



MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

**SOURCING EFFECTIVENESS, DYNAMIC CAPABILITIES, SUPPLIER
RELATIONSHIP MANAGEMENT AND SUPPLY CHAIN PERFORMANCE IN
HUMANITARIAN ORGANIZATIONS IN NORTHERN UGANDA**

BY

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MAKERERE UNIVERSITY**

PLAN A

MARCH, 2022

DECLARATION

I, **Tumusiime Caleb**, declare that, this research is my original work and has never been submitted to any other University or Institution for any academic award.

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APPROVAL

This is to certify that this dissertation has been submitted for examination with our approval as supervisors;

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DEDICATION

I dedicate this work to my beloved wife **Prossy Tumusiime** and Children (**Harry Tumusiime & Jessie Tumusiime**). Also, to all my brothers and sisters whose tireless efforts and love enabled me to go through my education. And to **Steve** and **Kathy** my Belgian parents and great friends for their love and support over the years.

And finally, to my beloved parents, **Bernard Tugabirwe** and **Evace Twebaze**, whose love and support over the years enabled me to go through my education.

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TABLE OF CONTENT

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF ACRONYMS	ix
ABSTRACT.....	x
CHAPTER ONE	1
1.1 Background to the Study.....	1
1.2. Statement of the Problem.....	3
1.3. Purpose of the Study	4
1.4. Specific objectives	4
1.5. Research Questions	4
1.6. Scope of the Study	5
1.7. Significance of the study.....	5
1.8. Conceptual Framework.....	6
CHAPTER TWO	8
LITERATURE REVIEW	8
2.1 Introduction.....	8
2.2 Theoretical Review	8
2.3 Supply chain performance	12
2.4 Relationship between sourcing effectiveness and supply chain performance	14
2.5 The relationship between dynamic capabilities and supplier relationship management ...	17
2.6 The relationship between supplier relationship management and supply chain performance	18
2.7 The relationship between dynamic capabilities and supply chain performance.....	21
CHAPTER THREE	23
RESEARCH METHODOLOGY	23
3.0 Introduction.....	23
3.1 Research Design.....	23
3.3 Study Population.....	23
Table 3.1: Population and sample size.....	24
3.4 Sampling Method and Size	24

3.5 Data Sources	24
3.6 Data Collection Instrument	25
3.7 Measurement of the Variables	25
3.8 Validity and Reliability of Research Instruments	25
Table 3.2: Reliability test of Variables	26
3.9 Data Processing and Analysis	26
3.10 Ethical Considerations	26
CHAPTER FOUR.....	27
PRESENTATION AND INTERPRETATION OF FINDINGS.....	27
4.0 Introduction.....	27
4.1 Background Characteristics	27
Table 4.1 Gender of respondents	27
Table 4.2 Age of Respondents	28
Table 4.3 Highest Level of Education	28
Table 4.4 Period of work in this organization.....	29
4.2 Relationships between study Variables	30
4.2.1 The relationship between sourcing effectiveness and supply chain performance	30
4.2.2 The relationship between dynamic capabilities and supplier relationship management	31
4.2.3 The relationship between supplier relationship management and supply chain performance.	31
4.2.4 Relationship between dynamic capabilities and supply chain performance.....	31
4.3 Regression Analysis of variables	32
Table 4.6 Single Regression analysis.....	32
Table 4.7 Supply chain performance regressed on sourcing effectiveness, dynamic capabilities, and supplier relationship management.	33
CHAPTER FIVE	34
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS	34
5.0 Introduction.....	34
5.1 Discussion of study Findings	34
The relationship between sourcing effectiveness and supply chain performance	34
The relationship between dynamic capabilities and supplier relationship management	35
4.2.3 The relationship between supplier relationship management and supply chain performance	37
Relationship the relationship between dynamic capabilities and supply chain performance	38

5.2 Conclusions.....	39
5.3 Recommendations.....	40
References.....	43
APPENDIX I: QUESTIONNAIRE FOR RESPONDENTS	45

LIST OF TABLES

Table 3.1: Population and sample size.....	24
Table 3.2: Reliability test of Variables	26
Table 4.1 Gender of respondents	27
Table 4.2 Age of Respondents	28
Table 4.3 Highest Level of Education	28
Table 4.4 Period of work in this organization.....	29
Table 4.5 Relationship between variables	30
Table 4.6 Single Regression analysis.....	32
Table 4.7 Supply chain performance regressed on sourcing effectiveness, dynamic capabilities, and supplier relationship management.	33

LIST OF ACRONYMS

NGOs	:	Non-Governmental Organizations
USAID	:	The United States Agency for International Development
DCT	:	Dynamic Capabilities Theory
SMEs	:	Small and Medium Enterprises

ABSTRACT

The study examined the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in northern Uganda. The study used cross sectional design with quantitative approaches. The study involved humanitarian organizations in northern Uganda where among 60 humanitarian NGOs with 5 respondents (procurement officers, logistics officers, supply chain officers, transport & fleet managers and supply chain coordinators or Managers) were selected from each organization were selected as population of the study. Data collection utilized questionnaires. Data was analyzed to obtain frequencies, percentages and correlations and regressions results. In the study, it was revealed that there is a positive significant relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance. Also, a positive relationship exists between dynamic capabilities and supplier relationship management. The results also show that only sourcing effectiveness and dynamic capabilities are significant predictors for supply chain performance while at the same time dynamic capabilities were found to be significant predictors for supplier relationship management.

CHAPTER ONE

1.1 Background to the Study

Humanitarian supply chains operate in a complex international environment, creating linkages between diverse partners across board (Kovács and Spens, 2007, Day et al. 2012). One important element of supply chain management is the sourcing of materials and services (Vitasek 2010). Sourcing has had a highly significant impact on the performance of supply chains in organizations (Mena et al. 2014). Since the 1980s, there have been calls for a move from a purely transactional sourcing process towards a more strategic, longer-term relationship with suppliers of the right capabilities who understand organizational demands and the supply market abilities (Kraljic, 2013; Mena et al. 2014).

Van Weele (2010) explains sourcing as the activity of developing the most appropriate supplier strategy for a service or good. Chopra and Meindl (2013) look at sourcing as a set of business processes needed to purchase goods and services. Sourcing effectiveness involves the efficiency and effectiveness in executing strategic sourcing related issues like supplier selection, evaluation methods and decision tools, purchasing methods, buyer supplier relationships and e-procurement (Iakovou et al. 2014).

Likewise, dynamic capabilities are resources that are valuable, rare, inimitable and non-substitutable can lead to effective supply chain performance (Barney, 2011). Dynamic capabilities are the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Leonard-Barton, 2012). The valuable resources can also exist in intangible form such as organization processes, managerial skills, routines, and knowledge (Barney, Wright, & Ketchen, 2011). Effective dynamic capabilities enable organizations to improve supply chain performance. The enhancement of supply chain dynamic capabilities enables the organization to adapt to

changes, this is important in successfully sustaining the organization's competitive positions and long-term performance of the supply chain.

Besides dynamic capabilities, supply chain relationships are strategically assembled by organizations to acquire resultant competences and capabilities, particularly dynamic capabilities that ensure competitive advantage through the innovation capacity of the supply chain (Storer and Hyland, 2009). The activities that are undertaken within the supply chain can be used to develop dynamic capabilities. There is a potential of aligning and developing supply chain innovation capacity, through supply chain relationships. In turn, supply chain innovation capacity can foster the ability to respond to dynamic changes in the business environment and customer demand (Storer & Hyland, 2009). Alinaghian et al. (2012) also link dynamic capabilities in the supply chain to the external environment. The dynamic capacities relate to building and maintaining relationships in supply chains through which organizations can improve overall supply chain performance (Beske et al, 2012; Lambert & Pohlen, 2011).

In Uganda, the procurement process in humanitarian organizations is still evolving from the finance department to solely a procurement department (Basheka, 2014). Uganda in the recent past has experienced an influx of refugees requiring professional processes in sourcing of goods and services to meet the needs of humanitarian purposes in areas of refugee influx. Therefore, whether there is actual or potential large-scale influx, agencies have to get the right assistance to the right place at the right time at the right cost. The challenges faced in achieving this are many and complex (Basheka, 2014). Unfortunately, even though the commercial world is well advanced in full-electronic handling processes, the majority of humanitarian NGOs in Uganda typically do not have the electronic infrastructure investments in place to fully execute the sourcing process from the point of origin to the final destination

and many humanitarian NGOs lack the dynamic capabilities necessary for effective handling of supply processes (Masaba, 2015).

Further, many organizations in Uganda still have single procurement personnel who handles an entire procurement process. Some of the challenges include; the adoption of wrong procurement methods, lack of effective supplier evaluation approaches that end up taking on suppliers who cannot perform as expected in the sourcing process, lack of staff with the right capabilities to manage a successful sourcing process, failure to follow some of sourcing guiding steps, the existing relationship is more of transactional and adversarial in nature. This nature of relationship portrays suppliers as business partners rather than being stakeholders in the supply chain, resulting into poor performance of supply chains (Masaba, 2015). This study therefore used dynamic capabilities, strategic choice and relational view theories to predict supply chain performance in humanitarian organizations in northern Uganda.

1.2. Statement of the Problem

In Northern Uganda, most humanitarian organizations have endeavored to put in place the necessary structures in terms of right personnel and systems to ensure effective sourcing of goods and services. The sourcing process however still faces a number of challenges as over 40% of organizations fail to select the right providers of services or goods, have no effective evaluation methods to choose the right suppliers, fail to manage the selection process especially in public sourcing methods, and fail to manage the relationship between the buyer and the supplier (Reliefweb, 2018). These challenges undermine the dynamic capabilities of such organizations and affects supplier relationship thereby affecting the overall supply chain performance. Humanitarian NGOs operating in northern Uganda face a lot of challenges in their supply chain performance as over 35% face failed deliveries, big time lags to deliver the right quality of goods or services, experience a lot of rejects in goods supplied, most goods or services not conforming to specifications, other suppliers do half deliveries (USAID, 2018).

It is therefore against this background that the study sought to examine the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in northern Uganda.

1.3. Purpose of the Study

The purpose of the study was to examine the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in northern Uganda and bring out the magnitude of effect each variable has on the other.

1.4. Specific objectives

- i. To examine the relationship between sourcing effectiveness and supply chain performance
- ii. Examine the relationship between dynamic capabilities and supplier relationship management
- iii. Examine the relationship between supplier relationship management and supply chain performance
- iv. Examine the relationship between dynamic capabilities and supply chain performance

1.5. Research Questions

- i. What is the relationship between sourcing effectiveness and supply chain performance?
- ii. What is the relationship between dynamic capabilities and supplier relationship management?
- iii. What is the relationship between supplier relationship management and supply chain performance?
- iv. What is the relationship between dynamic capabilities and supply chain performance?

1.6. Scope of the Study

Geographical scope

The study was carried out in 60 active humanitarian NGOs in Northern Uganda. These humanitarian NGOs were chosen because of their active engagement in humanitarian activities and about 60% of their budget is on procurement.

Subject scope

The study had four variables that include sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance. The study examined the relationship between these variables.

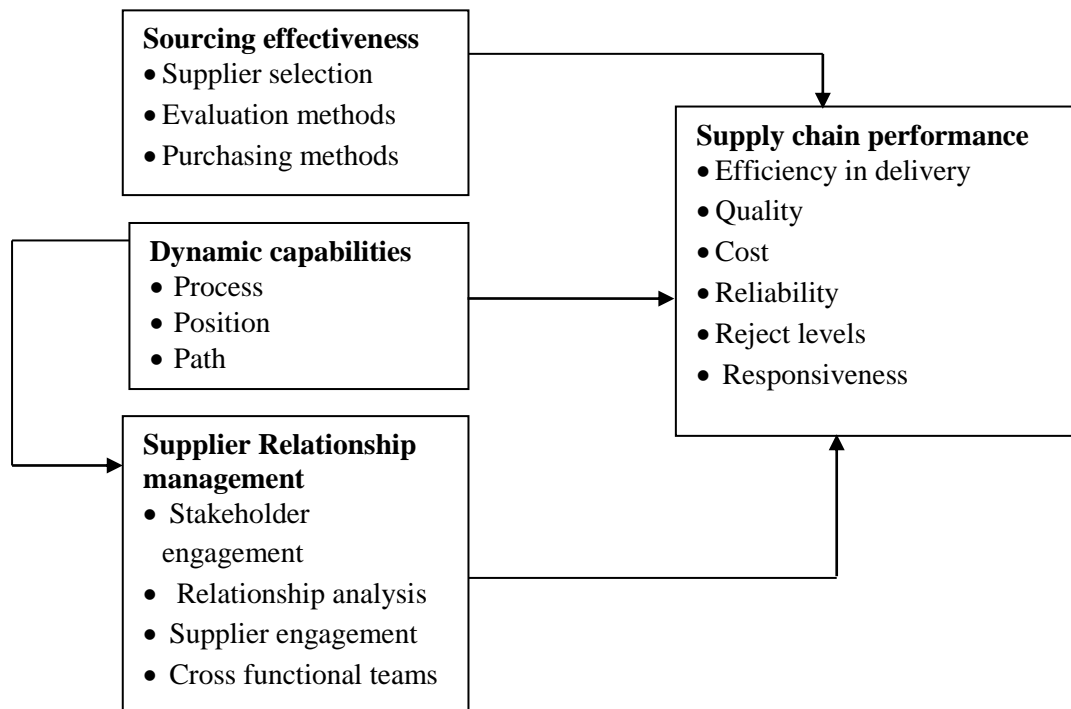
1.7. Significance of the study

The humanitarian NGO management and administration will be enlightened on how sourcing effectiveness is likely to impact on Supply Chain performance of their organizations. The management can therefore see how best to improve these aspects in order to achieve improved supply chain performance of these humanitarian NGOs.

Policy makers as individuals charged with formulating policies, their understanding of sourcing effectiveness, dynamic capabilities and supplier relationship management and how these may affect supply chain performance of humanitarian NGOs remains a key task to them in ensuring effective service delivery. Therefore, findings from this study may help them in formulation of better policies on how sourcing and other variables in the study can better be streamlined to improve supply chain performance of such humanitarian NGOs.

The issues raised in this study are likely to lead to the involvement of various researchers in generating more knowledge from various perspectives. The findings of this study could form a basis for further research to those interested in finding more on the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance.

1.8. Conceptual Framework



Source: Payette (2004), Teece, Pisano, & Shuen, (1997), Jin Su Vidyaranya, Gargeya, (2012) & Beske et al. (2012).

The conceptual framework presents the relationship between variables. In this relationship, it is conceptualized that effective sourcing influences dynamic capabilities and relationship management which aspects significantly influence supply chain performance in humanitarian organizations. It is conceptualized the way in which sourcing effectiveness is managed, where there is supplier selection, effectiveness evaluation methods, appropriate purchasing methods and proper decision tools then there is likelihood that supply chain performance is likely to improve (Payette, 2004). The nature of dynamic capabilities in each humanitarian organization in regard to processes in place that are unique, the unique position the organization has in the market and the path it takes unique in the market significantly determine the nature of supply chain performance likely to be experienced by the organization in its sourcing process (Jin Su et al, 2012). The way in which supplier relationship management is managed in terms of stakeholder engagement, relationship

analysis and supplier engagement significantly influence the nature of supply chain supply performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents a review of literature on the relationship between relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance. Literature is largely structured according to the objectives of the study.

2.2 Theoretical Review

The study was guided by the dynamic capabilities theory (DCT), DCT (Teece & Pisano, 1994). DCT was first introduced to explain organisation performance in dynamic business environments, focusing on the capabilities that firms employ to reach competitive advantage (Beske, Land, & Seuring, 2014). The DCT expands on two fundamental issues; the first being the firm's ability to renew competences to adapt to changes in the business environment and the second being the ability of strategic management to use these competences to match the requirements of the environment (Teece et al., 1997). DCT tries to make use of competences that are unique to firms to gain competitive advantage and explains how these competences are developed, deployed and protected (Teece et al., 1997).

Similarly, purchasing functions have been found to be a major contributor to the firm's profitability and in fostering supply management capabilities, which facilitates long-term strategic advantage (Chen et al., 2004). Purchasing and the function of DC's both seemingly work towards the same goal; achieving sustainable competitive advantage in dynamic business environments. Beske et al. (2014) who showed the overlapping applicability of sustainable supply chain management and DCT arguing that both strategic management approaches aim to explain the achievement of competitive advantage in global marketplaces characterized by changes in customer demand. At the same time, the DCT explains the competences an organisation requires to create long-term sustainable competitive advantage.

Similarly, the ability for the field of supply chain management to be an important driver in the achievement of sustainable competitive advantage has also been highlighted (Chen et al., 2004).

Teece and Pisano (2004) argued that the foundation of the resource-based view is not capable of supporting sustained competitive advantage. While the resource-based view recognizes the mechanisms that enable competitive advantage, it does not attempt to explain how these mechanisms operate (Teece et al., 1997). Instead, it was proposed that competitive advantage would be attributed to those companies that are able to react rapidly and flexibly to product innovation, while simultaneously possessing the capacity to manage organisation specific capabilities in such a way as to effectively coordinate and redeploy internal and external competences (Teece et al., 1997). This ability to achieve new forms of competitive advantage by being flexible and fast in dealing with changing market environments is what Teece and Pisano (1994) referred to as dynamic capabilities. Thus due to the fact that the resource based view has not been able to adequately explain how and why certain firms have competitive advantage in situations of rapid and unpredictable change (Eisenhardt & Martin, 2000) in which DC's become the source of sustained competitive advantage (Teece et al., 1997), the DC's approach is proposed.

Strategic Choice Theory (John Child (1972)). Strategic choice theory underlines a continuous process of choice and decision-making. Top management, also called the dominant coalition, were found to determine overall organizational performance (Child, Chung, & Davies, 2003). Nevertheless, Strategic Choice Theory acknowledges a partial influence of organizational environments, while stressing the importance of a continuous cycle of strategic choices and decisions made by top management to direct strategic actions and thus determine organizational performance (Miles, Snow, Meyer, & Coleman, 1978).

Strategic choice theory depicts the relationship between top management's choices and organisation performance and the overall interaction between environment and organizations. Strategic choice theory, as developed to underline the inadequacy of deterministic organizational views and stress the importance of managerial choice (Child, 1972), views organizations to be partially influenced by environments and primarily affected by top management choices (Miles et al., 2008). Despite the opposing views to deterministic management, theories Campling and Michelson (2008) established the strategic choice, resource dependence model to further underline the interdependence of environment and organizations in regards of strategic choices, actions and overall organisation performance. Strategic choice theory is characterized by an integrative view and thus underlines the view of businesses as adaptive organizations, which learn over time; thereby, their strategic choices lead to actions directed by top management (Child, 1997).

Regarding the four decision points of the purchasing year cycle strategic choice theory stresses the following with regards to the strategic types: In the make or buy, decision top management should balance dependence versus value to achieve organizational goals. Regarding decision point 2, the sourcing strategies, strategic choice theory advises to minimize dependence in order to ensure the high freedom of choice for the dominant coalition. Then decision point 3, supplier strategies, can consider whether to collaborate or rather exploit suppliers, the latter being favored by strategic choice theory as it underlines being rather independent. The contracting of suppliers in decision point four is strongly dependent on the previous decisions and strategic choice theory advises a rather short-term commitment to suppliers as it enables switching to alternative suppliers if desired by the dominant coalition. In the end, Strategic Choice Theory stresses that taking the right decision is dependent on some environmental factors as e.g. suppliers and on the strategic type of the organization but most importantly on the judgment of the dominant coalition to lead

purchasing goals and actions. Nevertheless, as interdependencies and collaboration can enhance performance strategic choice theory advises to carefully balance the dependence of suppliers with the desired rate of return. This would lead prospectors to e.g. apply early supplier integration (Cousins et al., 2008; Schiele, 2010) to innovate together with suppliers and thus maximize the opportunity for diversification. In contrast, defenders and analyzers would rather try to become preferred customer (Schiele, Veldman, & Hüttinger, 2011) of their supplier; In case of the defender this would aim at the highest possible cost-efficiency, while analyzers would not only try to achieve cost-efficiency but additionally try to achieve product development benefits from the relationship.

The relational view theory by Dyer and Singh (1998) helps in making organisation-purchasing decisions. The relational view theory suggests that relation-specific assets, knowledge-sharing routines, complementary resources, capabilities, and effective governance between alliance partners can determine interorganizational competitive advantages (Dyer and Singh, 1998). It emphasizes how supernormal profits, referred to as relational rents, can be gained through idiosyncratic interorganisation linkages (Dyer and Singh, 1998). It puts its focus on four critical sourcing decisions that most purchasers are involved with today; the make-or-buy decision, commodity strategy, supplier portfolio decision and awarding contracts after negotiation with suppliers.

Dyer & Singh (1998) systematically examined interorganizational rent-generating processes. They identified four sources that generate relational rents Investments in relation-specific assets, interorganisation knowledge sharing routines, the combining of complementary resources and effective governance mechanisms. Firms can achieve supernormal profits by developing an idiosyncratic relationship with their alliances through these processes. The aim is to move away from arm's length market relationships; because competitors can easily duplicate this exchange, relationship since there is nothing unique about the interactions

between buyer and seller. What follows from the joint efforts of the partnering firms in forging a relationship beyond arm's length, is that rents are jointly generated and owned by partnering firms. Relational rents are then part of the network or dyad. A relational rent is defined by Dyer and Singh (1998).

The applicability of the theory differs for each sourcing decision. For the make-or-buy decision, relational rents can only be acquired when a organisation decides to outsource, because it is then part of a network. In supplier portfolio decisions, a relational view can be important because it emphasizes long-term commitment with fewer but more strategic suppliers. The implications of the relational view are only relevant in two commodities; bottleneck and strategic, because both entail safeguarding a long-term relationship. The relational view does not support formal contracting efforts but rather suggests that informal contracts are more effective in generating relational rents through self-enforcing mechanisms.

2.3 Supply chain performance

Supply Chain Performance is the multiple measures of performance developed by the organization to gauge the ability of a supply chain to meet an organization's long term and short-term objectives. Performance measurement is the process of quantifying the effectiveness and efficiency of action (Neely et al., 2005). Supply chain performance maintains various metrics including quality, delivery efficiency, cost, and compliance to specifications or responsiveness (Neely et. al, 2013).

A performance measure is information delivered to the management function, evaluating the efficiency and the effectiveness of a process, resource or an outcome. Cost savings through reduced inventory levels, expediting, fulfillment and premium freight costs could allow a company to provide prices that are more favorable or terms to customers. Likewise, effective

planning and execution can help organizations adapt to the market's demands (Samuel, 2014).

Stewart (2005) assert that an increase in delivery performance is possible through a reduction in lead-time attributes and on-time delivery. On-time delivery reflects whether perfect delivery has taken place or otherwise and is also a measure of customer service level. Christopher (2012) describes a combination of delivery reliability and order completeness. Another aspect of delivery is the percentage of finished goods in transit, which if high signifies low inventory turns, leading to unnecessary increases in tied up capital. Various factors that can influence delivery speed include vehicle speed, driver reliability, frequency of delivery, and location of depots. An increase in efficiency in these areas can lead to a decrease in the inventory levels. Number of faultless documentation for example an invoice shows the delivery date, time and condition under which goods were received (Thomas and Griffin, 2006). By comparing these with the previously made agreement, it can be determined whether perfect delivery has taken place or not, and areas of discrepancy can be identified so that improvements can be made. Flexibility of delivery systems to meet particular customer needs: This refers to flexibility in meeting a particular customer delivery requirement at an agreed place, agreed mode of delivery and with agreed upon customized packaging. This type of flexibility can influence the decision of customers to place orders, and thus can be regarded as important in enchanting and retaining customers (Gunasekaran et al., 2011).

Aryatwijuka et al, (2020) there is a significant and positive relationship between managerial competencies and supply chain performance. This implies that an increase in managerial competencies leads to an improvement supply chain performance in the humanitarian context. Study findings also showed that most of the respondents were graduates an indication that they acquired professional competencies from school and this is vital for

performance. Additionally, it was found that managers who undertake relief supplies are experienced since they have served in their respective organizations for more than five years. The study findings are in agreement with Kamukama et al., (2017) who posits that when an organization that has staff who have the right skills, knowledge and experience will make wise decisions which in turn make their organizations prosper. While the study was done in the banking sector in Uganda, the same is true for the humanitarian sector. Once relief aid organizations recruit and retain staff with social, professional and personal competencies, their supply chains will deliver relief supplies to the right beneficiaries, cost effectively and in a timely manner

2.4 Relationship between sourcing effectiveness and supply chain performance

Relatedly Eyaa & Ntayi, (2010) assert that purchasing risk taking is a significant predictor of supply chain performance because SMEs in Uganda are private firms that are willing to take risks as long as there is a profit advantage attached. Majority of the private firms in Uganda are set up with very broad business objectives and are therefore eager to exploit opportunities that come their way even when their competences in these areas are limited as long as they are assured of gains that can guarantee their survival. This is evidenced by instances where SMEs are willing to bid for contracts that they have no competences in; what they do is contact people that have competences in the area in which they are bidding, make them consultants in their firms and use their documents to bid. This shows the extent to which SMEs are willing to go in order to take risks in the area of procurement in order to realize gains.

Sourcing effectiveness involves having sourcing and purchasing decision that is explicit and effective. It involves defining where to obtain materials, in what quantities and at what time. Sourcing effectiveness considers a variety of factors, including the number of suppliers that will be contracted, the type of relationship that will be pursued with suppliers, and the type

and conditions of contracts that will be negotiated if they are to have effective supply chain performance (Van Weele, 2009). In sourcing effectiveness, the quantity to be ordered is determined using an order policy, which typically attempts to balance performance objectives such as flexibility against shelf availability and cost. Therefore, sourcing effectiveness involves an order policy that may enhance performance (Shukla and Jharkharia, 2013).

To achieving the required supply chain performance, effective sourcing must adopt other sourcing strategies including dual-sourcing policy (Klosterhalfen et al., 2011). This provides an easily implementable, robust, and often near-optimal solution, which may bring significant savings when the sourcing options differ substantially in lead times (Veeraraghavan and Scheller-Wolf, 2008). This sourcing policy can be applied for example in perishable products that may require to be sourced from a single location using two alternative transport routes. The regular transport mode is relatively slow but inexpensive, whereas the expedited transport mode is faster but more expensive (Bakker et al, 2012). Although the policy is developed for a specific context (sourcing products from two different locations rather than sourcing from a single location using two different transport modes), the modelling assumptions are identical to the case situation as the two suppliers are assumed to differ only in lead-time and shipping costs. Therefore, in effective sourcing this order policy is applicable (Blackburn and Scudder, 2009). This order policy uses a regular and an expedited order-up-to position to control product availability at a reasonable cost. These order-up-to positions denote the number of products that will be ordered minus the number of products in stock and the number of products that will arrive within either the regular or the expedited order lead-time (Klosterhalfen et al, 2011).

Effective sourcing must also consider multiple sourcing where organizations split their orders for the same item among different available sources. Freeman and Cavinato (2010) and Stork

(2010) suggest that single sourcing is the ultimate stage of full partnerships between buyers and sellers on industrial markets. It is, amongst others, the result of the numerous “total quality programs”, supplier base reduction efforts, total cost cutting strategies and reducing throughput time projects in purchasing (Owens et al., 2004; Carter et al., 2010; Buttack, 2001). Gadde and Hakansson (2001) describe how network sourcing implies trade-offs between involvement and sourcing opportunism.

Sourcing effectiveness considers as important the method of purchasing used. Single sourcing is often preferred to multiple sourcing because of an imminent cutting of costs. Single supplier- buyer relationships offer different cost advantages that ensures effective supply chain performance. As volumes are not split between different sources, the buyer has the opportunity of negotiating better purchasing conditions (Ellram and Billington, 2011; Buttack, 2011; Brierly, 2011). Less investment in warehousing is needed as delivery schedules do not have to be split and deliveries can more easily be planned (Kelle and Miller, 2001). The administrative costs of handling just one supplier are obviously lower (Schorr, 2002; Cooke, 2008; Brierly, 2011). Buyer and supplier can finally also achieve cost reductions in the logistics field (Lynch, 2011).

Sourcing effectiveness emphasizes improvements in quality (Sriram and Mummalaneni, 2010). The supplier must be capable of managing operations more efficiently and acquiring more expertise in developing solutions for technical, logistic and other problems (Clayton, 1998). Improved products and better quality result from that. A strict prerequisite for realizing this benefit is that a lot of detailed attention is paid to the selection and evaluation of the suppliers’ performance. Certification is considered to be a very effective way in achieving this (Kulchitsky, 1998). Larson and Kulchitsky (1998) report both cost reductions and quality improvements resulting from single sourcing. Automotive companies are therefore

increasingly relying on single sourcing to safeguard their global competitive position (Pfaffman and Stephan, 2001).

However, is contradictory evidence as to the effectiveness of both parallel and dual sourcing as compared to single sourcing. Watts et al. (2005) hypothesize that parallel and dual sourcing lead to the best purchasing results in cases of service buying and in high-tech markets. Single sourcing would be the best alternative in innovative technology contexts and expertise-oriented settings. On the contrary, Hines (2005) and Brandes and Lilliecreutz (2007) still find single sourcing to be the best alternative. Specifically, where large outsourcing companies rely heavily on small and medium subcontractors single sourcing holds advantages over multiple sourcing.

2.5 The relationship between dynamic capabilities and supplier relationship management

Dynamic capabilities enable the organization to integrate, build, and reconfigure internal and external resources, using organizational processes to respond to changes in the competitive environment and to design new value creating strategies that enable effective relationship management (Eisenhardt & Martin, 2010; Teece, 2007). This promotes timeliness, expedited action, and efficiency of the firm's response to the market environment (Tiantian, Yezhuang & Qianqian, 2014). Absorptive capability represents a firm's capacity to recognize, develop and utilize external knowledge to create valuable new knowledge (Lane, Koka & Pathak, 2006). Adaptive capability explains the firm's ability to quickly reconfigure and coordinate its resources in response to rapid environmental changes (Gibson & Birkinshaw, 2004). Innovation capability is the firm's ability to come up with a new way of doing things for example a new good or a new quality of good; a new method of production; a new source of supply; or a new organizational structure (Adeniran & Johnston, 2012).

Murray, Kotabe, and Westjohn (2009,) argue that superior performance will only be attributed to firms when there is a strategic fit between the sourcing strategy and the sourcing firms' dynamic capabilities on a knowledge intensive business services level. Sourcing firms' absorptive capacity moderates the relationship between competitive advantage and the sourcing strategy because it has a strong impact on a firm's ability to acquire knowledge, which in turn affects the ability to learn from the supplier (Murray et al., 2009). The integration capability relates to the post sourcing activities that have to do with aligning business activities.

Sourcing activities themselves can also become dynamic capabilities. This is reflected by Gosling, Purvis, and Naim (2010) who discussed sourcing flexibility. Sourcing flexibility is the ability to reconfigure the supply network quickly and cheaply. It involves reconfiguration, partnering flexibility and adaptability. Partnering flexibility reflects the ease with which some organisation changes suppliers in response to changes in the business environment (Gosling et al., 2010). Adaptability refers to a firm's ability to adjust the supply chain to accommodate market change (Gosling et al., 2010). These propositions highlight how sourcing activities themselves can become dynamic capabilities. Consequently, it can be argued that sourcing is critical for the buying firms' success. In terms of dynamic capabilities, the evidence shows a link between dynamic capabilities and the ability for the buying organisation to create value from the buyer-supplier relationship (Adeniran & Johnston, 2012). All in all, the dynamic capabilities help explain how to choose suppliers and create a strategic fit between organizations and finally it also explains how sourcing can become dynamic capabilities.

2.6 The relationship between supplier relationship management and supply chain performance

The need for achieving efficiency in supply chains has fuelled the need for supplier relationship management. Organizations that have perfected the art of supplier relationship

management have well defined and efficient supply chains. Hughes and Jonathan (2010), looks at supplier relationship management as a discipline of strategically planning for, and managing, all interactions with third party organizations that supply goods and or services to an organization in order to maximize the value of those interactions. In practice, supply chain management entails creating closer, more collaborative relationships with key suppliers in order to uncover and realize new value and reduce risk.

The importance of Supplier Relationship Management within the supply chain is substantiated by a number of scholars. Burnes and New (1996) emphasize the importance of partnership sourcing for supply chain improvement. Slack and Bates (1997) stress that partnerships are critical to the successful management of the supply chain. Lamming (1994) asserts that good relationships with suppliers are necessary for a lean supply process. The role of the supplier in the procurement process is always implied in discussions about the supply chain. However, as the supply chain management concept developed specific implications on Supplier Relationship Management were addressed. Cooper and Ellram (1993) discuss the role of logistics and purchasing and conclude that they contribute to supply chain management in five ways including leadership, inventory management expertise, facilitate information links, provide negotiation expertise, and providing an interorganisation perspective. Novack and Simco (1991) provided a conceptual model of the purchasing process in the supply chain. They maintained that purchasing is the key intermediary between members of the supply chain. The point being made is that it is essential that purchasing serve an integral, if not a primary role, in the management of the supply chain (Leenders et al., 1994)

Supplier Relationship Management necessitates a consistent approach and a defined set of behaviors that foster trust over time (Flynn, 2010). Effective Supplier Relationship

Management requires not only institutionalizing new ways of collaborating with key suppliers, but also actively dismantling existing policies and practices that can impede collaboration and limit the potential value that can be derived from key supplier relationships. At the same time, SRM should entail reciprocal changes in processes and policies at suppliers.

Organizations that practice supply chain management improve their supply chain performance. Continuous maintenance of a good relationship with suppliers protects an organization from the problems of quality, increases efficiency, reduces lead-time, enhances value creation, and competitive advantage, and leads to improvement in performance (Shin et al, 2014). With supply chain management, the supplier is made part of the organization and always keeps that particular organization in mind. Organizations must therefore develop and maintain long-term relationships with suppliers by sharing information, developing trust, and maintaining good communication in order to obtain timely delivery of goods, improvement of quality that satisfies customers, competitive advantage and value creation (Ondieki & Oteki, 2014)

Beach (2012) insisted that trust is key to any successful supplier relationship management. A good relationship is built on trust between the organization and the supplier. An organization should be able to identify a trustworthy supplier who can be relied upon to supply goods and services to the organization on time.

Swink et al, (2007), Singh and Power (2009), Flynn et al. (2010), significant benefits can be obtained through a good relationship with the suppliers, and the integration of operations with them can improve the firm's performance. Researches, such as Lambert's (2004), demonstrate the positive effect of the implementation of SRM in the companies' performance, but it also shows that applying SRM is still a little explored in a holistic way.

2.7 The relationship between dynamic capabilities and supply chain performance

The type of relationship a buyer engages in with their supplier determines the dynamic capabilities of a firm. With dynamic capabilities, a buyer can reduce costs, introduce a new technology or product or improve quality (Monczka et al., 2010). To improve quality, a buyer can engage in quality Management approach with the supplier (Monczka et al., 2010) or if the aim is to develop new products or technology they can engage in an early supplier design involvement strategy where the buyer and supplier can both work together towards new product development (Monczka et al., 2010). Indeed, the relationship between dynamic capabilities and supply chain performance is key in this perspective (Yung and Lai (2012)).

Yung and Lai (2012) argues that dynamic capabilities (DC) have a significant impact on the relationships between suppliers and buyers. DC's can enhance performance in new product development because suppliers are more willing to engage in relationships with buyers that possess superior performance that is an approach linked to dynamic capabilities. Contract facilitation encompasses activities that attempt to eliminate risks and ensure the success of existing contracts with suppliers (Balaji & Brown, 2005). This capability ensures firms are capable of choosing the right contract for a given situation, and thus the authors propose that firms with superior contract building capability will choose the type of contracts that facilitate optimal resource configurations (Balaji & Brown, 2005).

The creation of dynamic capabilities requires time and commitment; therefore, long-term contracts could be useful. Long-term contracts ensure a higher degree of commitment from the supplier and access to supplier technology (Monczka et al., 2010) which can be a useful tool in developing long lasting relationships that facilitate dynamic capabilities. Contrastingly, if a buyer does not intend to engage in a strategic relationship with the aim of developing capabilities, spot-contracts or short-term contracts can be used (Monczka et al.,

2010). It is argued that companies that invest in strategic partnerships and form close relations with suppliers can generate sustainable competitive advantage, partially because these relationships are not easily imitated by competitors (Wagner & Boutellier, 2002). Nevertheless, it is argued therefore long term relationships may not always be preferred (Wagner & Boutellier, 2002). Therefore, supplier management capabilities are dynamic because they enable firms to reconfigure supply networks in response to market changes, which highlights the need for supply chain flexibility to facilitate effective supply chain performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methods that were adopted to conduct this study, it presents the research design, study population, sampling methods, data sources, data collection instruments, measurement of the variables, validity and reliability of research instruments, data processing and analysis and ethical considerations.

3.1 Research Design

The study adopted a quantitative cross-sectional design, which was quantitative in nature. Cross sectional survey helped to provide a snapshot of how things were at that particular time when the study was carried out. Correlation and Regression approaches were used to establish the relationships between variables of study. This is because the research was quantitative.

3.3 Study Population

The unit of analysis for this study were 60 humanitarian NGOs in Northern Uganda that use standardized processes in sourcing for goods and services. This means these humanitarian NGOs follow standard guidelines, rules and regulations in their procurement process. The study was carried out among 60 humanitarian NGOs in Northern Uganda where 5 respondents that include the procurement officers, logistics officers, supply chain officers, transport & fleet managers and supply chain coordinators or Managers were selected from each organization to participate in the study. It was believed that these people provided specific information as may be required in the study.

Table 3.1: Population and sample size

Category	Population (No. of NGOs)	Sample size (no. NGOs)	Sampling Units (5 sourcing officers)	Sampling Technique
Humanitarian NGOs in Northern Uganda.	60	52	260	Simple Random
Total	60	52	260	

Source: NGO board (2019)

3.4 Sampling Method and Size

There are 60 humanitarian NGOs in Northern Uganda (NGO board, 2019) that use standard procurement methods and they were subjected to Krejcie and Morgan (1970) sample size determination table to choose the actual sample of 52 humanitarian NGOs where the study was carried out. Simple random sampling was used using lottery method. In this, a list of humanitarian NGOs was written on small pieces of papers and the first 52 were selected to be used in the study. From each humanitarian NGO, 5 respondents that include the procurement officers, logistics officers, supply chain officers, transport & fleet managers and supply chain coordinators or Managers were selected and 260 responses were expected. The collected data was aggregated to the unit of analysis given that data was collected from 5 people from each humanitarian NGO using the cluster based approach. Purposive sampling was used to select the respondents since they had knowledge on the aspects that were being studied.

3.5 Data Sources

The data sources include primary sources. The required primary data was collected directly from the respondents in humanitarian NGOs. This was done with the use of a structured questionnaire. Respondents were guided through the questionnaires to ensure high level of accuracy in the data collection process.

3.6 Data Collection Instrument

Primary data was collected from respondents using structured five-point Likert scale questionnaire. The questionnaire contained closed ended questions. The respondents answered based on the extent to which they consider agreeing with the statements in the questionnaire. The questionnaire was self-administered to ease the process and save time since most respondents can read and write where necessary clarity was given.

3.7 Measurement of the Variables

Sourcing effectiveness; was measured using Payette (2004) 4 scale of; Supplier selection, evaluation methods, purchasing methods and decision tools; **Dynamic capabilities;** was measured using Jin Su Vidyaranya & Gargeya, (2012) & Beske et al. (2012) measures of Process, Position, Path; **Supplier Relationship management** was measured using Teece, Pisano & Shuen, (1997)'s measures of stakeholder engagement, relationship analysis, cross functional teams and supplier engagement while **Supply chain performance** was measured using Lambert & Pohlen, (2011) measures of Efficiency in delivery, Quality, Cost, Reliability, Reject levels, and Responsiveness

3.8 Validity and Reliability of Research Instruments

According to Cresswell (2010), reliability refers to the measure of the degree to which research instruments yield consistent results after repeated trials. The reliability of research instrument was examined for its reliability by using Cronbach's Alpha value. All the items included in the scale were adopted from previous research. An alpha coefficient of above 0.7 accepted meaning the instrument was valid as recommended by Nunnally (1974).

Table 3.2: Reliability test of Variables

Variable	Co-efficient	Content validity
Sourcing effectiveness	0.832	0.910
Dynamic capability	0.803	0.880
Supplier Relationship management	0.746	0.849
Supply chain performance	0.903	0.920

The validity of variables in the study was above 0.7 meaning that the questionnaire used in research was reliable.

3.9 Data Processing and Analysis

The data collected was edited for completeness and consistence. The statistical package for Social Scientists (SPSS) version 20 was used for data entry and analysis. Pearson's correlation coefficient was used to establish the relationships between variables. Regression analysis was used to determine how the predictor variables can explain the dependent variable. This is because there may be more than one variable affecting the dependent variable.

3.10 Ethical Considerations

The researcher sought an introductory letter from the University, which was presented to the management of humanitarian NGOs to seek permission and consent. The data obtained from the respondents was treated purely as academic and confidential for the safety, social and psychological well-being of the respondents.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

The study sought to examine the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in Northern Uganda. The presentation of results and findings follow the objectives of the study, which were; examine the relationship between sourcing effectiveness and supply chain performance, examine the relationship between dynamic capabilities and supplier relationship management, examine the relationship between supplier relationship management and supply chain performance and examine the relationship between dynamic capabilities and supply chain performance. The chapter also presents background information of respondents that participated in study and results are presented below.

4.1 Background Characteristics

The background characteristics of humanitarian NGO staff members that were involved in this study, was established to ascertain the nature of respondents that participated in the study in relation to their gender, age group, level of education, period within the organization. Descriptive statistics in form of frequencies and percentages were used to present results in background information and below are the results.

Table 4.1 Gender of respondents

		Frequency	Valid Percent
Valid	Male	117	49.2
	Female	121	50.8
	Total	238	100.0

Source: Primary Data, 2021

From the study findings, it was revealed that female respondents that participated in the study comprised of 50.8% while the male respondents comprised of 49.2%. This implies that

majority (50.8 %) that are involved in the supply chain are female. This implies that female professionals are dominating the supply chain to ensure that there is sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in Uganda.

Table 4.2 Age of Respondents

		Frequency	Valid Percent
Valid	20-30	81	34.0
	31-40	105	44.1
	41-50	47	19.7
	above 50	5	2.1
Total		238	100.0

Source: Primary Data, 2021

Study results revealed that of the staff members that participated in the study, 34% were aged between 20-30 years, 44.1% were aged between 31-40 years, where as 19.7% were aged between 41-50 years where as 2.1% were aged above 50 years. This implies majority humanitarian NGO staff members managing the supply chain are aged between 31-40 years. Therefore, people in this age group are still young with a lot of vigor and energy to ensure there is effective performance of the supply chain.

Table 4.3 Highest Level of Education

		Frequency	Valid Percent
Valid	Certificate	27	11.3
	Diploma	35	14.7
	Bachelor's Degree	115	48.3
	Master's Degree	51	21.4
	Other qualification	10	4.2
Total		238	100.0

Source: Primary Data, 2021

In the study, it was revealed that majority respondents (48.3%) had bachelors' level of education where as 21.4% had master's degree level of education, 14.7% had diploma level of education, 11.3% had, certificate level of education where as 4.2% had other qualifications. The majority of the respondents had a degree level of education, implying that most of the humanitarian NGO staff members have a bachelor's degree to help them understand most of key aspects that determine supply chain performance in the humanitarian sector.

Table 4.4 Period of work in this organization

		Frequency	Valid Percent
Valid	0-3 years	72	30.3
	4-6 years	52	21.8
	7-10 years	83	34.9
	11-15 years	22	9.2
	More than 15 years	9	3.8
Total		238	100.0

Source: Primary Data, 2021

In the study, it was revealed that majority respondents (34.9%) have worked in the humanitarian humanitarian NGO sector for 7-10 years, whereas 30.3% have worked in this sector for 0-3years, 21.8% had worked in the sector for 4-6 year, 9.2% worked in this sector for 11-15 years and 3.8% have worked in the humanitarian NGO sector for more than 15 years. This implies that majority of the humanitarian NGO employees that were involved in the study have been in sector for more than 3 years therefore have experience on sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in Uganda.

4.2 Relationships between study Variables

The study sought to establish the relationship between the variables of the study, which were; sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in Uganda. The relationship between variables were established using the Pearson correlation tests (r, correlation coefficients). It should be noted that the Pearson correlation coefficient (r) tests the relationship between variables and also using regression analysis also to establish the nature of relationship between variables as well as the magnitude of effects between variables and the table below presents the results.

Table 4.5 Relationship between variables

	Sourcing effectiveness	Dynamic capability	Relationship management	Supply chain performance
Sourcing effectiveness	1			
Dynamic capability	.583**	1		
Relationship management	.588**	.562**	1	
Supply chain performance	.538**	.587**	.475**	1

Source: Primary Data, 2021; $p < .01$

4.2.1 The relationship between sourcing effectiveness and supply chain performance

From results in table 4.6, it's indicated that there is a positive significant relationship between sourcing effectiveness and supply chain performance as explained by a Pearson correlation coefficient of ($r = .538, p < .01$). The results show that a unit increase in sourcing effectiveness improves supply chain performance by 0.538. This implies that in a situation where there is a vigorous and thorough supplier selection that spearheads the selection of able competent suppliers, where suitable evaluation methods are used and appropriate purchasing methods then the level supply chain performance in the humanitarian NGOs is influenced to a larger extent.

4.2.2 The relationship between dynamic capabilities and supplier relationship management

Findings in the table above reveal a positive correlation between dynamic capabilities and supplier relationship management ($r = .562, p < .01$). Further, a unit improvement in dynamic capabilities improves supplier relationship management in firms by 0.562. This implies that in the event where there is effective improvement in dynamic capabilities in the supply chain in terms of supply chain processes, supply chain position and path then there is a likelihood that supplier relationship management will improve in humanitarian organizations.

4.2.3 The relationship between supplier relationship management and supply chain performance.

From the findings in the table above, there is a positive significant relationship between supplier relationship management and supply chain performance ($r = .588, p < .01$). Thus, a unit increase in supplier relationship management results in 0.588 improvement in supply chain performance. This implies that the way in which performance partnership relationships are largely emphasized in the organization, the practice of early involvement of suppliers and supplier segmentation according to type and relevance for the organization largely influence the nature of supply chain performance likely to be achieved by the organization. In general, this implies that an improvement in supplier relationship management improves supply chain performance.

4.2.4 Relationship between dynamic capabilities and supply chain performance

There is a positive correlation between dynamic capabilities and supplier relationship management ($r = .587, p < .01$). This implies that in the event where there is effective improvement in dynamic capabilities in the supply chain in terms of supply chain processes, supply chain position and path then supply chain performance will be influenced in

humanitarian organizations. Also, a unit increase or improvement in dynamic capabilities improves supply chain performance by 0.587.

4.3 Regression Analysis of variables

Single Regression analysis

A single regression analysis was run for **dynamic capabilities and supplier relationship management** and results are presented in the table below.

Table 4.6 Single Regression analysis

Variables	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
Supplier relationship management	2.114	.170		12.437	.000
Dynamic capabilities	.470	.045	.562	10.436	.000
R Square =.316; Adjusted R Square =.313					

Primary Data, 2021

In the study, the regression analysis was carried out and as indicated in the table above, the regression analysis presents a coefficient of determination adjusted $R^2=0.313$ which shows that 31.3% of the variation in supplier relationship management in the sourcing process is explained by changes in dynamic capabilities. This implies that any improvements dynamic capabilities in terms of supply chain processes, supply chain positioning and path would lead to 31.3% chance improvement in relationship management in the sourcing process. The results also show that dynamic capability is significantly related to organizational performance ($\beta=0.562$, $p=.000$).

To establish the extent to which sourcing effectiveness, dynamic capabilities, supplier relationship management predict supply chain performance in humanitarian organizations in

Northern Uganda, a prediction model using multiple linear regression analysis was used and results are presented in the table below.

Table 4.7 Supply chain performance regressed on sourcing effectiveness, dynamic capabilities, and supplier relationship management.

Variables	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
Supply chain performance	.458	.339		1.352	.178
Sourcing effectiveness	.398	.107	.250	3.732	.000
Dynamic capabilities	.499	.087	.375	5.732	.000
Supplier relationship management	.186	.105	.117	1.783	.076

R Square =.411; Adjusted R Square =.403

Source: Primary Data, 2021

Results from the table above show a combination of the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in Northern Uganda. These variables explain 40.3% of the variance in supply chain performance (adjusted R Square =.403). However, only sourcing effectiveness and dynamic capabilities were significant predictors for supply chain performance. The most influential predictor of supply chain performance was dynamic capabilities (Beta = .375).

The remaining percentage 59.7% is explained by other factors that have not been studied for example supply chain automation systems and processes, remuneration of staff members in the supply chain processes, procurement methods among others that need to be studied could be among other factors that influence supply chain performance in humanitarian organizations.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion of findings, conclusions and recommendations based on research findings in chapter four. Research results are discussed according to the objectives of the study in line with the research questions.

5.1 Discussion of study Findings

The relationship between sourcing effectiveness and supply chain performance

There is a positive significant relationship between sourcing effectiveness and supply chain performance ($r = .538, p < .01$). The regression results also show that sourcing effectiveness is a significant predictor for supply chain performance. This implies that in a situation where there is vigorous and thorough supplier selection that spearheads the selection of able competent suppliers, where suitable evaluation methods are used and appropriate purchasing methods then the level supply chain performance in the humanitarian NGOs is influenced to a larger extent. This is related to Van Weele, (2009) who explain that sourcing effectiveness involves having sourcing and purchasing decisions that are explicit and effective. It involves defining where to obtain materials, in what quantities and at what time. Sourcing effectiveness considers a variety of factors, including the number of suppliers that will be contracted, the type of relationship that will be pursued with suppliers, and the type and conditions of contracts that will be negotiated if they are to have effective supply chain performance.

In situation where the organization has a professional team that determines the most appropriate purchasing method for each procurement in the organization, methods chosen will enable humanitarian organizations achieve the value for money principle as all decisions in place are based on this principle, then the supply chain performance is well influenced.

Also, when the evaluation is effective in terms of having standard evaluation procedures, the evaluation process is being professionally done following and meeting all procedures to get the most qualified suppliers to do the job and the evaluation process is having control measures to do away with any malpractices that may want to feature in the evaluation process, supply chain performance in the humanitarian organisations is improved. This is related to Lynch, (2011) who explain that sourcing effectiveness considers as important the method of purchasing used. Single sourcing is often preferred to multiple sourcing because of an imminent cutting of costs. Single supplier- buyer relationships offer different cost advantages that ensures effective supply chain performance. As volumes are not split between different sources, the buyer has the opportunity of negotiating better purchasing conditions. Less investment in warehousing is needed as delivery schedules do not have to be split and deliveries can more easily be planned. The administrative costs of handling just one supplier are obviously lower. Buyer and supplier can finally also achieve cost reductions in the logistics field.

The relationship between dynamic capabilities and supplier relationship management

There is a positive significant relationship between dynamic capabilities and supplier relationship management ($r = .562, p < .01$). The regression results also show that dynamic capabilities significantly predict supplier relationship management. This implies that effective improvement in dynamic capabilities in the supply chain in terms of supply chain processes, supply chain position and path improves supplier relationship management in humanitarian organizations. Supplier relationship management is therefore influenced when the dynamic capability supply chain processes are strong. This is largely achievable when staff members in the organization have the required accumulated experience to conduct the purchasing process effectively. Supplier relationship management is achieved when employees in the organization are able to apply knowledge on the best practices in sourcing processes to

achieve value for money. This helps the organization enjoy state of art purchasing position in the industry hence improved relationship with suppliers. This is related to Tiantian, Yezhuang & Qianqian(2014) who explain that dynamic capabilities enable the organization to integrate, build, and reconfigure internal and external resources, using organizational processes to respond to changes in the competitive environment and to design new value creating strategies that enable effective relationship management. This promotes timeliness, expedited action, and efficiency of the firm's response to the market environment.

In a situation where there are staff members who bring in new knowledge on how best the purchasing activities can effectively be done, where employees are able to apply knowledge on the best practices in sourcing processes, the nature of supply chain relationship will be influenced by these dynamic capabilities in the sourcing process. Also, organisations with a strategic sourcing position for example like early supplier payments and its known by all our suppliers, and a stable financial position status that helps attract serious suppliers normally have good supplier relationship management. This is related to Adeniran & Johnston, (2012) who advance that sourcing activities themselves can also become dynamic capabilities. Sourcing flexibility is the ability to reconfigure the supply network quickly and cheaply. It involves reconfiguration, partnering flexibility and adaptability. Partnering flexibility reflects the ease with which some organisations change suppliers in response to changes in the business environment. Adaptability refers to a firm's ability to adjust the supply chain to accommodate market change (Gosling et al., 2010). These propositions highlight how sourcing activities themselves can become dynamic capabilities. Consequently, it can be argued that sourcing is critical for the buying firms' success. In terms of dynamic capabilities, the evidence shows a link between dynamic capabilities and the ability for the buying organisation to create value from the buyer-supplier relationship. All in all, the dynamic

capabilities help explain how to choose suppliers and create a strategic fit between organizations and finally it also explains how sourcing can become dynamic capabilities.

In a single regression analysis that was carried out the coefficient of determination adjusted $R^2=0.313$ shows that 31.3% of the variation in relationship management in the sourcing process is explained by changes in dynamic capabilities. This implies that any improvements dynamic capabilities in terms of supply chain processes, supply chain positioning and path would lead to 31.3% chance improvement in relationship management in the sourcing process. The results also show that dynamic capability is significantly related to organizational performance ($\beta =0.562$, $p=.000$). Therefore, in a single regression analysis between dynamic capabilities and supplier relationship management the two variables are significantly related, hence improvement in dynamic capabilities would lead improvement in supplier relationship management in the sourcing process. This is related to Adeniran & Johnston, (2012) in terms of dynamic capabilities, the evidence shows a link between dynamic capabilities and the ability for the buying organization to create value from the buyer-supplier relationship. All in all, the dynamic capabilities help explain how to choose suppliers and create a strategic fit between organizations and finally it also explains how sourcing can become dynamic capabilities.

4.2.3 The relationship between supplier relationship management and supply chain performance

There is a positive significant relationship between supplier relationship management and supply chain performance ($r = .588$, $p<.01$). However, regression results show that supplier relationship management is not a significant predictor for supply chain performance ($\beta=.117$, $p=.076$). Supplier relationship management may not be a significant predictor because of the way supplier relationship is managed in these organizations. If some organizations are still practicing traditional forms of supplier relationships where the

relationship is more transactional and adversarial than relational. Having such relationships may have less effect to performance outcomes. In traditional supplier relationships, the interaction between an organization and its suppliers may be driven by the operational needs of the different functions. As a result, relationships are in first place lacking transparency with respect to internal governance and ownership of the relationship. From an external point of view, suppliers may not see a clear cross-functional interface to interact with. Consequently, they work less efficiently and take advantage of the situation to drive their own strategies that may not matter in the performance of the supply chain (Deloitte, 2019).

Besides that, correlation results are supported by Hughes and Jonathan (2010) who argue that achieving efficiency in supply chains is fueled by supplier relationship management. Organizations that have perfected the art of supplier relationship management have well defined and efficient supply chains. In practice, supply chain management entails creating closer, more collaborative relationships with key suppliers in order to uncover and realize new value and reduce risk.

Relationship the relationship between dynamic capabilities and supply chain performance

There is a positive correlation between dynamic capabilities and supplier relationship management ($r = .587$, $p < .01$). Regression results also show that dynamic capabilities significantly predict supply chain performance. This implies that in the event where there is effective improvement in dynamic capabilities in the supply chain in terms of supply chain processes, supply chain position and path, then supply chain performance will be improved. This is related to Adeniran & Johnston (2012) who argue that dynamic capabilities enable the organization to integrate, build, and reconfigure internal and external resources, using organizational processes to respond to changes in the competitive environment and to design new value creating strategies that enable effective relationship management. This promotes

timeliness, expedited action, and efficiency of the firm's response to the market environment thus improving its supply chain performance.

In this, supply chain performance is influenced when the dynamic capabilities are effective and strong in the organizational environment. This is largely achievable when staff members in the organization have accumulated experience to conduct the purchasing process effectively. Further, Adeniran & Johnston (2012) argue that sourcing activities themselves can also become dynamic capabilities. This is reflected by Gosling, Purvis, and Naim (2010) who discussed sourcing flexibility. Sourcing flexibility is the ability to reconfigure the supply network quickly and cheaply. It involves reconfiguration, partnering flexibility and adaptability. Partnering flexibility reflects the ease with which some organizations change suppliers in response to changes in the business environment. Adaptability refers to a firm's ability to adjust the supply chain to accommodate market change (Gosling et al., 2010). These propositions highlight how sourcing activities themselves can become dynamic capabilities. Consequently, it can be argued that sourcing is critical for the buying firms' success. In terms of dynamic capabilities, the evidence shows a link between dynamic capabilities and the ability for the buying organisation to create value from the buyer-supplier relationship.

5.2 Conclusions

The study sought to examine the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in northern Uganda. The study was guided by four objectives of the study, which were to examine to the relationship between sourcing effectiveness and supply chain performance, dynamic capabilities and supplier relationship management, supplier relationship management and supply chain performance and the relationship between dynamic capabilities and supply chain performance.

The findings reveal that positive relationships exist between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in Northern Uganda. The findings also show that only supplier relationship management is not a significant predictor for supply chain performance and dynamic capabilities significantly predict supplier relationship management.

The most influential predictor of supply chain performance was **dynamic capabilities** (Beta = .375). Therefore, when there is effective improvement in dynamic capabilities in the supply chain in terms of supply chain processes, supply chain position and path then there is a likelihood that supply chain performance will improve in humanitarian organizations in northern Uganda.

5.3 Recommendations

From the findings, the following recommendations were reached.

There is need to improve on sourcing effectiveness by ensuring thorough supplier selection that spearheads the selection of able competent suppliers. This can be done by having suitable evaluation methods with appropriate purchasing methods that will help source for the best suppliers to improve the performance of the supply chain in the humanitarian organizations.

There is need to improve on the dynamic capabilities of humanitarian organizations to improve on supplier relationship management. This can be done through improvement in dynamic capabilities in the supply chain in terms of supply chain processes, supply chain position and path there by improving the likelihood that supplier relationship management will improve in humanitarian organizations.

There is need to improve on supplier relationship management in humanitarian organizations. This can be done by putting in place regular stakeholder engagements in form of supplier forums that can be used to strengthen the relationship between the suppliers and the buyers.

The purchasing organizations can also analyze the relationship with their suppliers to ensure they do not turn into nuisance state for both parties and revitalize such relationships with current innovative market relationship management trends. The supplier relationship in humanitarian organizations can be improved with early supplier involvement especially at the stage of specification development such that suppliers feel valued by organization and this will help build a reciprocal healthy and beneficial relationship. The organization should also endeavor to have cross-functional teams team that have expertise in areas of contracts or relationship management and across all supply chain areas.

There is need to improve on the dynamic capabilities of humanitarian organizations so as to improve o their supply chain competitiveness. This can be done by automatic the processes in the sourcing process where suppliers can be able to send in their views regarding the supply process, where the sourcing, evaluation award can be done using an app or a system. This will help improve on the current dynamic capabilities of humanitarian organization in this region and the whole country at large for better service delivery.

5.4 Limitations for the study and Areas of Further Research

This study covered only humanitarian organizations in northern Uganda. Therefore, there is need to expand this study to cover the whole country using the same variables of the study. This will help capture the picture in the whole country in humanitarian organizations.

The variables in this study (sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance) predicted only 40.3% of the change in supply chain performance, implying that there are still other variables that can cause a significant change in supply chain performance. For instance, there is need to establish the influence of early supplier involvement on supply chain performance.

The study adopted across sectional survey design. However, a longitudinal survey may be carried out to examine the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in the private sector or third sector.

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APPENDIX I: QUESTIONNAIRE FOR RESPONDENTS

Dear respondent,

I am requesting you to fill this questionnaire, which is aimed at collecting data on the relationship between sourcing effectiveness, dynamic capabilities, supplier relationship management and supply chain performance in humanitarian organizations in northern Uganda. You have been selected to be one of our respondents in this study. The information provided will be treated with strict confidentiality and shall not be used for any other purpose except for academic purposes. Thank you very much for your cooperation.

Respondents' background information (provide a tick the on your right option).

No	Question	Response codes
1	Gender of respondent	1. Male 2. Female
2	Respondent's age	1. 20-30 2. 31-40 3. 41-50 4. >50
3	Highest education level	1. Certificate 2. Diploma 3. Bachelor's degree 4. Master's degree 5. Others specify.....
4	Period of work in this humanitarian NGO	1. 0-3 2. 4-6 3. 7-10 4. 11-15 5. >15

SECTION A

Sourcing Effectiveness

For the following questions please tick the number that represents your view towards the following statements using the scale of 1 to 5 where; 1=Strongly Disagree, 2=Disagree, 3=Neither Agree nor Disagree, 4=Agree, 5= Strongly Agree

A	Statements	Rating				
		Strongly disagree (1)	Disagree (2)	Neither agree nor disagree(3)	Agree (4)	Strongly agree(5)
1.	All key internal stakeholders are involved in the process to agree on important criteria that suppliers should meet					
2.	We have a professionally compiled preferred list of suppliers in this organization					
3.	Selection of suppliers in our organization looks at the key areas of supplier performance that are professionally considered in the supplier selection process					
4.	My organization has a standard evaluation procedure of all suppliers in place					
5.	The supplier evaluation process is professionally done following and meeting all procedures to get the most qualified suppliers to do the job					
6.	The evaluation process has control measures to weed out any malpractice in the evaluation process					
7.	There is a committee to determine the most appropriate purchasing method for each procurement					
8.	The purchasing methods are usually meant to ensure value for money					
9.	The purchasing decision tools are based on the best cost-to-performance criteria principle					
	The purchasing decisions in place are based on the principle of best value-for-money					

Dynamic capabilities

B	Statements	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree(3)	Agree (4)	Strongly agree(5)
1	Staff members in my organization have the required accumulated experience to conduct the purchasing process					
2	Staff members in my organization bring in new knowledge on how best the purchasing activities can effectively be done					
3	Employees in my organization are able to apply knowledge on the best practices in sourcing processes					
4	My organization has a strategic sourcing position (e.g. early supplier payments) of advantage known by all our suppliers					
5	The organization enjoys a state of art purchasing system position that every supplier uses to do the work					
6	My organization enjoys a stable financial position status that helps the organization to attract serious suppliers					
7	My organization has enough competent sourcing alternatives that can fulfill the needs of the organization					
8	My organizations' sourcing alternatives are very effective in the sourcing processes					
9	My organization has the best option future technological options to manage the sourcing process					

Supplier Relationship management

C	Statements	Strongly disagree (1)	Disagree (2)	Neither agree nor	Agree (4)	Strongly agree(5)
1	There is contracts management committee for managing procurements in my organization					
2	User departments in my organisation are involved in supplier management process					
3	The user department in my organisation ensures that there is effective communication among all stakeholders					
4	High risk suppliers are identified and managed accordingly in my firm					
5	Competitive suppliers are identified and measures taken to ensure strong relationship in my firm					
6	The most preferred suppliers are identified and meaningful relationship maintained in my firm					
7	Performance partnership relationships are largely emphasized in my organization					
8	There is early involvement of suppliers in the process in my firm					
9	There is supplier segmentation according to type and relevance in my firm					

Supply chain performance

D	Statements	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree(3)	Agree (4)	Strongly agree(5)
1	All our suppliers and providers deliver in time					
2	The services are delivered or supplied in total compliance					
3	The quality of goods and services usually meet our expectations					
4	The goods and services acquired are always in the appropriate costs					
5	There is always value for money for all the goods and services acquired in in my organization					
6	All our supplier are reliable in all performance aspects					
7	We have rarely get rejects of the goods supplied to us					
8	All our suppliers are responsive to the specifications as set in the documents					
9	My organization hardly run out of supplies because of reliable suppliers					
10	Some suppliers deliver in time before deadline in my firm					