Celestin et al. (2025), who observed that supplier agreement on negotiation tactics before and after implementing game theory differs statistically significantly ($p<.05$). This implies that suppliers' inclination to align with structured negotiation strategies is positively influenced by game-theoretic models, resulting in more predictable and advantageous agreements.

RBV theory argue that resource only improves organizational performance when it is developed and used efficiently. The extent to which supplier negotiations can produce unique value is limited in majority of public sector because they are frequently subject to procurement regulations and standard operating procedures. Because of this, negotiation might not be able to produce a long-term

greatly enhance organizational performance on its own. According to this study, negotiation does not satisfy the RBV requirements of being sufficiently valuable, uncommon, and challenging to replicate on its own.

In relation to procurement regulatory framework, procurement negotiations are tightly regulated to guarantee accountability, transparency, fairness, and value for money. Only after the evaluation process are negotiations allowed, and they cannot significantly change the evaluation criteria, specifications, or important contract terms that affected the choice of supplier (URT, 2023; PPR, 2025). Procurement officers are limited in their ability to use negotiation as a strategic tool to achieve significant performance gains because they are required to operate within these legal boundaries. Tanzanian regulations, for instance, forbid negotiators from significantly altering the terms of the contract, the specifications of the tender, or the elements that determined the successful bidder. As a result, rather than producing significant cost savings or operational improvements, negotiations frequently concentrate on small contractual clarifications.

Additionally, results show that there is a statistically significant effect between supplier relationship management and organisation performance ($p\text{-value}=.005<.05$). Therefore, the study rejects the null hypothesis that supplier relationship management has no statistically significant influence on the organisation performance. Further, results show that a unit increase in supplier relationship management led to improved organisation performance by .094 ($\beta=.094$). The strong supplier relationships improve trust, communication, and cooperation between organisation and their suppliers, which is one explanation for this important effect. Close collaboration between suppliers and organisation improves information exchange, speeds up the resolution of procurement issues, and ensures that organisation receive

goods and services of the necessary quality on time (Asa et al., 2023). These advantages improve service delivery, cut transaction costs, and lessen operational disruptions, all of which eventually boost organizational performance. These findings confirm with RBV theory that strong supplier relationship is regarded as a strategic resource that processing organisation utilize to improve its performance. According to the RBV, organisation performance can be improved by using its resources and capabilities of the suppliers to take advantage of opportunities and counteract threats. Similarly, organisation that work together with their suppliers may be able to make better use of their internal resources including employee skills and competence and take advantage of external opportunities, which will improve the performance (Yang & Jiang, 2023).

Additionally, RBV theory argue that supplier relationships as important strategic resources that can generate organizational advantages. Long-term supplier relationships give access to supplier knowledge, creativity, dependable delivery, and quality enhancements that are hard for rivals to match (Kisinga et al., 2024). As a result, organisation that make supplier relationship management investments are more likely to outperform those that only use transactional procurement strategies. In this perspective, TPA can enhance their performance by building solid, cooperative, and long-term relationships with potential suppliers. Good supplier relationship management makes it easier to deliver goods and services on time, increases supplier responsiveness, boosts product quality, and reduces procurement delays and improve the quality of services provided to citizens.

Finally, results show that there is a statistically significant effect between supplier selection and organisation performance ($p\text{-value}=0.000<0.05$). Therefore, the study rejects the null hypothesis that supplier selection has no statistically significant influence on the organisation performance. Further, results show that a unit increase in supplier selection led to improved organisation performance by .250 ($\beta=0.250$). This is important because choice of suppliers affects the timeliness, quality, cost, and dependability of the goods and services it receives. Organizations are more likely to receive high-quality inputs at the right time and cost when they choose suppliers based on suitable criteria like technical capability, financial stability, quality standards, delivery reliability, and

regulatory compliance (Changalima, 2024). This enhances operational efficiency and organisation performance.

Supplier selection is important from the standpoint of RBV theory because suppliers are important external resources that enhance organizational capabilities. Choosing competent vendors gives you access to superior technology, knowledge, high-quality goods, and dependable services that are hard to duplicate. By lowering procurement-related risks and increasing operational efficiency, these resources improve organizational performance and competitiveness. Therefore, based on RBV, the TPA can increase operational efficiency, lower procurement and operational costs, improve cargo handling and turnaround time, and strengthen service delivery by utilising strategic resources like contemporary port infrastructure, knowledgeable procurement staff, solid supplier relationships, cutting-edge information systems, and managerial expertise.

The findings suggest that to guarantee that only competent and capable suppliers are given contracts, TPA should improve its supplier evaluation and selection processes. Instead of concentrating only on the lowest bid price, TPA should give priority to supplier evaluations based on quality, dependability, technical proficiency, financial capability, and prior performance. By doing this, TPA can improve organizational performance, minimize contract failures, cut down on procurement delays, and increase value for money (Mbwale, 2024). These findings are in line with Asa et al. (2023) in his findings, who argue that a sizable percentage of respondents think public procurement departments must choose suppliers who share their organisation's objectives and values. Divisions in charge of public procurement should concentrate on elements that foster confidence with their major suppliers. Furthermore, in situations where trust can result in additional benefits for the supplier, it is crucial and advantageous for the supplier to build, maintain, and grow the organisation's trust. Furthermore, it is crucial to remember that developing trust can be costly, difficult, and time-consuming; however, it is important to consider the advantages, such as strong, successful, and long-lasting supplier relationships (Lee & Kim, 2021; Tjizumaue et al., 2023). Public procurement departments need to establish trust and exchange trustworthy information with suppliers to forge solid relationships.

Table 10: Regression coefficient

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	3.120	.236		13.235	.000
Supplier Negotiation	-.033	.030	-.088	-1.103	.272
Supplier Relationship Management	.094	.033	.240	2.877	.005
Supplier Selection	.250	.052	.373	4.770	.000

a. Dependent Variable: Organisation Performance

Source: Study findings (2026)

3. Conclusion and Recommendation

5.1 Conclusion

Based on the findings, supplier relationship management and supplier selection have a significant chance to enhance the organisation's performance through the appropriate application of SRM and selection techniques. While excellent supplier relationship management practices might not be the only way to enhance overall organisation performance, TPA must examine its current supplier relationship management and selection practices to identify any weak points and take appropriate action to improve organisation performance. Therefore, it is essential to connect supplier relationship management and supplier selection with the organisation's cross-functional coordination. RBV, which asserts that an organisation with greater intangible resources, like skills, can interact and affect better supplier selection, negotiation practices and supplier relationship management. Additionally, RBT highlights how organisational performance is dependent on the efficient use of valuable resources and supplier capabilities in the management relationship with the organisation. RBT claims that when public institutions have resources that are rare, valuable, hard to replicate, and well-organised, they perform better. These resources include institutional knowledge on supplier selection, supplier networks, competent procurement staff, procurement information systems, and successful sourcing techniques.

Further, the findings of the study would be used as inputs to improve coordination between the supplier and organisation and inform how effective supplier selection, negotiation practices and relationship management practices contribute to organisation performance and guide PMU to put efforts to improve and update their negotiation, selection and relationship management skills to improve strategic sourcing practices.

5.2 Recommendation

To enhance value for money and service delivery, the government should implement policies that support transparent supplier selection processes, negotiation, long-term supplier relationship management, and strategic procurement planning. Additionally, since these are vital resources that affect organisational performance, public sector reforms should concentrate on bolstering the institutional capacities of its employees that enable strong negotiation skills, supplier management and selection as procurement resources. Public institutions can attain improved efficiency, accountability, and long-term performance outcomes by giving priority to these strategic resources through policy interventions.

Additionally, by establishing performance-based contracts, holding frequent supplier engagement meetings, and establishing open lines of communication for resolving procurement-related issues, TPA should build and sustain long-term strategic partnerships with important suppliers. To enhance service quality, decrease procurement delays, and attain cost efficiencies, the PPRRA should also include mutual performance objectives in contracts, carry out regular supplier performance reviews, and encourage cooperative planning with suppliers. These steps will improve organisational performance, increase supplier commitment, and build trust.

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