STRATEGIC SUPPLIER MANAGEMENT PRACTICES AND OPERATIONAL PERFORMANCE OF DEVELOPMENT FINANCE COMPANY OF UGANDA (DFCU), KAMPALA-UGANDA

BY

JAMES KUSEMERERWA

REG.NO: 2021-01-03191

A RESEARCH DISSERTATION SUBMITTED TO THE COLLEGE OF ECONOMICS AND MANAGEMENT, IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER IN BUSINESS ADMINISTRATION-SUPPLIES AND PROCUREMENT OF KAMPALA INTERNATIONAL UNIVERSITY

MAY, 2023

DECLARATION

I, **KUSEMERERWA JAMES REG NO. 2021-01-03191**, hereby declare to the best of my knowledge that this Dissertation is purely my own effort and has never been submitted in any university around the globe for any award.

Sign: ______________________

Date: 22nd/May/2023

APPROVAL

I certify that this dissertation has been compiled under my supervision and that it is now ready for submission to the college of economics and management

SUPERVISOR: ASS. PROF ERIC MABONGA

Signed: ……………………………………………

Date: 22nd/5/2023……………………………………………

DEDICATION

I firmly dedicate my dissertation to the Almighty God for his unending grace, undeserving favor and the gift of life he has blessed me with all which have enabled me achieve this accomplishment. My lovely parents and friends for their unending support and lastly to my supervisor Prof. Eric Mabonga for his unmeasurable encouragement throughout this study.

ACKNOWLEDGMENT

My wholehearted appreciation goes the almighty God for his limitless gracious mercies, wisdom, knowledge and understanding grace that has entirely helped me throughout my study program. Exceptional thanks to my parents, friends that have always been my source of inspirations and encouragements. Extra special thanks go to all staff under directorate of higher degrees and research, college of Economics and management for all kinds of cooperation and help during my studies. My gratitude thanks also to Prof. Eric Mabonga for his professional support and guidance which led to the successful completion of this Dissertation.

ACRONYMS

CDC	Commonwealth Development Corporation
CRM	Customer Relationship Management
DFCU	Development Finance Company of Uganda
DSA	Deliver Schedule Achievement
FSU	Floor Space Utilization
IFC	International Finance Corporation
KIU	Kampala International University
NRFT	Not Right First Time
OEE	Overall Equipment Effectiveness
PP	People Productivity
QCD	Quality Cost Delivery
SCM	Supply Chain Management
SPSS	Statistical Package for Social Scientists
SRM	Supplier Relationship Management
TOC	Theory of Constraints
UDC	Uganda Development Corporation
UNDP	United Nations Development Program
VAPP	Value Added Per Person
VIF	Variance Inflationary Factor

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ABSTRACT

This study examined the effect of strategic supplier management practices and operational performance of DFCU Bank, Kampala Uganda. The specific objectives of the study were (i) to establish the effect of trust-based relationship on operational performance of DFCU Bank (ii) to Investigate the effect of information sharing on operational performance of DFCU Bank and (iii) to establish the effect of supplier collaboration on operational performance of DFCU Bank. Based on the descriptive research design, data was collected from a sample of 164 respondents using self-administered questionnaire. Data was processed and analyzed with the aid of SPSS, using frequency counts, mean, standard deviation, regression. Main finding of this study was trust-Based relationship and information sharing had a significant effect with Operational performance of DFCU Bank whereas supplier collaboration had no significant effect on operational performance of DFCU Bank. In the first and the second objective, the null hypothesis was rejected and the researcher concluded that there was a significant effect between Trust based relationship, information sharing and operational performance of DFCU Bank. In the third objective of the study, the null hypothesis was accepted and the researcher concluded that there was no significant effect between supplier collaboration and Operational Performance of DFCU Bank. The study recommends that DFCU Bank should strategically manage their supply base on the basis of value of spend or nature of items being purchased. This will enable the Bank to categorize its suppliers and thus proper treatment accorded to every supplier based on their importance. The study further recommends the need for to develop clear supplier collaboration relationship and development programs. This will enable the Bank to engage in activities that improve the performance of suppliers thus resulting in better performance of the bank and Information sharing was found to increase performance the Bank. It is therefore recommended that DFCU Bank should share important information with its suppliers, Clients in order to improve on their performance.

CHAPTER ONE
INTRODUCTION

1.0 Introduction

The general introduction of the study explored the background to the study, objectives of the study, research questions and hypotheses, significance of the study and conceptual framework

1.1 Background to the study

The background of the study focused on historical, theoretical, conceptual and contextual perspective. The analysis of the background was in different perspectives.

1.1.1 Historical perspective

According to Nelson et al., (2021), banking in East Africa started at the beginning of the 20th century. The setting of the British's representative office through the Imperial British East Africa (IBEA) company attracted the National Bank of India, which sought to be its banking agent. However, the locally-owned banks came into play just after the independence periods (mid 60s). In Uganda, according to Nsambu (2019) the banking industry at that time was dominated by government owned institutions. In 1966, the Bank of Uganda (BoU), which controlled the issue of currency and managed foreign exchange reserves, became the central bank and national banking regulator. As of 2021, the banking industry in Uganda remains resilient to shocks with adequate capital and liquidity buffers. (Bank of Uganda, 2021).

Like other business environment, the banking sector keeps changing and is becoming more competitive and complex, this new business environment invites us to rethink the traditional management models and organization structures of the industrial era. Organizations are moving towards a strategic network model, dealing simultaneously with different issues, e.g., global competition, internal organizational complexity, innovation, market fragmentation and process diversity.

According to Chaharbaghi (2007)**,** the development of strategic supplier management as an academic field originated as early as 1940, where it was seen as an art of war and to understand the essence of strategic management as a business field, we need to clearly follow its historical perspective. The history of strategic management can be traced back several thousand years (Short (2013). Strategic management has evolved through a series of developments and contributions by scholars like Chandler's (1962) who wrote on Strategy and Structure and

Ansoff's (1965) on Corporate Strategy have been fundamental to this field. Strategic Management as a field of study was recognized first time in 1962, when Harvard professor Alfred Chandler published Strategy and Structure. The book focused on the relationship between strategy and organizational structure and how the two needed to be consistent with each other to ensure strong firm performance. A great number of people and researchers in the field of strategic management consider Chandler's book to be the first work of strategic management research (Ketchen and Short, 2013). However, the current study shifts its focus on strategic supplier management. Wee (2009) articulates that Strategic Supplier Management is one approach to connect the different interests both within the organization and with the extended supply chain. Strategic supplier management identifies and engages the right stakeholders to create ownership of the relationship, drive effective communication and align strategic objectives. The result is a foundation for continuous efficiency improvements, such as cost reductions, risk mitigation or improved go-to-market times just as well as improved potential for disruptive innovation

Liker and Choi (2004) reported on how Japanese automotive manufacturers, Toyota and Honda, are deepening and developing their relationships with their suppliers, which leads to mutual benefits for both, the customer and supplier while Park et al. (2010) studied a Korean semiconductor manufacturing company and developed a framework for strategic supplier management and their framework integrates the supplier management functions, which are, shaping purchasing strategies, supplier selection, collaboration, and supplier management. In Africa many organizations struggle to manage their supplier relationships systematically. The main reason behind this is their lack of a clear framework with aligned guidelines on supplier management. In traditional supplier relationships the interaction between different functions of a company and its suppliers can be described as tactical and operational. As a result, relationships are lacking transparency not only from an external perspective, but also with respect to internal governance and ownership of relationships. The presence of the effective strategic supplier management is not a very developed concept in the African countries with the organizations in the African continent mostly operating an arm's length supplier management practices in their operations. Ghadge (2022) argues that technology utilization at the commercial banks enhances infinite and non-restricted access to information and increases market transparency and economic incorporation based on complementarities.

1.1.2 Theoretical Perspective

The study was based on transaction cost theory which was developed by Ronald Coase in 1937 to explain the existence of firms and theory of Constraints which was developed by Eliyahu Goldratt in 1984. The transactional cost theory states that transactions via market mechanisms incur cost, particularly the costs of searching for exchange partners and making and enforcing contracts. The goal of any organization is to minimize costs associated with transactions. Therefore, the organization will either choose to manage these resources externally or internally, depending on transaction costs. For instance, the theory predicts that organizations would internalize most transactional activities within hierarchies when these costs are high. Using the transactional cost theory, the study of the theory shall strive to examine the effect of Strategic Supplier Management practices on operational performance of DFCU Bank. The theory has become an important way in making analysis of strategic and organizational issues among firms. Emmett & Crocker (2009) argues that transactions in an organization form the basis of an economic thinking. He continues to assert that the theory is of an idea that the governance of a relationship is predicted by the asset specificity, or the extent of investment involved in a transaction and the bigger the transaction, the stronger or sensitive the relationship. Transaction Cost Theory can be applied in organizational supply chain management to assist to identify observe problem effort and advantage.

Determination is to build as well as to maintain strategic supplier management practices with firm suppliers is key and this helps in resolving problems that may arise in current business associations and supplier's engagement in an opportunistic behavior Malhotra (2003). The transaction cost theory is relevant to this study are adaptation and uncertainty, other predicting factors are the environmental and behavioral uncertainty surrounding the transaction consequently the scope of opportunism. The theory further puts relationship specific investment and the reduction in uncertainty as the key to any relationship success that can be enjoyed by both parties Tarafdar & Qrunfleh (2021).

The theory of constraints states that constraints determine the performance of a system. A constraint is anything that prevents a system from achieving a higher performance relative to its goal. A system is any collection of interconnected parts sharing a common goal. For the theory of constraints, the study is informed about an organized way of identifying constraints hindering the success of systems and processes and to effect necessary changes to remove the constraints. The theory of Constraints is taken to be a systematic management approach where organizations focus on actively managing bottlenecks that affect or hinder the progress of the firm towards the goal of maximizing profits and using its resources effectively Levalle and Nof (2020)

1.1.3 Conceptual Perspective

The two major variables to be examined for this research was Strategic Supplier Management practices and operational performance of DFCU Bank in Kampala, Uganda. The independent variable was Strategic Supplier Management Practices which was measured by trust-based relationship, information sharing, and supplier collaboration and operational performance was dependent variable measured with reduction of costs, customer Satisfaction and timely provision of services.

Strategic Supplier Management practices in the banking industry have been unable to display consistency and stability in performance. They have frequently experienced costly discontinuities in the current dynamic markets and vastly changing technological environments. They are also inflexible and susceptible to disruption since they are unable to swiftly and suitably respond to emerging international protocols, certification requirements, and to governmental and regulatory changes (Collin, 2003). The absence of adequate standards and protocols in the banking industry, most notably, directly affects the quality-of-service delivery. Strategic supplier management practices in the banking sector can help the industry increase and make it sustainable, profitable, enhance service delivery, improve efficiency and build competitive advantage.

Strategic Supplier management is a collaborative partnership with the supplier which allows the buyer to manage the relationship for the required goods and services (Global Intelligence Network 2021). According to Weele (2000) purchasing management refers to all activities required to manage supplier relationships in the organization. He further declared that the idea behind purchasing management is that if suppliers are not managed by their customers, customer relationships will be managed by the suppliers. Daves (2020) notes that successful strategic supplier management programs will often create a trusting partnership between a buyer and a supplier. Strategic Supplier management is the process that defines how a company interacts with its suppliers.

According to Voss, Åhlström, and Blackmon (2021), operational performance refers to the measurable aspects of the outcomes of an organization's processes, such as reliability, production cycle time, and inventory turns. Operational performance in turn affects business performance measures such as market share and customer satisfaction. Daft (2016) contends that firm performance is the organization's ability to attain its goals by using resources in an efficient and effective manner. Hitt (2018) reports that It is determined by how well a firm manages its internal resources and adapts to its external environment and further reflects the accomplishment of its strategic objectives and growth goals.

1.1.4 Contextual Perspective

In the world today, business environment keeps changing and competitive, and many organizations are facing changing market environment. The commercial banking industry has grown tremendously due to globalization creating stiff environment competition. Nyangau Evans Mboga, Thogori Mirriam, (2022) contends that times of adversity such COVID-19 pandemic has demonstrated that many International Organizations and the governments depend heavily on global supply chains. They continue to assert that Strategic Supplier Management is a critical field that cannot be ignored. This has pushed the organisations to embrace better procurement practices and as a result re-designing their operating market strategies to remain strong in the market. Selvaraj (2021) notes that the adoption of purchasing management practices can lead to the DFCU Bank becoming stronger and effective only if they come out with better customer service, quality products, reduction of operating costs and adoption of new technology innovation such as banking on the go, self-onboarding onto the banking products, prescored credit acquisition

According to Cousins and Spekman, (2021) notes that Africa and East Africa in particular, with easement of trade restrictions more banks are entering into international market for example, The banks rely more on procurement to acquire goods and services to support their daily operations. This positions procurement a more critical and important aspect to DFCU Bank performance thus its impact of purchasing on the bank's performance is more relevant and Adhiambo, (2019) reports that organization use procurement as tool to be coordinated process that aligns actual business needs and requirements with service acquisition and then measures the performance. In Uganda commercial banks are adopting innovations from global and well-developed organizations that they have to overhaul their logistics and purchasing strategies in order to stay cost competitive, mitigate risks and to strengthen and maintain key supplier relationships.

Following the signing of a contract with the FinTech Company Laboremus Uganda on the 19th of March 2018 to accelerate the digitization of its banking systems into banking on the go, self-onboarding onto the banking products, prescored credit acquisition. These technological innovations that has led to digital banking which has made banking possible everywhere, any time. DFCU Bank enhanced its operational capability and upgraded the core banking platform to Finacle 10, giving it more scalability, agility and security as a basis for expansion, innovation and increased automation of end-to-end customer experiences.

1.2 Problem Statement

Despite the increase in performance among commercial banks in Uganda. Like other corporations in Uganda most especially stated owned face a serious challenge in procurement, where millions of shillings have been paid to transactional and single source suppliers. Strategic Supplier management practice has become a critical perspective in the banking industry Timothy Ahumuza, (2021). According to Albishri et al., (2020) firms become strategically committed to their partners when they form a strategic supply network orientation. It ensures the supply of reliable and frequent deliveries in today's dynamic and competitive business environment in terms of competitive pressures; the need to consider sustainability and risk; the need to achieve cost efficiency in order to be cost competitive; and the need to develop closer relationships with key suppliers who can provide the expertise necessary to develop innovative new products and successfully bring them to market. Lack of proper material management skills in the bank especially as it affects the management of suppliers gave rise to the desire to study strategic supplier management practices and operational performance of DFCU Bank, Kampala.

Kaydos, W., 2020. Clearly advises that failure to effectively allocate resources in the firm, dents its customer lifetime value, negatively affects accuracy and precision of service, dwindles performance management, hampers sales growth, brings down its current ratios and inventory turnover levels and ultimately degrowing its profit margins, as a result, a firm like DFCU bank is bound to achieve operational performance targets by using their resources more efficiently and allocate more resources to innovation activities such as banking on the go, self-onboarding onto the banking products, prescored credit acquisition to meet ever-shifting customer wants.

Mahony,2020. Implementation of strategic Supplier management practices has become imperative for all the organizations across the globe in order to remain competitive. It enables the firm to accomplish its operational performance targets. Managers across the world have started considering the strategic supplier management as a high-end planning tool for the growth and development of the organizations. It is essential that all the parties involved in the integrated supply chain management need to be equally efficient for achieving the target level of performance. Yeaseen Chowdhury, 2020 and Nazrul Islam, 2021. The published research has pointed to the crucial role of strategic Supplier management practices and assistance of suppliers for achieving superior operational performance, the practices that encompass such relationship still need more clarification and besides strategic supplier management practices have been largely handled in relation to public organization thus lack of empirical evidence in the private sector and banking in particular and most of the existing studies are theoretical and conceptual with obvious lack of empirical evidence. In addition to that, the existing literature provides some contradicting results concerning the effect of Strategic Supplier Management practices on competitive performance of commercial banks. The study therefore aimed at addressing those issues above.

1.3 Objectives of the study

1.3.1 General Objective

The general objective of the study was to examine the effect of Strategic Supplier Management practices on operational performance of DFCU Bank, Kampala, Uganda.

1.3.2 Specific Objectives

1. To establish the effect of trust-based relationship on operational performance of DFCU Bank Kampala, Uganda.
2. To investigate the effect of information sharing on operational performance of DFCU Bank Kampala, Uganda.

3. To establish the effect of supplier collaboration on operational performance of DFCU Bank Kampala, Uganda.

1.4 Research Questions

1. What is the effect of trust-based relationship on operational performance of DFCU Bank Kampala, Uganda?
2. What is the effect of information sharing on operational performance of DFCU Bank Kampala, Uganda?
3. What is the effect of supplier collaboration on operational performance of DFCU Bank Kampala, Uganda?

1.5 Hypothesis of the Study

H_{01}: Trust based relationship does not have significant effect on the operational performance of DFCU Bank Kampala, Uganda.

H_{02}: Information sharing does not have significant effect on the operational performance of DFCU Bank Kampala, Uganda.

H_{03}: Supplier collaboration does not have significant effect on the operational performance of DFCU Bank Kampala, Uganda.

1.6 Scope of the study

1.6.1 Geographical scope

The study was carried out in DFCU Bank Headquarters, Kampala City, which is located on plot 26 Kyadondo Road, Nakasero, P.O BOX 70, Kampala Uganda. The Head office is selected for the study simply because it handles most of the company's procurements compared to other branches across the country.

1.6.2 Content scope

The study was limited to two major variables to be established that is Strategic Supplier Management practices and operational performance of DFCU Bank in Kampala, Uganda. The independent variable was Strategic Supplier Management Practices which was measured by trust-based relationship, information sharing, and supplier collaboration and operational performance was the dependent variable measured with reduction of costs, customer Satisfaction and timely provision of services.

1.6.3 Time scope

The study was conducted for a period of 9 months which was from October 2022 to May 2023. The study period was enough to enable data collection and presentation of findings to attain the information for both academic and decision making.

1.7 Significance of the Study

With the ever-increasing competition in the banking sector, scholarly work must be up to date in identifying the critical practices that can reduce on operational costs to foster desirable performance of DFCU Bank. The anticipated results of study can be pivotal in shaping the formulation of new guidelines of fostering supplier management within the entire DFCU Bank

To the procurement managers and managing directors of the DFCU Bank, the results of the study will help enhance their decision making on Strategic Supplier Management practices that can be instrumental in enhancing overall firm performance especially in the procurement function.

The findings will also be key in strengthening the organization's performance of other commercial banks that may benchmark those best practices by focusing on how the managers can leverage on supplier collaboration to improve the performance of their firms.

To academicians and scholars, the findings of the research will help in enhancing acting as reference material for future research work. The findings will also be relevant in expounding on the available knowledge on the performance of commercial banks.

1.8 Operational Definition of key terms

Strategic Supplier management. This involves the management of preferred suppliers and finding new ones whilst reducing costs, making procurement predictable and repeatable, pooling buyer experience and extracting the benefits of supplier partnerships.

Relationship Management. This refers to a collaborative partnership with the supplier which allows the buyer to manage the relationship for the required goods and services (Network 2013)

Operational performance. This refers to the alignment of all business units within an organization to ensure that they are working together to achieve core business goals.

Management practices. This refers to the working methods and innovations that managers use to improve the effectiveness of the of the work systems. Common management practices include empowering staff, training staff, introducing schemes for improving quality, and introducing and introducing various forms of new technology

Bank. This refers to a financial institution that accept deposits from the public and creates a demand deposit while simultaneously making loans.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter examined the related literature of the study, theoretical review, conceptual review, actual literature review and summary of literature. The review was based on the use of the journals, articles and text book

2.1 Theoretical Review

2.1.1 Transactional cost theory

To explain the existence of firms. The transactional cost theory states that transactions via market mechanisms incur cost, particularly the costs of searching for exchange partners and making and enforcing contracts. Therefore, the organization will either choose to manage these resources externally or internally, depending on transaction costs. For instance, the theory predicts that organizations would internalize most transactional activities within hierarchies when these costs are high. On the other hand, organizations would prefer to outsource the activity when the costs are low. It is because paying an external source to perform the activity would be cheaper.

According to this theory, all organizations encounter expenses with market transactions. Depending on whether these costs are high or low, organizations sometimes favor internal (or in-house) hierarchies or favor external markets as a structure for their economic governance. A third governance structure, known as relational or hybrid, is an intermediate mechanism combining the other two. This theory guides the study as it contends that transaction sizes between the influence the Strategic Supplier Management practices. This is however affected by the uncertainty and adaptation around the relationships

Emmett and Crocker (2009) notes that the governance of a relationship is predicted by the asset specificity, or the extent of investment involved in a transaction in the theory and the bigger the transaction, the stronger or sensitive the relationship. According to Tarafdar & Qrunfleh (2013), other predicting factors are the environmental and behavioral uncertainty surrounding the transaction consequently the scope of opportunism. The theory further puts relationship specific investment and the reduction in uncertainty as the key to any relationship success that can be enjoyed by both parties. To illustrate this, if one party makes relationship specific investment, it will only be done when the other party also makes the same investment that is relationship specific or contractual guarantees be given. The factors in the transaction cost theory that are relevant to this study are adaptation and uncertainty.

Lower transaction costs which can be as result of technology allows information to be communicated in real-time and at much lower costs, thereby reducing the costs that are required in order to find a particular good that is focus of the transaction (Hamilton, 2020). The author also suggest that strategic supplier management practices enable an easier matching between buyers and sellers once goods have been located and lowers the cost of brokerage.

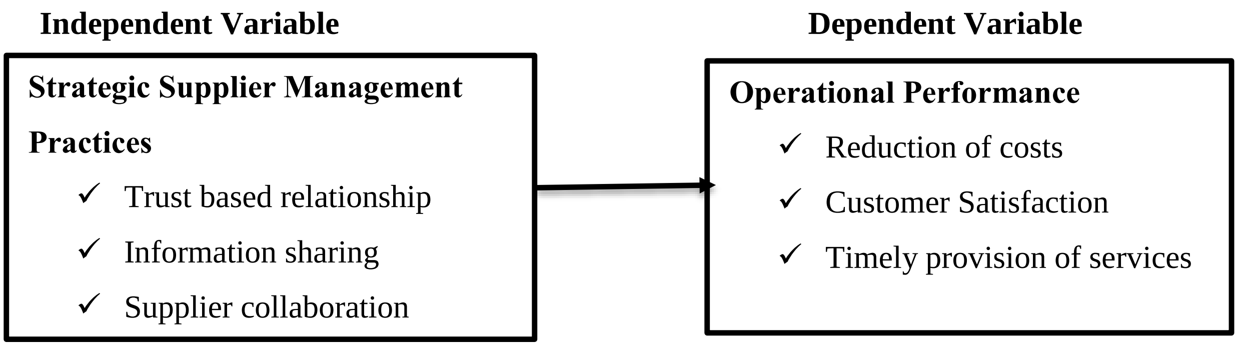
2.1.2 Theory of Constraints

The Theory of Constraints was first brought up as a management philosophy in 1984 by Eliyahu Goldratt in 1984. The management philosophy was designed to help businesses to achieve high-performance levels by providing a mechanism for gaining better control of their initiatives. The theory of constraint has been used as an organized way of identifying constraints hindering the success of systems and processes and to effect necessary changes to remove the constraints (Asseman, et al., 2014). Asseman et al. (2014) argued that the rate of goal achievement by a objective arranged framework is constantly restricted by one or more constraints, which may be internal or external. A constraint is defined as anything that prevents or hinders the system from achieving its goal (Mathu, 2014). The theory of Constraints (TOC) is therefore taken to be a systematic management approach where organizations focus on actively managing bottlenecks that affect or hinder the progress of the firm towards the goal of maximizing profits and using its resources effectively (Levalle & Nof, 2015). Managing risks through the constraints means that risk is dealt with upstream, which enhances the vision of the organization by leaving more mental energy to make goals and vision real instead of getting shocks constantly (Asseman, et al., 2014). Successful implementation of TOC and management through the theory calls for an all-encompassing methodology in a wide range of foundations such as logistics, operations, 14 warehousing (Mathu, 2014). The Theory of Constraints in the supply relationship management looks at the issues of collaboration within the value chain and supply chain connectivity. Application of TOC offers the following benefits: product cost reduction, quality improvement, design improvement, profitability improvement, higher creation framework adaptability, and managerial ease and simplicity (Rahman, 2002).

2.2 Conceptual framework

The conceptual framework showed the relationship between the study variables that was under investigation.

Figure 2. 1: Conceptual Framework



Source: Developed by Nelson ,2021 and modified by Researcher,2022

From the figure above, the intendent variable was Strategic Supplier Management Practices which was measured by trust-based relationship, information sharing and supplier collaboration and operational performance as the dependent variable measured with reduction of costs, customer Satisfaction and timely provision of services. The figure showed Strategic Supplier Management Practices influenced operational performance of DFCU Bank.

2.3 Strategic Supplier Management

Managing the movement of products and services along the supply chain is referred to as strategic supplier management. This covers things like storage, shelf life, analysis of the items procured, and the goods sold, and transportation, among others. To build a net value for an organization, supply chain management aids in the planning and executing various supply chain activities of that organization. It also helps determine market trends related to demand and supply for any goods or services and synchronizes those trends in order to assess an organization’s performance (Jaggi & Kadam, 2022). Customer and other stakeholder values are added through Strategic Supply Management, which is the integration of essential business activities from end-users via original suppliers (Desai and Rai, 2016).

CAPS Research (2021) notes that Strategic Supplier Management is a systematic approach for developing and managing partnerships. It is focused on joint growth and value creation with a limited number of key suppliers based on trust, open communication, empathy and a win-win orientation. Non-partnerships are managed by means of other measures like contract administration, contract management and vendor rating.

Supplier management assumes responsibility for developing and implementing supply structures that will sustain the competitive position of the firm. When an organization decides it is no longer an assembler of products but a design house, for example, the supply structure will have to change to facilitate this strategic move. Supplier management is thus concerned not only with the input but also the transition and management process of goods and services through the enterprise. Its aim is to make the enterprise more competitive, involving not only purchasing goods and services at competitive prices but also focusing on cost reduction techniques, improving cycle times, reducing time-to-market, and constantly seeking to exploit actual and potential innovations from within the supply market (Paul cousins, Richard Lamming Benn Lawson Brian squire 2008).

Wibowo et al., (2022) asserts that managing the strategic supply management adds value for customers and other stakeholders by distributing products, services, and information from end-users to original suppliers. There are many different types of companies and individuals engaged in transporting a product or service from one supplier to another. This is what is meant by the term “Strategic Supplier Management.”

The following summarizes the core supplier management philosophy (Mukhamedjanova, 2022):

1) To see the supply chain as complete and manage the whole flow of commodities from the supplier to the final client using a system approach.

2) Internal operational and strategic convergence, with a focus on joint efforts to bring them all into harmony.

3) A focus on the customer to develop distinct and customized sources of customer value, which leads to customer happiness

2.4 Operational performance of DFCU Bank

DFCU Bank is one of fastest growing commercial bank offering a variety of innovative products and services. DFCU Limited was started by the Commonwealth Development Corporation (CDC) of the United Kingdom and the Government of Uganda through the Uganda Development Corporation (UDC) under the name of DFCU Bank Limited. Later restructuring brought in DEG (of Germany) and International Finance Corporation (IFC) as equal partners with CDC and UDC, each having a 25% stake in the company. Its objective was to support long-term development projects whose financing needs and risk did not appeal to the then existing financial commercial lending institutions.

However, Uganda's banking sector has been adversely affected by the COVID-19 pandemic as a result of the slowdown in economic activity and its adverse impact on the financial condition of households and businesses and their ability to service their debt with an adverse knock-on effect on the Operational Performance of banking institutions (Bank of Uganda 2020b). The onset of the COVID-19 pandemic and the resultant containment measures posed an unprecedented shock to the banking sector to the extent that if the central bank had at the beginning of the COVID-19 pandemic enforced a three-month customer loans repayments holiday, more than half of Uganda's commercial banks would have collapsed (The East African 2020; Bank of Uganda 2020b). While the banking sector continues to grow, as evidenced by the 20.3 percent increase in bank accounts to 17 million by June 2020 (Twaha 2021), bank performance declined following the onset of the COVID-19 pandemic and the necessary measures to contain. DFCU Bank Bank's operations were equally affected by Covid 19 measures approved by the government to contain the virus thus a need to manage its procurement to reduce on its operational costs. This has pushed the organizations to embrace better procurement practices and as a result re-designing their operating market strategies to remain strong in the market and this under relationship manager which manages corporate relationships within business segments through origination in line with targets and expectations. The relationship manager is responsible for offering the best customer experience to the assigned clientele to ensure retention and growth of the existing business through deeper penetration into their existing business requirements.

Globally, many organizations are faced fast of changing market environment. The COVID-19 pandemic has demonstrated that many International Organizations and the governments depend heavily on global Strategic supplier management. Strategic Supplier Management is a critical field that cannot be ignored. This has pushed the organizations to embrace better procurement practices and as a result re-designing their operating market strategies to remain strong in the market. According to Hussein and Shale (2014), there is no doubt procurement has a significant role to play in helping the Organizations achieve their objectives and prepare for the uncertainty ahead while Leenders et al., (2008) notes that organizations are turning to procurement practices that will focus on driving costs down, add value and customer satisfaction in a much more strategic way.

2.5 Strategic Supplier Management practices.

2.5.1 Trust based relationship and Operational Performance

According to Lotfi (2019) Trust relationship with suppliers refers to the fact that manufacturers and suppliers trust each other not to act opportunistically. Implementing trust relationships with suppliers and building interdependent and trusting partnerships will enable manufacturing companies to have an uninterrupted supply in case of emergency. A trust relationship with suppliers involves individual behavior that has an impact on the operation of both the company and the supply chain). Walker (2018) articulates that trust is an important ingredient in supply relationship governance. The trust relationship with suppliers refers to the fact that manufacturers and suppliers trust each other not to act opportunistically. Implementing trust relationships with suppliers and building interdependent and trusting partnerships will enable manufacturing companies to have an uninterrupted supply in case of emergency.

relationship with suppliers is an important safeguard for manufacturer resilience. Manufacturing companies must combine strengthening the supplier relationship with an increasing level of information sharing to improve resilience. Based on trust theory, this study concludes that a trust relationship with suppliers has a positive relationship with manufacturer resilience Yang (2022). The study inferred that the importance of trust relationships with suppliers improves manufacturer resilience. However, the current study will examine trust-based relationship and operational performance of DFCU Bank. Irawan (2021) articulates that although the existing relationship governance literature focuses on its impact on supply chain resilience, the previous literature has refrained from explaining how trust can enhance manufacturer resilience. Meanwhile, some research on Strategic supplier management focuses on improving profit while ignoring the potential impact of relationships with suppliers. The current study therefore will examine the significance of trust-based relationship as strategic supplier management practice on operational performance of DFCU Bank.

A trust relationship with suppliers can enhance a manufacturing company's preparedness before an emergency event occurs. According to trust theory, relationship with suppliers is based on mutual trust Tan (2014). Christian (2014) notes that a high level of trust in the relationship leads to consistent action by both parties, which is more efficient in making decisions and increases preparedness and norm-based trust between firms in a supply chain can reduce conflict and uncertainty. He continues to assert that trust and good relationships enable manufacturers to obtain special treatment from suppliers in the form of better product and service support and assurance of availability, which protects against the risk of supply chain disruption in the event of supply disruption. The fundamental predictor of positive performance outcomes and competitive advantage in the supply chain. Trust- based rules as the basis for cooperation have been shown to positively influence the supply chain structures and thus the resilience of supply chain network against disruption. Wang (2018)

2.5.2 Information sharing and operational performance

Information sharing is basic to effective coordination in a strategic supply Management. According to Simatupang and Sridharan (2002) information sharing is entrance to one's own data between business parties which goes in a long way to be a scanner of companies' products and orders as it goes down the chain of supply. Sanders and Premus (2005) argue that quality transmission encompasses correctness, satisfactoriness, punctuality and dependability of information. He continues to assert that sharing information as a way of enabling the firm to see the future enhances planning in procurement, management of stock and dispersal. Participation entails the degree parties collaboratively plan and set objectives. Several researchers have implied or empirically established the link between Information Sharing and Performance. Lotfi et al. (2013) have investigated and summarized the benefits of information sharing on Supply Management. And Zhao et. al. (2014) and Tang (2000), give evidence of the positive impact of information sharing on inventory reduction and cost reduction. Mentzer (2004) notes that information sharing enables companies to make better decisions in their operation leading to better resource utilization and lower supply chain costs. Better management of information allows companies to be more responsive to customers' demands and the information in a supply chain can be classified in different ways e.g.: strategic or tactical; logistical; or pertaining to consumers. Lee and Whang (2000) discuss various types of shared information and their potential benefits. For example, sharing order status can improve the quality of customer service, reduce payment cycles, and reduce labor cost. Sharing retail sales data can mitigate the bullwhip effect. While Huang et al (2003) sort information into six categories pertaining to product, process, resource, inventory, order, and planning. Yang (2022) argues that information-sharing level plays a positive mediating role in the link between the trust relationship with suppliers and different stages of manufacturer resilience. He continues to infer the importance of trust relationships with suppliers and information-sharing level in improving manufacturer resilience.

Ajay and Maharaj (2010) reveal that information-sharing has a great impact on the overall cost of running a successful supply chain and improves the holistic management of supply chain activities. Rashed, Azeem and Halim (2010) have explored the combined effect of information and knowledge sharing on supplier 's operational performance. They have showed that information sharing is a prerequisite for knowledge sharing and the close supplier-buyer relationship is a vital factor for escalating the supplier's operational performance. Ahmad and Zailani (2017) investigated the role of information quality in strategic supply management, considering the information-sharing between buyer and supplier. Moreover, the information-sharing between buyer and supplier, will result on a big impact to the partnership in term of the business performance.

Nazifa and Ramachandran (2018) assert Information sharing between supply chain partners program creates value by focusing on key performance gap which in turn helps a company to identify new ideas for a better decision making in order to push the company ahead. Information sharing between supply chain partners makes it easy to identify the gap between where the organization would like to be and where it is. This gap provides a measure of the improvements that organization need to make. Ignoring this gap will in turn decrease long-term survival opportunities. The information sharing between supply chain partners process improves processes and helps to meet customer expectation better. As a result, it will enhance the company performance against its competitors. Abdallah (2014) observed that efficiency of the outcome is due to the practices of strategic supply chain embraced. Sharing of information as strategic supply management practices are sharing of information, postponement and internal integration which along the way enhances level of output in supply management.

2.5.3 Supplier collaboration and operational performance

Supplier collaboration is another crucial component that ensures partners' joint efforts in a supply chain to improve firm performance. According to Cao and Zhang (2011), Supply collaboration is a buyer-supplier business process that includes information and resource sharing, goal congruence, and decision harmonization, but it can create challenges for mutual trusted relationships and effect behavioral opportunism. Therefore, through buyer-supplier collaboration, Um and Kim, (2019) notes that Supply collaboration can ensure sustainability and customer demand fulfillment but create unintentional challenges.

Younis and Sundarakani (2020) asserts that through information sharing, joint decision-making, and collaborative behaviors, Supplier collaboration can facilitate firms in enhancing operational performance and effectiveness in cost, quality, flexibility, procurement, and delivery. Under Supplier collaboration, firms share information and experience with other partners regarding procurement, inventory, production, delivery, and sales. This sharing of information and exchanging of experience creates a platform for the collection of information about the supply network. As a result, flexibility, control, in-time delivery, and supply network transparency can be improved. Um and Kim (2019) observed that Supplier collaboration allows firms to make joint and collaborative decisions about their process design, production design, quality, delivery, and controlling costs. Information sharing facilitates members in timely access of necessary information, and joint and collaborative decision-making can help to improve operational performance in terms of flexibility, reduced inventories, shorter lead time (both in procurement and production), and lower transaction costs

Igarashi and Fet (2013) argues that supplier collaboration development requires cross-functional collaboration within the firm and collaboration with supply network members. On the same note Li and Huang (2017) observes that it requires significant cooperation between the manufacturers and their partners in the supply chain. Cooperation with supply network members increases the perceived value that encourages innovation practices. supplier collaboration also creates a bonding of mutual trust, exchange relationship, and repeated transactions with partners.

Hudnurkar and Rathod (2017) articulates that exchange of knowledge, investigation, and exploration increase effective bonding between partners in the supply chain. They build a relationship and a mutual understanding between partners that contributes to enhancing innovation outcomes. Further, close relationships motivate partners to share new ideas and alternatives in the innovation process. Supplier collaboration has always been a function of maintaining a delicate balance between demand and supply. For the most part, the primary focus of the supplier relationship is ensuring the right materials are available at the right time and location. However, sourcing managers with a narrow focus on delivery are missing out one of the greatest advantages of forging collaborative supplier partnerships: an opportunity to drive synergies that are otherwise perceived as impossible within the confines of the business. Suppliers don't just collaborate with you to provide a critical component or service. This study therefore will concentrate on supply collaboration as a strategic supply management practice and its impact on operational performance. Uddin (2020) asserts that Supplier collaboration has direct and indirect effect on operational performance for effective strategic supply management

2.6 Effect of Strategic Supplier Management practices on operational performance

Magnus (2006) also argued that an organization practicing strategic procurement stands to benefits from; an overall reduction of quality costs by ensuring that the selected suppliers deliver a product or service that does not need extensive quality control, contribution to product and service innovation as most innovations in banking industry come from the suppliers and buyers, reduce stock levels by imposing a solid discipline on suppliers and enforce it. In commercial banks this will reduce on the operational cost emanating from hard cash holding limits and other supplies thus helps to increase flexibility of service to customer by demanding it from partnered supplier through the technological platform for example electronic data interchange and synchronized data systems (Kiragu, R. 2012).

According to Daft (2016) firm performance is the organization's ability to attain its goals by using resources in an efficient and effective manner. It is determined by how well a firm manages its internal resources and adapts to its external environment and further reflects the accomplishment of its strategic objectives and growth goals (Hitt, 2018). Performance measures are largely described as two dimensional. One dimension is the objective performance, which involves financial and market-based measures, such as capacity utilization, profitability and market share. The other is subjective (judgmental) performance

According to Bob (2011), strategic procurement practices help create alignment and consistency of action that ensure procurement function fulfills its strategy and contribute to the bottom-line profit. The practices that will be used are supplier relationship management, technology utilization and strategic sourcing. Strategic relationship with suppliers begins long before the first order is placed. He continues to assert that this relationship is far different from the transactional tactical supplier relationship. Clemens & Douglas (2016) contends that strategic supplier management goes beyond procuring products and services and it seeks to maximize the benefit for both supplier and customer and identify and implement mutual successes that will benefit both parties. On the same note Benn (2015) indicated that supplier management practices and buyer performance improvement in UK manufacturing organizations where strategic purchasing was found to have an indirect, significant effect on improving buyer performance, acting through supplier integration. Strategic purchasing also had a significant effect on the use of socialization mechanisms, but not on supplier responsiveness. However, Nutakor (2016) on challenges with the implementation of sustainable procurement practices in the mining industry in western region of Ghana found challenges such as information communication Technology difficulties, innovation, remuneration and increased cost, regulation and governance, inadequate funding, consumer perception, among others were very critical challenges inhibiting sustainable procurement practices.

Strategic Supplier Management practices play both a rationalization role, in which they support the company's efficiency and support minor sacrifices for its customers, and a developmental role, in which they support the company's development of innovation and capabilities and, thus, help the increase of the benefits perceived by the company's customers (Gadde *et al.*, 2010). As a result of the strategic importance of supplier relationships, the procurement function has become more and more crucial in the organization. This function performs more and more strategic activities by developing and controlling critical capabilities supporting and enhancing the company's competitive differential (Monczka *et al.*, 2005).

Abdallah et.al. (2014) contends that two practices of supplier relationship management, supplier partnership/development and supplier lead time reduction significantly and positively affect the competitive performance of the buying firms in his study in Jordan the impact of supplier relationship management on competitive performance of manufacturing firms.

Onyango et.al (2015) in his study on the effect of strategic supply management on internal operational performance of manufacturing firms. The findings established that there is a positive significant relationship between buyer- supplier joint decisions, supplier communication management and internal operational performance of manufacturing firms in Kenya. This suggest that firms with well managed supplier communication systems, execute buyer supplier joint decisions have enjoyed superior customer service levels and improvement in internal operational performance. Enhanced supplier relations improve supplier performance which result in high levels of internal operations performance. Likewise, effective communication system enhances information flow between the firm and its suppliers hence resulting in high level of operational performance. Therefore, it is crucial for organizations to improve on their communication channels, through a dedicated information system that facilitate real time communication especially with their strategic supplier and finally to enter long term strategic relationship with their suppliers.

The findings revealed that sharing of information sharing between the organizations and suppliers is paramount for success of a firm, and for this to be successful the firms should integrate their systems with the supplier's systems. Another study by Gatobu and Moronge (2018) revealed that strategic alliances between a firm and their suppliers not only allows the organization to focus on their core business, but also free up management time and the firm is able to enjoy high quality service that result from the fact that the supplier is an expert in his area hence overall cost reduction of the firm. To maximize profitability and to stay competitive in the global markets an organization must understand and execute supply chain management, focusing on supplier relationship. Proper use of suppler relationship management strategies with high level of trust, commitment, shared goals and open communication with suppliers will result in an enjoying successful supplier relationship hence improved organizational performance (Kosgei &Gitau, 2016).

Tangus et al. (2015) on effect of strategic supplier management practices on performance of manufacturing firms in Kisumu County, Kenya established that supplier relationship management practices specifically supplier development, supplier segmentation and information sharing once practiced by a firm lead to improved performance. Therefore, it is of paramount importance that organizations develop supplier development programs such as supplier training, financial and technical assistance of suppliers and strategically manage their supply base and ensure open information sharing with their strategic suppliers by so doing the organizations will minimize on the overall cost of the organization and enjoy high level of customer satisfaction. Further, Kiarie (2017) on influence of supplier relationship management practices on operational performance of large manufacturing organizations in Kenya, established that strategic supplier management practices have a significant effect on operational performance of manufacturing firms in the sense that how an organization performs depends entirely on how suppliers are managed, for instance majority of manufacturing firms in Kenya have adopted documented guidelines on how they manage their suppliers, therefore impacting on how suppliers are selected, evaluated and even developed . Trust and commitment between the organization and its suppliers is important for a successful relationship, hence a good relationship with suppliers have significantly reduced transactional cost that may result from delayed shipment, delivery of substandard goods or lack of flexibility from a supplier.

Strategic supplier management enhances the capacity of individuals in the supply chain and aligns the firm towards the direction of realizing potential benefits that pertains to operational performance (Naveed, 2016). They promote mutual benefit and participation in important policy areas of procurement and supply chain management. Kellner and Lasch (2016) noted that strategic supplier partnerships are based on sharing the contribution and responsibilities of each party thereby creating a more efficient environment. Suppliers can help evaluate product design which helps in establishing the best technical and economical choice for production. Strategic supplier partnerships work better when the links between supply chain partners are performing to the best and thus the more effective firms are internally, the more effective their supply chain will be. Strategic supply management is achieved through the proper application of technology and partnerships. Through this practice, the supply chain can determine how best to meet the demands of the marketplace (Ola & Limberg, 2011). The key elements of strategic supplier partnerships include joint procurement planning, supplier involvement and joint problem solving.

Joint procurement planning entails identification and consolidation of requirements and timeframes for combining procurement engagements of two or more contracting parties (Olapoju, 2019). It is critical in identifying suppliers in the supply chain. Therefore, effective joint procurement planning is important for food and beverage manufacturing companies as supply of inputs determine their operational performance.

2.7 Research Gaps

It can be observed from the foregoing sections that over the years, a plethora of studies had been conducted on strategic supplies management practices and operational performance of banks. However, the researcher identified content, contextual and methodological gaps in the existing studies. For case of a content gap, the researcher observed that most of the previous studies focused on relating Strategic supply management practices with firm profitability of the organization which means that little is known about the strategic supplier management and operational performance.

Tangus et al. (2015); studied the effect of supplier relationship management and Operational Performance of banking sector in Western Kenya. The literature provided were conducted in the different environments like south Africa, Nigeria and not specifically Uganda, this provides a geographical gap that was handled after the study has explored the situation of supplier relationship management on operational performance of a bank situated in Uganda, i.e. DFCU Bank. A further review of the previous studies also indicates that there is very little research that had been conducted within the scope of banking sectors.

Additionally, Onyango et.al (2015) in his study on the effect of strategic supply management on internal operational performance of manufacturing firms. The findings established that there is a positive significant effect between buyer- supplier joint decisions, supplier communication management and internal operational performance of manufacturing firms in Kenya. However, this study used correlation analysis to establish the cause and effect of the variables. The current study employed regression analysis which is more important in giving specific details about the relationship and also shows more strength on the impact of multiple variables by predicting, optimizing, or explaining a number of responses between the variables.

Most Organisations, especially the service providers like Banks have failed to align supplier management strategy with their business objectives and sign a service level agreement with the suppliers (Daryna, 2021). This work seeks to acknowledge this gap.

CHAPTER THREE
METHODOLOGY

3.0 Introduction

This section presented the methodology that was adopted for the study. The key aspects include the research design, area of the study, target population, sample size, sampling techniques, research instruments, validity and reliability of the instruments, data collection procedures and data analysis. The section also considered the ethical considerations.

3.1 Research Design

The study used descriptive research design based on purely quantitative research approach. The study design provided information appropriate for the study in the study context. The descriptive survey design is touted as the most ideal for studies relating to attitudes, behavior, and characteristics Mugenda and Mugenda (1999). The design enabled the researcher to attain more adequate and reasonable data for the attainment of the required research data and findings.

Polit and Beck (2008), describes a quantitative approach as the one that involves generation of results according to the specified plan, using formal instruments such as questionnaires to collect the needed information. The data collected is generally numerical and is analyzed using statistical procedures in order to enhance objectivity (Polit & Beck, 2008). Quantitative approach leads to a clear collection and interpretation of data in the study context and results to easy understanding of the findings (Stake, 2010).

3.2 Study Population

The study population involved workers in DFCU Bank. The research considered all the target respondents, 300 employees in the departments of procurement, corporate banking, Finance and planning, Legal department, ICT and credit at DFCU Bank.

3.3 Sample Size

Following the guidance of Slovene's method of determining the sample size Further information about the population, sample and sampling techniques is reflected in the table 3.1. The Slovene's formula was used to determine minimum sample size

$$\mathbf{n} = \frac{N}{(1+Na2)}$$

Where, N= Total Population = 300

n=sample size

a= correlation coefficient 0.05

$$\mathbf{n} = \frac{300}{(1+300(0.05)2)} = \mathbf{171}$$

A sample of 171 respondents was selected to participate in the study as shown below

Table 3.1: Population, Sample Size

Department	**Population**	**Technique**
Procurement	35	Simple random sampling
Corporate Banking	38	Simple random sampling
Finance and Planning	39	Simple random sampling
Legal	04	Simple random sampling
Credit Finance	50	Simple random sampling
ICT	05	Simple random sampling
TOTAL	**171**	Simple random sampling

Source: Primary Data,2023

3.4 Sampling Technique

The researcher selected a sample of 171 respondents using a simple random technique. According to Robson (2014), a stratified random sampling technique involves division of the study population into significant strata with similar characteristics. Chimucheka (2012) points out that a stratified simple random ensures that each element under investigation faces identical chances of being selected. In this study, the researcher divided the respondents into 6 Stratums or groups in terms of their department of procurement, credit legal, corporate finance and planning. According to Cooper and Schindler (2013) a stratified random sampling is better than the other techniques because it mitigates bias in selecting the sample, it allows the inference of the sample statistics to the general population parameters, it is free of classification error and it makes data interpretation easy and straight forward.

3.5 Data Collection Instruments

The study was purely quantitative and therefore used questionnaires with closed ended questions as the only data collection instrument. For clarity reasons, a questionnaire is the most widely-used technique for obtaining information from respondents. McMillan & Schumacher (2014) point out that a questionnaire makes it possible to measure knowledge and information, values, preferences, attitudes, and beliefs of the respondents about the study variables. It is also easier to code and statistically analyses data from questionnaires than from interviews (Pallant, 2011). All responses in the questionnaire were measured based on a five-point Likert scale where 5 = Strongly agree, 4 = agree, 3 = Not sure, 2 = Disagree, and 1 = Strongly disagree. Likert-scales are extensively used in survey questionnaires because of their ability to give accurate measurements of perceptions, opinions, and beliefs. In addition, Likert-scales allow for greater flexibility, since the descriptors on the scale may be changed to suit the nature of the questions (McMillan & Schumacher, 2014). Creswell, (2013) agrees that Likert-scales are advantageous because the levels can be expressed as numerical scores, thereby facilitating data analysis.

3.6 Validity of the Instruments

According to Krishnaswamy, Sivakumar and Mathirajan (2009), the usual procedure in assessing the content validity of a measure is to use a professional or an expert in a particular field. The researcher therefore sought for the opinions of two experts in the field of study who assessed the relevance of the items in the questionnaire. Thereafter, a content validity index was computed using the following formula.

$$C\ V\ I = \frac{\text{Agreed items by all judges as suitable (24)}}{\text{Total numbers of items (27)}}$$

The instrument used in data collection was valid since the computed content validity index (CVI) as reflected above is 0.88. This is because; instruments with validity co-efficient of at least 0.70 are accepted as valid in research (Oso & Onen, 2008).

3.7 Reliability of the Instruments

The researcher selected a pilot group of 10 individuals from the target population to test the reliability of the research instruments. Pilot testing is important because it gauges the relevance of the questionnaire as well as its clarity in measuring the variables (Kothari, 2004). Data collected from the pilot study was coded and then entered in a statistical program called Statistical Package for Social Sciences (SPSS). In order to test the reliability of the instruments, an internal consistency technique was applied using Cronbach's Alpha in the SPSS. The results are presented below.

Table 3.2: Reliability Statistics

Cronbach's Alpha	N of Items
.817	24

The results in Table 3.1 above show that the study instrument was reliable since its Cronbach's Alpha value was 0.817 which exceeds the prescribed threshold of 0.7 as suggested by Mugenda and Mugenda (2007).

3.8 Data Analysis

All of the data collected was coded and then entered in a computer based statistical program called the SPSS. To determine the patterns in the data collected regarding the selected variables, data analysis was guided by the objectives of the study and the measurement of the data collected. During data analysis, statistical techniques such as descriptive statistics and inferential statistics were used. Inferential statistics particularly simple linear regression analysis to establish the cause effect of each objective and then multiple regression was use in determining the effect of strategic supplier management practices and operational performance of DFCU Bank

3.9 Ethical Consideration

Permission and approval to conduct the study was obtained from directorate of Higher Degrees and Research as the researcher obtained the introduction letter to present to the area of study.

Respect of respondents was ensured by seeking formal address. This was done by explaining adequately the aim, procedures and anticipated benefits of the study where the researcher avoided any form of deception in the study.

Study respondents were informed that their participation was voluntary with no payments involved in return and there was free will of any respondents to withdraw the consent at any time during the study and the study participates who were not ready were scheduled within their convenient time.

Confidentiality was maintained throughout the study period by using serial numbers as opposed to using respondents' names. Fair Justice was ensured by causing no emotional, physical and psychological harm at all during all the time of the study.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter focused on the presentation of study findings as well discussion the study findings. It is organized into three sections; the first section focuses on the response rate, the second section consists of information on demographic characteristics of the respondents and the third section shows descriptive and inferential statistics on each of the specific objectives of the study.

4.1 Response Rate

A sample of 171 respondents was selected to participate in the study. Consequently, the researcher distributed 171 questionnaires to the selected respondents in the study area. The results for the response rate are presented in Table 4.1 below.

Table 4.1: Showing Study Response Rate

Questionnaires	Number of Respondents
Questionnaires issued out	171
Questionnaires recovered	169
Questionnaires fully filled	164
Questionnaires with blank spaces	05
Questionnaires considered for analysis	164
Response rate (%)	**96%**

Source. Primary data, 2023

It is evident in Table 4.1 above that, 171 copies of the questionnaire were issued out to the respondents and the study was able to recover 169 questionnaires. Out these, 164 questionnaires were fully filled while five had blank spaces and were not included in data analysis. Those that we considered for data analysis were 164. This gave a response rate of 96%. It can therefore be concluded that the study obtained a very good response rate as recommended by Mugenda and Mugenda (2007) that a response rate of 70% and above is very good. Kothari (2004) also stressed that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This commendable response rate was made a reality after the researcher made personal calls to remind the respondents to fill-in and return the questionnaires.

4.2 Demographic Characteristics of Respondents

In order to get an overall picture of the sample and obtain a clear understanding of the respondents' perceptions of the concepts under study, it is recommended that demographic characteristics of respondents be presented and analyzed (Kasekende, 2014). Consequently, the researcher sought for, presented, analyzed and discussed information on demographic characteristics of the respondents such as gender, age, education levels and number of years spent in the study area. Findings on each of these characteristics are presented in the table 4.2 below.

Table 4.2: Demographic Characteristic

Factor	Frequency	Percentage
Gender		
Male	76	46.3
Female	88	53.7
Total	**164**	**100.0**
Age		
20-29	49	29.9
30-39	62	37.8
40-49	38	23.2
50 and above	15	9.1
Total	**164**	**100.0**
Level of education		
Certificate	21	12.8
Diploma	54	32.8
Degree	55	33.5
Masters	27	16.5
others	7.0	4.3
Total	**164**	**100.0**
Years spent in organization		
Less than 1 year	11	6.7
Between 1-3 years	25	15.2
Between 3-5 years	31	18.9
6 years and above	97	59.1
Total	**164**	**100.0**

Source: primary Data, 2023

From table 4.2 above, findings revealed that 53.7% of the respondents were female while those that belonged to the male gender constituted 46.3%. This means that the study findings were reliable since it incorporated responses from both sexes in almost equal proportions. This is based on Mbabazi (2008) who argued that study responses from both sexes are reliable as opposed to single sex.

From the same table 4.2, 23.2% of the respondents were in between 20-29 years old, 29.9% were between 40-49 years, 37.8% were between 30-39 years and only 9.1% were above 50 years. This implied that majority of the respondents were in a mature age bracket and were therefore in a position to give a true picture of the researcher`s study area. This is based on Amin (2005) who argued that majority age of above 18 years adds value to the responses given that mature people take time to think about a particular aspect of life.

Results from the table 4.2 also indicated that 12.8% had certificate level education, 32.8% had diplomas, 33.5% possessed bachelor's degrees, 16.5% had master's degrees and only 4.3% belonged in the categories of others and those from the category of others were PhD holders and those who never went to school . This implied that the study involved people with satisfactory level of literacy who were in better position to understand and interpret the contents in questionnaire. This agrees with Uma (2000) who stressed that it is important in social investigation research to involve people who have attained an acceptable level of literacy and numeracy in order to be in position to understand and interpret the content in questionnaire.

Furthermore, it is evidenced that 6.7% of the respondents had spent only less than one year in the study area, those that had spent between 1– 3 years constituted 15.2%, those that had spent between 3 – 5 years constituted 18.9% while those that had spent 6 years and above constituted 59.1%. This implies that majority of the respondents had dealt with the study area for a considerable period which indicates that most of them had the ability to articulate issues pertaining to strategic supplier management practices and operational performance of DFCU Bank.

4.3 Effect of trust-based relationship on operational performance of DFCU Bank

The first research objective was to establish the effect of Trust-based relationship on operational performance of DFCU Bank and respondents were asked to rate the items based on a 5-Likert scale. Their responses were analyzed using SPSS's summary statistics showing the means and standard deviations, The responses attained were presented and interpreted as provided in table 4.3 below.

Table 4.3: Descriptive Statistics on the effect of trust-based relationship on operational performance of DFCU Bank

Trust Based Relationship	Mean	Std. Deviation	Interpretation
We develop the supplier competency through training them	3.98	1.167	Good
There is development of the suppliers through information Provisions	3.76	1.277	Good
We develop the suppliers on the aspects of quality management	3.71	1.286	Good
The suppliers are developed on the terms of innovativeness and flexibility	3.63	1.224	Good
We provide Operational development for the suppliers in the Organization	2.58	1.306	Poor
There is supplier development framework for the categories of suppliers	2.05	.0964	Poor
OVERALL MEAN	**3.29**	**1.204**	**Good**

Source: primary data, 2023

From the tabulated results in table 4.3, findings regarding to developing the supplier competency through training them had the mean of 3.98, SD=.1.167 interpreted as good meaning that supplier's competence through training is well crucial in the performance of the bank. Furthermore, concerning the aspect of there is development of the suppliers through information provisions, it had the mean of 3.76, SD=1.277 interpreted as good meaning that supplier information sharing is more important in the performance of the bank. The findings concerning, we develop the suppliers on the aspects of quality management had the mean of 3.71 and SD= 1.286 interpreted as good while We provide Operational development for the suppliers in the organization had the mean of 2.63 SD=1.224 interpreted as poor meaning that the development for suppliers is quite low on Operational grounds and finally supplier development framework for the categories of suppliers was poor as it had a mean of 2.05 and SD=.0964

In general, findings in table 4.3 on the effect of trust-based relationship on operational performance of DFCU Bank showed average mean responses of 3.29, SD=1.204 interpreted as good. This implied a fairly good state of trust-based relationship between the bank and its clients. Respondents argued that trust-based relationship has increased the performance growth and operations of the bank. The standard deviation of 1.204, indicated minimal spread of responses around the mean among study participants. Standard deviation is more important in these results due its effectiveness to measure how the dispersion of data is in relation with the mean.

4.3.1 Regression Test Results (trust-based relationship on operational performance of DFCU Bank)

In this objective, the main intention was to establish the effect of trust-based relationship on operational performance of DFCU Bank. A regression test was performed and the results are presented in Table 4.4 below.

Table 4.4: Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.361[a]	.206	.120	.39825

a. Predictors: (Constant), trust-based relationship

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.716	1	.716	4.515	.035[b]
	Residual	26.963	163	.159		
	Total	27.679	164			

a. Dependent Variable: Operational Performance of DFCU Bank
b. Predictors: (Constant), Trust-based Relationship

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Trust-based relationship	.163	.077	.161	2.125	.035

Source: Primary Data 2023

The study results concerning the effect of trust-based relationship on operational performance of DFCU Bank showed that R-Squared coefficient 0.206. This figure indicated that trust-based relationship alone has 20.6% effect on operational performance of DFCU Bank. With these results at hand, 79.4% is influenced by other factors other than Trust based relationship that affect strategic supplier management and operational performance of DFCU Bank.

Further determination on analysis of variance was also performed where findings suggested that there was some significance in the effect. The p-value for the test was computed within an acceptable range and since p-value of 0.035 is less than 0.005, this implied a statically significant effect between trust-based relationship and operational performance of DFCU Bank.

The t statistics for the variable (Trust-based relationship) was also within the acceptable range to support their relevance in the model; trust-based relationship had a calculated t-value of 2.125. This implied that it has a high magnitude and significant predictive potential on operational performance of the Bank. The p-value for the beta of this variable also suggested the same as it was found to be below 0.05. Therefore, the null hypothesis was rejected and the researcher argues that there was a significant effect between Trust based relationship and operational performance of DFCU Bank.

4.4 Effect of information sharing on Operational performance in DFCU Bank

The second research objective was to assess the effect of information sharing on Operational performance in DFCU Bank, Uganda. order to fulfill this objective, the researcher investigated the information sharing levels in the bank descriptive statistics on information sharing was done as indicated in table 4.5

Table 4.5: Descriptive Statistics on information sharing, N=164

Information sharing	Mean	Std. Deviation	Interpretation
We share information on the quality required for the products	4.18	.906	High
Information is shared with more valuable suppliers in the organization	4.02	1.009	High
We develop the suppliers on the aspects of quality management	3.81	1.241	High
There is restriction in sharing confidential information with suppliers	2.26	1.213	Poor
The information shared depends on the value of the suppliers and supplies	3.31	1.330	High
There is an established electronic system for information sharing in the organization	2.69	1.266	Poor
There is a department that is responsible for information handling with the suppliers	3.66	1.312	High
OVERALL MEAN	**3.42**	**1.182**	**High**

Source: Primary data, 2023

The second objective of this study was to Investigate the effect of information sharing on operational performance of DFCU Bank. Table 4.5 revealed that, For the case of sharing quality information for the products had the mean of 4.18, SD=0.906 interpreted as good. This implied quality flow of information about the product s of the bank to clients while Information shared with more valuable suppliers in the organization had the mean of 4.02, SD=1.009 interpreted as good which implied suppliers often received valuable information.

Furthermore, development of the suppliers on the aspects of quality management had the mean of 3.81 and SD=1.241 interpreted as high and this implied that suppliers were in position to get quality knowledge on how to handle supplies of the organization. The study findings concerning restriction in sharing confidential information with suppliers had the mean of 2.26, SD=1,213 interpreted as poor. The information shared depends on the value of the suppliers and supplies had the mean of 3.31, SD=1.330 interpreted as high and that of there is an established electronic system for information sharing in the organization had the mean of 2.69, SD=1.266 interpreted as poor. Finally concerning the presence of a department that is responsible for information handling with the suppliers. The results had the mean of 2.26, SD=1.213 interpreted as good meaning that there is a unit for information sharing in DFCU Bank.

In general, the study findings regarding the level of information sharing present that the level of information sharing in DFCU Bank was high based on the Overall mean of 3.42, SD=1.182 meaning there is high information sharing between DFCU Bank and suppliers in their operation relationships and the standard deviation of 1.182, indicated minimal spread of responses around the mean among study participants.

Respondents argue that Information sharing between supply chain partners program creates value by focusing on key performance gap which in turn helps a company to identify new ideas for a better decision making in order to push the company ahead. Information sharing between supply chain partners makes it easy to identify the gap between where the organization would like to be and where it is.

4.4.1 Regression test results (information sharing on Operational performance in DFCU Bank)

In the second objective, the main intention was to establish the effect of information sharing on operational performance of DFCU Bank. A regression test was performed and the results are presented in Table 4.6 below.

Table 4.6 : Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.233[a]	0.054	.120	.39991

a. Predictors: (Constant), Information sharing

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.492	1	.492	3.074	.041[b]
	Residual	27.187	163	.160		
	Total	27.679	164			

a. Dependent Variable: Operational Performance of DFCU Bank

b. Predictors: (Constant), Information sharing

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.052	.246		8.344	.000
	Information sharing	.171	.098	.133	1.753	.041

a. Dependent Variable: Operational performance of Dfcu Bank

Source: primary data, 2023

The study results concerning the effect of information sharing on Operational Performance of DFCU bank. From the table 4.6 above regarding the results the R-Squared coefficient computed was 0.054. This indicated that information sharing had 5.4% effect on Operational Performance in DFCU Bank this also implied that the rest of the 95% is influenced by other factors other than information sharing.

Further determination on analysis of variance was also performed where findings suggested that there was significance in the effect. The p-value for the test was computed within an acceptable range since it was at 0.041. Computed p-value of 0.041 is less than significance level of 0.05 which implied that information sharing has a significant effect on Operational Performance of DFCU Bank.

The t-statistics for the variable (information sharing) was also within the acceptable range to support their relevance in the model, Information sharing as the independent variable had a calculated t-value of 1.753. This implied a high and significant predictive potential on Operational Performance. The p-value for the beta of this variable also suggested the same as it was found to be below 5%. Therefore, the null hypothesis was rejected and the researcher argues that there is a significant effect of information sharing and Operational Performance of DFCU Bank.

4.5 Effect of supplier Collaboration on Operational performance in DFCU Bank, Uganda

The third research objective was to establish the effect of supplier collaboration on operational performance in DFCU Bank. In order to fulfill this objective, the researcher investigated the supplier collaboration levels in the bank and data was descriptive statistics was done as shown in table 4.7

Table 4.7: Descriptive Statistics on Supplier collaboration, N=164

Supplier collaboration	Mean	Std. Deviation	Interpretation
We have the suppliers segmented on the aspects of quality	2.06	1.191	Low
The supplier's collaboration is based on the issues of type of supplies	3.50	1.350	High
We develop the suppliers on the aspects of quality management	2.79	1.382	Low
The supplier's collaboration is based on the location and proximity to the organization	3.06	1.369	High
The supplier's collaboration is facilitated by supplier management	2.59	1.396	Low
The supplier's collaboration is divided on the basis of frequency of the supplies	2.06	1.191	Low
OVERALL MEAN	**2.68**	**1.312**	**LOW**

Source: primary data,2023

The findings in Table 4.7 on the effect of Supply collaboration on operational performance of DFCU Bank. The study findings concerning the supplier collaboration, the results revealed that supplier segmentation schemes by the DFCU Bank were poorly functioning as indicated with a lower mean of 2.06, SD=1.191. The supplier's collaboration is based on the issues of type of supplies was interpreted as high with Mean=3.50, SD= 1.350, the suppliers are divided on the basis of frequency of the supplies was low based on the mean of 2.06, SD=1.191 interpreted as low while We develop the suppliers on the aspects of quality management found to be low at mean=2.79., SD=1.382 interpreted as low. While findings on the supplier's collaboration is facilitated by supplier management had the mean of 2.59, SD=1.396 that is interpreted as low. Furthermore, the suppliers are segmented based on the location and proximity to the organization with the mean of 3.06, SD=1.382 interpreted as high.

In general, the average mean responses on supplier collaboration relationship were 2.68, SD=1.312 interpreted as low which implied that the state of the supply collaboration relationship was quite low. The low Standard Deviation of 1.312 also indicate that data response was clustered around the mean. Respondents argued that close relationships motivate partners to share new ideas and alternatives in the innovation process. Supplier collaboration has always been a function of maintaining a delicate balance between demand and supply. For the most part, the primary focus of the supplier relationship is to ensure that right materials are available at the right time and location.

4.5.1 Regression Test Results (supplier collaboration relationship on operational performance of DFCU Bank)

In the third objective, the main intention was to establish the effect of supplier collaboration relationship on operational performance of DFCU Bank. A regression test was performed and the results are presented in Table 4.8 below.

Table 4.8: Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.091[a]	.081	.002	.40184

a. Predictors: (Constant), Supplier collaboration relationship

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.228	1	.228	1.410	.237[b]
	Residual	27.451	163	.161		
	Total	27.679	164			

a. Dependent Variable: Operational Performance of DFCU Bank

b. Predictors: (Constant), Supplier collaboration Relationship

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.753	.232		11.846	.000
	Supplier collaboration relationship	.113	.095	.091	1.188	.237

a. Dependent Variable: Operational performance of Dfcu Bank

Source: primary data, 2023

The study results concerning the effect of supplier collaboration relationship on Operational Performance of DFCU Bank. From the table 4.8 above regarding the results the R-Squared coefficient computed was 0.081. this implied that the supplier collaboration alone had 8.1% effect on Operational Performance of DFCU Bank. This also means that the rest of the 91.9% is influenced by other factors other than supplier collaboration.

Further determination on analysis of variance was also performed where findings suggested that there was some significance in the effect. The p-value for the test was computed within an acceptable range since it was at 0.237. The P-value reported is less than 5% which implied that supplier collaboration has no significant effect on Operational Performance of DFCU Bank.

The t-statistics for the variable (supplier collaboration) was also within the acceptable range to support their relevance in the model, Supplier collaboration had a calculated t-value of 1.188 which implied a low and no significant prediction on Operational Performance.

The p value for the beta of this variable also suggested the same as it was found to be above 0.05 Level of significance. Therefore, the null hypothesis is accepted and the researcher argues that there was no significant effect between supplier collaboration and Operational Performance of DFCU Bank.

4.6 Operational Performance of DFCU Bank Uganda

Operational performance of the bank was analyzed basing on the Bank's cost of operation, customer satisfaction, timely provision of services, profits, achieved objectives, more outlet openings and working capital. Descriptive statistics was done and results was shown in table 4.9 below.

Table 4.9: Descriptive Statistics on Operational Performance, N=164

Operational Performance	**Mean**	**Std. Deviation**	**Interpretation**
The bank has managed to reduce its costs of operation through well strategic supplier management practices	3.50	1.350	High
The Bank has achieved customer satisfaction for all its clients	3.26	1.368	High
There is timely provision of service in the Bank	3.19	1.336	High
We have been able to generate profit for the last 3 years	2.79	1.382	Low
We are able to meet the Operational annual objectives	2.06	1.191	Low
We have been able to raise salaries and wages from profit	2.59	1.396	Low
We have opened up more outlets in the last years	2.05	1.306	Low
Bank returns on working capital employed has been greater than 50% in the last 3 years	2.26	1.213	Low
OVERALL MEAN	**2.71**	**1.318**	**LOW**

Source: Primary Data, 2023

From the result table 4.9, findings revealed that the bank had managed to reduce its costs of operation through well strategic supplier management practices as per Mean of 3.50, SD=1.350 interpreted as high performance. Still the Bank has achieved customer satisfaction for all its clients as indicated with the mean of 3.26, SD=1.368 interpreted as high and good performance.

Furthermore, timely provision of service in the Bank had the mean of 3.19 and SD=1.336 interpreted as high. The study findings on whether the bank has been able to generate profit for the last 3 years had the mean of 2.79, SD=1.382 interpreted as poor and whether the bank have achieved Operational annual objectives had the mean of 2.06, SD=1.191 interpreted as low. Regarding whether the bank had raised salaries and wages from profit had the mean of 2.59, SD=1.396 interpreted as poor. Finally concerning the Bank returns on working capital employed was greater than 50% in the last 3 years had the mean of 2.26, SD=1.213 interpreted as low performance.

In general, the study findings regarding the operational performance of DFCU Bank was Low based on the Overall mean of 2.71, SD=1.318 this indicates a low operation performance of the Bank. The low standard deviation also meant that data responses were clustered around the mean. Respondents also argued that failures in market conditions such as changes in demand and supply, economic conditions, government regulations impact operational performance of any organizations negatively.

4.7 Effect of strategic supplier management practices on operational performance of DFCU Bank

The general objective of the study was to establish the effect of supplier management practices on operational performance of DFCU Bank in Kampala Uganda. it is important to also determine the collective effect that the variables had on Operational Performance of DFCU Bank.

4.7.1 Regression Test Results (strategic supplier management practices on operational performance of DFCU Bank)

The general objective of the study was to establish the effect of supplier management practices on operational performance of DFCU Bank in Kampala Uganda. A regression test was performed and the results are presented in Table 4.9 below.

Table 4.10: Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.224[a]	.150	.003	.39563

a. Predictors: (Constant), Information Sharing, Trust-Based Relationship, Supplier collaboration relationship

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.383	3	.461	2.946	.034[b]
	Residual	26.295	161	.157		
	Total	27.679	164			

a. Dependent Variable: Operational Performance of DFCU Bank
b. Predictors: (Constant), information sharing, Trust-based relationship, Supplier collaboration Relationship

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.761	.389		7.091	.000
	Supplier collaboration	.154	.077	.151	2.005	.047
	Trust-based Relationship	.123	.094	.099	1.315	.190
	Information sharing	.161	.097	.125	1.654	.100

a. Dependent Variable: Operational performance of Dfcu Bank

Source: primary data, 2023

The effect for all the three independent variables on strategic supplier management practices was computed with R-Squared coefficient of 0.150. this implied that the variables accounted for 15%

of the variation in operational performance of DFCU Bank could be explained by the three variables belonging to strategic supplier management practices. This implied a low rate of influence that the variable of supplier management practices has on operational performance.

The ANOVA section also offered collaborating evidence to support the fact that there is a significant amount of influence. The p-value for the test was established at 0.034 which is below 0.05. The F-value for the test computed was 2.946 which was high. The implication was that all the variables combined had a significant effect on operational performance of DFCU Bank.

Finally, the individual constructs of supplier management practices had to be checked for their relevance in the model. Findings suggested that the p-values for the betas of all the three were significant as they were all computed at 0.034. The t-statistics for all of the three variables were computed with respect to the degrees of freedom. The variable with the highest influence considering the beta values is Information sharing (β=0.125, $p <0.05$) followed by trust-based relationship (β=.099, $p <0.05$) and then finally with supplier collaboration relationship (β=-.151 $p <0.05$) On the construct variables, trust-based relationship was more significant because it had a high R-value and the significant value was lower than the other constructs

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter present the discussion of the findings presented in the preceding chapter. The discussion is made with reference to other similar works done in previous studies. The section then draws conclusions from these discussions after which it offers its recommendations. Finally, it suggests areas that are potential grounds for research that could not be completed in the body of this report.

5.1 Discussion of Findings

This section was further organized into three subsections with respect to the research objectives that guided the study.

5.1.1 Effect of trust-based relationship on operational performance of DFCU Bank

The first research objective was to determine the effect of Trust-based relationship on operational performance of DFCU Bank, findings showed that average mean responses of 3.29, SD=1.204 interpreted as good. This implied a fairly good state of trust-based relationship between the bank and its clients. Standard deviation is more important in these results due its effectiveness to measure. The standard deviation of 1.204, indicated minimal spread of responses around the mean among study participants how the dispersion of data is in relation with the mean. Respondents argued that trust-based relationship has increased the performance growth and operations of the bank.

Study findings further revealed that trust-based relationship alone had 20.6% effect on operational performance of DFCU Bank. This also means that the rest of the 79.4% is influenced by other factors other than Trust based relationship. The p-value for the beta variable also suggested the same as it was found to be below 0.05. Therefore, the null hypothesis was rejected and the researcher argues that there was a significant Effect between Trust based relationship and operational performance of DFCU Bank.

The findings were backed up by previous research studies that undertook to establish a similar purpose as elaborated below. According to Douglas and Mattew (2012) argued that trust-based relationship in organizations positively impact the operational performance of any organization.

The findings were also in agreement with the study conducted by Walker (2018) on management practices tools and operation performance of manufacturing firms in Mogadishu. Walker articulates that trust is an important ingredient in supply relationship governance. The study also had a significant positive effect between management practices and operational performance of Manufacturing firms based on trust.

5.1.2 Effect of information sharing on Operational performance in DFCU Bank

The second research objective was to assess the effect of information sharing on Operational performance in DFCU Bank, Uganda. Results Revealed that, R-Squared coefficient computed was 0.054. This indicated that information sharing had 5.4% effect on Operational Performance in DFCU Bank this also implied that the rest of the 95% is influenced by other factors other than information sharing.

The results from the field are in agreement with those of Kearney (2013) who studied the influence of information sharing in the sugarcane company in Tanzania. He argued that sharing of information with supply chain partners is critical to the success of the supply chain. Information sharing is as “frequent information updating among the chain members for effective supply chain management.” In this dynamic and unpredictable world, an organization’s capability to access the right information at the right time holds the key to sustenance and longevity. Effective inter-organizational communication could be characterized as frequent, genuine, and involving personal contacts between buying and selling personnel Even Lock Strom, Schadel, Moser, & Malhotra (2010) argued that information sharing due to the necessity of providing the firm’s data to their supply chain partners in order for “operational connectivity” of an activity to occur. Information sharing contributes to the improvements in visibility between firms, production planning, inventory management. However the study was in disagreement with the results of Ahmad and Zailani (2017) who investigated the role of information quality and sharing in strategic supply management among small business enterprises, the findings revealed that there was no significate effect between information quality and sharing on SMEs. Moreover, the information-sharing between buyer and supplier, will result on a big impact to the partnership in term of the business performance.

5.1.3 Effect of supplier Collaboration on Operational performance in DFCU Bank

The study established the effect that supplier collaboration on Operational performance. The finding showed that average mean responses on supplier collaboration relationship were 2.68, SD=1.312 interpreted as low which implied that the state of the supply collaboration relationship was quite low. The low Standard Deviation of 1.312 also indicate that data response was clustered around the mean. Respondents argued that close relationships motivate partners to share new ideas and alternatives in the innovation process. Supplier collaboration has always been a function of maintaining a delicate balance between demand and supply. For the most part, the primary focus of the supplier relationship is to ensure that right materials are available at the right time and location.

These findings are backed by previous research studies that undertook to establish a similar purpose as elaborated below Arsan (2011) contend that supplier collaboration relationship has no significant effect on Operational performance. Evaluations can help develop improved co-ordination between the supplier and the buyer. Therefore, the buyer is capable of providing the supplier a signal when additional supplies may perhaps be needed, prior to the set date and the supplier can gain knowledge of just how the buyer operates and any challenges that might not be severe, and could be gotten rid of to enhance efficiency. The study was in disagreement with Onyango et.al (2015) in his study on the effect of strategic supply management on internal operational performance of manufacturing firms in Kisumu town, Kenya. The findings established that there is a positive significant effect between buyer- supplier joint decisions, supplier collaboration and internal operational performance of manufacturing firms in Kenya. This suggest that firms with well managed supplier collaboration systems, execute buyer supplier joint decisions have enjoyed superior customer service levels and improvement in internal operational performance. Igarashi and Fet (2013) also contents that supplier collaboration development requires cross-functional collaboration within the firm and collaboration with supply network members.

Findings also revealed that operational performance of DFCU Bank was Low based on the Overall mean of 2.71, SD=1.318 this indicates a low operation performance of the Bank. The low standard deviation also meant that data responses were clustered around the mean. Respondents also argued that failures in market conditions such as changes in demand and supply, economic conditions, government regulations impact operational performance of any organizations negatively. The findings were in agreement with the study done by Tangus et al. (2015) on effect of strategic supplier management practices on performance of manufacturing firms in Kisumu County, Kenya who established that supplier relationship management practices specifically supplier development, supplier segmentation and information sharing once practiced by a firm lead to improved performance. However the same findings contended that only failures in internal and external controls can reduce the performance of firms. Therefore, it is of paramount importance that organizations develop supplier development programs such as supplier training, financial and technical assistance of suppliers and strategically manage their supply base and ensure open information sharing with their strategic suppliers by so doing the organizations will minimize on the overall cost of the organization and enjoy high level of customer satisfaction.

5.2 Conclusion

The study was set to determine strategic supplier management practices and operational performance of DFCU Bank in Kampala Uganda. The study obtained a very good response rate of 96% as recommended by Mugenda and Mugenda (2007). Female respondents were more than male respondents. The study further involved people with satisfactory level of literacy who were in better position to understand and interpret the contents in questionnaire as most of them had diplomas and degrees.

In the first objective, the null hypothesis was rejected and the researcher argues that there is a significant Effect between Trust based relationship and operational performance of DFCU Bank.

In the second objective, the null hypothesis was rejected and the researcher argues that there was a significant effect of information sharing and Operational Performance of DFCU Bank.

In the third objective of the study, the null hypothesis was accepted and the researcher argues that there was no significant effect between supplier collaboration and Operational Performance of DFCU Bank.

5.3 Recommendations

On the first objective of the study, the study recommends the need for the organizations to develop clear trust-based relationship and development programs. This will enable Banks to engage in activities that improve the performance of strategic management suppliers' practices thus resulting in better performance of these Banks.

There is need for consideration of other factors for Operation such as planning and control, inventory management and benchmarking to manage profitability for instance attaining more commercially high value segments that can boost the sales through creating a large market base.

On the second objective, Banks should share important information with its suppliers in order to improve on their performance. Information sharing also helps the bank in the short and in the long run the predict the future. This prediction can also enable them to improve on credit decisions, fraud, detection and forecasting liquidity needs thereby reducing costs and mitigating risks.

On the third objective, the study further recommended that supply chain managers should use the results of the study to improve on organizational performance by employing strategic relation management (SRM) Policies that support SRM should also be put in place as this had been confirmed by research findings to improve organization performance. Strategic relationship management allows businesses to cross-promote, build on each other's strengths, fill in gaps in areas of growth, share intelligence, attract new customers and expand business offerings to existing customers.

5.4 Limitations of study

The data was collected based on the data collected from the 164(96%) of the respondents out of the 171 questionnaires that were supplied to the respondents. The data acquired is deemed to be reliable and information and a representation of the entire sample.

Intervening or confounding variables: There was a very big threat on some respondents with personal biases and dishonesty. To minimize this threat, the researcher requested respondents to avoid being subjective while answering the questionnaires.

Instrumentation: the data collection instrument was standardized and this problem was solved through testing it for validity and reliability the sample did not fully address the concerns of the whole organization.

5.5 Areas of further research

This study focused on strategic Supplier management practices and operational performance of DFCU Bank only, further research on other sectors should also be done, and organizations should show more commitment in SRM by having systems to monitor and appraise and evaluate performance at a strategic level. It should also ensure open loop communication with regular feedback to easily diagnose pain points and address them before becoming fully blown out.

More studies also need to be done in developing countries such as Uganda, to further explain the discordance in results of the relationship between strategic supplier management and operational of all other banks.

Future studies should address other supplier relationship management practices and other measures of performance other than those dealt with in this study so as to account for even higher percentage in variance explained in the model.

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APPENDICES

APPENDIX I: RESEARCH QUESTIONNAIRE

Dear respondent,

I am **JAMES KUSEMERERWA** a student of Kampala International University Uganda **pursuing** master's degree of business administration Procurement and Supplies management and I would like to invite you to be part of my research study titled; **Strategic Supplier Management Practices and Operational Performance of DFCU Bank, Kampala Uganda.** I will be very grateful if you complete this questionnaire as honestly and objectively as possible. Please be assured that the information received will be used solely for academic purpose and will be treated confidentially. Thank you very much.

SECTION A

Please answer the following questions as honestly as possible by **simply ticking** the box representing the most appropriate response for you.

SECTION A: DEMOGRAPHICS OF RESPONDENTS

(PICK THE APPROPRIATE RESPONSE)

A. Gender

(1) Male [ ]

(2) Female [ ]

B. Age

1. 20– 29 yrs [ ]
2. 30 – 39 yrs [ ]
3. 40 – 49 yrs [ ]
4. Above 50 years [ ]

C. Your highest level of education:

(1) Certificate [ ]

(2) Diploma [ ]

(3) Degree [ ]

(4) Masters [ ]

(5) Others [ ]

D. Number of years you have spent in DFCU Bank

1. Less than 1 yr [ ]
2. Below 1-3 years [ ]
3. Between 3-5 years yrs [ ]
4. 6 years and above [ ]

SECTION B: STRATEGIC SUPPLIER MANAGEMENT PRACTICES

Please indicate how much you agree or disagree with each of the following statements using the scale given below: 1=Strongly Disagree (SD), 2=Disagree (D), 3= Not sure, 4= Agree (A), 5=Strongly Agree (SA)

No.	Measurement of variables	1	2	3	4	4
	Trust Based Relationship	**SD**	**D**	**NS**	**A**	**SA**
1.	We develop the supplier competency through training them					
2.	There is development of the suppliers through information provisions					
3.	We develop the suppliers on the aspects of quality management					
4.	We provide financial development for the suppliers in the organization					
5.	here is supplier development framework for the categories of suppliers					
6	The suppliers are developed on the terms of innovativeness and					

	flexibility					

No.	**Measurement of variables** **Information sharing**	**1** **SD**	**2** **D**	**3** **NS**	**4** **A**	**5** **SA**
1.	We share information on the quality required for the products					
2.	Information is shared with more valuable suppliers in the organization					
3.	We develop the suppliers on the aspects of quality management					
4.	There is restriction in sharing confidential information with suppliers					
5.	The information shared depends on the value of the suppliers and supplies					
6.	There is an established electronic system for information sharing in the organization					
7.	There is a department that is responsible for information handling with the suppliers					

No.	**Measurement of variables** **Supplier collaboration**	**1** **SD**	**2** **D**	**3** **NS**	**4** **A**	**5** **SA**
1.	We have the suppliers segmented on the aspects of quality					
2.	The supplier’s collaboration is based on the issues of type of supplies					
3.	We develop the suppliers on the aspects of quality					

	management					
4.	The supplier's collaboration is based on the location and proximity to the organization					
5.	The supplier's collaboration is facilitated by supplier management					
6.	The supplier's collaboration is divided on the basis of frequency of the supplies					

SECTION B: OPERATIONAL PERFORMANCE OF DFCU Bank

Please indicate how much you agree or disagree with each of the following statements using the scale given below: 1=Strongly Disagree (SD), 2=Disagree (D), 3= Not sure, 4= Agree (A), 5=Strongly Agree (SA)

No.	**Measurement of variables**	**1**	**2**	**3**	**4**	**4**
	Operational Performance	**SD**	**D**	**NS**	**A**	**SA**
1.	The bank has managed to reduce its costs of operation through well strategic supplier management practices					
2.	The Bank has achieved customer satisfaction for all its clients					
3.	There is timely provision of service in the Bank					
4.	We have been able to generate profit for the last 3 years					
5.	We are able to meet the financial annual objectives					
6.	We have been able to raise salaries and wages from profit					
7.	We have opened up more outlets in the last years					
8.	Bank returns on working capital employed has been greater than 50% in the last 3 years					

Thank you for your cooperation

APPENDIX II: RESEARCH BUDGET

Particular	**Quantity**	**Amount (Ug.sh)**
University Research Fee	Paid once	1,000,000
Stationary	4 copies @ 100,000 (binding inclusive)	400,000
Questionnaires	100 copies @ 800	80,000
Transport costs		1,000,000
Research Assistant		1000,000
	Total	**3,480,000**

APPENDIX III: RESEARCH TIME FRAME

ACTIVITY	OCT (2022) -JAN (2022)	FEB-APIRL (2022)	MAY (2023)
Proposal development			
Corrections			
Data Collection			
Data analysis			
Submission of final Dissertation			

APPENDIX IV: FIELD INTRODUCTION LETTERE

KAMPALA INTERNATIONAL UNIVERSITY

Ggaba Road, Kansanga * PO BOX 20000 Kampala, Uganda
Tel: 0709654233/0774393791 Fax: +256 (0) 41 - 501974
E-mail: dhdrinquiries@kiu.ac.ug * Website: http://www.kiu.ac.ug

Directorate of Higher Degrees and Research
Office of the Director

Our Ref. 2021-01-03191

Monday 13th March, 2023

Dear Sir/Madam,

RE: INTRODUCTION LETTER FOR KUSEMERERWA JAMES
REG. NO. 2021-01-03191

The above mentioned person is a student of Kampala International University pursuing a Master Business Administration – Supplies and Procurement.

The student is currently conducting a research study titled, ***"Strategic Supplier Management Practic and Operational Performance of DFCU Band, Kampala, Uganda"***

Your organization has been identified as a valuable source of information pertaining to the researc subject of interest. The purpose of this letter therefore is to request you to kindly cooperate and ava the student with the pertinent information needed. It is our ardent belief that the findings from th research will benefit KIU and your organization.

Any information shared with the researcher will be used for academic purposes only and shall be ke with utmost confidentiality.

I appreciate any assistance rendered to the researcher

Yours Sincerely,

Prof. Israel O. Obaroh
Director

C.c. DVC-Academic
Principal-CEM