

## The Effects of Strategic Sourcing on Organizational Performance: Case of Moha Soft Drinks Industry S.C Hawasa Millennium Pepsi Cola Plant

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### ABSTRACT

**Objective:** This study aims to investigate the influence of strategic sourcing on the performance of MOHA Soft Drinks Industry S.C. By understanding this relationship, the research seeks to provide actionable insights to enhance organizational performance.

**Methods:** A mixed-methods approach was employed, integrating both quantitative and qualitative data for comprehensive analysis. The sample included 213 employees from the organization, yielding 181 completed questionnaires for evaluation. Quantitative data were analyzed using descriptive statistics to identify key variables, while Pearson correlation and multiple linear regression analyses were employed to examine the relationships between these variables and organizational performance.

**Results:** The analysis revealed a moderate perception of organizational performance, with an average score of 3.3573. The multiple linear regression results demonstrated a strong explanatory power, with an  $R^2$  value of 0.800, indicating that 80% of the variation in performance could be explained by the identified predictors. Interviews with employees highlighted specific challenges in supplier selection and emphasized the need for improved procurement planning, corroborating the quantitative findings.

**Conclusion:** The study concludes that strategic sourcing is a critical strategy for enhancing organizational performance at MOHA Soft Drinks Industry S.C. The findings suggest that enhancing contract management and procurement strategies could significantly improve operational performance, offering valuable insights for organizational development.

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## 1. Introduction

Effective strategic sourcing forms the foundation of supply chain management, helping organizations stay competitive and adapt to an ever-changing environment. This process involves carefully selecting suppliers based on detailed analytics, market insights, and a solid strategic plan (Kihanya et al., 2015). Strategic sourcing isn't just about making transactions; it's a comprehensive approach that aligns supplier relationships with organizational goals to drive operational improvements (Yildiz, 2020). By consolidating purchasing power, companies can negotiate better terms and obtain more favorable prices. It also promotes stronger supplier collaborations and encourages innovation, which is critical for sustained success (Luzzini et al., 2015). Focusing on process improvements allows organizations to better respond to market shifts, keeping their competitive edge intact.

However, the real-world situation is quite different. Many organizations around the globe face challenges like economic instability and political unrest that make sourcing complex, especially in regions such as the Middle East and Africa. While these companies are moving from simple transactional buying toward more strategic sourcing models, many still encounter challenges (McLennan, 2022). For example, in West Africa, inadequate infrastructure and unpredictable weather not only hamper raw material sourcing but also lead to higher costs and delays, eventually impacting product quality and availability (Bednarski et al., 2025).

In East Africa, there's a clear growing awareness of how important strategic sourcing is becoming, especially with the rise in competition, globalization, and the push for more efficient operations (Lawrence & Mupa, 2024). For example, supply chain disruptions caused by political instability and climate change have led companies to rethink their sourcing approaches. Meanwhile, in West Africa, challenges like poor infrastructure and unpredictable weather patterns not only make it harder to source raw materials but also drive up costs and cause delays. This finally impacts both the quality and availability of products (Poponcini, 2024).

In Ethiopia, the common practice of direct contracting often focuses solely on cutting costs without giving enough consideration to quality and timely delivery both important for maintaining a competitive edge over time (Temesgen, 2024). This emphasizes the urgent need for adopting more strategic sourcing practices that balance immediate operational demands with future growth considerations. Research shows that there are still gaps in understanding strategic sourcing practices. While studies have looked into areas like developing supplier relationships and long-term partnerships (Ayele & Edjigu, 2025), they often overlook how contract management, procurement planning, and supplier selection are interconnected. This oversight leaves organizations unprepared to handle the complexities of supply chain management effectively. For instance, without solid contract oversight, firms struggle to enforce compliance and ensure suppliers meet set standards. What's more, neglecting procurement planning can cause misalignment between organizational objectives and what suppliers can deliver (Bilal et al., 2024). Since supply chains are constantly changing, it's essential for organizations to take a proactive approach to manage uncertainties like supplier failures or disruptions that can be costly (Teferi et al., 2024).

This study aims to fill existing gaps by examining the influence of strategic sourcing on organizational performance, particularly within the MOHA Soft Drinks Industry S.C. at the Hawassa Millennium Pepsi Cola plant. By concentrating on key aspects such as contract management, procurement planning, and supplier selection, the research intends to offer insights into how strategic sourcing can enhance performance (Neisi et al., 2025)). The article was structured to include research questions, definitions of key concepts, a theoretical framework, the methodology employed, analysis and interpretation of the findings, a discussion of the results, and finally, conclusions and implications. To do that, the aimed to answer the following research questions

- How does effective contract management impact the overall performance of MOHA Soft Drinks Industry S.C., especially in terms of product quality, timely delivery, and cost efficiency?
- In what ways does procurement planning support better supplier selection and strengthen relationships at MOHA Soft Drinks Industry S.C., and how does this influence operational productivity?
- How does the process of selecting suppliers at MOHA Soft Drinks Industry S.C. influence the company's performance, especially regarding quality, operational efficiency, and overall competitiveness?

## **2. Concept of strategic sourcing**

Sourcing is an activity we do every day in our lives. Effective sourcing might result in better- quality products or shorter order turnaround times for consumers (Musah, 2025). In addition to actually selecting a supplier or arrangement for each necessity in isolation, sourcing involves making strategic and essential judgments. One of the main factors influencing an organization's survival and growth is sourcing strategically (Vitasek, 2016). In such cases, it would receive the appropriate goods in the appropriate quantities, in the appropriate conditions, at the appropriate times, and at the appropriate prices. In order to achieve the operational and overall performance objectives of the company, it is essential to develop and manage supply networks strategically (Talluri & Narasimhan, 2004). A wide range of tasks are involved in strategic sourcing, including developing a standard method for sourcing, evaluating and selecting suppliers, purchasing goods and services, and managing supplier relationships. Strategic sourcing choices cannot be made exclusively on the basis of organizational factors like cost, quality, and delivery. Strategic sourcing is advantageous to both consumers and suppliers. It benefits purchasers because they may negotiate lower unit costs for high-volume purchases, lowering the cost of goods supplied and maintaining the ability to price their goods competitively. It benefits suppliers since they can provide a significant portion of their return, making planning easier and providing management with long-term cash stream deceivability (Kocabasoglu & Suresh, 2006). Strategic sourcing has been shown to be effective and produce fetched decline, increases in efficiency, quality change, and return on investment (Yildiz, 2020). Key sourcing enables an organization to share information with its suppliers in real time with the goal of reducing material fetched, lowering inventories, reducing deficiencies, and accelerating deliveries. Strategic sourcing can save costs by securing purchases with a small number of suppliers and enabling the centralized acquiring divisions to plan use through an extended volume purchase (Eltantawy et al., 2014). The term "strategic sourcing" refers to a variety of activities that are specifically designed to be used in sourcing, evaluating, and choosing providers, procuring goods and services, and managing provider relationships. For any business that wants to focus on its core competencies and outsource other tasks in order to gain and maintain competitiveness, sourcing decisions are essential (Gede & Warie, 2024; Jensen, 2017).

According to Chen et al. (2004), if a business wants to gain a competitive advantage by improving its ability to respond to customer needs as they arise; it will also demand a higher level of responsiveness from its claim providers. A common purchasing goal can be the fulfillment of timely delivery. If materials and supplies are delivered after the scheduled time or if work isn't finished on schedule, sales may be lost, production may be halted, and angry customers may file claims for damages. This could slow down the company's cash flow cycle and reduce its efficiency or productivity. Diminishing lead times and improving delivery times to satisfy client demands is one of the fundamental components of critical sourcing.

### **2.1 Theoretical foundation of strategic sourcing and organizational performance**

The Resource-Based Theory (RBT), initially introduced by Pfeffer and Salancik in 1978, explores how external resources influence a company's success. Securing these outside resources is essential for strategic and operational decision-making, especially when it comes to building strong supplier relationships that are viewed as key partnerships (Dobrzykowski et al., 2010). Essentially, the theory suggests that organizations lacking essential resources naturally seek to form relationships with others to fill those gaps (Steinle & Schiele, 2008). Just as suppliers rely on buyers to

access important markets, companies aim to adjust their dependency on external parties either by reducing reliance or by increasing the dependence of others on them. In this way, organizations function more like coalitions, constantly shaping their structures and actions to secure and sustain needed external resources, with a particular emphasis on developing supplier capabilities (Gede, 2025b; Ketema, 2017).

Meanwhile, Institutional Theory centers on the deep-rooted features of social structures. It explains how norms, rules, and routines gradually become accepted standards guiding social conduct, which in turn influence how businesses operate within their environments (Jayatilaka, 2002). According to Mellat-Parast (2015), this perspective emphasizes the normative and subjective elements that shape organizational procedures. Both institutional and neo-institutional theories agree that social pressures can influence sourcing strategies, helping firms maintain their legitimacy (March & Olsen, 1983). These pressures can impact supplier relationships, sometimes leading to financial challenges or raising ethical questions. Following legal sourcing methods is important, as compliant companies are more likely to acquire high-quality resources under favorable conditions. However, too much similarity among organizations might limit performance, indicating that sourcing approaches should support legitimacy without leading to excessive conformity or sameness.

In other side, Agency Theory offers insight into the relationship dynamics between principals and agents within organizations (Zu & Kaynak, 2012). In this context, suppliers are agents, while the company's procurement team acts as the principal. Decisions about sourcing must balance manufacturing costs against transaction expenses. The company needs to manage processes so that production costs stay below transaction costs including sourcing expenses and monitoring costs incurred to ensure agents adhere to contractual terms (Khojasteh, 2025). Monitoring costs are linked to overseeing agent actions, while control costs arise if contracts are breached (Whipple & Roh, 2010). The theory suggests that when transaction costs are low, firms are more inclined to shift from internal sourcing toward strategic partnerships or external purchases. Basically, economic forces guide companies toward more advanced sourcing strategies, optimizing between costs and control needed (Fayezi et al., 2012; Gede, 2024).

Overall, these theories are essential for this study as they offer a structured way to analyze how supplier selection impacts organizational performance. By integrating insights from RBT, institutional theory, and agency theory, this research aims to demonstrate how strategic sourcing can improve operational efficiency, quality standards, and overall competitiveness, specifically within the MOHA Soft Drinks Industry S.C.

### ***2.3 Hypothesis setting***

Many researchers have explored how strategic sourcing impacts organizational performance, pinpointing key factors that play a major role. Among these, three main areas stand out: Effective Contract Management, which helps ensure compliance and strengthens vendor relationships; Procurement Planning, which supports better resource use and cost efficiency; and Supplier Selection, which is critical for ensuring quality, reliability, and innovation. Together, these elements drive improved performance for organizations, emphasizing the critical role of strategic sourcing practices.

#### ***2.3.1 The Effects of Contract Management on Organizational Performance***

Effective management of contracts plays a critical role in helping organizations improve their overall performance (Gede, 2025a; Ruhuka & Dushimimana, 2024). Well-designed contract management processes are a critical part of procurement activities, enabling organizations to meet their strategic objectives outlined in their plans. Egbumokei et al. (2024a), posit that regular assessments of organizational performance help ensure that companies are achieving their goals efficiently across different areas such as quality, adaptability, speed, operational efficiency, and the strength of supplier relationships. Studies show that a strong contract management system can lead to important improvements in key performance indicators. For example, Gajdzik and Wolniak (2022) note that operational practices can differ substantially among industries and organizations, emphasizing the importance of customizing contract management approaches to fit specific needs. Some of the most important indicators of organizational success include efficiency,

product quality, flexibility, compliance, supplier relationship management, defect rates, and the duration of procurement cycles (Egbumokei et al., 2024b) also point out that the defect rate among suppliers is a critical metric for measuring the quality of procurement activities. This is usually calculated by dividing the number of defective items by total purchases or assessing defective shipments against total shipments. Customer satisfaction is another key measure, often gauged through internal surveys that focus on how satisfied staff or clients are with the procurement department's performance.

*H1: Contract management has a positive and significant relationship with organizational performance*

### **2.3.2 The Effects of Procurement Planning on Organizational Performance**

Procurement planning plays a critical role in shaping the success of any organization. It helps answer essential questions about what needs to be purchased, when and where to buy, the resources available, the methods to use, and who will be involved in the process (Ingabire & Dushimimana, 2024). According to the findings of Udoba and Mwalukasa (2025), good procurement planning allows organizations to clearly identify their needs and set the foundation for effective procurement activities. Adda (2024), adds that having a solid plan is key to aligning procurement efforts with strategic goals. According to the findings of Ingabire and Dushimimana (2024) well-designed procurement plan guides organizations in selecting the right suppliers that meet their specific requirements. Similarly, Ingabire and Dushimimana (2024) argue that proper planning not only supports smooth operations but also enhances service quality and maximizes value for money spent. Njiri and Munene (2024), found a positive link between procurement planning and overall organizational performance, emphasizing how planning boosts efficiency. In the construction sector, Mgawe and Masanja (2018) found that good procurement planning ensures resources are used effectively and helps projects stay on schedule. Panga and Mahuwi (2020), studied public higher education institutions in Tanzania, emphasize that sound procurement planning considerably improves institutional performance. Taken together, these studies underline the fact that procurement planning is essential across various industries for achieving efficiency and success.

*H2: Procurement planning has statistically significant effects on organizational performance.*

### **2.3.3 The Effects of Supplier Selection on Organizational Performance**

Supplier selection is an essential part of any organization's supply chain strategy. It involves carefully assessing and choosing the right suppliers to ensure they align with the company's goals. Likely suppliers are those that can consistently deliver quality goods and services on time, in the right quantities, and at competitive prices. In today's competitive markets, a making smart supplier choice is essential for maintaining a strong position and staying ahead of competitors (David et al., 2024). Effective supplier selection isn't just about fitting in; it's about gaining a strategic edge. Manyega and Okibo (2015), note, selecting the right suppliers can give organizations a real advantage, boosting procurement efficiency and overall performance. When companies take a structured approach, they can trust their suppliers to meet expectations, leading to cost savings, better quality, and smoother operations. van der Westhuizen and Ntshingila (2020), further emphasize that choosing the right suppliers helps reduce operational costs, improve product quality, and respond more quickly to customer needs. Famiyeh and Kwarteng (2018) suggested that before issuing bids prequalifying suppliers to ensure they can meet project requirements is critical points need to be focused. This process helps identify a pool of capable, competitive vendors for the bidding process. Companies also evaluate factors like safety records, references, and their client base especially environmental and safety standards, which are critical because any lapses can damage a company's reputation (Changalima et al., 2024). Working closely with suppliers to create value can provide a real competitive edge. Organizations that prioritize strategic procurement and build strong partnerships tend to outperform their competitors and improve overall operational success.



*H3: Supplier selection has statistically significant effects on organizational performance*

### 3. Methodology

This study took a mixed-methods approach, combining both quantitative and qualitative research methods to thoroughly explore how strategic sourcing impacts organizational performance at MOHA Soft Drinks Industry S.C. The quantitative part focused on gathering measurable responses from employees, while the qualitative side aimed to understand staff and management experiences, opinions, and perceptions more deeply. We used a descriptive research design to look at current trends, and an explanatory design to examine how the independent variables influence the dependent variable. Our target population included 455 employees at the Hawassa Millennium Pepsi Cola plant of MOHA Soft Drinks Industry S.C. This group was selected from a total of 519 employees, excluding 27 cleaners and 24 guards who weren't relevant to the study. We applied both probability and non-probability sampling strategies. Specifically, simple random sampling within the probability framework helped ensure that each department provided reliable and comparable insights, given that the population was quite homogeneous regarding strategic sourcing. For non-probability sampling, we used purposive sampling to choose participants who had relevant experience and knowledge about strategic sourcing and organizational performance. The sample size was set at 213 respondents, calculated using Yamane's (1967) formula, which is enough to make meaningful inferences about the whole population. Data was collected primarily through questionnaires and semi-structured interviews. The questionnaire used a five-point Likert scale to capture respondents' opinions and feelings about strategic sourcing and its influence on organizational performance. We also reviewed secondary data to support and enrich our findings. For data analysis, we employed both descriptive and inferential statistics. Descriptive stats such as percentages, averages, and standard deviations helped summarize how employees perceive strategic sourcing and organizational performance. These methods provided a clear snapshot of the current situation and key insights for the study. The study used the correlation coefficient to examine the relationship between strategic sourcing and organizational performance. Also, regression analysis was employed to explore the cause-and-effect relationship, with the goal of discovering the extent to which strategic factors influence organizational performance.

The validity of the measurement tools used in this research is essential, as it guarantees that the questionnaire accurately captures the intended concepts. To build confidence in the results, the instruments were carefully designed for clarity and were tested beforehand with experts to gather valuable feedback. We checked reliability through Cronbach's Alpha, which evaluates how consistently items within each construct relate to each other. The findings showed excellent reliability across all areas, with Cronbach's Alpha scores of 0.925 for Contract Management, 0.916 for Procurement Planning, 0.953 for Supplier Selection, and 0.924 for Organizational Performance. An overall reliability score of 0.926 reinforces that our measurement tools are solid, providing a dependable way to assess the key ideas of strategic sourcing and organizational success. These high alpha values indicate that both independent and dependent variables were measured consistently and reliably throughout the study.

Informed consent was obtained from both company managers and participants prior to the research. The researchers submitted a legal support letter from their department to the managing director of MOHA Company, securing permission to conduct the study within the organization. Following this approval, the researchers contacted participants to clarify the research aims, emphasizing that their involvement was voluntary. Participants were assured that they could withdraw from the study at any time without any repercussions.

To uphold ethical standards, the research proposal was presented to the departmental examining board and received approval. Upon verbal confirmation from the departmental committee, the head of the department issued a supportive letter for data collection, which served as an alternative to institutional ethical review board processes. After the final report was compiled, it underwent review by both internal and external committees, resulting in further approval.

#### 4. Result and Discussions

From 213 questionnaires distributed 181 were completely filled and returned. The remaining 32 questionnaires were not collected or not exactly filled, because of due to time constraints, unwillingness to provide information. Based on these, the study used and evaluate that suggests a response rate of 85%. This implies that based on this assertion; the response rate in this case of 85% is excellent which are more relevant for the finding

##### 4.1 An overview of strategic sourcing and organizational performance

The statistical overview provided in Table 4.1 offers useful insights into the organization's current practices. Looking at contract management first, the averages score of 3.2999 points to a generally moderate perception of its effectiveness among staff. The standard deviation of 0.77359 reveals some variation in responses, meaning that while a portion of employees feel confident in the contract management processes, others may have reservations or express dissatisfaction. This variation presents an opportunity for the organization to improve its training and resources related to contract management. Gathering feedback from employees could help determine the specific areas needing enhancement, leading to a more consistent and effective approach across the team.

Procurement planning reflects a similar pattern, with a mean score of 3.3499 and a standard deviation of 0.77800. This suggests moderate satisfaction, but the wide range of responses indicates that employee experiences and expectations differ considerably. To improve procurement planning, the organization might consider adopting more structured planning methods and tools. Regular workshops and stakeholder meetings could help align expectations and boost satisfaction, promoting a more unified approach to procurement.

Regarding supplier selection, the average score of 3.3086 also indicates a moderate view of the process. However, with a higher standard deviation of 0.86938, perceptions vary considerably. Some employees may see the supplier selection process as effective, while others might find it unclear or inefficient. Addressing this could involve reviewing and refining the criteria and procedures for supplier selection. Involving staff in this review process might lead to a more simplified, transparent process that strengthens supplier relationships and benefits organizational outcomes.

Finally, the average score for organizational performance stands at 3.3573, reflecting a slightly more positive outlook compared to other areas. The standard deviation of 0.76697 suggests moderate differences in perceptions, with some employees feeling more optimistic than others. To boost overall performance, the organization should align its strategic goals more closely with operational activities. Regular performance reviews and feedback channels can help identify areas for improvement and promote a culture of continuous growth. In summary, while the moderate scores indicate a baseline level of effectiveness, they also emphasize substantial opportunities for targeted improvements in contract management, procurement planning, supplier selection, and overall organizational performance.

**Table 1.** Statistical summary of study variables

Constructs	N	Mean	Std. Deviation
Contract management	181	3.2999	.77359
Procurement planning	181	3.3499	.77800
Supplier selection	181	3.3086	.86938
Organizational performance	181	3.3573	.76697

#### 4.2 The relation and causal effects of strategic sourcing on organizational performance

This study examined how different aspects of strategic sourcing relate to overall organizational performance, using common statistical tools like Pearson correlation and multiple linear regressions. The goal was to understand how elements such as contract management, procurement planning, and supplier's selection influence key performance indicators. Using Pearson correlation, we could measure how strongly and in what direction each sourcing dimension is connected to organizational success. After exploring these relationships, the research applied multiple linear regressions to explore cause-and-effect relationships further. This technique helps identify the specific impact of each sourcing factor while accounting for other influencing variables.

##### 4.2.1 Association between strategic sourcing and organizational performance

The results in Table 4.2 clearly shows that there are strong links between how well an organization performs and the key aspects of strategic sourcing, which include contract management (CM), procurement planning (PP), and supplier selection (SS). Specifically, the correlation between organizational performance and contract management is quite impressive, with a Pearson correlation of 0.862, pointing to a meaningful positive relationship. This means that good contract management is closely tied to better overall performance. Similarly, procurement planning exhibits an even slightly higher correlation at 0.863, emphasizing its major role in boosting organizational outcomes. Meanwhile, supplier selection, though showing a somewhat lower correlation of 0.768, still plays an important part, as this positive link suggests that choosing the right suppliers contributes noticeably to improved performance. All three factors contract management, procurement planning, and supplier selection are highly major predictors, each with p-values of 0.000, which confirms their strong relevance for future regression analysis and strategic focus.

**Table 2.** Summary of correlation coefficients

Construct		OP	CM	PP	SS
Organizational performance	Pearson Correlation	1			
	Sig. (2-tailed)				
Contract Management	Pearson Correlation	.862**	1		
	Sig. (2-tailed)	.000			
Procurement Planning	Pearson Correlation	.863**	.890**	1	
	Sig. (2-tailed)	.000	.000		
Supplier Selection	Pearson Correlation	.768**	.742**	.796**	1
	Sig. (2-tailed)	.000	.000	.000	
N		181	181	181	181

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

##### 4.2.2 Effects of strategic sourcing on organizational performance

###### Coefficient of determination

The fitness statistics of the model offer important insights into how effectively the predictors—contract management (CM), procurement planning (PP), and supplier selection (SS) explain the variations in organizational performance.



The correlation coefficient  $R$  stands at 0.894, which reflects a very strong positive relationship between the predictors and organizational performance. This high value indicates that the model fits the data well, with the predictors collectively explaining a large portion of the changes observed in the outcome variable. The model exhibit  $R^2$  value of 0.800 which means that 80% of the variation in organizational performance (OP) can be attributed to these three predictor variables. This demonstrates substantial explanatory power, emphasizing the model's ability to capture the impact of strategic sourcing dimensions on performance.

### Regression coefficients

The regression coefficients summarized in Table 4.3 explain how contract management (CM), procurement planning (PP), and supplier selection (SS) influence organizational performance (OP). Starting with the unstandardized coefficients, the intercept is 0.313, which suggests that when all predictors are set to zero, the expected organizational performance is 0.313 this is a baseline. Looking at the individual predictors, contract management has a coefficient of 0.418, meaning that each additional unit spent on contract management is associated with an increase of 0.418 in organizational performance, assuming other factors stay constant. This effect is backed by a  $t$ -value of 5.671 and a significance level of 0.000, confirming its statistical significance. Procurement planning has an unstandardized coefficient of 0.337, so a one-unit increase corresponds to a 0.337 rise in organizational performance, again controlling for other variables. The  $t$ -value here is 4.155 with a  $p$ -value of 0.000, indicating this is also a strong, statistically important relationship. Supplier selection's coefficient is 0.162, which suggests that a one-unit increase in this area is linked to a 0.162 boost in performance. Its  $t$ -value of 3.280 and significance level of 0.001 further establish its importance, though its impact is smaller compared to CM and PP. Examining the standardized coefficients (Beta), contract management tops the list with a value of 0.421, emphasizing it as the most influential factor on organizational performance. Procurement planning follows with a Beta of 0.342, while supplier selection has a Beta of 0.183. Overall, these results suggest that prioritizing improvements in contract management and procurement planning will likely yield more substantial gains in organizational performance than focusing solely on supplier selection.

**Table 3.** Summary of regression coefficients

Model		Unstandardized coefficients B	Std. Error	Standardized coefficients Beta	t	Sig.
1	(Constant)	0.313	.117		2.664	.008
	CM	0.418	.074	.421	5.671	.000
	PP	0.337	.081	.342	4.155	.000
	SS	0.162	.049	.183	3.280	.001

### 4.2.3 Hypothesis Testing

The results of the hypothesis tests reveal important insights into how various factors are related to organizational performance. For H1, which suggests that contract management has a positive and meaningful impact on performance, the analysis provides strong evidence against the null hypothesis, leading us to reject it. This confirms the idea that effective contract management plays an important role in boosting organizational success. Similarly, H2 proposes that procurement planning considerably influences performance outcomes. The data supports this by rejecting the null hypothesis in favor of the alternative, emphasizing how essential procurement planning is for achieving better results. Finally, H3 looks at how supplier selection affects organizational performance, and the findings again show an important relationship, prompting us to reject the null hypothesis and accept the alternative. Overall, these findings

emphasize that contract management, procurement planning, and supplier selection go beyond related to performance they are key drivers of organizational success.

#### ***4.3 Discussion of the results triangulation with qualitative results***

The results from our quantitative analysis, combined with insights gathered through interviews, offer a well-rounded view of how strategic sourcing influences the performance of MOHA Soft Drinks Industry S.C. The data shows strong positive links between contract management, procurement planning, and supplier selection with overall organizational success. Notably, contract management stood out as the most impactful, followed by procurement planning and supplier selection, supporting our initial hypotheses (see Table 4.3). When we cross-checked these findings with interview insights, several key themes stood out, simplifying both the challenges and opportunities in the strategic sourcing process. Many interviewees pointed out that supplier selection remains a major obstacle, especially when it comes to ensuring the reliability and quality of pre-qualified suppliers. This aligns with the quantitative results, emphasizing how essential effective supplier selection is to improving performance (Abdollahi et al., 2015). The interview feedback suggests that by refining how suppliers are chosen, the company could see substantial improvements in its operations, reflecting the data that emphasizes supplier selection's essential role. What's more, the discussions emphasized areas within procurement planning that need attention. Respondents expressed concerns about whether plans are updated regularly and if internal controls are maintained, which aligns with the data showing that procurement planning has a major impact on organizational outcomes. Improving this process could lead to better resource use and greater efficiency, reinforcing our findings related to H2. The qualitative insights also pointed out a perceived moderate level of organizational performance, but interviewees noted challenges around flexibility and the company's ability to respond swiftly to customer needs. These issues could harm customer satisfaction, revealing a gap between perceived performance and actual operational effectiveness. This emphasizes that boosting organizational flexibility potentially through better procurement planning can make a real difference (Muwolya Denis, 2019). Lastly, discussions about contract management revealed some weaknesses in documentation and vendor relationships. This confirms our quantitative findings, which emphasize how critical good contract management is to overall success. Addressing these areas could encourage stronger supplier relationships and enhance efficiency, emphasizing the importance of a comprehensive strategic sourcing approach.

#### **5. Conclusion**

This study aimed to examine how strategic sourcing impacts the performance of MOHA Soft Drinks Industry S.C., with a particular focus on contract management, procurement planning, and supplier selection. The results show that strong contract management plays an essential role in boosting organizational performance, with data indicating a positive relationship and statistical significance. This emphasizes how effective oversight of contracts is essential for meeting operational objectives. Besides, the research found that thorough procurement planning helps optimize resource use and improve overall efficiency, which is especially important as companies navigate shifting market conditions. The study also confirms that choosing the right suppliers is key to maintaining quality and dependability, finally strengthening the company's competitive edge. However, interviews with key personnel revealed some challenges, such as issues with supplier reliability and internal control processes that need immediate attention. To summarize, adopting a comprehensive approach to strategic sourcing covering solid contract management, proactive procurement planning, and careful supplier selection is essential for improving MOHA's operational performance. Addressing these weaknesses will not only boost efficiency but also promote better supplier relationships and increase customer satisfaction.

## **6. Implications**

The findings from this study strongly support the idea that strategic sourcing plays a critical role in improving organizational performance, especially considering MOHA Soft Drinks Industry S.C. The clear, positive relationships identified between contract management, procurement planning, and supplier selection emphasizes the importance of taking a comprehensive approach to sourcing strategies. These results add to the current body of knowledge by confirming that effective contract oversight not only boosts operational efficiency but also promotes compliance and helps strengthen relationships with suppliers. What's more, the study emphasizes that sound procurement planning is key to aligning organizational goals with the capabilities of suppliers. From a theoretical perspective, this research supports combining Resource-Based Theory, Institutional Theory, and Agency Theory to better understand how strategic sourcing works in practice. The findings indicate that organizations can use their internal resources like effective contract management and their external relationships such as supplier choice to gain a competitive edge. This integrated framework provides a solid foundation for future studies, encouraging researchers to explore how these theories interact and influence sourcing strategies across different industries. Besides, the study lays the groundwork for developing new models that better capture the complexities of strategic sourcing in emerging markets, making existing theories more applicable.

The practical implications of these insights are major for guiding policy within MOHA Soft Drinks Industry S.C. and similar organizations. First, management should focus on establishing structured contract management processes that enhance compliance and encourage better supplier accountability. Developing clear guidelines and providing targeted training can improve documentation and help build stronger, more trustworthy vendor relationships. When it comes to procurement planning, organizations need to adopt systematic methods, such as regular updates and engaging key stakeholders, to ensure their procurement activities align with overall organizational goals. Policymakers should also promote best practices in procurement planning, emphasizing how such approaches optimize resources and increase operational efficiency. What's more, the study emphasizes the importance of expanding supplier evaluation criteria beyond just cost, considering factors like reliability, quality, and responsiveness. Developing thorough assessment frameworks can strengthen supplier partnerships and boost competitiveness. Lastly, addressing gaps in flexibility and responsiveness is critical. Organizations should implement policies that encourage agility, so they can quickly adapt to market shifts and meet developing customer needs.

## **7. Limitations and suggestions for future research**

This study has certain limitations worth noting. It focuses solely on MOHA Soft Drinks Industry S.C., which means the findings might not be easily applicable to other organizations or sectors. Also, since the data comes from self-reported questionnaires and interviews, there's a chance that responses were influenced by social desirability bias, leading participants to provide answers they think are more acceptable rather than entirely honest opinions. The research mainly explored quantitative relationships, which might miss out on the subtle, qualitative factors that also shape strategic sourcing decisions. Looking ahead, future studies could benefit from comparing multiple companies across different industries to boost the general relevance of the results. Conducting longitudinal research could also reveal how strategic sourcing practices change over time. What's more, examining the role of emerging technologies like digital procurement platforms and advanced data analytics can offer deeper insights. Finally, more qualitative exploration into the interpersonal dynamics within supplier relationships could discover additional detailed factors impacting performance.

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**Declarations****Ethical Approval Statement**

This research study has received ethical approval from the Bule Hora University Institutional Research Review Committee (BHU-IRERC). The approval was granted on February 26, 2025, under approval number BHU/IRERC/019/17. The BHU-IRERC has reviewed and accepted this research, confirming that it adheres to both institutional and national ethical standards

**Consent to Participate**

Researcher made sure to get knowledgeable consent from everyone involved both the administrators and the participants through a straightforward process. First, a formal letter from department of the researcher was sent to the relevant institutional leaders, explaining what the research was about. After that, we got their permission during meetings, where we gave short presentations to clarify intent was purely academic. It made sure everyone knew it was completely voluntary to participate. We personally met with each participant to discuss the goals and process of the study, once the office leaders agreed. Participants were reassured that they could opt out at any time if they changed their minds. We shared the research questions with those who agreed to take part and collected their responses easily. This approach ensured that researcher obtained knowledgeable consent ethically and maintained respect throughout the study.

**Consent for Publication**

I declare that the manuscript does not contain any individual person's data and therefore does not require consent for publication. This work is original and has not been published or submitted elsewhere

**Declaration of Interest**

All authors declare that they have no conflicts of interest

**Declaration of Funding**

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**Data Availability Statement**

Data related to this research can be made available upon legal request

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