

STRATEGIC PROCUREMENT RELATIONSHIP AND ORGANIZATIONAL PERFORMANCE

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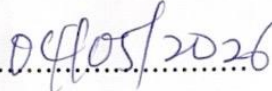
Dedication

This research is dedicated to God for his grace that brought me this far, his unending wisdom and knowledge throughout my academic journey.

I also dedicate this to my beloved sister, late mother and all the supportive members throughout this journey, whose prayers and encouragement have been a constant source of my academic motivation. A special appreciation goes to Papa for sponsoring me, believing in me and for his sacrifice and guidance.

APPROVAL

This research titled Strategic Procurement Relationships and Organizational Performance a case of Legit Investment company ltd by Kiden Judith Benson M23B12\039 has been presented with my approval as the candidate's University supervisor ready for presentation to the school of Business for award of Bachelor of Procurement and logistics Management.

Signature.......... Date..........

Mr. DUNCAN TUMUHAMYE

(Academic supervisor)

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I want to give glory and thanks to God for the gift of life, strength that enabled me to undertake and successfully complete this research, gift of knowledge and wisdom throughout my academic journey.

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Lastly, I would like to extend thanks to my family and friends for the continuous support, prayers and encouragement throughout my academic journey. Your belief in me has been a great system of strength.

DECLARATION

I Kiden Judith Benson, hereby declares that this dissertation titled Strategic Procurement Relationship and Organizational Performance, is my original work and has never been submitted for awarding of any degree or any higher academic qualification in any institution.

Other academic resources and work have been used, I confirm that this research was carried out by me under the supervision of my academic supervisor.

Signed



KIDEN JUDITH BENSON

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Abstract

The purpose of this study was to establish the impact of strategic procurement relationships on organizational performance in terms of enhancing organizational performance through supplier relationship management, making the process of procurement efficient, and e-procurement, and supplier integration effect on operational performance. The objectives of this study included assessing the impact of supplier relationship management on organizational performance, examining the impact of supplier relationship management on procurement efficiency, and assessing the effect of e-procurement and supplier integration on operational performance.

The study employed descriptive research designs with qualitative and quantitative approaches in collecting data from the respondents from within the procurement and logistics department in the organization. The data was collected through structured questionnaires and interviews, and analysed using descriptive statistical techniques including frequencies, percentages, means, and correlation analysis.

The results indicated that the relationship between organizations and their suppliers is vital since supplier relationship management significantly increases organizational performance through fostering collaboration, trust, and delivery of goods and services in good time. Effective supplier relationships were found to make the process of procurement efficient by making it cheaper and easier to communicate while integrating e-procurement system and making supplier integrations resulted in increased efficiency.

The study concludes that organizational performance can be enhanced by establishing effective relationships with suppliers and using efficient procurement practices. The recommendations include fostering an effective supplier relationship strategy, integrating e-procurement, and collaborating with suppliers.

CHAPTER ONE

1.0 Introduction.

This chapter presents an overview of the key concepts. Background and context to establish a foundation for understanding the importance of strategic relationship in procurement on organizational performance. It then states the problem statement, the purpose of the study, research question, justification of the study, significance of the study and the scope of the study, literature review, research design and methodology that will guide the research.

1.1 The Background of the study

Strategic relationships in procurement are vital mechanisms used by organisations. In a fast-growing business environment, procurement has evolved from operational function into a strategic relationship in procurement, and it has brought the importance of building long term value adding relationships with suppliers and other stakeholders. Strategic relationship in procurement is characterized by trust, collaboration, information sharing, joint problem solving and long-term commitment that improve organizational performance and shape the organizational competitiveness rather than a purely administrative process.

Effective procurement practices are crucial for organizational performance, yielding benefits like cost saving, improved quality through quality-based procurement practices (Patrucco et al.,2016) and enhanced supplier relationships (Cao and wang, 2022; Mohamud et al., 2023). Procurement has involved into a strategic function that drives competition advantages and value generation (Knight et al.,2017; Schutz et al.,2019),

According to (Schutz et al.,2019) research suggests that strategic relationships with suppliers can lead to improvement organizational performance, increased competitiveness, and better supply chain management.

The relationship fosters innovation, reduces costs, improve quality and create supply chain resilience. As procurement continues to evolve, strategic suppliers' relationships are seen as critical for gaining sustainable competitive advantage,

Ellegaard and Medlin 2019. However, many firms still treat procurement as an operational function, missing out on the broader

Value these relationships can generate, this study explores how these strategic partnerships influence organizational performance outcomes.

According to empirical studies demonstrates that organizations practicing strategic supplier relationship management enjoy better cost control, improved delivery reliability, enhanced quality and superior innovation outcome. (Asa et al 2023;) Uddin, 2024. However, other studies show mixed result depending on the sectional differences and environmental uncertainty, (Zhang 2021, Jems 2024). For example, public sector procurement, strict regulations can hinder long term collaboration while manufacturing often sees more significant benefits

Over the decade, empirical research has grown around how such strategic procurement relationships translate into organizational performance, and both supplier integration and broader external integration are beneficial, with effects often mediated by information integration and moderated by contextual factors such as industry dynamic and national logistics capability e.g. (2022 sustainability integration). In developing economies like Uganda, procurement has traditionally been viewed as a back-office, transactional function primarily concerned with purchasing goods and services at the lowest possible price. However, globalisation, increased competition, and the growing complexity of supply chains have compelled organisations operating in regions such as the west Nile sub-region, including Adjumani district, to rethink the role of procurement. Today, Companies like Legit Investment acknowledge that procurement can act as a strategic tool for creating value, mitigating risks and organizational growth (Ohno & Nakamura, 2020).

1.1.1 Procurement evolution in developing countries

Adjumani district, which falls within the west Nile sub-region of northern Uganda, has a unique procurement landscape influenced by humanitarian activities, cross-border trade with South Sudan, and existence of various non-governmental organizations and private businesses. Being a general trading and supply company operating in this environment, Legit Investment Ltd experiences pressure in procurement caused by issues such as changing supply availability, poor

infrastructure, and unreliable suppliers. In this case, the development of strategic relationships with key suppliers would enhance sustainable organizational performance.

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The development of strategic supplier relationships can be explained from the resource dependency perspective of organizations, which implies that the management is likely to enter into strategic relationships in order to manage their dependability on external resources (Salancik, 2003). For example, due to Legit Investment's dependability on certain suppliers for various products and services, it becomes necessary for the management to establish strategic relationships to guarantee continuity in supply and collaboration between the two parties. In this case, organizational performance would greatly rely on the quality of established relationships and ability to procure strategically.

Strategic procurement in Legit Investment Ltd

Legit Investment Ltd is a general trading and supply company based in Adjumani town, dealing in the procurement and distribution of different goods and services to various clients in the private and public sector. The organization operates in an intense environment characterized by delays, quality failure, and supplier non-compliance.

In this case, there is a need to develop strong strategic relationships with suppliers to enable sustainable and profitable business operations. Over time, the company has been able to establish relationships with various suppliers depending on their level of performance, consistency and willingness to engage in collaborative ventures.

However, there have been difficulties in turning such relationships into strategic supplier partnerships to enhance organizational performance and sustainability. Some of the major hindrances include poor supplier development programs, weak contract management system, and lack of technological support for procurement process. This research will explore the dynamics associated with strategic relationships with a view to recommending improvements.

Historically, procurement practices have been reactive in nature, whereby the firms have only responded to immediate needs rather than making any strategic plans. Procurement regulations in Ugandan companies are governed by public procurement and disposal of public assets act (ppda), 2003 as amended.

According to this legislation, emphasis is placed on competitive bidding, value for money, and transparency. Although all these aspects are important, they may cause problems when establishing long-term relationships with suppliers, because they require consistent engagement with each other (Basheka, 2008). In case of private enterprises like legit investment, the absence of strict procurement laws provides a golden opportunity. For private entities like legit investment, the absence of such rigid regulatory constraints offers an opportunity to develop more flexible and strategic procurement relationships.

1.2 Statement of Problem

Organizations increasingly rely on strategic procurement relationships to improve resource efficiency and enhance overall performance of the organization and when Organizations establish strong relationships with their partners and other stakeholders, this enables resource sharing, reduced operational costs and enhances operational efficiency hence reducing costs. (gong et al.,2021), which eventually strengthens stakeholders' confidence through signal credibility and stability to shareholders within the organization. Despite the benefits recognized, many organizations face challenges such as limited trust, poor communication, which hinders the implementation and failing to enhance strategic partnerships with suppliers can limit an organization's ability to improve procurement performance, increase innovation and gain a competitive advantage (Cao and Zhang, 2011). Additionally lack of strategic partnership can lead to increased costs hence inefficient procurement processes and reduced profitability (Schutz et al.,20219).

However, this can be solved through strengthening stakeholder confidence including investors to have a smooth partnership (Fombrun et.al.,2015)

Strategic procurement relationships plays a very important role in strengthening competitive advantage through collaborations with suppliers, this helps organisations to gain access to new markets, emerging trends and advanced technology that leads to innovation and growth in the business (barreto,2018), additionally these relationships helps in promoting knowledge in sharing, joint problem solving, enhancing organizations to come up with new products and improve service delivery, (Luo and Park,2022). However, despite the benefits many organizations still face issues such as weak supplier collaboration, inadequate integration of procurement system which hinders full realization of the advantage.

However, the following are the reality challenges and gaps, In strategic relationships objectives can be misaligned this is because partners may have different objectives, priorities and prioritise short term gains over long terms, goals which leads to misunderstandings and conflicts between partners (Inkpen and Beamish,2017), for example partners from different countries may have different communication patters and style concerning decision making because each country have its own regulations for conducting businesses and operation this hence leading to misaligned objectives.

Strategic relationships involve government engagement where the government is supposed to guide the business sector and organisations by proving rules and regulations and leading, lack of clear regulations, roles, responsibility, and dispute resolution mechanisms can hinder successful partnership (Luo and Park,202), for example partners may have different interpretation of the role and responsibility, for this there is need for clarity.

The gap identified

The unlikeness between the expected and actual performance of the strategic relationships are highlighted as a significant issue, the organizations are not fully leveraging their partnerships to drive innovation, efficiency and growth. This however aims at investigating the causes of this gap and identifying the strategies to enhance to effectiveness of strategic relationships in organizations.

Strategic relationships in procurement to organizations, many organizations struggle to develop and maintain effective relationships with their suppliers, leading to low standards in procurement performance and reduced competitiveness, (Kahkonen and Lintukangas,2018).

Organizations fail to measure supplier performance which can lead to poor selection of suppliers leading to reduced quality and increased costs (Schutz et al., 2019). And limited visibility into supplier operation can lead to reduced transparency, increased risks and decreased performance (Wagner and bode, 2014) and also failing to manage the supplier can lead to increased costs, reduced quality (Schutz et al.,2019).

Despite recognizing the importance of strategic relationship management in procurement, many organizations in Uganda continue to face challenges such as insufficient compliance between stakeholders and suppliers, ineffective risks mitigation strategies. These challenges lead to increased costs, and strained relationships with service providers and suppliers.

To address these challenges, it is crucial to explore the specific aspects of strategic relationship that significantly impact the performance of an organization in Uganda, by identifying and analysing the key constructs such as clear communication and collaboration, proper partnerships and putting well defined measures in contracts and risks mitigation strategies, organizations can develop targeted strategies to enhance strategic relationship management leading to resilient and efficient.

1.3 Purpose of the Study.

To investigate the impact of strategic relationships management in procurement on organizational performance, the study aims to investigate and explore the complex dynamics between procurement practices, supplier relations and organizational performance with a focus on identifying the key drivers of successful strategic relationship management in procurement.

1.4 Objectives of the Research

To evaluate how supplier relationship management enhances business performance

To examine the effect of supplier relationship management on procurement efficiency.

To assess the impact of e procurement and supplier integration on operational performance

1.5 Research Questions

How does supplier relationship management enhance business performance

What is the effect of supplier relationship management on procurement efficiency?

What is the impact of e procurement and supplier integration on operational performance?

1.6 Scope of the Study

This described the boundaries within which research was conducted including the geographical location, time and content dimensions.

1.6.1 Geographical Scope

The study was conducted at legit investment ltd around Adjumani town and will focus on the organizations operating with supplier

1.6.2-Time Scope

The research covered strategic relationship management practices from last five years (2019-2024), this period provides insights into the recent five years in strategic relationships in procurement on organizational performance and technological influence.

1.6.3 Content scope

This study investigated the impact of strategic relationships in procurement on organizational performance, how supplier relationships management enhances business performance and how is influenced by logistics capabilities. The research aims to provide a holistic understanding of strategic relationships in procurement across different organizational context.

1.7. Significance of the Study

This study hold significant value for students, organizations, and policymakers.

1.7.1. For Students

The study enriched students with academics through student's understanding of the practical application of strategic relationships in procurement on organisational performance bridging the gap between theoretical knowledge and real-world applications.

1.7.2. For Organizations

Strategic enhancement, this was by fostering collaborative partnerships that leads to fair negotiations with suppliers and the application of the research outcomes fosters organisations to optimize their strategic relationships management while carrying out procurement and enables organizations to mitigate risks and improves their performance hence reducing costs thereby their better value for money and competitive advantage.

1.7.3. For Policymakers

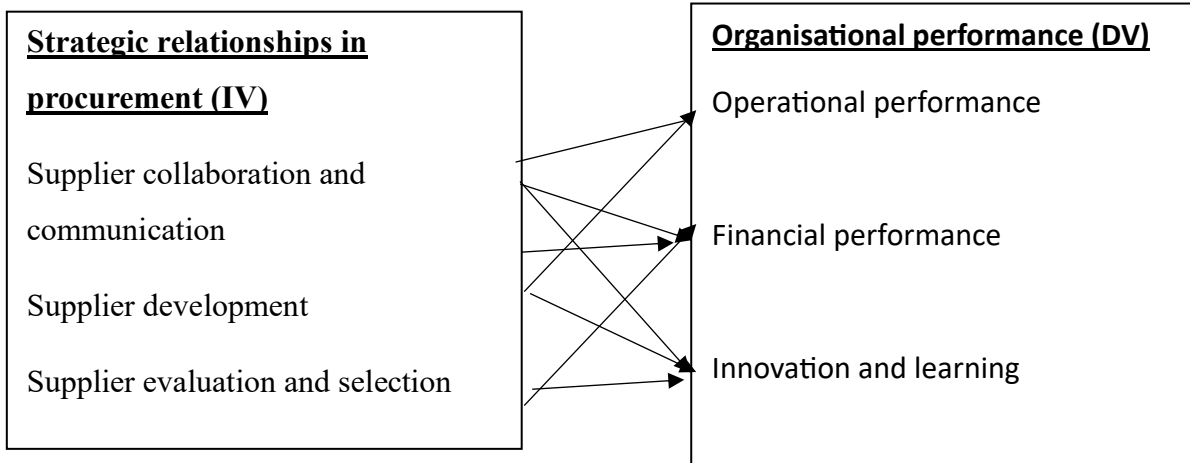
Informed decision making, this helps policy makers to select a good idea from multiple choices and alternatives and the findings will provide evidence on strategic relationships, contract management, helping them in formulating favourable regulations and policies that promote the efficiency o in procurement in entities.

1.8 Limitations

Limited geographical coverage, the study focuses in the urban areas which may limit the applicability to rural areas contexts limiting generalizability of findings to rural areas. This is because the geographical organizational structure, procurement environment and resources significantly vary between urban and rural settings

1.9 The Conceptual Framework

This illustrates the relationship between strategic relationships in procurement and organisational performance. The effective strategic relationship management directly influences the performance in an organisation through proper planning, monitoring, communication and collaboration hence reducing risks and costs.



1.10 Definition of key words used

Procurement. This is the strategic process of buying goods, services and works from external sources, ensuring value for money, compliance with regulations, policy and quality (Baily, et al., 2015).

Strategic relationship. This is the long term and beneficial partnership between buying organization and supplier in which both parties align on shared goals (Adda, g. 2024)

Risk mitigation. This is coming up with planned actions or ways and controls an organization adopts and apply to reduce the likelihood that risks identified will occur.

Organizational operational performance. This is a measure at which how effectively an organization is performing with its core operations including cost reduction, risk mitigation and process reality (Slack, Chambers and Johnson, 2010)

Supply chain efficiency. This is the ability of supply chain to deliver goods and services in a timely, high quality with minimal waste or delays and cost-effective goods, works and services.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the relevant literature review on strategic relationships management and its impact on organizational performance. It shows theoretical foundations, strategic relations in procurement, empirical studies and identification of gaps in the existing research. The review provides insights into strategic relationships in procurement which helps in risks mitigation, quality assurance and the influence on organizational performance. Strategic relationship management is the process of developing and maintaining long term relationship between an organization and its key suppliers. According to Monczka Robert m. Et al. (2015), strategic relationships go beyond transactional interactions and focus on trust, commitment, and mutual value creation. These relationships are very important in modern procurement due to increased competition, supply chain complexity and globalization.

In the contemporary business environment, procurement has developed from traditional purchasing role in strategic organizational function that contributes considerably to competitiveness and performance. Organisations are adopting and increasingly relying on supplier for strategic partnership in achieving long term relationships and business objectives not only provision of goods and services according to Monczka et al. (2015), strategic relationships management includes establishing and maintaining long term collaboration with key suppliers that helps in value creation and supply chain performance improvement. This relationship focuses on trust, effective communication, mutual benefit rather than short term transactions and commitment.

The growing complexity of supply chains, high globalization, advancement of technology and rapid increase in market competition making strategic supplier relationship important for organizational success. Organizations that have developed supplier relationships are better positioned to acquire quality improvement, delivers on time, reduction of cost and operations innovation (Christopher 2016). Firms can

align their procurement through sharing of information and collaboration enhancing operational efficiency and improved organizational performance.

Strategic relations are vital because they help in creation of opportunities for organizations that helps to reduce uncertainties and mitigate risks in supply chain. By working closely with suppliers, organizations can improve inventory management, forecasting, and agility to market changes. According to Lysons and Farrington (2016), strong supplier partnerships contribute to reduced lead times, reliability improvement and better procurement activities coordination. This coordination allows firms to achieve greater flexibility and resilience to achieve greater flexibility and resilience, which are very important for maintaining competitive advantage in dynamic markets.

In addition to that, supplier relationship management helps organizational performance by fostering innovation and continuous improvement. When they are treated as strategic partners, they likely help in contribution of ideas, technological expertise sharing and product development participation initiatives. Such collaborative efforts help in product quality improvement and operational processes, increasing customer satisfaction and profitability (Cousins et al,2008). This shows that strategic procurement relationships go beyond cost considerations and serve as a source of value creation for both the buyer and supplier.

The effectiveness of strategic relationship management can be explained by several theories, the resource-based view says that strategic supplier relationship are valuable organizational resources that brings about sustainable competitive advantage when they are rare, imitation difficulty and valuable (Berney, 1991). Similarly, the social exchange theory that emphasizes on trust, reciprocity and commitment are essential for developing long term relationships that helps in the generation of mutual benefits for both parties (Blau, 1964). These theories suggest that the quality of supplier relationship influences the ability of organizations to improve procurement outcomes and achieve superior performance.

The empirical studies have consistently shown that strategic supplier relationships causes positive effects on organizational performance for example Krause et al. (2007) observed that organizations with collaborative supplier relationship responsiveness hence leading to enhanced performance outcomes, despite these

findings, many organizations still face challenges such as lack of trust, inadequate supplier development which limits the full benefits of strategic partnership and poor communication.

Therefore, this literature review aims to provide an in depth understanding of strategic relationship management and its impact on organizational performance and gain sustainable competitive advantage. It also highlights existing gaps in the literature that the current study seeks to address. Strategic relationships in procurement have a significant impact on organizational performance with suppliers.

2.1 Theoretical Framework

This study was guided by key theories such a resource-based view and social exchange theory that explains how strategic procurement relationship influence organizational performance.

Resource based view theory. This was developed by Jay Baney (1991). It emphasizes that an organization's competitive advantage depends on its ability to utilize valuable this means resources must help the organization improve efficiency, rare means resources should not be widely possessed by competitors for example long term partnerships with reliable supplier, inimitable which means resources should be difficult imitate and non substitutable resources are key drivers of superior organizational performance. This study it very relevant because it further explains how organizations effectively manage supplier relationships and adopt digital procurement systems that can achieve improved operational performance, innovation and knowledge sharing from suppliers, reduced procurement cycle time and competition. In procurement, strategic supplier relationships are considered key intangible resources. Strong partnerships with suppliers help organization to plan, opportunities of innovation and schedules, in addition, electronic procurement systems such as e GPS and IFMs are technological resources that helps to increase efficiency and proper decision making. However, this theory has criticisms like it focuses more on internal resources and may overlook external environment and it assumes that resources automatically lead to performance, which may not always be the case.

Social exchange theory. This was introduced by Peter Blau (1964), which urges that social and economic relationships are based on trust, reciprocity and mutual benefit where parties interact. Over time repeated positive interactions strengthen relationships and create long term commitment between the parties involved. In procurement, social exchange theory is important because it explains how organizations and suppliers develop and maintain strategic relationships which enhance improved communication and information sharing, faster response to procurement needs an increased supplier reliability and flexibility, unlike transactional relationships that focus on only price and short-term gains, strategic procurement relationships are based on trust, cooperation and shared value.

Strategic relationships in procurement play a big role in ensuring collaborative partnerships between organizations and their suppliers, aimed at achieving mutual benefits and improving organizational performance (Schiele et al., 2025) (1). Organizational performance encompasses various aspects including operational efficiency, financial performance and customer satisfaction (Kaplan & Norton, 2021) (4).

Evaluating how supplier relationship management enhances business performance. Strategic relationships help to align supplier competences with organizational objectives in a way that it drives business performance (Chen, 2021), effective supplier relationship management enhances collaborative innovation improving product quality and market responsiveness, thereby contributing to financial gains and competitive advantage (Liu, 2022). It also facilitates knowledge sharing and joint problem solving which boosts the value creation and overall business performance that helps the relational governance in supplier relationship management experience greater stakeholder outcomes (Gelderman, 2022).

Several scholars emphasize the importance of strategic relationships in procurement in driving organizational performance. According to Monczka et al., (2016), strategic relationships enhance cost savings through improved negotiations, joint cost saving initiatives, and better supply chain management. Similarly, Hansen and Birkinshaw, (2017) assert that strategic relationships bring about innovation, collaborative relationships can foster innovation, as suppliers bring new ideas and technologies to the table, leading to improved products and services.

In addition, strategic relationships enable organizations to anticipate risks and implement risks management strategies which helps to mitigate risks such as supply chain disruptions, through shared risk management and contingency planning (tang, 2016). Additionally, Flynn et al., (2018) highlights those strategic relationships also helps in quality improvement, close relationships with suppliers can lead to high quality as suppliers are more invested in meeting organizational needs.

In conclusion, strategic relationship management is a very important component on organizational performance as it ensures smooth running of activities in the organization, enhances quality improvement, risks mitigation, innovation, costs saving and effective negotiations. Organizations that invest in strategic relationship management practices are better off.

Supplier Relationship management and business performance

Supplier relationship management (SRM) enhances business performance by fostering strong, collaborative partnerships between an organization and its suppliers. Instead of viewing suppliers as mere vendors, SRM encourages businesses to treat suppliers as strategic partners who contribute to long-term organizational goals. This collaboration improves communication, trust, and coordination, which ultimately leads to better performance outcomes.

Supplier Relationship Management improves business performance through increasing the reliability and quality of supplies. When organizations maintain close relationships with suppliers, they are able to communicate their expectations clearly regarding product quality, delivery schedules, and service standards. Suppliers who feel valued are more likely to prioritize the buying organization's needs, ensuring timely deliveries and consistent quality. This reduces production delays, minimizes stockouts, and improves customer satisfaction, all of which positively influence overall business performance (Monczka et al., 2020).

Supplier Relationship Management also enhances operational efficiency by improving coordination in the supply chain and effective supplier relationships allow businesses to share forecasts, inventory levels, and production plans with suppliers. This information sharing enables suppliers to respond quickly to changes in demand, reducing lead times and unnecessary inventory costs. As a result, organizations can

operate more efficiently and reduce waste, which improves profitability and competitiveness (Christopher, 2016).

Supplier Relationship Management is cost reduction through long-term relationships, buyers and suppliers can jointly identify cost-saving opportunities such as process improvements, bulk purchasing arrangements, and efficient logistics planning. Trust between the parties reduces the need for constant supplier switching and negotiation costs. Moreover, reliable suppliers help minimize costs associated with poor-quality materials and delayed deliveries, leading to better financial performance (Lysons & Farrington, 2016).

Supplier relationship management further supports innovation within the business. Strategic suppliers often possess specialized knowledge, technologies, and market insights that can help an organization improve products or develop new solutions. By collaborating closely with suppliers, firms can gain access to innovative ideas that enhance product quality, reduce production costs, and strengthen competitive advantage. This ability to innovate contributes significantly to improved organizational performance (Krause, Handfield, & Tyler, 2007).

Additionally, SRM reduces supply chain risks and increases business resilience. Strong supplier relationships make it easier for businesses to identify and respond to potential disruptions such as shortages, transportation delays, or market fluctuations. Suppliers are more likely to communicate challenges early and work collaboratively to solve problems when a trusting relationship exists. This proactive risk management ensures continuity of operations and protects the organization's performance even during uncertain conditions (Tang, 2006).

In conclusion, supplier relationship management enhances business performance by improving supply reliability, reducing operational costs, increasing efficiency, encouraging innovation, and minimizing supply chain risks. Organizations that invest in strong supplier relationships are better positioned to achieve operational excellence and sustain competitive advantage. Therefore, SRM is an essential strategy for businesses seeking to improve both short-term performance and long-term success.

Supplier relationship management and procurement efficiency

Supplier relationship management has a significant impact on procurement efficiency and cost reduction (Luzzini, 2021). By building strong relationships with suppliers, organizations can improve communication and relationships with suppliers which reduces misunderstandings and increase collaboration which in turn can lead to improved procurement efficiency and cost reduction.

However, Procurement efficiency can be improved through the following Strategic relationship management directly influence procurement efficiency by optimizing the processes lowering transactional costs and increasing supply chain agility (choi,202), collaborative strategic relationship management practices such as joined planning and information sharing reduces the lead time and enhances order accuracy. Improving procurement performance (Luzzini, 2021). However, it also enables effective risk management in procurement leading to cost savings and efficient resource use (Ellaram, 2023).

Strategic procurement relationships enhance organizational performance by improving communication, streamlining processes, and reducing costs. Effective communication between organizations and suppliers minimizes misunderstandings and operational errors, thereby improving coordination and efficiency (Paulraj et al., 2016). Strong partnerships also streamline procurement processes by reducing bureaucracy and enhancing collaboration, which supports better problem-solving and innovation (Monczka et al., 2016; Hansen & Birkinshaw, 2017). Additionally, strategic relationships enable organizations to negotiate better prices, improve the quality of goods and services, reduce waste, and proactively manage supply chain risks, ultimately leading to cost reduction and improved overall performance (Asa et al., 2023; Flynn et al., 2018).

E-Procurement and supplier integration

E-procurement involves the use of digital tools and platforms to manage different procurement activities and has improved organizational performance by streamlining activities and processes, reducing costs and enhancing collaboration with suppliers.

Studies according to (Asa et al., 2023), found that e procurement practices significantly affect organizational performance and that its capacity positively moderates this relationship between organizations and suppliers and also have showed that e procurement positively influences organizational performance by improving procurement efficiency, reducing costs, and enhancing supply chain performance.

Supplier integration involves collaborating with supplier to achieve its benefits mutually and this showed to improve operational performance in an organization. By integrating suppliers in into organizational operations, it helps to reduce costs and improve innovation. A study according to Flynn et al. (2018) found that supplier integration positively influences supplier performance by improving communication which reduces misunderstandings and errors and enhancing collaboration.

In conclusion e procurement and supplier integration are very important components of operational performance by leveraging digital platforms and collaborating with suppliers. Organizations can improve procurement efficiency, reduce costs and improve supply chain activities.

Challenges in implementing strategic relationship and solutions

Building trust with suppliers can be challenging to the organization especially in organizations or industries with very high competition and uncertainty (Morgan and hunt 2014). For an organization to have a mutual understanding and trust, there must be trust between suppliers and the organizations so as to operate smoothly and build a trust among themselves. Additionally, communication breakdown can hinder the implementation of strategic relationship in procurement, this can lead to misunderstandings, errors and conflicts (Paulraj et al.,2016). This can be solved by building trust, transparency, proper communication with partners (Morgan and hunt,2014)

Supplier development inadequacy can hinder and weaken strategic relationship in an organization and the failure to address this issue can limit the potential benefits of strategic relationships (Krause et al., 2007). This can be solved by investing in supplier development that helps to build strong relationships and improve performance (Krause et al.,2007)

E-procurement require significant investment in its infrastructures and training of stuff. Additionally, supplier integration requires careful management to ensure that both parties benefit from the relationship. E procurement has been showed that it improves operational performance. This can be solved by investigate the impact of e procurement and supplier integration on sustainability and social responsibility on supply chain and exploring the benefits and role of digital technologies such as blockchain and artificial intelligence in enhancing e procurement associated with supplier integration.

CHATER THREE

METHODOLOGY

3.0 Introduction;

This chapter talks about the research methodology applied during my research to assess the impact of strategic relationship in procurement on organizational performance in legit.

3.1 Research Design

The study used a descriptive research design of using quantitative method which allowed an in-depth exploration of the complex study dynamics between the procurement practices and activities.

3.2 Study Area.

This research was conducted from legit investment company ltd, in custom town to examine the research, the company was a general trading and supply company located in custom Adjumani town.

3.3 Targeted Population

The target group consisted of procurement, employees and stakeholders. This specially consist of procurement and logistics stuff, top management representatives and providers like suppliers working with the company. The target population was 60 respondents.

3.3.1 Sampling techniques and sample size

The study used simple random sampling and purposive sampling techniques; simple random sampling that ensured that every identified respondent was given equal chance to participate in the study. Meanwhile purposive sampling targets only the respondents who affect or affected by the study and this was used to select top management and procurement officials who have specialized knowledge regarding organizational strategic relationship.

According to krejcie and morgan table (1970). From a population of 60 elements, 52 subjects can be selected from the target population using a lottery method.

Table showing the population and sample size of respondent

Sections	Population	Sample size	Sampling techniques
Warehousing	10	10	Purposive sampling
Transportation	20	20	Simple random
Logistics	30	22	Purposive sampling
Total	60	52	

3.4 Data collection method and instruments

The researcher used primary and secondary data. In collecting this data, the researcher relied on the primary data collected from subjects in the sample through key informant interview and questionnaire. For secondary data, I used documentary review. The researcher used survey questionnaire, structured interview guide, documentary review guide and observation checklist as data collection instrument.

3.4.1 Questionnaires

A formal questionnaire was formulated for quantitative data collection and formulated close ended questions to ease and measure variables related to strategic relationship. The researcher administered questionnaires to collect information from respondents in a structured and efficient way, the researcher collected data from respondent using questionnaires especially those respondents who are inaccessible on some days. The questionnaire was formulated and constructed by specialist which was in line with the objectives of the study to ensure that relevant aspects of the research problem adequately addressed. This was as well developed on the existing literature that improved the validity and reliability of the instrument.

Hence, questionnaires are regarded as valid and reliable data collection tool in this study as it allowed standardised responses, time and cost effective and can be easily analysed to determine the relationship between the variable of the study.

3.4.2 Observation

The researcher used this method to observe events to collect data. where one uses her eyes to observe events and record the findings and approached allowed the research to observe events, activities, behaviours and situations related to the goals

of the study. The researcher observed and recorded data by observing the natural environment where the respondents worked and noted the observations for analysis.

The observation method was beneficial because it enabled the researcher to gather real-time data not just relying on the respondents' oral or written input. Through this approach, the researcher was able to observe the respondents and their environment to get information about their practices, actions. This allowed more reliable information to be obtained, particularly in cases where respondents might not provide full information in questionnaire and interviews.

In this research, the researcher employed direct observation through a visit to the study site and observing the activities pertaining to the variables of interest. During observation, significant events and information were documented in a systematic way to make sure that the information collected was relevant to the study. This approach to documenting observations ensured that important details were not missed and enhanced the data collection process.

Moreover, the observation process was used to supplement other data collection methods by providing evidence that could be used to corroborate data obtained from questionnaires, interviews and surveys. It enabled the researcher to cross-check respondents' statements with the actual situation in the field, enhancing the credibility of the study results.

Observation also allowed the researcher to observe non-verbal cues, contextual factors and operational processes which may not have been discernible through other means. This facilitated a better understanding of the context in which the study variables played out. Hence, observation helped to enrich, validate and improve the data collection process.

Thus, observation was deemed a critical method in this study as it allowed direct and practical information about the study environment, improved the quality of the information collected and contributed to the reliability and validity of the study findings.

3.5 Sources of Data Collection

The sources were primary data like face-to-face interviews. Observation, and secondary materials like textbooks, reports, and journals, to ensure a comprehensive understanding of the research problem and provide a contextual foundation for the research study as well as allowing the researcher to gather firsthand information.

3.6 Ethical considerations

The researcher sought a letter from the school of business, Uganda Christian university to introduce myself to the respondents. The participants were informed about the purpose of the study. Their willingness to participate helps to make work easy and have rights to withdraw at any time without any penalty. Confidentiality was key and data collected were kept securely and used for research purposes. A well-informed consent was obtained from the respondents prior to their involvement during the research study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS.

4.1 Introduction

This chapter presents, analyses and interprets the data collected from respondents at legit investment company ltd.

4.2 Background Information of respondents

Before presenting the core findings, this section provides a profile of the study respondents in terms of department affiliation, length of service, and role in procurement activities. Understanding the respondent profile is important for contextualizing the study findings and assessing the credibility of responses.

4.2.1 Distribution of respondents by department

Table 4.1 shows the distribution of respondents by department.

Department	Frequency	Percentage%
Logistics	22	42.3%
Management	10	19.2%
Warehousing	10	19.2%
Transportation	7	13.5%
Other	3	5.8%

As shown in table 4.1, the majority of the respondents (42.3%, n=22) were from the logistics department, followed by management (19.2%, n=10) and warehousing (19.2%, n=10). Transportation accounted for 13.5% (n=7) and other departments for 5.8% (n=3). The predominance of logistics staff reflects the central role this department plays in procurement and supply chain activities at legit investment company ltd.

4.2.2 Distribution of respondents by years of experience

Table 4.2 presents respondents' length of service in the organization.

Years of experience	Frequency	Percentage
Less than 1year	15	28.8%
1-3years	20	38.5%
4-6years	12	23.1%
Above 6years	5	9.6%
Toal	52	100%

As can be seen from Table 4.2, the largest proportion of survey participants had between 1-3 years of experience (38.5%, n=20), whereas those with under one year of experience accounted for 28.8% of respondents (n=15). The next largest group were the participants who had been with the company for 4-6 years (23.1%, n=12), while only 5 respondents (9.6%) had been associated with the company for over 6 years. Thus, it can be said that there is a relatively young age structure of the company's employees regarding their organizational experience.

4.3 The distribution of respondents by role in procurement.

Roles in procurement	Frequency	Percentage
Directly involved	32	61.5%
Partially involved	20	38.5%
Total	52	100%

Results from table 4.3 show that most respondents (61.5%, n=32) actively participated in procurement operations, whereas 38.5% (n=20) of respondents were partially involved in the process. The results confirm that the study was conducted based on the experiences of people who are actively involved in procurement operations, thus validating the results of the study.

4.3 objective one: nature and effect of supplier relationships on procurement performance at legit investment company ltd

The initial research objective was to examine the nature of supplier relationships and how they affect procurement performance at legit investment company ltd. The respondents were asked to respond to six different statements related to supplier relationship management techniques.

The results are presented in table 4.4.

Statement	Mean	Agree or strongly agree	Neutral	Disagree or strongly agree	Interpretation
The organization maintains long term relationships with key suppliers	3.97	73.1%	21.2	5.7	Agree
There is effective communication between the organization and suppliers	3.81	75.0%	13.5%	11.5%	Agree
The organization involves suppliers in planning and decision making	3.49	59.6%	21.2%	19.2%	Agree
There is mutual trust between the organization and suppliers	3.22	51.9%	25.0%	23.1%	Neutral
Supplier performance is regularly evaluated	3.49	59.6%	19.2%	21.2%	Agree

The organization invest in supplier development	3.27	55.8%	17.7%	26.9%	Agree
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Results shown in Table 4.4 show that most of the people surveyed agreed that Legit Investment Company Ltd has good long-term relationships with their main suppliers, with the average score being 3.97. Specifically, 73.1% of the respondents agreed or strongly agreed to the statement, but only 5.7% disagreed. It can be inferred from this result that Legit Investment Company Ltd has established good grounds for maintaining good relationships with their suppliers, which is key to enhancing procurement performance.

Effective communication between the company and its suppliers was found by 75.0% of the respondents with the average rating being 3.81. This implies that there is effective communication maintained with suppliers on a regular basis, but 11.5% of the respondents disagreed with the above statement, meaning that there are some challenges regarding communication within the firm. Communication challenges were identified as major impediments to maintaining procurement relations.

When it comes to supplier participation in planning and decision-making, the average rating of 3.49 reveals moderate levels of suppliers' participation in the decision-making process. The percentage of respondents who agreed that suppliers participate in the company's plans and decisions was 59.6%, whereas those who disagreed was 19.2%. It can be concluded that supplier participation in strategic planning is rather sporadic. Supplier participation in planning activities plays a crucial role in promoting innovation, avoiding risks, and ensuring efficient service delivery.

As for the statement on mutual trust between the organization and suppliers, its average rating (3.22) is the lowest one among all the indicators related to supplier relationship management practices. 51.9% of participants agreed that there is mutual trust, and 23.1% disagreed. This means that mutual trust does not exist at a sufficient level. Reasons why trust between the organization and suppliers is

insufficient include late payments, lack of transparency, and limited information exchange.

Supplier Performance Evaluation had a mean of 3.49, whereby 59.6% of the respondents agreed that there is regular evaluation of the performance of the suppliers, while 21.2% disagreed. This shows that although the company evaluates its suppliers in terms of performance, there is much left to be done since the evaluations are not completely effective. Supplier evaluation is key because it helps identify weaknesses within the suppliers and improve their performance.

The mean score for investment in supplier development was 3.27, where 55.8% agreed while 26.9% disagreed that there is investment in supplier development. This means that even though the company has made effort to invest in the development of the suppliers, more work is needed. Limited investment in supplier development could be hindering their performance.

In conclusion, from the results obtained for objective one, it is evident that although Legit Investment Company Ltd has achieved certain objectives like establishing long-term relationships with its suppliers and having proper communication with the suppliers, other objectives like building trust with the suppliers, involving the suppliers in making decisions, evaluating them regularly, and investing in their development need more attention.

4.4 The impact of e-procurement and cost savings on organizational effectiveness.

The second research objective examined how e-procurement adoption and cost reduction through strategic procurement relationships contribute to organizational performance. This section is divided into two subsections: e-procurement and digital systems, and cost and efficiency outcomes.

4.4.1 e-procurement and digital systems

Table 4.5 presents respondents' views on the use of digital and e-procurement systems at legit investment company ltd.

Statement	Mean	Agree or strongly agree	Neutral	Disagree or	Interpretation
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				strongly agree	
The organization uses digital system in procurement	3.73	71.2%	15.4%	13.4%	Agree
E-procurement has improved transparency	4.00	75.0%	15.4%	9.6%	Agree
E-procurement has reduced procurement processing time	3.78	75.0%	13.5%	11.5%	Agree
Supplier integration has improved operational performance	3.94	75.0%	15.4%	9.6%	Agree
Digital procurement systems have reduced errors	3.81	72.2%	15.4%	13.4%	Agree

The results presented in Table 4.5 imply a favourable view of the digital procurement systems at Legit Investment Company Ltd. The assertion that the introduction of e-procurement system has improved the level of transparency attained a mean score of 4.00, which is the highest mean score in the table. Seventy-five percent of the respondents agreed or strongly agreed with this assertion. These results suggest that the introduction of the e-procurement system has led to more transparency in the procurement process. It makes the process more accountable and ensures fair competition among suppliers. As a result, there will be no procurement corruption.

It should be noted that the respondents' use of digital system in procurement operations was reported by 71.2%, with a mean score of 3.73. Only 13.4% were opposed to this assertion.

Likewise, 75.0% of the respondents were in agreement that e-procurement has shortened procurement processing times, with a mean score of 3.78. This means that the adoption of digital procurement systems has resulted in faster procurement processes due to faster transactions and elimination of time lags in manual procurement procedures.

In addition, the statement regarding the improvement of operations performance through supplier integration was supported by 75.0% of the respondents with a mean score of 3.94. The implication is that supplier integration into digital procurement systems has enhanced coordination and collaboration with suppliers, resulting in improved operations performance.

Additionally, 71.2% of the respondents supported the assertion that digital procurement systems have minimized errors, giving a mean score of 3.81, whereas 13.4% of the respondents did not agree with this claim.

Generally, the data presented in Table 4.5 indicates that the implementation of e-procurement technology has had a positive effect on procurement processes in the Legit Investment Company Ltd because it has made the procurement process more transparent, shortened procurement processing time, improved integration among suppliers, and lowered procurement errors. Nonetheless, the data reveals that the adoption of digital procurement is still incomplete, and this can be attributed to poor digital literacy and sensitization regarding digital procurement systems.

4.4.2 Cost reduction and efficiency outcomes

This table 4.6 presents the findings on the cost reduction and efficiency dimensions of strategic procurement relationships.

Statement	Mean	Agree or strongly agree	Neutral	Disagree or strongly disagree	Interpretations
Good supplier relationship reduces procurement delays	3.76	71.2%	15.4%	13.4%	Agree

Strong supplier collaboration reduces cost in procurement	2.89	38.5%	30.8%	30.8%	Neutral
Supplier relationships improve quality of goods and services	3.05	44.2%	30.8%	25.0%	Neutral
Information sharing with suppliers improves order accuracy	3.89	73.1%	19.2%	7.7%	Agree
Strategic partnership improves risk management	3.84	76.9%	11.5%	11.5%	Agree
The organization has experienced cost savings due to strong supplier relationship	3.00	42.3%	30.8%	26.9%	Neutral

Table 4.6 also shows that 71.2% of the survey participants were in agreement that good relationships with suppliers contribute to reduced procurement delays. The mean score for the question was 3.76. From this result, one can note that having good relations with suppliers can help the organization avoid procurement delays and supply chain disruptions. Effective relations between the organization and its suppliers help in improving procurement coordination and hence the efficiency of procurement process.

It is also clear from the survey findings that 73.1% of the survey participants agreed that information sharing with suppliers enhances order accuracy. The mean score for the above question was 3.89. This implies that there is an improvement in order accuracy when communication about the procurement process takes place among the organization and its suppliers.

From Table 4.6, it is clear that 76.9% of the survey participants felt that strategic partnerships enhance risk management. The mean score was 3.84.

Nevertheless, the results regarding cost-related measures were more moderate. Only 38.5% of respondents claimed that there is a relationship between supplier collaboration and procurement costs, with a mean score of 2.89, the lowest result in this segment. It can be concluded that while supplier collaboration plays an important role in making organizational processes more efficient, there have been no significant efforts made to realize this potential in terms of cost savings yet.

Similarly, 44.2% of respondents agreed that supplier relations impact the quality of purchased goods and services, with a mean score of 3.05, and 42.3% stated that there have been cost savings due to supplier relationships, which scored a mean of 3.00. This implies that although supplier relations impact procurement positively, the organization has not managed to transform this influence into tangible results in terms of cost savings and quality improvement yet.

Generally speaking, the results presented in Table 4.6 demonstrate that supplier relationships have a strong impact on decreasing procurement delays and order inaccuracies as well as enhancing risk management. Still, there are certain issues that the organization faces when transforming supplier collaborations into cost savings. This might result from inadequate investment in supplier development and the problems of trust highlighted in objective one. All the above observations validate the theory of transaction costs, which states that though good supplier relationships minimize risks and inefficiencies, it is only through adequate investment in supplier development and management that significant cost savings are possible.

4.5 The effect of strategic procurement and organizational performance

This third research objectives examined the direct impact of strategic procurement relationship and overall organizational performance.

Table 4.7 summarizes respondents' opinions on four key performance dimensions.

Statement	Mean	Agree or strongly agree	Neutral	Disagree or strongly disagree	Interpretations
Strategic procurement relationships improve operational performance	3.37	75.0%	11.5%	13.5%	Agree
Strategic procurement relationship improves financial performance	3.89	71.2%	21.2%	7.6%	Agree
Strategic performance relationship enhance innovation	4.03	88.8%	13.5%	5.7%	Agree
Strategic procurement relationships give the organization competitive advantage	3.92	88.8%	7.7%	11.5%	Agree

As seen in Table 4.7, the respondents tended to be in agreement that strategic procurement relationships have positive effects on organizational performance. The respondents indicated that strategic procurement relationships increase innovation by agreeing that strategic procurement relationships facilitate innovation with a mean score of 4.03, indicating a 80.8% agreement.

In addition, 80.8% of the respondents indicated agreement that strategic procurement relationships provide the organization with competitive advantages with a mean score of 3.92, implying that strategic procurement relationships enable organizations to gain competitive advantage.

Moreover, the respondents stated that strategic procurement relationships had a positive impact on financial performance as indicated by their agreement (mean

score = 3.89) that strategic procurement relationships improve the organization’s financial performance.

Furthermore, 75.0% of participants were in agreement that strategic procurement relations enhance organizational effectiveness, having a mean score of 3.73. These results imply that good supplier relations can enhance organizational effectiveness by fostering proper coordination and timely procurement.

Overall, the results suggest that strategic procurement relations have positive impacts on organizational performance regarding innovation, competitive advantage, financial performance, and effectiveness.

4.6 Challenges affecting Strategic Procurement Relationships

Respondents were asked to identify the main challenges affecting supplier relationships at legit investment company ltd. The responses were categorized and summarized in table 4.8.

Challenges	Frequency	Percentage
Poor communication and information sharing	17	32.7%
Lack of trust and transparency	13	25.0%
Late payment and inadequate contract management	8	15.4%
Limited supplier involvement in decision making	7	13.5%
Low adoption of digital procurement systems	4	7.7%
Other (costs, conflicting loyalties, planning)	3	5.7%
Total	52	100%

According to Table 4.8, poor communication and information sharing emerged as the leading challenge faced by organizations in the management of supplier relationships at 32.7% (n=17). This means that communication problems play a key role in hindering the organization's ability to effectively manage its relationships with suppliers. Following closely behind poor communication is lack of trust and transparency, cited as a problem by 25.0% (n=13) of the participants.

This suggests that the level of distrust between the organization and suppliers still remains a barrier to cooperation and openness. Late payments and inadequate contract management constituted another challenge at 15.4% (n=8), implying that problems in contract management and finances contribute to low levels of supplier trust.

Furthermore, lack of supplier participation in decision making at 13.5% (n=7) suggests that suppliers are not fully involved in the decision-making process, which can limit coordination and innovation. Inadequate utilization of digital procurement systems at 7.7% (n=4) reflects the difficulties in implementing digital procurement strategies. Other challenges such as cost considerations, conflicting loyalties, and planning-related issues were at 5.7% (n=3).

Overall, it is apparent that the main barriers to strategic procurement relationships at Legit Investment Company Ltd include not only relational ones (i.e., communication and trust) but also structural ones (i.e., contract management and low use of technology).

Survey Key Findings

In this chapter, quantitative and qualitative data were presented from 52 respondents at Legit Investment Company Ltd. They are briefly presented below.

In terms of relational barriers, the organization appears to have done well in terms of developing long-term supplier relationships (mean = 3.97) and communicating (mean = 3.81). However, there still remain gaps when it comes to building trust (mean = 3.22) and investing in supplier development (mean = 3.27). (mean = 3.27).

Adoption of e-procurement has helped improve performance in procurement processes through greater transparency (mean = 4.00), reduced processing times (mean = 3.78), supplier integration (mean = 3.94) and reduced errors (mean = 3.81).

Nevertheless, there are still some challenges like low digital literacy skills and partial adoption of systems.

Benefits of supplier relations in cost saving and improvements in quality are relatively lower compared to those on other parameters. It means that efforts put on building good relations between organizations have not paid off financially.

Procurement relationships play a crucial role in creating innovation (mean = 4.03), gaining a competitive edge (mean = 3.92), financial performance (mean = 3.89), and operational performance (mean = 3.73). Hence, supplier relationships are critical in improving organizational performance.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

This chapter discusses the findings of the study in relation to existing literature, draws conclusions based on the research objectives, and provides practical recommendations for improving strategic procurement relationships at Legit Investment Company Ltd. The chapter is organized according to the three research objectives before presenting overall conclusions and suggestions for future research.

5.2 Discussion of findings

5.2.1 The nature and effect of supplier relationships on procurement performances

The findings reveal that Legit Investment Company Ltd has established a foundation for strategic supplier relationships through long-term partnerships (mean = 3.97) and effective communication (mean = 3.81). These findings align with the relational view of supply chain management by Dyer and Singh (1998), which emphasizes that inter-firm collaboration can generate relational rents and competitive advantage.

However, weaker scores for mutual trust (mean = 3.22) and supplier development investment (mean = 3.27) indicate relational gaps. Trust is a key driver of effective procurement relationships, as it reduces transaction costs and enhances collaboration (Kwon & Suh, 2004). The presence of trust concerns and challenges related to communication further confirms that relational capital is still developing.

Supplier involvement in planning and decision-making (mean = 3.49) reflects a moderate level of engagement. With 59.6% agreement and 19.2% disagreement, supplier integration remains inconsistent. Literature shows that early supplier involvement improves innovation, quality, and risk reduction (Van Echtelt et al., 2008). This suggests the need for deeper supplier collaboration.

Overall, the findings confirm that while foundational supplier relationships exist, Legit Investment Company Ltd has not yet fully transitioned to a mature strategic procurement model.

5.2.2 E-Procurement, Cost Reduction and Organizational Performance

It is clear from the results presented that digital procurement has positively affected procurement processes and organizational performance at Legit Investment Company Ltd. An overwhelming majority of the respondents felt that electronic procurement systems have made a significant difference in areas such as transparency, efficiency, integration with suppliers and accuracy.

The best-rated dimension was procurement transparency improvement (mean rating = 4.00; 75.0% agreement). It means that the implementation of e-procurement systems has considerably increased transparency in procurement procedures, thus facilitating transaction tracking, increasing accountability, and reducing possibilities for any deviations. The finding corroborates Croom and Brandon-Jones (2007), who note that digital procurement systems increase governance due to higher transparency and efficiency compared to manual procurement systems.

Moreover, the participants positively rated the dimension that describes reduced procurement processing time thanks to digitalization (mean rating = 3.78; 75.0% agreement). It means that digitalization has resulted in the optimization of procurement process flows, accelerated transaction approval times, and improved the efficiency of procurement processes in general. Accelerated procurement processing time is especially relevant to general trading organizations since delays may hinder smooth business operations.

Furthermore, the results indicate that supplier integration via digital technology has enhanced organizational performance (mean score = 3.94; 75.0%). It means that digital integration via the e-procurement process has facilitated greater coordination between the organization and its suppliers due to increased interaction, monitoring, and information exchange. The findings are supported by Gunasekaran and Ngai (2008), who state that digitalization promotes coordination within the supply chain and thus improves performance.

Also, the survey participants confirmed that digital procurement has eliminated procurement errors (mean score = 3.81; 71.2%). Such results mean that due to procurement automation, there are no errors associated with orders, duplications, and inconsistencies in document management.

However, although the positive effects of supplier collaboration have been highlighted operationally, the results reveal that the cost-saving impacts of supplier collaboration still seem to be moderate. Indeed, the relatively lower mean score regarding the collaboration between suppliers and the company reducing procurement costs (mean= 2.89; 38.5%) reflects the fact that cost saving has not been fully achieved. Moreover, cost saving perceived from the relationship with the suppliers (mean= 3.00; 42.3%) and quality improvement (mean= 3.05; 44.2%) are still moderate.

In other words, while the implementation of e-procurement has enhanced efficiency and control, it does not necessarily lead to cost reduction. In this regard, it is worth noting that the statement by Cousins et al. (2008), who argue that cost benefits from supplier relationships cannot be expected automatically but require strategic management, seems to be confirmed.

Moreover, the findings provide additional reasons why suppliers' relationships have not resulted in cost savings, since they reveal difficulties related to digital literacy, inconsistent use of technology, and ineffective contracts' management.

Generally, the results of this study indicate that the effectiveness of e-procurement in terms of increasing efficiency and enhancing transparency and coordination is significant, while the effectiveness in terms of reducing cost and improving quality is not very significant. This is an important indication of the existence of a disconnect between operational improvement through technology and business performance results.

5.2.3 Strategic procurement relationships and organizational performance

In this study, the result indicates that there exists a consistent positive relationship between strategic procurement relationships and organizational performance in the organization under study. In all the different aspects of performance considered including innovation, competitive advantage, financial performance, and operational performance, a positive response was obtained from the respondents regarding this aspect.

However, the most pronounced result was in terms of innovation, with this category getting the highest mean rating (mean=4.03; agreement=80.8%). This means that

strategic relations with the procurement department have played an important role in facilitating innovation in the organization. Innovation is facilitated by the close cooperation with the suppliers, leading to the acquisition of new ideas, better processes, and quality input materials in the production process. According to Koufteros et al. (2012), supplier cooperation is one of the important factors that lead to innovation performance especially in situations characterized by stiff competition and scarcity of resources.

Linked closely to innovation is another interesting result regarding the positive effect of strategic supplier relationships on competitive advantage (mean = 3.92; 80.8% agreement). This indicates that the respondents view supplier relationships as a resource that gives them an advantage over their competitors. From the practical point of view, well-established relations with suppliers facilitate supply chain management, provide price stability, and allow the organization to respond to consumer needs better. All of these factors are hard to imitate by any competitor and, therefore, add value to the organization in the marketplace. This statement is closely aligned with the RBV theory (Barney, 1991).

In addition, the study shows that strategic relationships in procurement have a positive effect on the company's financial performance (mean = 3.89; 71.2% of agreement). It can be said that respondents think that strategic relationships with suppliers positively affect financial performance by providing cost savings and more accurate budgeting, among other factors. Still, it is worth noting that a lower percentage of agreement with the previous factors suggests that there is a need for improvement here, perhaps because of issues in managing contracts, making payments and assessing the performance of the suppliers.

Moreover, operational performance was found to have a mean score of 3.73, with an 75.0% agreement, which means that respondents see improvements in operational efficiency as a result of strategic procurement relationships. The improvements include more efficient procurement procedures, improved supplier coordination, and minimized delivery delays. The existence of some disagreements (13.5%) is associated with some remaining operational problems caused by irregular evaluation of suppliers, poor trust of suppliers' relationships, and irregular adoption of performance-related procurement systems.

Generally speaking, the results obtained show that Legit Investment Company Ltd can achieve the most success using strategic procurement relationships in terms of innovation and competitiveness. On the other hand, the effectiveness of such relations in achieving financial and operational results is also positive, although somewhat less powerful than the one seen in terms of innovativeness and competitiveness. Overall, it can be concluded that the company has effectively established its relational capabilities but needs to optimize them to achieve more performance-oriented outcomes.

The above findings provide compelling evidence that supports the notion that procurement is not just an expenditure department but a value creation process. Effective management of supplier relations turns these into sources of innovation, efficiency, and strategic positioning. In order to harness these benefits fully, however, the firm should adopt measures to strengthen its relational governance structures, enhance integration mechanisms, and establish performance measurement systems for all of its suppliers.

5.3 Conclusions

From the analysis above, the following conclusions can be made.

5.3.1 Supplier relation management conclusion

Legit Investment Company Ltd possesses the basic form of supplier relations that are long-term-oriented and characterized by good communication. This study concludes that supplier relations within the company are not strategically managed. Insufficiency of trust building, investment in the supplier development, and participation of the suppliers in the decision-making processes makes such supplier relations ineffective. For the establishment of strategic supplier relations, investments in trust building, supplier development, and participation in planning are required.

The research found out that the implementation of e-procurement in legit investment company ltd has brought about several advantages especially in terms of transparency, processing speed and supplier integration. However, the cost-saving advantage of forming relationships with suppliers is yet to be fully utilized. The findings also indicate the difference between the relationship investment and the

returns in monetary terms which can be achieved by adopting good contract management and prompt payment policies and engaging suppliers in cost reduction activities.

5.3.3 Conclusion on organizational performance

The research indicates that the adoption of e-procurement at Legit Investment Company Ltd has brought about several advantages especially in terms of transparency, processing speed and supplier integration. However, the cost-saving advantage of developing relationships with suppliers has not been fully achieved. The findings also highlight the gap between relational investment and financial returns which can be addressed by adopting good contract management, prompt payment policies and cost reduction activities with suppliers.

5.3.3 Conclusion of Organizational Performance

In summary, the results of this study reveal that strategic procurement relationships significantly influence organizational performance in Legit Investment Company Ltd, with the biggest impact being felt in areas such as innovation and competitive advantage. This finding highlights the strategic importance of procurement in value creation for the organization rather than its administrative significance. The management of the organization should thus view supplier relationship management as an essential strategic skill and make adequate investments in terms of human and technical capability.

5.4 Recommendations

Given the study findings, the following are recommended to Legit Investment Company Ltd and other general trading and supply organizations.

5.4.1 Establishing Trust and Transparency with Suppliers

The organization needs to have a formal process to develop trust with suppliers. This can be achieved through quarterly review meetings, open book costing with important suppliers, and clear supplier selection and assessment procedures which are made known to all the registered suppliers. Payment for the work done by the suppliers is also very important as it eliminates delays, which cause distrust between

the parties. Being consistent in all procurement dealings will send the right message of integrity from the organization, leading to better engagement from the suppliers.

5.4.2 Increase supplier participation in planning and decision-making processes

In order to implement the process of early involvement of the suppliers into organizational activities, the firm should adopt the process of engaging leading suppliers at an early stage into such functions as demand forecasting, procurement planning, and acquisition of new products. One approach to this issue is to create a Supplier Advisory Forum that will act as an arena for consultation of high-value suppliers about various supply chain issues, threats, and procurement concerns. The academic literature indicates that buyer-supplier collaborative planning contributes to fewer supply disruptions, better quality achievements, and innovations (Van Echtelt et al., 2008; Christopher, 2016).

5.4.3 Supplier development program

With regard to the mean response of the company's investments in supplier development (3.27) and the result of 55.8% of the respondents who agreed that there were supplier development programs and 26.9% respondents disagreeing on the matter, the organization seems to have some supplier development programs in place, though not entirely developed or consistent. Therefore, the organization needs to develop and put in place a supplier development program geared towards improving the abilities of the company's suppliers. The supplier development program might involve training programs for supplier development in areas such as quality management, packaging, delivery, inventory management, and procurement systems.

Special emphasis should be placed on the supplier base made up of small and medium-size suppliers located within the Adjumani District. Some of these suppliers may not have the necessary capabilities needed to comply with the new procurement requirements. In doing this, the organization will be able to develop a strong supplier base that will guarantee its future procurement performance. The organization will be assured of enjoying the following advantages through its efforts in developing its supplier base: improved product quality, procurement interruptions, reliability in deliveries, better cooperation between the organization

and its suppliers, lower procurement costs, and supply chain robustness. With time, the organization will be able to move from its present level of simple interaction with its suppliers to an advanced level of procurement partnerships.

5.4.4 Enhance E-procurement uptake and digital literacy

Whereas e-procurement has facilitated transparency and efficiency, there are still other challenges the organization needs to overcome to fully realize digital integration. Among the recommendations is that the organization provides consistent training to its procurement and logistics personnel on digital literacy. Additionally, the organization should integrate its suppliers on the e-procurement platform by offering incentives. It is also important that the organization embraces digital procurement by introducing a supplier portal that facilitates order tracking, invoicing, and performance reporting. Since one of the issues mentioned by some respondents is the lack of sensitization on digital platforms, capacity building is crucial. There is a need for an allocation of a budget for digital procurement training.

5.4.5 Implement a formal procurement performance measurement system

In order for an organization to reap and retain the benefits resulting from a strategic procurement relationship, a formal procurement performance measurement system needs to be developed. Some examples of performance indicators that need to be measured under a procurement performance measurement system include suppliers' on-time delivery levels, procurement cycle time, cost savings gained from negotiations with suppliers, defect levels, and suppliers' level of satisfaction. It will allow the managers to evaluate whether there are deficiencies in any relationship, to appreciate suppliers' successes, and base their procurement decisions on facts. In fact, the application of a balanced scorecard approach to procurement performance measurement is highly encouraged since the study reveals many aspects of procurement performance.

5.4.6 Improve contract management practices

Considering that one of the main problems identified by respondents related to the issue of inadequate contract management, there is a clear need for effective management of supplier contracts. All contracts with suppliers should have delivery

periods clearly stated, together with quality criteria, conditions for payments, penalties in cases of non-compliance, and methods of dispute resolution. It is recommended that annual reviews of contracts be conducted and renegotiations considered, based on the performance data provided by suppliers. Additionally, an organized system of managing contracts should be kept up to date with a record always available to the procurement department.

5.5 Recommendations for future research

There were certain limitations in this study since it only focused on one organization and its sample included just 37 respondents. For future research, the following recommendations can be made:

Conducting a comparative analysis concerning strategic supplier relationships and the organizational performance in several general trading firms in the West Nile sub-region of Uganda.

The research would take place longitudinally, and it will be focused on the investigation of shifts in the quality of the supplier relations, adoption of digital procurement, and performance of Legit Investment Company Ltd within a period of three to five years.

The research aimed at examining the financial gains from supplier development programs in the SME and general trading sector of Uganda.

Supplier point of view about their relationship with Legit Investment Company Ltd.

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APPENDICES

QUESTIONNAIRE FOR LEGIT INVESTMENT COMPANY LTD

Dear respondent

I am Kiden Judith Benson, a student of Bachelors Degree of Procurement and Logistics Management at Uganda Christian University conducting research on the topic “Strategic Procurement Relationship and Organizational Performance”. A case study of Legit Investment company ltd. Your participation in this research study is highly valued.

Instructions to respondents

Please respond to every question genuinely. Your responds will remain confidential and will be used exclusively for the purpose of the research study. Kindly answer questions wisely.

Background information

1.what is your department

Warehousing

Transport

Logistics

Management

Other.....

2.How long have you worked in this company?

Less than 1year

1-3 years

4-6years

Above 6years

3.Your role in procurement activities

Directly involve

Partially involved

Not involved

Supplier Relationship Management

The Organization maintains long term relationships with key suppliers.

- Strongly disagree
- Disagree
- Agree
- Neutral
- Strongly agree

There is effective communication between our organization and suppliers.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

The organization involves supplier in planning and decision making

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

There is mutual trust between the organization and suppliers

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Supplier performance is regularly evaluated

- Strongly disagree

Disagree

Neutral

Agree

Strongly agree

The organization invest in supplier development

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

Procurement efficiency

Good supplier relationships reduce procurement delays.

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

Strong supplier collaboration reduces procurement costs.

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

Supplier Relationships improves quality of goods and services.

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

Information sharing with supplier improves order accuracy.

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

Strategic partnerships improve risk management

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

E-procurement and Supplier Integration

The organizations use digital systems in procurement.

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

E-procurement has improvement transparency

Strongly disagree

Disagree

Neutral

Agree

Strongly agree

E-procurement has reduced procurement processing time.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Organizational Performance

Strategic procurement relationships improve operational performance.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Strategic procurement relationships improve financial performance.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Strategic procurement relationships enhance innovation.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agrees

Strategic procurement relationship gives the organization competitive advantage.

- Strongly disagree
- Disagree
- Neutral

- Agree
- Strongly agree

The organization has experienced cost saving due to strong supplier relationship.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Open-ended questions

What are the main challenges affecting supplier relationships in this company?

What recommendations would you suggest to improve strategic procurement relationships?



UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

School of Business

21st April 2026

Dear Sir/Madam

Re: Introduction of Kiden Judith Benson, M23B12/039 for Data Collection Permission

I am writing to introduce Ms. Kiden Judith Benson, M23B12/039, a student of Bachelor of Procurement and Logistics Management at Uganda Christian University.

Ms. Kiden Judith Benson, M23B12/039, is currently in the advanced stage of her academic journey and is conducting a dissertation on "STRATEGIC PROCURMENT RELATIONSHIP AND ORGANIZATIONAL PERFORMANCE."

I assure you that Ms.Kiden Judith Benson, M23B12/039, will adhere to all ethical guidelines and treat any data collected with the utmost confidentiality. She is a responsible student dedicated to conducting a thorough and rigorous study.

We kindly request your support in granting Ms.Kiden Judith Benson, M23B12/039 access to relevant data and personnel within any department and as well as any personnel with objective knowledge regarding her topic. Your valuable insights will significantly contribute to the success and quality of her research.

Thank you for considering her request. Should you require any additional information, please do not hesitate to contact me on the address provided here below.

Sincerely,

.....
 Mukisa Simon Peter
 Lecturer and undergraduate
 Research coordinator UCU School of Business
 Email smukisa@ucu.ac.ug Mob. 0752938600



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