



THE ROLE OF STRATEGIC SOURCING IN ORGANIZATIONAL PERFORMANCE: A CASE OF MEDICAL STORE DEPARTMENT

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Abstract:

In rapid changing business environment, many organizations struggle to balance between cost efficiency with long term value creation. Strategic sourcing has emerged as a critical approach to reduce supply risks, minimize procurement costs and enhance organizational performance. This study examined the role of strategic sourcing in enhancing the attainment of organization performance at Medical store department (MSD). A descriptive survey research design was adopted with the target of 214 employees across nine department, where 201 were sampled. The study adopted quantitative research approach where data was collected using questionnaires and analyzed through descriptive statistics and factor analysis. The study findings indicated that supplier selection and supplier experience have an important role in improving organization performance positively while supplier performance did not show a significant effect. The study highlights that effective supplier selection, collaboration with experienced suppliers and structured evaluation mechanisms enhance operational efficiency, flexibility and products and service quality. The study recommended that organizations should prepare a collaborative business environment with suppliers, ensure regulatory compliance during supplier selection and select experience suppliers in procurement-related functions. These findings underscore strategic sourcing as vital driver of organizational performance in public sector procurement.

Keywords:

Strategic sourcing, Supplier experience, Supplier, Organization performance

1. Introduction

In a world business atmosphere procurement is no longer just a transactional activity, it has now become an integral strategic function in achieving long term organizational goals. Strategic sourcing which involves supplier selection, supplier performance, experience, value-oriented decision making and relationship management has come globally to reduce risks, improve quality, improve cost efficiency and enhance firm competitiveness ((Makudza, Jaravaza, Govha, Mukucha & Saruchera, 2023).

In Africa, strategic sourcing conveys additional significance like limited supplier capacity, regulatory complexity, budget constraints and infrastructure problems often compromises procurement effectiveness which results to delays, quality issues and stock outs (Ruhago, Ngalesoni, Msasi, Kengia, Mganga & Kapologwe, 2022). In Tanzania the government and public agencies are increasing emerging reforms, improving regulatory framework and strategic procurement planning to counter some traditional procurement challenges. For instance, (Shatta, Mikwalo & Mkasingagoze, 2024) in their study “The factors influencing supply chain performance in Tanzania public procurement entities” showed that strategic procurement practices including planning and strong supplier- buyer relationship significantly influence supply chain performance.

Tanzania has made several reforms targeting procurement and supply chain management in public health. The MSD directed to source, store and distribute essential health commodities nationwide has been the center of those reform efforts (MSD 2024/25 repots). Several studies observed some sourcing challenges which continue to limit MSD’s ability to deliver expected organization performance (Mbwas, Mbepera, Mfuko 2022: The Citizen 20224). Improvement like strengthening direct procurement, improving fund allocation timeliness, boosting local sourcing

and investing in warehouse and information systems has shown promising changes in supply fulfilment rates and product availability (MSD 2024/25 reports). Above all the challenges remain like regulatory compliance, supplier performance variability, delays in procurement cycles and limited capacity in supplier technology and experience. Therefore, understanding how magnitudes of strategic sourcing especially supplier selection, experience and performance affect organization performance at MSD is critical. Although many reforms have enhanced some sourcing metrics but the evidence is not yet conclusive on how strategic sourcing practices translate into consistent performance outcomes. This gap justifies this study with the aim to examine the role of strategic sourcing in enhancing organization performance at MSD in Tanzania. Using empirical data collected from relevant departments and applying rigorous statistical analysis.

2. Literature Review

2.1. Institutional Theory

This study was guided by the theory called Institutional theory. As one of the oldest theories used to assess the components of public procurement in an organization. Institution theory originated by sociologists Lazars Feld and Morgenstern in 1963, the theory employs a sociological view to describe the structures of the organization and behaviors. There are three common pillars in this theory named; regulatory, normative and cultural cognitive. Whereby, the regulatory pillar covers rules, regulations and procedures as a base for compliance, while the normative pillar covers norms and core values with social obligation as a basis for compliance and cultural cognitive covers beliefs and symbols on shared understanding (Scot, 2004). Based on this theory, all of Tanzania's procuring entities (PEs) are governed by laid down procurement laws, rules, regulations, procedures and guidelines that govern procurement functions. Public procurement laws and regulations have established an oversight body (PPRA) that mandates to administer and enforce compliance with laid down procurement laws, rules, regulations, procedures and guidelines. Employee training related to procurement practices improves employee skills, competencies and compliance with procurement laws and regulations (Baily et al., 2015). The strategic role of procurement practices can be only realised when there is effective enforcement and compliance with laws and regulations. This can make procurement to be included in the organisation's strategic plan and implementation at the strategic level. Therefore, organisation performance can be greatly improved if employees are well-trained with professional competencies and skills to deal with strategic sourcing of suppliers and difficulties in the supply market. Therefore, this theory supports the influence of strategic sourcing on organisation performance thus strategic suppliers' selection, supplies experience and supplier experience influences organization performance, hence one hypothesis was developed from this theory as shown below; -

H01: Strategic sourcing has no significant influence on the performance of the public organisation in Tanzania

2.2. Transaction Costs Theory

Ronald Coase, an economist, first proposed the idea of transaction costs in 1937, arguing that, in some circumstances, the cost of managing and conducting an economic transaction in a market may be greater than the cost of managing the transaction within a firm. When Oliver Williamson endorsed and operationalized the original Coase Transaction Costs Economic Theory (TCE), it expanded (1937). TCE addresses how businesses organisation reduce costs and manage their operations in a risky business environment, the theory is regarded as being more strategic. Business environments are faced with intricate and highly vulnerable risks that generally have a greater impact on business organisation decisions. Sourcing is a key organisation cost that is subject to risks and requires high commitments to ensure that it is carried out efficiently. Sourcing related costs in the organisation include costs of searching for suppliers, information costs, bargaining and decision costs, and enforcement costs. This theory is relevant to this study as an entity aim to minimize all costs associated with sourcing transactions to improve organisation performance without sacrificing the quality of goods, works and services to achieve VFM. The proper ways to reduce sourcing costs in public organisations are through establishing a sustainable relationship between PEs and procurement stakeholders including suppliers, selecting sustainable suppliers with experience and capacity. Strategic sourcing practices reduces supplier risks, procurement costs, lead time and delays as well as improving quality deliverables. This theory also backs up study strategic sourcing practices.

2.3. Empirical Literature Review

Strategic sourcing involves the coordination of all procurement functions to complement or meet procurement stakeholder expectations. Normally, the stakeholder's expectations about their need can be achieved through effective supplier selection, experiences and supplier performance in procurement practices. This reduces procurement-associated risks including time risk, quality risk and costs risk, therefore wide probability of achieving the organisation's target and performance (Mutia, 2022). Effective supplier selection, experiences and performance in procurement practices would be better in redesigning, restructuring and aligning organisation targets and objectives. Failure to select potential suppliers, who have the necessary experience and performance leads to spoiling organisation resources and mismatching organisation objectives and performance will be reduced.

Kihanya, wafula, Onditi and Munene (2015) assessed The role of strategic sourcing on organization performance; A case of Jomo Kenyatta University of Agriculture and Technology. A descriptive research design with a sample of 89 employees across the management level was used, the study found that improving strategic sourcing efficiency, effectiveness and attaining of strategic advantage significantly contribute to organization performance. The study found that quality of goods and services, costs, on time delivery, supplier relationship and procurement planning significantly influence organization performance. Among the determinants of performance, quality of goods and services emerged as the strongest determinant. The study findings reveled some challenges such as poor planning, non-compliance and to procurement schedules and inadequate funding hindered the effectiveness of strategic sourcing. The authors recommended that organization can improve their outcomes by strengthen their human capital, adopt formal strategic sourcing practices and enhance supplier management. While Kihanya et al. (2015) provide useful insights into strategic sourcing practices in a university setting, their study emphasizes on quality, cost, timely delivery and planning and leave behind supplier specific dimensions such as supplier selection, supplier experience and how their performance impacts organizational outcomes. This creates the gap that this study sought to address by assessing the role of strategic sourcing in enhancing organization performance in a medical store department.

A study by Njoroge & Onger (2022) examined the impact of strategic procurement on East African Public Enterprise Performance. The study employed a descriptive research design. A stratified sampling technique was used to come up with 55 study respondents from a population of 110 staff. Data were collected using questionnaires. Data were analysed using descriptive statistics and presented in frequencies, percentages and graphs generated using SPSS. The findings revealed that strategic procurement boosts public companies' performance by cutting costs and raising the standard of the company's goods and services.

Tesha (2019) assessed the role of strategic procurement in promoting value for money (VFM) in construction in Tanzania. The study employed a descriptive research design. A purposive sampling technique was used to come up with 79 study respondents from a population of 320 staff. Data were collected using questionnaires and an interview guide. Data were analysed using descriptive statistics and inferential statistics including linear regression analysis with the aid of SPSS. The findings show that cost planning and controlling, forecasting, and value management, procurement costs management techniques generally promote VFM in Tanzania. Additionally, the findings revealed that inadequate resources like equipment and machinery were found to be a key challenge in promoting VFM.

3. Research Methodology

3.1 Research Design and Approach

This study adopted a descriptive survey research design to collect data from the public organisation in Tanzania. According to (Creswell 2015) research design is a procedure on the ways data collection and data analysis structures to attain the objectives of the study. A descriptive survey research design was relevant for the study as it allows the investigator to gather information, summarize, interpret and present the data for clarification, also the design was used to establish and report the way exactly things are and assist in determining the status of the population in the study. In addition, the study employed a quantitative research approach, which emphasizes the use of numerical data and statistical analysis to draw conclusions, making it suitable for measuring variables, identifying patterns, and testing relationships between strategic sourcing practices and organizational performance (Allen, 2017).

3.2. Target Population

In this study, the study population involved 214 staff at MSD – Dar es Salaam working from nine (9) departments; 20 from the ICT department, 20 from the finance department, 20 from the procurement department, 24 from the HR department, 20 from the quality assurance department, 40 from the distribution department, 30 from the warehouse department, 20 from the sales department, 20 from the demand and planning department. Employees working out of the MSD – Dar es Salaam wasn't considered in this study.

3.3. Sample and Sample Size

The sample size of this study was determined by 30% rule (Kothari, 2004). This means that a minimum of 30% of population were adequate to a sample size of the study. Therefore, the study sample size were 201 employees from nine (9) departments of MSD – Dar es Salaam Tanzania, which was about 93.9% of the population. To determine the appropriate presentation of the sample from each department, the study used proportional sampling. This method helped to identify the percentage of the study population in each department (Dempsey & Dempsey, 2000). The number of an employee from each department is equal to the population of each department divided by the total population of the study multiplied by the sample size of the study.

Table 3.1: Sample Distribution

Categories/Strata	Population (N)	Sample size (n)	Percent (%)
1. ICT department	20	19	9.5
2. Finance department	20	19	9.5
3. Procurement department	20	19	9.5
4. Quality assurance department	20	19	9.5
5. Distribution department	40	37	18.4
6. Warehouse department	30	28	13.9
7. Sales department	20	19	9.5
8. Demand & planning department	20	19	9.5
9. HR department	24	22	10.9
Total	214	201	100

Source: Field survey, (2024)

3.4. Sampling Procedure

This study used stratified Sampling Technique, as it used to identify respondents and divided the study population into groups as well as identify study departments. The stratifying population of the study aimed to reduce the variation within each group and increase the difference between groups (strata). The department within which homogeneous strata made involved; was ICT department, finance, procurement, HR, quality assurance, distribution,

warehouse, sales and demand department. To ensure sample management population precision, a disproportionate stratified sampling technique was used. Moreover the study employed purposive sampling method as normally allowed the investigator to use employees that have accurate and reliable information about the study objectives (Mugenda & Mugenda, 2003). In this study, purposive sampling was used to collect information from the MSD director, head of PMU, HR and head of quality assurance who are privy to the implementation of strategic procurement at MSD - Dar es Salaam Tanzania.

3.5. Data Analysis

Data analysis can be defined as data cleaning and summarizing to become information that can be quickly interpreted and conclusions drawn to aid in decision making (Mugenda & Mugenda, 2008). Data analysis includes data editing, coding, classification, tabulation, and presentation are all aspects of data processing (Saunders et al, 2012). Before processing the data collected, editing of the questionnaires was done to make sure the data is consistent and comprehensive. The data was analysed using SPSS version 26 before being presented and interpreted in light of the study's findings.

4. Findings and Analysis

4.1. The profile of Respondents

The study's target population was the two hundred and fourteen (214) employees of nine (9) departments of MSD – Dar es Salaam, Tanzania. Using a formula, the researcher chooses a sample size of two hundred and one (201) employees from the study population. The researcher distributed all 201 questionnaires to the MSD staff members. The respondents who filled and returned questionnaires were 195 (93.9%), while 13 (6.1%) were questionnaires not returned and hence ignored for analysis. Therefore, the rate of response for the study was 93.9%. According to Creswell (2012), the rate of response is adequate at 50%, 60% - 69% is good and above 70% is very good. Therefore, the 93.9% response rate obtained from this study was very good in performing further analysis and conclusions.

4.1.1. Gender of Respondents

According to Table 4.1 below, nine (9) departments at MSD – Dar es Salaam were visited. Of the respondents from these departments, 61.2% were male and 38.8% were female as shown on the table below; -

Table 4.1: Gender categories of the respondents

	Frequency	Percent	Cumulative Percent
Male	123	61.2	61.2
Female	78	38.8	100.0
Total	201	100.0	

Source: Study findings, (2024)

The data indicates that nine (9) of the departments were more heavily populated by males than by females. These results lend credence to Kalatya's (2017) study, which found that women can carry out their tasks efficiently depending on the knowledge, abilities, and professions they possess in procurement functions.

4.1.2. Education Level of the Respondents

The distribution of respondents' educational backgrounds across the nine (9) departments visited by MSD – Dar es Salaam is shown in Table 4.2. According to the study, 5.1% of respondents from these departments have an ordinary diploma, 7.7% have advanced diploma, 28.2% have a bachelor's degree, 33.3% have postgraduate qualifications and 25.6% have a master's degrees shown on the table below;-

Table 4.2: Education Categories of the Respondents

	Frequency	Percent	Cumulative Percent
Ordinary Diploma	10	5.1%	5.1%
Advanced Diploma	15	7.7%	12.8%
Bachelor Degree	55	28.2%	41.0%
Post Graduate	65	33.3%	74.4%
Master's Degree	50	25.6%	100.0
Total	123	100.0	

Source: Study findings, (2024)

These results clearly show that MSD – Dar es Salaam staff from the headquarters who are in charge of supplying medical products have bachelor's degrees qualifications and above. This suggests that MSD staff possesses the necessary educational credentials to carry out procurement operations proficiently implying that they possess the skills required to carry out the procurement functions efficiently. These results support Kiage's (2013) study, which found that employee education levels and organisational performance were frequently correlated.

4.1.3. Experience Categories of the Respondents

This study aimed to learn more about the staff members' experiences working in their respective departments. The length of time that a person has been employed by MSD – Dar es Salaam served as the basis for determining their level of work experience. Employee performance in their departments is based on their familiarity with the primary duties of the organisation in question, and this familiarity may vary depending on how long they have been employed by the organisation.

According to Table 4.3, only 16.9% of respondents from nine (9) departments had less than a year of experience in the workforce, 31.3% of the respondents have 2 – 4 years of experience, 39.0% of the respondents have 5 – 9 years of experience, and 12.8% of the respondents have more than 10 years working experience as shown below; -

Table 4.3: Experience Categories of the Respondents

	Frequency	Percent	Cumulative Percent
Less than 1 year	33	16.9%	16.9%
2 to 4 years	61	31.3%	48.2%
5 to 9 years	76	39.0%	87.2%
More than 10 years	25	12.8%	100.0
Total	195	100.0	

Source: Study findings, (2024)

These results back up a study by Baxter (2004) who found that employees with a lot of work experience are better able to provide reliable information on a topic because they have a technical understanding of the role of strategic procurement on the performance of public organisations in Tanzania.

4.2. Findings Analysis and interpretation

4.2.1. Descriptive Analysis of Strategic Sourcing

The main objective of the study was to determine the role of strategic sourcing in enhancing the attainment of organisation performance at MSD. Three (3) sub-variables were used to measure the role of strategic sourcing named; supplier selection, supplier experience and supplier performance as depicted in the conceptual framework of the study. Each sub-variables consisted of four (4) questionnaire items. Therefore, a total of twelve (12) questionnaire items determines the role of strategic sourcing in improving organisation performance at MSD. The study used descriptive analysis to analyse these sub-variables as follow; -

4.2.2. Supplier Selection

Descriptive analysis shows that organization complies with selection criteria to select suppliers in its procurement operations with an average mean score of 3.36(M=3.36),effective supplier selection process in procurement practices improve delivery time and embrace organisation performance with an average mean score of 3.46 (M=3.46),effective supplier selection process in procurement practices improve operational flexibility and embrace organisation performance with an average mean score of 4.14 (M=4.14), and effective supplier selection process in procurement practices improve product quality and embrace organisation performance with an average mean score of 3.66 (M=3.66) as shown below; -

Table 4.4:Supplier selection

	N	Minimum	Maximum	Mean	Std. Deviation
SS.01 – Selectioncriteria	195	2.00	5.00	3.36	0.67
SS.02 – Supplier selection processes	195	2.00	5.00	3.46	1.17
SS.03 – Improve operational flexibility	195	2.00	5.00	4.14	1.07
SS.04 – Improve product quality	195	1.00	5.00	3.66	1.06

Source: Study findings, (2024)

However, effective supplier selection process in procurement practices improve operational flexibility and embrace organisation performance takes the lead with an average mean score of 4.14 (M=4.14). Therefore, the managerial implication of the descriptive analysis results is that in order to enhance organisation performance, organisation should have effective supplier selection processes in procurement practices.

“At current levels of resources and technology, effective supplier selection processes may be a useful tool for revealing information about potential efficiency improvements and increased competitiveness (Interview Respondent, 2024).”

4.2.3. Supplier Experience

Descriptive analysis shows that organization selects experienced suppliers to align with a specification to ensure variety reduction with an average mean score of 3.85(M=3.85), effective supplier experience process in procurement practices improve delivery time and embrace organisation performance with an average mean score of 4.39 (M=4.39), supplier experience in the procurement function boost product quality delivery and organisation performance with an average mean score of 3.61 (M=3.61), and supplier experience in the procurement function reduce procurement transaction costs and promote organisation performance with an average mean score of 4.22 (M=4.22) as shown below; -

Table 4.5:Supplier experience

	N	Minimum	Maximum	Mean	Std. Deviation
SE.01 – Experienced suppliers	195	2.00	5.00	3.85	0.74
SE.02 – Improve delivery time	195	2.00	5.00	4.39	0.80
SE.03 – Boost product quality delivery	195	2.00	5.00	3.61	1.15
SE.04 – Reduce transaction costs	195	2.00	5.00	4.22	1.06

Source: Study findings, (2024)

However, supplier experience in the procurement function reduces procurement transaction costs and promote organisation performance takes the lead with an average mean score of 4.22 (M=4.22). Therefore, the managerial implication of the descriptive analysis results is that in order to enhance organisation performance, organisation should hire experienced suppliers in procurement-based functions to minimize procurement costs in procurement processes.

4.2.4. Supplier Performance

Descriptive analysis shows that organisation has special strategies to develop supplier capabilities to ensure standardization of the goods procured with an average mean score of 3.64 (M=3.64), organisation has collaborated business environment to improve supplier's performance and promote organisation performance with an average mean score of 3.90 (M=3.90), organisation's procurement management unit (PMU) narrowing the range of goods and services procured through effective supplier's performance with an average mean score of 4.61(M=4.61), and effective supplier performance in procurement practices improve operational flexibility and embrace organisation performance with an average mean score of 3.64(M=3.64) as shown below; -

Table 4.6:Supplier Performance

	N	Minimum	Maximum	Mean	Std. Deviation
SP.01 – Supplier development strategies	195	1.00	5.00	3.64	1.07
SP.02 – Collaborative business environment	195	2.00	5.00	3.90	0.74
SP.03 – Range of products/services	195	3.00	5.00	4.61	0.58
SP.04 – Supplier improve operational flexibility	195	2.00	5.00	3.64	1.20

Source: Study findings, (2024)

However, organisation's procurement management unit (PMU) narrowing the range of goods and services procured through effective supplier's performance takes the lead with an average mean score of 4.61 (M=4.61). Therefore, the managerial implication of the descriptive analysis results is that in order to enhance organisation performance, organisation should hire supplier based on its performance to narrow the range of goods and services procured to reduce transaction procurement costs.

“The respondent who interviewed said that the different cost variables that are monitored through supplier performance management have an impact on costs. Inadequate time and accurate supplier information can significantly increase costs and make it more difficult for organisation to realize potential of procurement practices”.

4.3. Factor Analysis for Strategic Sourcing

Factor analysis results for strategic sourcing showed that the sampling size was adequate at .619 and appropriate at 0.000 significance value implying that the study sample size was adequate to conduct further analysis. Since, Bartlett's test of sphericity was used to test the hypothesis that study variables in the population (in contrast to the sample that produced the data) were uncorrelated and hypothesis was rejected at a 5% significance level to allow continue with further analysis (Pallant, 2010).

Table 4.7:KMO and Bartlett's Test for Strategic Sourcing

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.619
Bartlett's Test of Sphericity	Approx. Chi-Square	2074.240
	Df	66
	Sig.	.000

Source: Study findings, (2024)

Using Principal Component Analysis (PCA) as extraction method and Direct Oblimin with Kaiser Normalization results shows that only three (3) questionnaire items were dropped due to their low inter-relationship after adopting 0.6 suppress point as suggested by Pallant (2016). Therefore, this study took the remaining nine (9) items for testing their reliability and further analysis as shown below; -

Table 4.8:Pattern Matrix for Strategic Sourcing

	SS	SE	SP
1. SS.02 – Supplierselection processes	.946		
2. SE.03 – Boostproduct quality delivery	.958		
3. SP.04 – Supplierimprove operational flexibility	.942		
4. SS.03 – Improveoperational flexibility		.846	
5. SE.01 – Experiencedsuppliers		.779	
6. SE.04 – Reducetransactions costs		.802	
7. SP.02 – Collaborativebusiness environment		.788	
8. SE.02 – Improvedelivery time			.805
9. SP.03 – Rangeof products/services			.723

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 9 iterations.

Source: Study findings, (2024)

Basing on the results above, after dropping three (3) items, nine (09) items of the questionnaire out of 12 which were created using the three sub variables have been accepted, then original variables shown in the conceptual frame to have impact on the organisation performance have given the modified names as supplier selection*, supplier experience* and supplier performance* and then used during multiple regression analysis to assess its impact on organisation performance.

4.4. Reliability Test for Strategic Sourcing

According to Musabila (2012), who suggested that Cronbach's alpha values of 0.861 and 0.789 are acceptable and good fits, the study's Cronbach's alpha value was .843, which is acceptable and above 0.700 after item suppression. The following formula was used to compute reliability for strategic sourcing; -
Cronbach's Alpha value = $(\sum V_i) \div n$

Table 4.9: Reliability test for strategic sourcing

Item code	Cronbach's Alpha value
1. SS.02 – Supplier selection processes	.946
2. SE.03 – Boost product quality delivery	.958
3. SP.04 – Supplier improve operational flexibility	.942
4. SS.03 – Improve operational flexibility	.846
5. SE.01 – Experienced suppliers	.779
6. SE.04 – Reduce transactions costs	.802
7. SP.02 – Collaborative business environment	.788
8. SE.02 – Improve delivery time	.805
9. SP.03 – Range of products/services	.723
Cronbach's Alpha value for strategic sourcing	.843

Source: Study findings, (2024)

4.5. Normality Test for Strategic Sourcing

The normality test for strategic sourcing as independent variable of this study was done by using the Shapiro-Wilk tests. It was determined by the test for normality that the data for the variable "strategic sourcing" were normally distributed because the p-values of all sub – variables (supplier selection=.762, supplier experience=.277 and supplier performance=.344) for the Shapiro-Wilk test were greater than 0.05 (p-value>0.05).

Table 4.10: Normality Test for Strategic Sourcing
Shapiro-Wilk

	Statistic	df	Sig. (p-value)
Supplier selection	.940	195	.762
Supplier experience	.936	195	.277
Supplier performance	.917	195	.344

Source: Study findings, (2024)

These results were in line with Saunders et al., (2012) who suggest that data were deemed to be normally distributed if the probability is greater than 0.05. Given that the study used multiple regression analysis, the requirement of normality was crucial. Therefore, this study should conduct linear multiple regression analysis to determine the variability of organisation performance caused by supplier selection, supplier experience and supplier performance.

4.6. Multiple Regression Analysis for Strategic Sourcing

The model summary results demonstrate that supplier performance, supplier selection and supplier experience explain 57.0% of the variation in organisation performance (Adjusted R² =.570). Other factors not included in this model accounted for the remaining 43.0% of organisational performance as shown below; -

Table 4.11:Model summary for strategic sourcing

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.759 ^a	.577	.570	.21837

a. Predictors: (Constant), Supplier performance*, Supplier selection*, Supplier experience*

Source: Study findings, (2024)

The model summary results measure the overall strength of the relationship (R) as 75.9% which imply that there was strong relationship between predictor variables and organisation performance. This indicates that the relationship between the independent and dependent variables was well predicted by the model that was employed.

The results from ANOVA show that sig value was .000 (p-value = .000< .05) as indicated in Table below; -

Table 4.12:ANOVA for Strategic Sourcing

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.406	3	4.135	86.720	.000 ^b
	Residual	9.108	191	.048		
	Total	21.515	194			

a. Dependent Variable: Organisation performance

b. Predictors: (Constant), Supplier performance*, Supplier selection*, Supplier experience*

Source: Study findings, (2024)

These results imply that regression model was significant in predicting how supplier performance, supplier selection, and supplier experience affect organisation performance. In this model, the significance value (p-value) of .000 is less than .05, which mean that the model is significant at F – statistics of 86.720 and sig value (p-value) of 5%.

When all other predictors were held constant, the contribution of each predictor to the dependent variable was shown in Table 4.13 below of the regression coefficients. The outcomes were displayed as follow; -

Table 4.13:Coefficient Results for Strategic Sourcing

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.495	.181		8.246	.000
	Supplier selection*	.202	.051	.229	3.999	.000
	Supplier experience*	.382	.039	.579	9.840	.000

Supplier performance*	.052	.049	.062	1.073	.285
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a. Dependent Variable: Organisation performance

Source: Study findings, (2024)

The coefficient estimates results indicate the contribution of each sub – variable (supplier selection, supplier experience and supplier performance) to the variation in the dependent variable (organisation performance). The results show that a unit increase in supplier selection leads to improve organisational performance by 20.2% significantly as sig value = .0000 (less than 0.05) while considering other variables constant. Additionally, a unit increase in supplier experience led to improve organisation performance by 38.2% significantly as sig value = .000 (less than 0.05) while considering other variables constant. Finally, the results show that a unit increase in supplier performance leads to improve organisation performance by 5.2% insignificantly as sig value = .285 (greater than 0.05) while considering other variables constant. Another surprising result is that supplier experience looks to have great and significant contribution on improving organisation performance compared to other factors in this study.

4.7. Hypothesis Testing for Strategic Sourcing

Based on multiple regression analysis for strategic sourcing, the study accepted null hypothesis (H02c) that supplier performance didn't significantly influence organisation performance. Additionally, the study rejected null hypotheses (H02a and H02b) that supplier selection and supplier experience didn't significantly influence organisation performance as shown in Table below; -

Table 4.14: Hypothesis Testing for Strategic Sourcing

Hypothesis	Sig value	Decision	Explanation
H _{02a}	.000	Rejected	• There was statistical significance influence of supplier selection on organisation performance
H _{02b}	.000	Rejected	• There was statistical significance influence of supplier experience on organisation performance
H _{02c}	.285	Accepted	• There was no statistical significance influence of supplier performance on organisation performance

5. Discussion of Study Findings

5.1 Role of Strategic Sourcing in Enhancing Organisation Performance

Strategic sourcing was measured using three (3) sub-variables; supplier selection, supplier experience and supplier performance. To operationalize strategic sourcing, To operationalize employee training, twelve (12) questions were used to determine the respondent's views.

The findings indicate that 57.0% of variation in organisation performance explained by supplier performance, supplier selection and supplier experience. Additionally, the findings show that supplier selection and supplier experience have an important role in improving organisation performance positively. This implies that when suppliers have adequate experience enhance effective procurement functions and organisation performance. Therefore, its implication is to guarantee that the organisation's sourcing procedure would advance bigger procurement objectives. This could lead to significant improvements in operational results and organisation performance.

The findings from multiple regression analysis show that supplier selection contributes by 20.2% to improving organisation performance and supplier experience contribute by 38.2% in improving organisation performance. This finding wasn't be surprise in Tanzania's public sectors, where public organizations select experienced suppliers who had performed well from their previous procurement contract to obtain professional competence, quality goods and

services on time to attain value for money as public organisations are aware of the influence of strategic sourcing on organisation performance in Tanzania. These findings confirm the assumptions of the institutional theory that only when laws and regulations are effectively enforced and followed can the strategic role of procurement practices be realized. Effective supplier selection, experiences and performance in procurement practices would be better in redesigning, restructuring and aligning organisation targets and objectives. Failure to select potential suppliers, who have the necessary experience and performance leads to spoiling organisation resources and mismatching organisation objectives and performance will be reduced.

These findings disagree with the findings of Jebiwott et al, (2022) who observed that applying elements like supplier dynamics, supplier development, and strategic alliances with suppliers has a significant impact on how well organisations perform. Mutia (2022) observed that strategic sourcing positively affects the performance of Kenya's public water companies and Chepng'etich (2022) observed that strategic supplier relationships, strategic e-procurement practices, strategic negotiation practices, and strategic contract management, with strategic negotiation practice being the most significant of the four.

Therefore, ineffective planning, failure to follow through with plans, and insufficient funding can be blamed for strategic source failure. Quality and price are crucial factors to consider when sourcing goods and services to gain a competitive advantage. The department must be meticulous when preparing the budget and make sure that all operations are within the parameters established by the budget and the funds allotted (Kihanya et al., 2015).

6. Conclusion and Recommendations

Based on the study findings, it is concluded that strategic sourcing significantly contributes to organizational performance with supplier selection and supplier experience as the strongest determinants. It showed that supplier selection and supplier experience improve operational flexibility, quality of goods and services, reduces transactional costs, enhance timely delivery as well as promoting efficiency. Nevertheless, supplier performance showed insignificant influence on organizational performance thus despite evaluation of supplier mechanisms they may not be consistently lack a strong feedback system for continuous performance improvement. Therefore, the study emphasizes that strategic sourcing is an important driver of performance within public procurement entities, particularly in an entity like MSD that operate under stringent regulatory framework and complex supply chain. The findings also support the Institutional Theory and Transactional cost theory in emphasizing that compliance with rules, norms and regulations and also minimization of cost through strategic supplier relationships respectively. Thus, strategic sourcing practices particularly those focused on supplier experience and supplier selection should particularly integrated into MSD's long term operational and strategic plans to improve performance and they should improve their digital tools and reviewing sourcing policies to ensure continuous availability of quality medical supplies across the country.

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