INFLUENCE OF SUPPLIER RELATIONSHIP MANAGEMENT STRATEGIES ON SUPPLY CHAIN PERFORMANCE IN SELECTED SUPERMARKETS IN BUJUMBURA

Ndayishimiye, D., & Barasa, P. W.

INFLUENCE OF SUPPLIER RELATIONSHIP MANAGEMENT STRATEGIES ON SUPPLY CHAIN PERFORMANCE IN SELECTED SUPERMARKETS IN BUJUMBURA

[*] Ndayishimiye, D., & [**] Barasa, P. W.

* School of Business and Economics, Mount Kenya University [MKU]
P.O BOX 342-01000, Thika, Kenya
** School of Business and Economics, Mount Kenya University [MKU]
P.O BOX 42702- 80100, Mombasa, Kenya

ABSTRACT

The main objective of this study was to find out how communication, Commitment and Cooperation strategies influence supply chain performance in selected supermarkets in Bujumbura. The specific objectives of the study were to assess the influence of communication strategy on supply chain performance in selected supermarkets in Bujumbura; to explore how commitment strategy influence supply chain performance in selected supermarkets in Bujumbura and lastly to examine the influence of cooperation strategy on supply chain performance in selected supermarkets in Bujumbura. The study was guided by lean supply theory, agility theory and agency theory. Descriptive research design was applied in the formulation of knowledge on the contribution of supply chain management practices on the performance of supermarkets in Burundi and also provides recommendations to areas that require improvement. The target population for the study was789 procurement, finance managers and stores department employees drawn from 15 supermarkets located in Bujumbura according to Investment Promotion Agency of Burundi (API). Using Slovin formulae, the study used a sample of 234 respondents. The study applied both primary and secondary data. Structured questionnaires research technique was used to get primary data from employees in the procurement, store and finance departments who were mostly involved in supply chain management. Reliability of the instrument was done to measure stability and consistency of the questionnaire. The validity of the questionnaire was done to check whether it is measuring what it purports to measure. Analytical research was used to analyze secondary data. Both quantitative and qualitative research techniques were used during data presentation. Pilot testing was done on 25 respondents to test and improve the flow and the clarity of the questionnaire before the actual collection of data. Data was analyzed and presented inform of frequency tables and charts. The findings showed that the supply chain management practices statistically significantly influence the procurement performance of selected supermarkets in Bujumbura in Burundi, $F_{(4, 259)} = 64.223$, $p < .05$, $R^2 = .559$ at p- value is 0.000 which is less than 0.05

Key Words: *Supplier Relationship Management, Supermarkets in Bujumbura, Supply Chain Performance*

Page: - 1342 -

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

INTRODUCTION

With the world becoming worldwide market, there has been an expanding reliance across public and geological limits of individuals and the degree of contest among organizations has gone up with a major edge and there has been developing interest for adaptable and cost proficient frameworks that can uphold client separation (Barasa, 2014). Obtainment is one of the vital jobs that are significant in inventory network that possibly impacts the company's quality, item, advancement, client responsiveness, and the association's monetary exhibition. This being the case along these lines, the business needs to develop a superior relationship with its providers to guarantee top caliber of labor and products, convenient and guaranteed conveyances which would thusly help the two organizations in arranging. In the past providers are frequently treated in an ill-disposed way by purchasers. As the connection among purchasers and providers are seen as successes lose circumstance. Nonetheless, many forward looking firms have thought that it was more successful to work cooperatively with their providers to serve a definitive client. Barasa (2016) discovered store network cooperation practice, harmless to the ecosystem store network the board practice, data sharing practice and Customer relationship the executives practice measurably fundamentally influenced the presentation of organizations. The business environment is today exceptionally unique and serious climate. While the world saw key advances in the development of assets all through this period, what didn't advance was vital relationship the executives or associations. This presented incredible difficulties to Europe during reconstructing as those providers who had once acted the hero, as of now not thought of them as a first concern. Because of this, the revamping cycle saw extraordinary slowing down, not from an absence of financing, but instead by a powerlessness to gain products from their providers (Tulip, 2010).

The board and development of provider connections is critical and crucial to the achievement of inventory network the executives in organizations. Specifically, essential associations with basic providers should be perceived to boost the worth creation in the production network. Studies have shown that fruitful administration of these connections adds to positive execution of organizations (Tan, 2000). For that relationship to be viable and long haul to all gatherings it must be advantageous to both the purchasing and providing firms. As indicated by Liker and Choi (2004), organizations are increasingly depending on providers to bring down costs, work on quality, and foster new items or administrations quicker than their rivals do. This examination hence endeavors to analyze the impacts of provider relationship the board (SRM) on serious execution in the retailing area in Burundi explicitly in Bujumbura.

Supply chain management approaches are being applied by businesses worldwide due to the optimistic consequences that have been displayed such as improved financial performance; enhanced customer satisfaction and earlier product obtain ability. Supply network Management is a set of coordinated pronouncements and undertakings exploited to efficaciously combination whereby people who do the supply together with those who do the production, conveyors, retailers and consumers with an intention of ensuring that accurate amount of product is dispensed at the correct amounts, to the precise positions with an intention of reducing costs while maintain preferences of the customers. (Jaskanwal, Deep &Rajdeep, 2013).

Studies have been done globally by different scholars about supplier relationship management strategies and how they affect the performance and out of different organizations. Liu &Hai in 2010 examined how supplier management affects the productivity and performance among private hospitals. The study concluded that proper supply chain management is important for the performance of these private hospitals. In South

Page: 1343

The Strategic Journal of Business & Change Management. **ISSN** 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

Korea, supplier chain management has been identified as one of the key determinant of the performance of business enterprises. Businesses have therefore enhanced supply chain management practices as this will enhance their competitiveness in the global sector. According to Krause, 2012), improved SCM practices in South Korea has enabled many organizations to become more competitive in the global market and this has enabled these businesses to remain afloat in the world that is very competitive. In Japan, automotive industry has incorporated SCM practices using a philosophy that was conceived after the 2nd world war according to Moore (2010). Courses, lectures and seminars were conducted on Toyota Motor Corporation employees in 1950s. The issue of supplier relationship was made one of the key strategies to enhance and improve their performance in the market. This is because of the effects of the 2nd world war and the quench to increase their sales and expand their market. According to Lategan 2010, Supplier relationships were formed in North America and Europe in automotive industries in the 1980s.The sole purpose of these supplier relationships was to enhance the productivity, output and performance in these firms. Nasra in 2014, found out organizations in North America like John Deere, Motorola, Harvey-Davidson, Digital equipment corporation , Marks and Spencer have adopted supplier chain management due to benefits that are brought about by SCM.

Supplier relationship management in Ghana has been identified as one of the factors that dictate how effectively, efficiently and quickly an organization will attain or realize its goals and objectives. These objectives include customer retention, revenue growth, reduction of employee turnover, wealth maximization for shareholders among others (Kamenya, 2014). According to Lategan, 2010, supplier chain management affects the performance of organizations positively and for these organizations to remain competitive in the business world, SCM strategies need to be implemented as a matter of urgency. In sub-Saharan Africa, performance of major businesses has faced many challenges which are majorly brought about by a situation whereby supply chain management is almost non-existent which ultimately affect the performance of these businesses (Czarnitzki, Hanel, & Rosa, 2011). For example in Kenya many businesses enterprises have adopted supply chain practices such as collaboration, information sharing, proper communication, information technology and outsourcing. They have realized that SCM is an important component that immensely affects the performance of these businesses. Moenga (2016) in his study intimated that many businesses have realized the importance and usefulness of having an organized a robust supply chain management practices, but on the other hand they are yet to put the same into practice.

In 2016, Walmart chose to execute an imaginative SCM that utilizes applicable information and examination to figure client buy conduct, and afterward it works its direction back up the inventory network to satisfy that normal need. They can in this way currently expect and know in advance things like influenza designs, which mean they can precisely estimate required stock for over-the-counter influenza cures. This makes an effective production network with minimal waste and a higher primary concern. As per 2018 condition of retail report, Retail supply chains are about the "fast track" with item being created, created, and conveyed to clients speedier than at any other time. This has even made significant by the way that U.S online retail became quicker than it has since 2011.

Web based business currently addresses 13% of complete retail deals in 2017 and 49% of the development. Condition of retail report (2018), retailers is changing their sourcing rehearses with worldwide sellers and brand accomplices to accomplish quick stock restocking. As indicated by the fate of retail inventory network by KPMG 2016, driving retailers will move away from customary gauge drove supply chains to request driven stockpile chains (DDSCs). This will permit them to

react quickly to the ascent in functional intricacy and monetary pressing factors essentially emerging from the speed of inventive prompting a persistent stream of new items entering the item. Singh and Raghuvanshi (2014), in the coordinated retail market in India the job of store network is vital for the Indian client requests at moderate costs a verity of item blend and it is guarantee to the clients in all the different contribution that organization chooses for its client, be it cost, administration, or the speed in reacting to truly changing taste of the client.

As per African improvement bank report of 2018, top 25 recorded stores in Africa all things considered acquired absolute income of US$ 44.3 billion out of 2017 contributing around 5.4% to the complete African retail market size of US$823.2 billion. Their consolidated retail income developed by 9% in FY17, fromUS$40.6 billion in FY18. Africa's financial advancement and it's 350 million working class have made the locale appealing for retailers. Specifically, Sub-Saharan Africa Burundi included, with an urbanization pace of 3.61% and 7 of the 10 quickest developing economies on the planet, has become an alluring venture objective for both homegrown and worldwide retailers. With a populace of in excess of 140 million individuals, the East Africa locale gives a huge retail market to formal retail merchants with significant advantages for purchasers and makers.

As per Nakumatt Holdings Research the ebb and flow local populace has a chance to support something like 10 significant retail locations in every town. In the following ten years, Nakumatt Holdings is estimating that near 25million clients across the district will approach formal retail exchange offices with month to month deals arriving at the US 700 million imprints and selling space arriving at near 40 Million square feet up from 15 million square feet today (Nakumatt CBC, 2015). A few administrative measures block the passage of formal appropriation firms and breaking point their tasks in East African business sectors. Conversely, Burundi has almost no guideline set up concerning retailer administrations. Except for drug stores, which need to keep drafting

and area rules, guidelines or enrollment necessities are missing for most organizations.

Bujumbura city is the greatest city in Burundi, the financial capital of Burundi and authoritative center point of the country. Expectations for everyday comforts improved, which even stretched out to approaching transients (Burundi Poverty Assessment, 2018). Supermarkets in East Africa have enjoyed a massive and robust growth with Rwanda experiencing having 15% growth followed by Uganda with 13%. Burundi has also not been left behind with 7% growth. Total retail sales in East Africa are expected to increase from around 43 million USD in 2010 to more than 70 million USD in 2019 this is according to Africa Trade Policy report. In Bujumbura city, general store area and undoubtedly the retail area has encountered a marvelous development somewhat recently because of changing preferences and inclinations of customers. Supermarkets in East Africa have enjoyed a massive and robust growth with Rwanda experiencing having 15% growth followed by Uganda with 13%. Burundi has also not been left behind with 7% growth. Total retail sales in East Africa are expected to increase from around 43 million USD in 2010 to more than 70 million USD in 2019 this is according to Africa Trade Policy report. These figures indicate that this is sectors that need proper studies and understanding especially in supply chain management so as to address issues that may affect the performance of these supermarkets.

As per Strategies for Urbanization and Economic Competitiveness in Burundi report (2018), dispersion channels, similar to discount markets, connecting makers to brokers, processors or end customers are accounted for to be casual, divided and wasteful. Dissemination channels accordingly will in general need coordination, as there are not many connections between makers, processors and merchants. For example, considerably more proper merchants like grocery stores have not made any endeavors to organize their buys, which lead to

brief deficiencies or oversupply of certain imported merchandise.

Specific Objectives of the Study
- To establish influence of Communication Strategy on Procurement performance of selected Supermarkets in Bujumbura.
- To explore influence of Commitment Strategy on Procurement performance of selected Supermarkets in Bujumbura.
- To examine influence of Cooperation Strategy on Procurement performance of selected Supermarkets in Bujumbura.

LITERATURE REVIEW
The study adopted the following theories; The Lean Supply Chain Theory, Agility Theory and Agency Theory

Conceptual Frame work
This investigates the inter-link between the different factors that have been featured in the examination that is autonomous and the reliant factors. An autonomous variable is the assumed reason for changes in the reliant variable (Kothari, 2004).The calculated system hereunder outlines the apparent connection between the free factor and the reliant variable the hierarchical presentation. Calculated system as indicated by Bogdan and Biklen (2003) is an essential system that is comprised of hypothetical squares that establish viewpoints that will be noticed, tested and examined in a cycle or a construction that is conceived. Evade (2003) portrayed an autonomous variable as an inconsistent variable that is accepted to impact or directs a reliant variable which can be modified on a case by case basis. As per the investigation, free factors are incorporate and are displayed in the figure 1 underneath: correspondence, participation, cooperation and responsibility. A reliant variable is a variable ward on another variable: the free factor
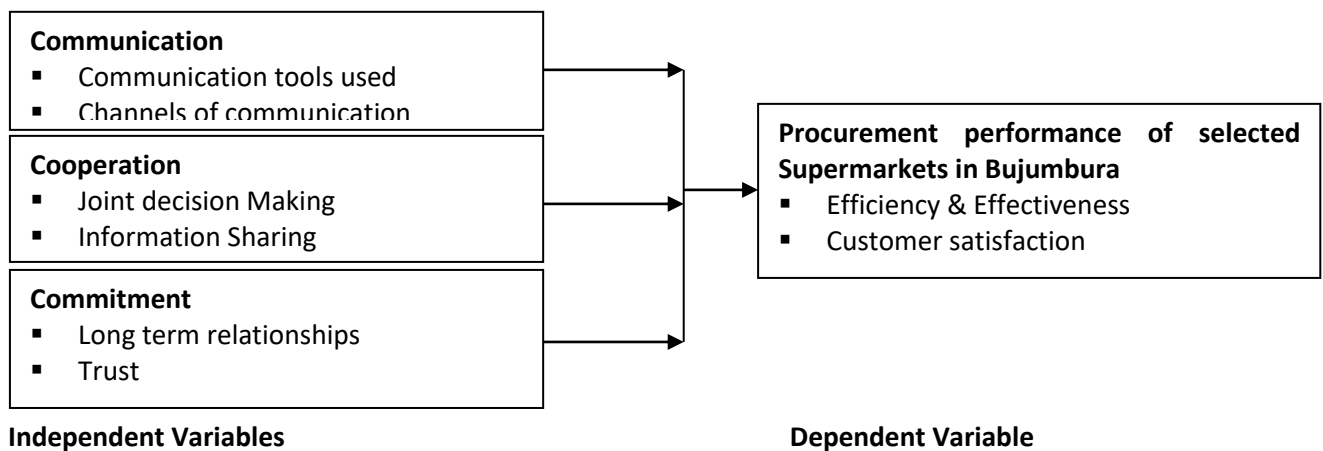

Independent Variables   Dependent Variable

Figure 1: The Conceptual framework

Source: Researcher (2022)

Influence of Communication Strategy on Procurement performance of selected Supermarkets in Bujumbura
Information sharing enables all actors in supply chain to communicate effectively thus making operations in procurement department efficient. Professionals involved in supply usually apply various media channels to pass or disseminate information to their suppliers for example phone, fax, Emails, internet among others hence improving procurement performance. Schneider (2012) concurred that there are numerous advantages that will be experienced in an organization when communication is efficient and information flow is coordinated. Coordinated flow of information improves customer and supplier relationships and ultimately removes any ambiguity that may breed

any unnecessary friction between various actors in supply chain.

Influence of Commitment Strategy on Procurement performance of selected Supermarkets in Bujumbura.

Commitment is a very important component in every relationship and for the relationship to work; each and every party in the relationship must be committed and therefore in this case keep its part of the bargain. There are therefore benefits if parties in a relationship stays committed in the relationship as well as costs that are borne by parties if the betray the spirit and rules of the relationship. Prediction process which is about what might happen in future will be applied to measure commitment between the parties. Therefore by applying prediction process, one party has the capacity or the potential to prognosticate how the other person in the relationship will act or behave and therefore one will be able to predict whether the other party is credible or not basing their result on the past experiences. Hausman, (2010) in his examination contends that purchasers and providers who have a relationship that is directed by submitted standards are indispensable in improving execution of an association. To foster an enduring relationship, responsibility and activity on the side of the exchanges included gatherings is required accordingly further developing the obtainment execution of a firm. Significant variable for acquirement execution achievement is the level and level of penances that different partners or accomplices are prepared and slanted to contribute to achieve durable achievements or accomplishments. Associations to build up and keep up with long haul connections if such a commitment are shared interest pay.

Influence of Cooperation Strategy on Procurement performance of selected Supermarkets in Bujumbura.

Effective and efficient cooperation with supply chain actors requires that an organization shares information that is useful quickly. Helpful Procurement is a term that alludes to the joining of necessities of at least two public acquirement elements to use the advantages of volume buys, conveyance and inventory network benefits, best practices, and the decrease of regulatory time and costs hence further developing obtainment execution. Participation results from the need to keep up with the channel relationship to accomplish wanted objectives and mirrors the centrality and supplant capacity of the labor and products given by the provider accordingly fruitful results of acquirement activities.

METHODOLOGY

Research Design: Descriptive research design was applied in this research. Garg and Kothari 2014) intimated that this research design is appropriate because the research aims at presenting the findings of the study through observation and representing the behaviour of the subjects devoid of influencing them in any case. As indicated by Creswell and Creswell (2017), a distinct examination configuration is applied in deciding the connection between a certain something (an autonomous variable) and another (a ward or result variable) in a populace. This will at last helps with building up the connection between the examination factors as looked for in the exploration.

Target Population: Mugenda & Mugenda (2012) define a target population as that population to which the study wants to deduce the findings of a study. Retail sector in Burundi has continued to register a significant growth of at least 20% every year since 2016. According to Investment Promotion Agency of Burundi (API) directory in 2020, there were 64 supermarkets in Bujumbura. These supermarkets formed the target population and the unit of analysis in the study. The unit of observation was the members of staff in any of the three key departments that is procurement, finance and stores departments which have 789 employees. Therefore the targeted unit of observation was 789 employees as indicated by table 1.

Table 1: Target Population

Categorization	Target Population
Procurement Section	205
Stores Section	347
Finance Section	237
Total	**789**

Source: Author (2022)

Sample and Sampling Procedure: Sampling techniques is the procedure that is used in choosing a subset of individuals from within a statistical population to estimate characteristics of the whole population (Brase & Brase, 2016). The study divided the whole population into smaller strata or sub-groups and therefore selected a sample from 789 employees from the 15 listed supermarkets in Bujumbura. Sample size is the number of observations in a sample (Montgomery, 2017). It is a representative of the population under study such that the sample results can be inferred to the entire population. According to Garg and Kothari (2014) the sample size should be adequate and must be representative enough i.e. it should be more than 30 units except in small populations. The procedure of choosing units from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen is called sampling (Fowler, 2013). The sample selected for this study was derived using the Slovin formulae.

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

Where n = Sample Size N = the total population 1 = constant e = limit of sampling error

$$n = \frac{789}{1+789(0.05)2} = 265$$

Sample size=265

Data Collection Method: Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes (Zikmund, Babin, Carr & Griffin, 2013). The study used both primary and secondary data. Primary data was obtained from a structured questionnaire that collected data from 15 listed supermarkets while secondary data was collected via journals, internet and textbooks. The questionnaire which was self-administered was adopted in gathering source data. The researcher used of research assistants who were adequately trained prior to questionnaire administration. The respondents were mainly professionals from procurement, storage of supplies and finance department.

Validity and Reliability of Research Instrument: Cohen, Manion and Morrison, (2013) asserts that legitimacy in research is characterized as how best a logical test or piece of examination really apportions what it sets to or how well it mirrors the truth it professes to address. Legitimacy is utilized to check whether the surveys are estimating what it indicates to quantify. Legitimacy is seen is as honesty and is a proportion of how well a conceptualized thought regarding reality coordinates with the real reality (Bolarinwa, 2015). To get legitimacy questions were coordinated around the particular targets of the examination .These goals were the means by which correspondence, responsibility, joint effort and participation influence how supply office is acting in retail area in Bujumbura. To guarantee the legitimacy of the poll, the specialist looked for assessment of individual understudies and at least the well-qualified assessment of the college boss so they can give understanding and suggestions on regions that ought to be remembered for the

examination prior to going to the field to gather information. Contribution from partners helped with improving the substance of the polls by guaranteeing that they covered every one of the spaces that were expected to be covered by the examination.

Bolarinwa, (2015) indicated that reliability is a measure of how dependable or consistent the instrument is in measuring the required construct.. To ensure reliability, a pilot survey was carried out in order to examine and enhance flow and clarity of the questionnaires prior to the commencement of actual data gathering. The research instruments were checked to ascertain if they produce similar results after pre-testing. Cronbach alpha was applied to examine whether questionnaires that were used in the study were reliable. The Alpha value usually takes any number whereby the lowest number zero will indicate that there is no dependability to one which will indicate that there is maximum constituency. The general rule of Cronbach's Alpha values is that .70 is acceptable, 0.80 is good while 0.90 is the best. To ensure that the instruments used will be reliable, the person conducting the study used test pretest method in the study area using respondent from the targeted population who were not part of the study sample.

DATA ANALYSIS AND DISCUSSION

Influence of Communication Strategy on Procurement performance in selected Supermarkets in Bujumbura

The researcher aimed at determining the Influence of Communication Strategy on Procurement performance in selected Supermarkets in Bujumbura. The respondents were asked to indicate the extent to which they agreed or disagreed with the statement, 5=to a very large extent, 4=Large extent, 3=to a moderate extent, 2=Small extent and 1=to a very small extent. The findings are presented in the tables 2;

Table 2: Influence of Communication Strategy on Procurement performance in selected Supermarkets in Bujumbura

Statement	very large extent	Large Extent	Moderate Extent	Small Extent	Very Small Extent
Information tools are simple and tractable.	40%	43%	7%	5%	5%
Stakeholders and suppliers meet regularly to tackle their concerns and worries	45%	38%	5%	7%	5%
Communication between parties involved is effective	40%	40%	10%	5%	5%
Proper Communication affect performance	40%	43%	7%	5%	5%

Source: Author (2022)

From Table 2, Majority of respondents, 83% of the respondents agreed that Information tools that are used between firms and suppliers are simple and tractable. 83 % of the respondents believe that different stakeholders that are involved in procurement and suppliers meet regularly to tackle and raise their concerns and worries. 83% of the respondents agreed that proper communication affect procurement performance and therefore should be cultivated and enhanced while 80% agreed that Communication between parties involved is effective.

Regression Analysis of Communication Strategy on Procurement performance of selected Supermarkets in Bujumbura

Regression analysis was done for the purpose of identifying or establishing the underlying relationship or association between communication practice and procurement performance of selected supermarkets in Bujumbura. Table 3 indicates a regression model summary of Effect of Communication Strategy on procurement performance of selected supermarkets in Bujumbura. The R^2 of the model was found to be 0.747 indicating that 74.7% of the variations in Procurement performance of selected supermarkets in Bujumbura were brought about by communication Strategy. The difference that is 25.3% which was brought about by factors not predicted in this model symbolized by the error term. Given this strong model, the study tested whether there is a robust and significant empirical ground to conclude that communication Strategy to a very large extent increases or advances Procurement performances of selected supermarkets in Bujumbura.

Table 3: Regression Analysis for communication practice and supermarket Performance for selected supermarkets in Bujumbura

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.864[a]	.747	.731	.12334

    a. Predictors: (Constant), Communication Strategy

Communication is crucial and vital in improving procurement performance. Whenever purchasing professionals utilize a variety of media to communicate with suppliers such as phone, fax, face-to face, mail, e-mail, Internet, and electronic data interchange (EDI) there is an improvement in procurement performance(Rodrigo, 2001).Furthermore, it is only through effective communication that businesses are able to reduce inventory carrying costs and maximize profits from products provided by suppliers. Consequently, communication plays a critical role in social and business relationships since it is a powerful source of competitive advantage (Spekman *et al* 1999) .Further support to the findings of the study is by Goodman and Dion (2001) who state that effective communication in channel relationships can enhance levels of channel member coordination, satisfaction, commitment levels, and procurement performance.

Influence of Commitment Strategy on Procurement performance of selected Supermarkets in Bujumbura.

The researcher aimed at determining the influence of commitment Strategy on procurement performance of selected supermarkets in Bujumbura. The respondents were asked to indicate the extent to which they agreed or disagreed with the statement, 5=to a very large extent, 4=Large extent, 3=to a moderate extent, 2=Small extent and 1=to a very small extent. The findings are presented as shown in the table 4;

Table 4: Influence of Commitment Strategy on Procurement performance of selected Supermarkets in Bujumbura

Statement	Very large extent	Large Extent	Moderate Extent	Small Extent	Very Small Extent
Firms strive maintain a long-term relationship between them and their suppliers	42%	40%	7%	5.3%	3.7%
Commitment between buyers and suppliers enhance procurement performance	44%	42%	6%	4%	4%
Proper Commitment is important in buyer-supplier relationship	42%	41%	10%	4%	3%

Source: Author (2022)

From table 4, majority of the respondents that is 82% confirmed that their businesses strive maintain a long-term relationship between them and their suppliers. 86% of the respondents confirmed that commitment between buyers and suppliers enhance procurement performance while 83% agreed that Proper Commitment is important in buyer-supplier relationship since uncertainty will cause knowledge transaction barrage.

Regression Analysis of Commitment Strategy on Procurement performance of selected Supermarkets in Bujumbura

From Table 5 shows the Regression analysis on relationship of Commitment Strategy and procurement performance of selected supermarkets in Bujumbura. Regression model summary indicates that of Commitment Strategy has effect on the procurement performance of selected supermarkets in Bujumbura. The R^2 of the model was found to be 0.744 indicating that is 74.4% of the variations in performance of selected supermarkets in Bujumbura were brought about by commitment Strategy. The difference that is 25.6% which was brought about by factors not predicted in this model symbolized by the error term. Given this strong model, the study tested whether there is a robust and significant empirical ground to conclude that commitment practice to a very large extent increases or advances performances of selected supermarkets in Bujumbura.

Table 5: The Model Summary of Regression Analysis of Commitment Strategy on Procurement performance of selected Supermarkets in Bujumbura

Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate
1	863[a]	.744	.740	.27558

a. Predictors: (Constant), Commitment Strategy

Commitment means a company makes a promise to its partner for performing duties and obligations. In supply chain, commitment make companies respect with each other (Young and Wang 2008), and maintain a long-term relationship; A steady relationship makes it possible for a company to obtain others' scare resource and market competitive advantage (Ramaseshan and Pae2006), which ensures a stronger flexible performance. Further support to the study is by Stankoet al., (2007) who stated that commitment enables the suppliers and buyers to develop the belief that the existing relationship is important and it need maximum effort to maintain it for a long-term period hence improving the procurement performance. Commitment is the key driver of long-term relationship and both buyers and suppliers need to develop high levels of commitment so as to achieve sustainable competitive advantage thus improving the procurement performance. Stanley, (2004) in his study revealed that commitment is an important issue in supply chain integration because

effective planning is based on information shared among partners hence it is an essential element for the successful integration making and high procurement performance. However, there is need to conceal vital information such as financial information from operational partners who may be competitors in the market in the future. Moreover, lack of commitment leads to loss of efficiency and effectiveness hence the goal of supply chain risk will be found thus low procurement performance. (Snehota, 2000).As well, Hausman, (2010) in his study argues that committed buyer seller relationship contributes to improved procurement performance of a firm.

Influence of Cooperation Strategy on Procurement performance of selected Supermarkets in Bujumbura.

The researcher aimed at determining the Influence of Cooperation Strategy on procurement performance of selected supermarkets in Bujumbura. The respondents were asked to indicate the extent to which they agreed or disagreed with the statement, 5=to a very large extent, 4=Large extent, 3=to a moderate extent, 2=Small extent and 1=to a very small extent. The findings are presented as shown in the table 6;

Table 6: Effect of Cooperation Strategy on Procurement performance of selected Supermarkets in Bujumbura

Statement	Very large extent	Large Extent	Moderate Extent	Small Extent	Very Small Extent
Information sharing is procured between different actors involved in procurement	42%	40%	7%	5%	6%
Joint decision making is encouraged in their organization	40%	41%	8%	4%	6%
Cooperation between parties involved is enhanced	41%	42%	8%	6%	3%
Proper cooperation improve performance	40%	43%	7%	6%	5%

Source: Author (2021)

From table 6, majority of respondents (82 %) agreed that information sharing is procured between different actors involved in procurement. Also 83% of the respondents agreed that Proper cooperation improve procurement performance, 81% of respondents agreed that joint decision making is encouraged in their organization and lastly 83% agreed that Cooperation between parties involved is enhanced

Regression Analysis of Cooperation Strategy on Procurement performance of selected Supermarkets in Bujumbura

Regression analysis was done to determine if there was a relationship between cooperation Strategy and Procurement performance of selected supermarkets in Bujumbura. Table 7 indicates a model summary of cooperation Strategy and procurement performance of selected supermarkets in Bujumbura. The R^2 of the model was found to be 0.877 indicating that 87.7% of the variations in performance of selected supermarkets in Bujumbura were brought about by cooperation practice in supply chain management. The difference that is 12.3% which was brought about by factors not predicted in this model symbolized by the error term. This shows that cooperation Strategy has effect on procurement performance of selected supermarkets in Bujumbura.

Table 7: The Model Summary of Regression Analysis of Cooperation Strategy on Procurement performance of selected Supermarkets in Bujumbura

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936[a]	.877	.861	.15446

a. Predictors: (Constant), Cooperation Strategy

In line with the results, Benton, (2000) echoes that cooperation makes it possible for two or more public procurement entities to benefit from the advantages of volume purchases, delivery and supply chain advantages and the reduction of administrative time and expenses thus improving procurement performance. This is due to the fact that, when parties cooperate they are able to understand each other's expectations and need and tend to work towards achieving their mutual goal of improving their procurement performance (Perreault, 1999).Concurrently, (Liu and Wang, 2000) state that cooperation maintains long-term relationships and contributes to firm's success as a result of increased procurement performance.

Moreover, when cooperation is established, exchanges parties become more confident in engaging in cooperative activities and avoid opportunistic behaviors thus improve procurement performance. (Cannon, 1999).In the same way, collaboration is essential in heightening the relationship between communication and procurement performance, cooperative inter-business relationship is primarily based upon personal trust between business parties.

Correlation of Supplier Relationship Management Strategies and Procurement Performance of selected Supermarkets in Bujumbura

From table 8, the researcher did an analysis to establish the relationship between independent variables of the study (communication, cooperation and commitment) and the dependent variable; that is Procurement performance of selected supermarkets in Bujumbura

Table 8: Correlation of Supplier Relationship Management Strategies and Procurement Performance of selected Supermarkets in Bujumbura

Variables	Test	Cooperation X1	Commitment X2	Communication X3	Procurement Performance
	Pearson Correlation	1	0.560^{**}	0.320^{**}	$.384^{**}$
Cooperation X1	Sig. (2-tailed)		.000	.000	.000
	N	234	234	234	234
	Pearson Correlation	0.560^{**}	1	$.169^{*}$	$.372^{**}$
Commitment X2	Sig. (2-tailed)	.000	.000	.000	.000
	N	234	234	234	234
	Pearson Correlation	$.320^{**}$	$.169^{*}$	1	$.336^{**}$
Communication X3	Sig. (2-tailed)	.000	.000	.000	.000
	N	234	234	234	234

From table 8, it was established that Supplier Relationship Management Strategies have positive and statistically significant relationship with Procurement performance of selected supermarkets in Bujumbura. Cooperation Strategy X_1 (r =0.384, p < 0.01); Commitment X_2 (r =0.372, p < 0.01) and lastly communication Strategy X_3 (r =0.336, p < 0.01) respectively

Multiple Regression of Supplier Relationship Management Strategies and Procurement Performance of selected Supermarkets in Bujumbura

Researcher conducted multiple regression analysis in order to establish the relationship between independent variables (cooperation, communication and commitment) and the dependent variable that is procurement performance of selected supermarkets in Bujumbura. Statistical package for social sciences (SPSS V 22.0) was applied in coding, entering and computing the measurements of the multiple

regression analysis for the study. From the table 9, multiple regression analysis results indicates that procurement performance of selected supermarkets in Bujumbura influenced by Supplier Relationship Management Strategies that include; communication X1, cooperation X2 and commitment X3 with R^2 =0.559 This indicates that the independent variables (communication, commitment and cooperation) accounts for 55.9% of the variations in procurement performance of selected supermarkets in Bujumbura.

Table 9: Model Summary for Supplier Relationship Management Strategies and Procurement Performance of selected Supermarkets in Bujumbura

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.748[a]	.559	.552	.49967

a. **Predictors: (Constant), Communication X1, cooperation X2, commitment X3**

Table 10 shows ANOVA results which indicates that the supply chain management practices statistically significantly influence the procurement performance of selected supermarkets in Bujumbura, $F (4, 259) = 64.223$, $p < .05$, $R^2 = .559$ at p- value is 0.000 which is less than 0.05

Table 10: ANOVA of the Regression of procurement performance

ANOVAa					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	125.529	4	25.102	64.223	.000[b]
Residual	100.553	259	.288		
Total	226.082	263			

a. Dependent Variable: Performance of selected supermarkets in Bujumbura

b. Predictors: (Constant), Communication X1, Cooperation practice X2, commitment Practice X3.

Coefficient of Correlation for Supplier Relationship Management Strategies and Procurement Performance of selected Supermarkets in Bujumbura

Table 11: Coefficient of Correlation for Supplier Relationship Management Strategies and Procurement Performance of selected Supermarkets in Bujumbura

Coefficients[a]					
Model	Unstandardized Coefficient		Standardized Coefficient	t	sig
	B	Std. Error	Beta		
Constant	.362	.284		5.132	.001
Communication Strategy X_1	.310	.059	.398	2.350	.016
Cooperation Strategy X_2	.740	.79	.477	9.446	.001
Commitment Strategy X_3	.276	.56	.227	4.736	.000

a. Dependent Variable: Procurement Performance of selected supermarkets in Bujumbura

Multiple regression analysis carried out to explore and establish the relationship between the relationship between procurement performance and the three independent variables that is communication, cooperation and commitment. As per the SPSS generated the following regression equation was generated

Procurement Performance of selected Supermarkets in Bujumbura= 0**.362+ 0.310 X1+ 0.740 X2 + 0.276 X3+ α**.

The beta (β) values assist the researcher in determining how robust each independent variable in relation to the dependent variable. Deducing results from table 11, Cooperation practice X_2 (β

=0.477, p< 0.05) has the strongest relationship with the Performance of selected supermarkets in Bujumbura, it was followed by communication practice X3 (β =0.398, p< 0.05) and lastly commitment practice X3 (β =0.227, p< 0.05).

Summary of the findings

The summary of the findings were discussed based on the research objectives

Influence of Communication Strategy on Procurement performance in selected Supermarkets in Bujumbura

Regression analysis was done for the purpose of identifying or establishing the underlying relationship or association between communication practice and procurement performance of selected supermarkets in Bujumbura. The R^2 of the model was found to be 0.747 indicating that 74.7% of the variations in Procurement performance of selected supermarkets in Bujumbura were brought about by communication Strategy. The difference that is 25.3% which was brought about by factors not predicted in this model symbolized by the error term. Given this strong model, the study tested whether there is a robust and significant empirical ground to conclude that communication Strategy to a very large extent increases or advances Procurement performances of selected supermarkets in Bujumbura

From descriptive analysis, Majority of respondents, 83% of the respondents agreed that Information tools that are used between firms and suppliers are simple and tractable. 83 % of the respondents believe that different stakeholders that are involved in procurement and suppliers meet regularly to tackle and raise their concerns and worries. 83% of the respondents agreed that proper communication affect procurement performance and therefore should be cultivated and enhanced while 80% agreed that Communication between parties involved is effective.

Influence of Commitment Strategy on Procurement performance of selected Supermarkets in Bujumbura.

Descriptive analysis revealed that Majority of the respondents that is 82% confirmed that their businesses strive maintain a long-term relationship between them and their suppliers. 86% of the respondents confirmed that commitment between buyers and suppliers enhance procurement performance while 83% agreed that Proper Commitment is important in buyer-supplier relationship since uncertainty will cause knowledge transaction barrage.

Regression analysis revealed that of Commitment Strategy has effect on the procurement performance of selected supermarkets in Bujumbura. The R^2 of the model was found to be 0.744 indicating that is 74.4% of the variations in performance of selected supermarkets in Bujumbura were brought about by commitment Strategy. The difference that is 25.6% which was brought about by factors not predicted in this model symbolized by the error term. Given this strong model, the study tested whether there is a robust and significant empirical ground to conclude that commitment practice to a very large extent increases or advances performances of selected supermarkets in Bujumbura.

Influence of Cooperation Strategy on Procurement performance of selected Supermarkets in Bujumbura.

Descriptive analysis showed that majority of respondents (82 %) agreed that information sharing is procured between different actors involved in procurement. Also 83% of the respondents agreed that Proper cooperation improve procurement performance, 81% of respondents agreed that joint decision making is encouraged in their organization and lastly 83% agreed that Cooperation between parties involved is enhanced

Regression analysis also showed that indicates a model summary of cooperation Strategy and procurement performance of selected supermarkets in Bujumbura. The R^2 of the model was found to be 0.877 indicating that 87.7% of the variations in performance of selected supermarkets in Bujumbura were brought about by cooperation

practice in supply chain management. The difference that is 12.3% which was brought about by factors not predicted in this model symbolized by the error term. This shows that cooperation Strategy has effect on procurement performance of selected supermarkets in Bujumbura.

CONCLUSION AND RECOMMENDATIONS

The correlation analysis showed that that Supplier Relationship Management Strategies have positive and statistically significant relationship with Procurement performance of selected supermarkets in Bujumbura. Cooperation Strategy X_1 (r =0.384, p < 0.01); Commitment X_2 (r =0.372, p < 0.01) and lastly communication Strategy X_3 (r =0.336, p < 0.01) respectively.

Regression analysis revealed that the supply chain management practices statistically significantly influence the procurement performance of selected supermarkets in Bujumbura, $F_{(4, 259)} = 64.223$, p< .05, R_2 = .559 at p- value is 0.000 which is less than 0.05

Top management or leadership in supermarkets in Bujumbura should make sure that supermarkets in Bujumbura and indeed the whole of retail sector have a robust supply chain cooperation at all departments or sectors in their organization since it bring an enhanced their competitive edge and also performance in an environment that is very competitive. There is need for firms to have frequent and timely communication with suppliers and inform them of unforeseen challenges. In regards to cooperation, there is need for firms to have joint development work with suppliers and have joint decisions with suppliers regarding the supplied materials/products. In addition they should develop long term partnership with the major suppliers and aim at giving maximum attention to the relationship with suppliers so as to maintain it and enhance competitive advantage which will lead to improved procurement performance.

REFERENCES

Barclay, Ian (2005) Supply chain management in SMEs. *Journal of General Management.* Vol. 30 Issue 3, p35-50

Bart Vos and HenkAkkermans (2009). Collaboration in buyer-supplier relationships, Middelburg

Brian Hodgson (2002) Tapping Into Supply Relationship Management For Supply Strategy And Procurement.

Fawcett, E., Stephen, L. and Amydee, M. (2012). Supply Chain Trust; The Catalyst for Collaborative innovation. Business Horrizons, 55(2), 163-178.

Gadde, L.E. and Snehota, I., 2000. Making the most of supplier relationships. *Industrial Marketing Management* 29(4), 305-316.

Hakansson, H, and Ford, D. (2002).How should companies interact in business network? Journal of business Research, 55(2), 133-139.

Handfield, R. B., Monezka, R. M., Giunipero, L., C., & Patterson, J. l., (2009). Sourcing and Supply Chain Management (4thed). Canada; South-Western, CENGAGE Learning.

Harland, C. M. (1996).Supply Chain Management; Relationships, Chains and Networks. *British Journal of Management*, 7(s1), s63-s82.

Hawking, S. (1996)."The Illustrated A Brief History of time "(Updated and expanded ed).new York: Bantam Books, pp 15.

Heide, 1.B. and John, G 1988, "The Role of Dependence Balancing in Safeguarding Transaction-Specific Assets in Conventional Channels", *Journal of Marketing*, vol. 52, no. January, pp.20-35.

Jeffrey Pfeffer, Gerald R. Salancik. (2003). the External Control of Organizations. Resource Dependence Perspective. Stanford University Press.

Kamau, I. (2013). Buyer Supplier Relationship and Organizational performance among large manufacturing firms in Nairobi-Kenya. Unpublished MBA thesis, University of Nairobi.

Kasisi, R.,,Mumo, M. B., &Gitonga, H. M. (2014). Factors Affecting the Performance of the Procurement Function in Government Organizations: A Case Study of National Oil Corporation of Kenya. *International Journal of Scientific Engineering and Research* (IJSER), Volume 3 Issue 10.

Kirui, E. K., &Wanyoike, D., (2015). Factors influencing procurement efficiency at the national hospital insurance fund in Kenya. *International Journal of Research in Business Management*. Vol. 3, Issue 11, Nov 2015, 29-42

Kombo, D. K., & Tromp, D. L. (2011). Proposal and Thesis Writing; an Introduction. Nairobi: Paulines Publications Africa

Kothari, C R. (2004).Research Methodology 2ndEdition. New Delhi; WishwaPrashan.

Lavrakas, P. J., (2018). Encyclopedia of Survey Research Methods. (Volume 1). Thousand Oaks, CA: Sage Publications.

Lamming, R, Johnsen, T, Zheng J. & Harland, C. (2000).An Initial Classification of Supply Networks. International Journal of Operations & Production Management, 20(6), 675-691.

Maloni, M. and Benton, W. C. 2000, "Power Influences in the Supply Chain", *Journal of Business Logistics*, vol. 21, no. I, pp. 49-73.

Mugarura. J.(2010). Buyer-Supplier Collaboration, Adaptation, Trust, Commitment and Relationship Continuity of Selected private Manufacturing Firms in Kampala-Uganda. Unpublished Thesis, Makerere University.

Mugenda, O.M. and Mugenda, A.G. (1999).Research Methods.Nairobi Arts. Mugenda, O.M. and Mugenda, A.G. (2003). *African Centre for Technology Studies*(ACTS). Nairobi, Kenya.

Murithi.K. (2011). The Influence of Supplier Relationship Management on Procurement Performance .MscProject. Jomo Kenyatta University of Agriculture and technology.

Musau E. G., (2015). Environmental Factors Affecting Procurement Performance in County Governments: A Case of UasinGishu County. *International Journal of Business and Management Invention*. Volume 4 Issue 1, PP.50-59.

Nicholas, W., (2011)"Social Sciences Research Methodology, the basics" New York, Rutledge.

Poorhosseinzadeh, M. &Subramaniam, I.D. (2012). 'Determinants of successful talent management in MNCs in Malaysia', *Journal of Basic Applied Science Research*, 2: 12

Okong'o, J. N., &Muturi, W., (2017). Factors Affecting Procurement Performance in Public Institutions in Kenya: A survey of Public Institutions in Kisii County. Unpublished Masters Thesis, University of Nairobi, Kenya.

Orodho, A.(2008) Essentials of Educational and social sciences research methods :Qualitative and quantitative Approach .Nairobi Acts Press.

Ramaseshan, B., Yip, L.S.C. and Pae, J.H. (2006) Power, Satisfaction, and Relationship Commitment in Chinese Store Tenant Relationship and Their Impact on Performance. *Journal of Retailing*, 82, 63-70.

Shiundu, D., &Rotich, G. (2014). Factors influencing efficiency in procurement systems among public institutions: A case of City Council of Nairobi. *International Academic Journals*, 1 (1), 79-96

Skinner,-S:'t, Gassenheimer..J. B. and Kelley, S. W. 1992, "Cooperation in Supplier-Dealer Relations", *Journal of Retailing,* vol .. 68, Summer, no. 2, pp. 174-193.

Whipple, J.M. & Frankel, R. 2006. 'Strategic alliance success factors', *Journal of Supply Chain Management*, 36(3): 21–28.

Yang, J., Wang, J. and Wong, C.W.Y. (2008) Relational Stability and Alliance Performance in Supply Chain. Omega, 36, 600-608