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Procurement Strategies and Competitive Advantage: Assessing the Impact of Project Performance as a Moderator

Ofori Issah[1] | [2]Samuel Agyei Baah | [3]Evelyn Appiah-Kubi | [4]Henry Kwame Afriyie

[1]Department of Supply Chain & Information System, KNUST Business School, KNUST
[1,2,3]Christ Apostolic University College, Kumasi*

**Correspondence: Ofori Issah, email: kwabenaofori35@gmail.com*

Abstract

In the modern business landscape, procurement strategies have emerged as essential tools for achieving competitive advantage. As organizations face increasing pressure to deliver superior products and services while maintaining cost-efficiency, the adoption of effective procurement strategies becomes crucial for long-term success (Cousins et al., 2019). These strategies encompass various practices such as cost management, supplier relationship management, and sustainable sourcing, which collectively aim to improve operational efficiency, reduce costs, and drive innovation (Brammer & Walker, 2021). While research has extensively examined the direct impact of procurement strategies on organizational performance, less attention has been paid to understanding the role of project performance as a moderating factor in this relationship (Meng, 2020). Project performance, which refers to the successful execution of projects in terms of time, cost, and quality, is often overlooked in the context of procurement strategies. However, project performance is an essential determinant of whether procurement strategies achieve the desired competitive advantage (Muller et al., 2021). This study follows an explanatory research design, which is primarily aimed at understanding the cause-and-effect relationships among variables (Saunders et al., 2019). The explanatory approach explored how procurement practices affect competitive advantage, and how project performance moderates this relationship. This design is appropriate for testing hypotheses that seek to explain the impact of project performance as a moderator in this relationship. A quantitative approach was adopted, as it allows for the measurement of relationships and the testing of hypotheses using statistical techniques (Bryman & Bell, 2019). The quantitative approach is suitable for this study since it involves numerical data that can be analyzed to identify the strength and direction of relationships. Data was collected through primary sources using a structured questionnaire. The findings of the study statistically indicate that procurement strategies have a positive and significant influence on competitive advantage. Project performance has a positive and significant influence on competitive advantage. Project performance positively and significantly moderates the relationship between procurement strategies and competitive advantage. The study recommends that organizations should enhanced execution and efficiency, embrace adaptability and innovation, ensure strategic alignment and goal achievement, risk mitigation and, operational excellence.

Keywords: *Procurement Strategies, Competitive Advantage, Project Performance*

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1.0 INTRODUCTION

In today's competitive business environment, organizations are increasingly turning to procurement strategies as a key tool for gaining a competitive advantage. Procurement strategies encompass a variety of practices that guide how organizations source, acquire, and manage resources to achieve their goals efficiently. These strategies are crucial for optimizing cost, quality, and timeliness, which directly influence the performance and profitability of firms (Cousins et al., 2019). Through careful procurement, organizations can not only improve their operational efficiency but also gain a strategic edge over competitors (Zhao et al., 2020). By adopting sustainable procurement practices, organizations can build long-term relationships with suppliers, support local economies, and reduce environmental impact, further enhancing their competitive advantage (Brammer & Walker, 2021).

Procurement strategies are closely tied to project performance, as the success of procurement activities often influences the overall performance of projects. Project performance refers to the effectiveness with which project objectives are achieved, including factors such as cost, time, quality, and scope (Meng, 2020). Organizations that execute their procurement strategies effectively can enhance project performance by ensuring that resources are available as required, risks are minimized, and supplier relationships are optimized (Muller et al., 2021). In this context, project performance acts as a moderating factor that can strengthen or weaken the relationship between procurement strategies and competitive advantage.

The concept of competitive advantage is central to strategic management and refers to the ability of an organization to perform better than its competitors by either offering superior value to customers or by achieving cost leadership (Porter, 1985). Competitive advantage can be achieved through various procurement strategies, such as efficient supply chain management, innovative product sourcing, and sustainable purchasing (Fitzgerald & Pettigrew, 2020). However, the success of these strategies is often contingent on the firm's ability to execute projects effectively, making project performance a critical moderating factor (Pereira et al., 2022). Effective project management practices ensure that procurement strategies are implemented successfully, contributing to the achievement of a competitive advantage. Moreover, the ability to coordinate procurement efforts and align them with project goals is vital in enhancing the effectiveness of procurement strategies. Coordination between procurement teams and other departments, such as finance, operations, and marketing, plays a crucial role in achieving desired outcomes (Hahn & Kim, 2023).

In particular, project performance, which is influenced by both procurement strategies and coordination mechanisms, can significantly impact the ability of firms to sustain their competitive advantage over time (Brammer & Walker, 2021). This study aims to explore the relationship between procurement strategies and competitive advantage while examining the moderating effect of project performance. Understanding how project performance influences this relationship can provide valuable insights into optimizing procurement practices for sustained competitive advantage.

1.1 Problem Statement

In the modern business landscape, procurement strategies have emerged as essential tools for achieving competitive advantage. As organizations face increasing pressure to deliver superior products and services while maintaining cost-efficiency, the adoption of effective procurement strategies becomes crucial for long-term success (Cousins et al., 2019). These strategies encompass various practices such as cost management, supplier relationship management, and sustainable sourcing, which collectively aim to improve operational efficiency, reduce costs, and drive innovation (Brammer & Walker, 2021). While research has extensively examined the direct impact of procurement strategies on organizational performance, less attention has been paid to understanding the role of project performance as a moderating factor in this relationship (Meng, 2020). Project performance, which refers to the successful execution

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of projects in terms of time, cost, and quality, is often overlooked in the context of procurement strategies.

However, project performance is an essential determinant of whether procurement strategies achieve the desired competitive advantage (Muller et al., 2021). Given that procurement strategies are implemented through various projects, the effectiveness of these strategies is highly contingent on project execution. The gap in literature suggests that the moderating effect of project performance on the relationship between procurement strategies and competitive advantage remains underexplored, particularly in the context of contemporary business practices. Furthermore, while previous studies have highlighted the importance of project management practices in achieving organizational goals, limited attention has been given to the specific ways in which project performance interacts with procurement strategies to influence competitive advantage (Pereira et al., 2022).

Effective project performance can enhance the impact of procurement strategies by ensuring timely delivery, maintaining quality standards, and managing costs effectively. However, when project performance falters, it can undermine the potential benefits of well-designed procurement strategies, leading to delays, cost overruns, and missed opportunities (Hahn & Kim, 2023). Therefore, this study seeks to address the gap in literature by investigating how procurement strategies influence competitive advantage and the moderating role of project performance. The research will explore how variations in project performance, such as cost management, timely execution, and quality delivery, affect the effectiveness of procurement strategies in securing a competitive advantage for firms. Understanding this relationship is critical for organizations seeking to optimize their procurement practices and achieve sustainable competitive advantage in a rapidly evolving business environment.

2.0 MATERIALS AND METHODS

2.1 Procurement Strategies

Procurement strategies refer to the systematic approaches and practices organizations use to source and acquire goods, services, and resources that meet their operational and strategic objectives. Effective procurement strategies are integral to achieving competitive advantage, as they enable organizations to optimize costs, enhance quality, improve supplier relationships, and foster innovation (Cousins et al., 2019). Over the years, procurement practices have evolved from simple transactional processes to more complex, strategic functions that involve the integration of sustainable and socially responsible approaches to sourcing (Brammer & Walker, 2021). One critical aspect of modern procurement strategies is cost management, where organizations aim to reduce expenses while ensuring that they receive high-quality products and services. Cost-effective procurement requires an in-depth understanding of supplier capabilities, pricing strategies, and market trends (Zhao et al., 2020).

Firms use various techniques, such as competitive bidding, bulk purchasing, and long-term contracts, to secure favorable terms and optimize expenditure (Meng, 2020). These cost reduction practices are central to gaining a cost advantage, one of the primary drivers of competitive advantage in procurement. In addition to cost management, supplier relationship management (SRM) has become a cornerstone of procurement strategy. SRM involves creating and maintaining mutually beneficial relationships with suppliers to ensure the consistent delivery of high-quality goods and services (Brammer & Walker, 2021). Strong relationships with key suppliers can result in better communication, improved product quality, innovation, and flexibility in responding to market changes. Moreover, a well-structured SRM approach allows organizations to manage risks effectively and maintain a stable supply chain (Fitzgerald & Pettigrew, 2020). Sustainable procurement practices are also gaining increasing importance, as

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businesses recognize the need to address environmental and social challenges in their sourcing activities.

Sustainable procurement goes beyond cost and quality considerations and incorporates environmental stewardship, social responsibility, and ethical sourcing. According to Brammer and Walker (2021), sustainable procurement strategies aim to minimize negative impacts on the environment, improve social outcomes, and create economic value across the supply chain. This includes sourcing from local suppliers, reducing carbon emissions in logistics, and ensuring fair labor practices. As consumers and investors increasingly demand sustainable business practices, integrating sustainability into procurement strategies has become crucial for maintaining a competitive advantage (Brammer & Walker, 2021). Innovation in procurement strategies also plays a key role in driving competitive advantage. Through the adoption of new technologies, data analytics, and digital tools, organizations can streamline their procurement processes, enhance decision-making, and improve overall efficiency (Hahn & Kim, 2023). Technologies such as e-procurement platforms, artificial intelligence (AI), and blockchain are transforming procurement by enhancing transparency, reducing administrative costs, and enabling real-time collaboration with suppliers (Pereira et al., 2022).

These innovations enable firms to achieve better value for money, adapt to changing market conditions, and remain competitive in an increasingly complex business environment. The effective implementation of these strategies not only contributes to the achievement of operational goals but also enhances a firm's competitive advantage in the marketplace. As organizations continue to adapt to global challenges and market dynamics, the development of robust and forward-thinking procurement practices will be essential for sustaining long-term success (Meng, 2020).

2.2 Project Performance

Project performance refers to the extent to which a project achieves its predetermined objectives, such as scope, quality, cost, and time. It is a multidimensional concept that evaluates the efficiency and effectiveness of project execution, emphasizing both process and outcomes. Effective project performance ensures that projects deliver value to stakeholders and contribute to organizational goals (Kerzner, 2021). A core dimension of project performance is the adherence to the “iron triangle” of project management: scope, cost, and time. These parameters provide a foundational framework for evaluating project success. However, modern interpretations of project performance extend beyond these metrics to include customer satisfaction, stakeholder engagement, and alignment with strategic objectives (Turner et al., 2022).

For instance, projects are increasingly assessed based on their sustainability, innovation, and ability to adapt to dynamic environments. Effective project performance hinges on various factors, including project planning, risk management, resource allocation, and team dynamics. According to Al-Ani et al. (2023), well-defined goals, stakeholder collaboration, and proactive risk management significantly enhance project outcomes. Furthermore, leveraging digital tools, such as project management software and analytics, has become critical in monitoring and improving project performance.

These technologies enable real-time tracking, facilitate communication, and improve decision-making, thus contributing to project success. Despite advancements, achieving optimal project performance remains challenging due to issues such as resource constraints, stakeholder misalignment, and external uncertainties. According to Opoku et al. (2021), organizations must adopt adaptive project management approaches to address these challenges and ensure the delivery of high-performance projects.

2.3 Competitive Advantage

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Competitive advantage refers to the unique attributes or capabilities that enable an organization to outperform its competitors and achieve superior market performance. It represents the ability to deliver greater value to customers, either by providing superior quality or by offering products and services at a lower cost (Porter, 1985). In today's dynamic business environment, competitive advantage is crucial for organizational survival, growth, and sustainability (Barney, 2021). The sources of competitive advantage can be broadly categorized into cost leadership, differentiation, and focus strategies, as outlined by Porter's Generic Strategies. Cost leadership emphasizes operational efficiency, economies of scale, and cost minimization, enabling firms to compete on price.

Differentiation focuses on unique product features, quality, and brand reputation, creating customer loyalty (Hitt et al., 2020). Focus strategies target niche markets, tailoring offerings to specific customer needs. Modern interpretations of competitive advantage have expanded to include agility, innovation, and digital transformation. According to Li and Wang (2022), organizations leveraging advanced technologies such as artificial intelligence and data analytics are better positioned to gain competitive advantage by improving decision-making and enhancing customer experiences. Additionally, sustainable practices, such as green supply chain management, have emerged as a critical aspect of competitive advantage in response to increasing environmental concerns and stakeholder expectations (Yang et al., 2023).

Achieving and sustaining competitive advantage requires firms to continuously adapt to market changes and invest in resource capabilities. The Resource-Based View (RBV) suggests that intangible assets such as knowledge, skills, and organizational culture are critical for creating and sustaining competitive advantage (Barney, 2021). Moreover, strategic partnerships and collaboration with stakeholders are essential for enhancing innovation and market positioning (Narayan et al., 2020).

2.4 Procurement Strategies and Project Performance

Procurement strategies play a crucial role in shaping the performance of projects by ensuring the timely and cost-effective acquisition of resources, thus directly influencing the overall success of projects. The alignment of procurement practices with project objectives ensures that the right materials, services, and goods are delivered at the right time, quality, and cost. Effective procurement strategies, such as strategic sourcing, supplier relationship management, and risk mitigation, enable project teams to maintain consistency in project timelines and budgets (Cousins et al., 2019). By carefully selecting suppliers and establishing strong partnerships, organizations can avoid delays, reduce risks, and ensure the seamless execution of project tasks, all of which contribute to enhanced project performance.

Moreover, procurement strategies that integrate sustainability and innovation can improve the long-term viability of projects. For instance, sourcing from environmentally responsible suppliers or adopting green procurement practices can reduce project costs related to waste management and compliance with environmental regulations, while also improving the project's reputation (Brammer & Walker, 2021). The integration of technology into procurement practices further enhances project performance by streamlining processes, improving communication, and providing real-time data for better decision-making (Hahn & Kim, 2023). By optimizing procurement functions, firms not only ensure the availability of resources but also enhance the efficiency, quality, and delivery of project outcomes, thereby achieving superior project performance. This study proposes that:

H1: procurement strategies practices have a direct and positive effect on project performance

2.5 Project Performance and Competitive Advantage

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Project performance is closely linked to competitive advantage, as organizations that successfully execute projects on time, within budget, and to the desired quality, gain a strategic edge over competitors. High-performing projects contribute to the overall success of a business, enabling it to differentiate itself in the marketplace through superior offerings, efficient processes, and customer satisfaction (Goh & Yong, 2020). The ability to deliver projects effectively can lead to enhanced reputation, increased customer loyalty, and ultimately, a sustainable competitive advantage (Biedenbach & Müller, 2020). Effective project execution involves aligning project goals with business strategy, fostering innovation, and optimizing resource utilization. As noted by Nguyen and Pham (2022), companies that consistently achieve high project performance leverage project management best practices and integrate them into their long-term strategies.

These organizations are better positioned to adapt to market changes, reduce costs, and maintain high-quality standards, all of which contribute to a competitive advantage. Additionally, successful projects enhance organizational learning and knowledge management, which further strengthens a company's competitive position. According to Agyekum et al. (2023), the continuous improvement of project management practices fosters innovation and enhances the firm’s capabilities to meet evolving market demands, thereby securing its competitive advantage.

The study proposes that: H2: there is a positive relationship between project performance and competitive advantage.

2.6 Moderating effect of Project Performance on the relationship between Procurement Strategies and Competitive Advantage

Project performance plays a crucial moderating role in the relationship between procurement practices and competitive advantage. Effective procurement practices, such as strategic sourcing, supplier relationship management, and cost management, directly impact the quality and timeliness of project execution (Choi & Krause, 2020). However, the true potential of these procurement practices is realized when projects are executed successfully, aligning with the company's strategic goals and enhancing its competitive position. According to Schiele et al. (2020), when project performance is high, it amplifies the value generated from procurement practices, leading to better cost control, faster delivery, and higher customer satisfaction, which are essential components of competitive advantage.

Moreover, strong project performance can act as a bridge, connecting the operational efficiencies gained from procurement practices with the strategic objectives of the organization. Successful projects, which are well-managed and aligned with business goals, create value that extends beyond immediate project outcomes, contributing to long-term competitive positioning (Agyekum et al., 2023). In this context, high project performance strengthens the positive outcomes of procurement practices by ensuring that these practices are effectively translated into tangible results, such as innovation, customer loyalty, and market differentiation (Biedenbach & Müller, 2020).

2.7 Institutional Theory

Institutional theory provides a useful lens for understanding the positive moderating effect of project performance on the relationship between procurement practices and competitive advantage. According to institutional theory, organizations are influenced by the norms, rules, and expectations of their institutional environment, which can shape their behaviors and practices (Scott, 2020). In the context of procurement practices, institutional pressures—such as regulatory compliance, industry standards, and competitive norms—often drive organizations

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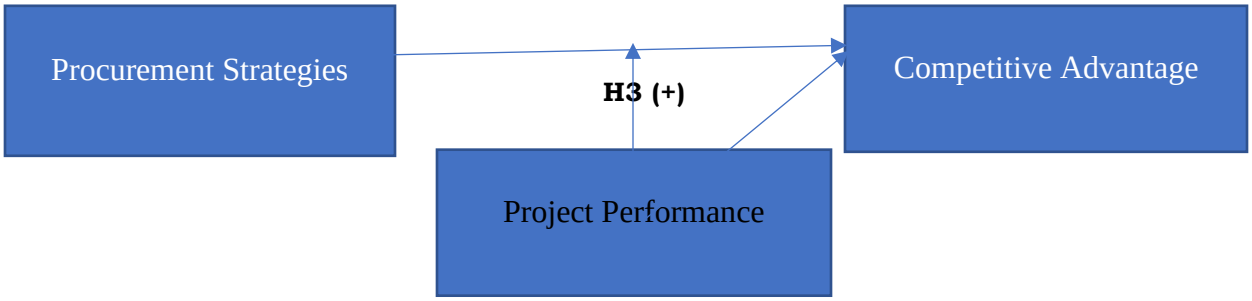
to adopt specific procurement strategies that align with these external expectations (Powell & DiMaggio, 2019). When organizations successfully execute projects, these institutional pressures can be leveraged to enhance procurement practices, thus amplifying their impact on competitive advantage. Institutional theory suggests that firms with high project performance are better able to align their procurement practices with institutional norms, leading to improved legitimacy and competitive positioning in the marketplace (Liu et al., 2021).

Project performance, in this case, acts as a moderating force by ensuring that procurement practices are effectively implemented and contribute to both short-term operational success and long-term strategic goals. This is particularly relevant in industries where institutional legitimacy, gained through high project performance, directly impacts competitive advantage (Lee & Hsu, 2020). Thus, project performance not only validates the effectiveness of procurement practices but also reinforces the organization's compliance with institutional expectations, which, in turn, strengthens its competitive advantage.

Figure 2.1 Conceptual Framework



3.0 METHODOLOGY

The explanatory research design in this study is grounded in the positivist research philosophy. Positivism emphasizes objective measurement and analysis, with the researcher maintaining a detached stance from the research process. This philosophy is aligned with the study's objective to establish causal relationships between variables, such as the relationship between procurement practices, project performance, and competitive advantage. This study follows an explanatory research design, which is primarily aimed at understanding the cause-and-effect relationships among variables (Saunders et al., 2019). The explanatory approach explored how procurement practices affect competitive advantage, and how project performance moderates this relationship.

This design is appropriate for testing hypotheses that seek to explain the impact of project performance as a moderator in this relationship. A quantitative approach was adopted, as it allows for the measurement of relationships and the testing of hypotheses using statistical techniques (Bryman & Bell, 2019). The quantitative approach is suitable for this study since it involves numerical data that can be analyzed to identify the strength and direction of relationships. Data was collected through primary sources using a structured questionnaire. The questionnaire included Likert scale-based questions to assess the degree of project performance, procurement practices, and competitive advantage in the organization. The population for this study consists of organizations from different sectors (e.g., manufacturing, construction, and IT services) that engage in procurement practices and have implemented projects. These organizations should have data on procurement processes, project performance, and competitive

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advantage within the last two years. A stratified random sampling technique was used to obtain a usable sample size of 300 respondents.

4.0 RESULTS AND DISCUSSIONS

Table 4.1 Validity and Reliability Results

Constructs	**Cronbach's Alpha**	**Number of Items**	**KMO**	**Approx. Chi-Square**
Competitive Advantage	.924	12	.751	663.422
Procurement Strategies	.711	22	.643	752.531
Project performance	.822	10	.697	641.355

The construct Competitive Advantage recorded a Cronbach's Alpha of = .924; Kaiser-Meyer-Olkin Measure of Sampling Adequacy =.751; Bartlett's Test of Sphericity Approx. Chi-Square = 663.422 were all within the acceptable threshold and items are deemed highly reliable. The construct Procurement Practices recorded a Cronbach's Alpha of =.711; Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .643; Bartlett's Test of Sphericity Approx. Chi-Square = 752.531 were all within the acceptable threshold and items are deemed highly reliable. The construct Project performance a Cronbach's Alpha of = .822 Kaiser-Meyer-Olkin Measure of Sampling Adequacy = .697 Bartlett's Test of Sphericity Approx. Chi-Square = 641.355 were all within the acceptable threshold and items are deemed highly reliable.

Table 4.2 Factor Loadings

Competitive Advantage	**Procurement Strategies**	**Project performance**
.714	.841	.634
.738	.923	.725
.671	.732	.885
.578	.821	.681
.674	.723	.843
.721	.839	.822
.815	.839	.811
.782	.847	.742
.980	.837	.830
.821	.865	.814
.721	.859	
.831	.880	
	.847	
	.826	
	.911	
	.855	
	.734	
	.967	
	.911	
	.822	
	.633	

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	.921	

4.1 Correlations among the constructs

correlation among the constructs was performed to ascertain the relationship of the variables for the study and the table 4.6 presents the results.

Table 4.4 Correlations among the constructs

Constructs		CA1	PS2	PP3
CA1	Pearson Correlation	1	.785**	.701**
	Sig. (1-tailed)		.000	.000
	Sum of Squares and Cross-products	246.938	180.924	163.069
	Covariance	1.715	1.256	1.132
	N	300	300	300
PS2	Pearson Correlation	.785**	1	.676**
	Sig. (1-tailed)	.000		.000
	Sum of Squares and Cross-products	180.924	215.352	146.862
	Covariance	1.256	1.495	1.020
	N	300	300	300
PP3	Pearson Correlation	.701**	.676**	1
	Sig. (1-tailed)	.000	.000	
	Sum of Squares and Cross-products	163.069	146.862	219.034
	Covariance	1.132	1.020	1.521
	N	300	300	300

***. Correlation is significant at the 0.01 level (1-tailed).*
CA= Competitive Advantage; PS= Procurement Strategies; PP= Project performance

The relationship between Competitive Advantage and Procurement Strategies, the Pearson Correlation coefficient of (.785**); Sum of Squares and Cross-products of (180.924) and Covariance (1.256) *p*< value of (0.000) indicate that there is a positive and significant relationship between Competitive Advantage and Procurement Strategies. The relationship between Competitive Advantage and Project performance, the Pearson Correlation coefficient of (.701**); Sum of Squares and Cross-products of (163.069) and Covariance (1.132) *p*< value of (0.000) indicate that there is a positive and significant relationship between Competitive Advantage and Project performance.

The relationship between Procurement Strategies and Project performance, the Pearson Correlation coefficient of (.676**); Sum of Squares and Cross-products of (146.862) and Covariance (1.020) *p*< value of (0.000) indicate that there is a positive and significant relationship between Procurement Strategies and Project performance.

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4.8 The relationship between procurement strategies practices and competitive advantage

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.196[a]	.038	.034	.867
ANOVA[a]				
Sum of Squares	df	Mean Square	F	Sig.
6.085	1	6.085	8.087	.005[b]
Coefficients[a]				
Unstandardized Coefficients		Standardized Coefficients		
B	Std. Error	Beta	t	Sig.
.112	.040	.196	2.844	.005

The study examined the influence of procurement strategies practices on competitive advantage and the extent that influence of procurement strategies practices on competitive advantage, the R Square of .038 establishes that procurement practices can overall influence competitive advantage of about 4%. The variation of the 4% indicates that procurement strategies practices is a good predictor of achieving competitive advantage. The Standardized Coefficients (Beta=.196; t=2.844; p<=0.005) statistically indicate that procurement strategies practices have a positive and significant influence on competitive advantage.

4.2 Project performance and competitive advantage

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.711[a]	.505	.502	.411
ANOVA[a]				
Sum of Squares	df	Mean Square	F	Sig.
34.964	1	34.964	207.022	.000[b]
Coefficients[a]				
Unstandardized Coefficients		Standardized Coefficients		
B	Std. Error	Beta	t	Sig.
.795	.055	.711	14.388	.000

The study examined the influence of project performance on competitive advantage and the extent that influence of project performance on competitive advantage, the R Square of .505 establishes that project performance can overall influence competitive advantage of about 51%. The variation of the 51% indicates that project performance is a strong predictor of achieving competitive advantage. The Standardized Coefficients (Beta=.711; t=14.388; p<=0.000) statistically indicate that project performance has a positive and significant influence on competitive advantage.

4.3 The moderating effect of project performance

			Mode3 Summary			
R	R-sq	MSE	F	df1	df2	p
.7319	.5357	.1600	77.3022	3.0000	201.0000	.0000
	Coeff	se	t	p	LLCI	ULCI

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Int_1	.6116	.2402	2.5460	.0116	.1379	1.0853

The study examined the moderating effect of project performance in the relationship between procurement strategies and competitive advantage. The extent that project performance moderates the relationship between competitive advantage and procurement strategies, the R Square of .5357establishes that project performance can overall moderate the relationship between competitive advantage and procurement strategies of about 54%. The variation of the 54% indicates that project performance is a strong predictor of achieving competitive advantage and procurement strategies. The conditional effect of the focal predictor at value of the moderators (se=.2402; t=2.546; p<=0.0116) statistically indicate that project performance positively and significant moderates the relationship between procurement strategies and competitive advantage.

4.4 Hypothesis Testing and Findings

Hypothesis	**Relationship**	Beta	T	P<	Decision
H1	**PPR - -> CA**	.196	2.844	.005	Supported
H2	**PP - -> CA**	.711	14.388	.000	Supported
H3	**PP - -> CA*PPR**	.2402	2.5460	.0116	Supported

4.5 Discussion of Results

The findings of the study statistically indicate that procurement strategies have a positive and significant influence on competitive advantage. Procurement strategies help firms optimize costs by leveraging supplier relationships, negotiating favorable terms, and utilizing strategic sourcing. Cost efficiency is a critical driver of competitive advantage, as it allows firms to offer similar products at lower prices compared to competitors, thereby achieving cost leadership (Singh et al., 2020). Additionally, procurement strategies enhance value creation by ensuring that goods and services meet quality standards while remaining cost-effective, which strengthens market positioning (Wang et al., 2021).

Procurement strategies emphasize collaboration with suppliers, fostering innovation through joint problem-solving and co-development of products. Such collaborations enhance the organization's ability to deliver differentiated products, thereby contributing to a differentiation advantage (Brammer & Walker, 2019). Supplier integration also facilitates access to unique resources and capabilities, which are often inimitable and provide a sustainable competitive edge (Luzzini et al., 2021). Sustainable procurement practices, including environmentally and socially responsible sourcing, have emerged as significant contributors to competitive advantage. These practices align with evolving consumer and regulatory demands, positioning firms as socially responsible entities (Schaltegger et al., 2020).

Firms that prioritize sustainability can enhance brand reputation, customer loyalty, and stakeholder trust, all of which contribute to a stronger competitive position (Bai et al., 2022). Effective procurement strategies enable organizations to mitigate risks associated with supply chain disruptions, resource scarcity, and market volatility. By diversifying suppliers and leveraging risk management practices, firms ensure continuity in operations, which strengthens their ability to compete in uncertain environments (Kraljic & Harland, 2023). Resilient supply chains also improve firms' agility in responding to market changes, reinforcing their competitive positioning (Ivanov, 2021).

The findings of the study statistically indicate that project performance has a positive and significant influence on competitive advantage. High project performance is associated with

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efficient resource utilization, timely completion, and adherence to budgetary constraints. These efficiencies enable organizations to reduce operational costs while maintaining product or service quality, giving them a cost advantage over competitors (Montabon & Pagell, 2020). The ability to execute projects efficiently also minimizes disruptions, enhancing overall operational stability (Kerzner, 2021). Projects that focus on innovation, such as developing new products or implementing advanced technologies, allow organizations to differentiate themselves in the market. Successful project outcomes often result in unique offerings or enhanced value propositions, which contribute to a differentiation advantage (Turner et al., 2019). For instance, firms that excel in project management can quickly adapt to changing market needs, further reinforcing their competitive edge (Barney, 2020).

Well-executed projects enhance stakeholder satisfaction by delivering quality outcomes that meet or exceed expectations. High project performance builds trust and credibility with customers, suppliers, and partners, contributing to a positive reputation. This reputation not only attracts more business but also fosters customer loyalty, which is a key component of competitive advantage (Harrington et al., 2021).

The findings of the study statistically indicate that project performance positively and significantly moderates the relationship between procurement strategies and competitive advantage. Project performance plays a critical moderating role in enhancing the positive effects of procurement strategies on competitive advantage. Effective project execution ensures that procurement strategies are implemented efficiently, leading to better alignment with organizational objectives, improved operational outcomes, and enhanced competitive positioning. Procurement strategies, such as supplier relationship management, sustainable procurement, and cost optimization, directly contribute to achieving competitive advantage through cost efficiency, quality improvement, and supply chain resilience (Chen et al., 2022). However, the degree of success in translating these strategies into competitive advantage often depends on the performance of associated projects.

Poor project performance can undermine even the best procurement strategies, leading to delays, increased costs, and reduced effectiveness (Ivanov, 2021). Projects with strong performance metrics, such as adherence to schedules, budgets, and quality standards, ensure that procurement strategies are executed as planned. This efficiency minimizes disruptions, maximizes cost savings, and enhances overall value creation, amplifying the competitive benefits of procurement strategies (Turner et al., 2020). High-performing projects foster better coordination among stakeholders, including suppliers, procurement teams, and other departments. Such coordination ensures that procurement strategies, such as supplier development and sustainable sourcing, are effectively integrated into broader organizational processes, leading to superior outcomes (Dutta et al., 2020). When projects perform well, they create an environment conducive to innovation. This enables firms to adopt advanced procurement technologies, implement green procurement practices, and introduce innovative supplier collaborations, further strengthening competitive advantage (Montabon et al., 2021).

5.0 CONCLUSIONS

5.1 Managerial Implication

The finding that project performance positively and significantly moderates the relationship between procurement strategies and competitive advantage has several important managerial implications. Managers can leverage this insight to align procurement and project management functions for better organizational outcomes. Managers should prioritize the alignment of procurement strategies with project objectives to maximize competitive advantage. By integrating robust project performance metrics, such as adherence to timelines, budgets, and

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quality standards, organizations can ensure that procurement initiatives are effectively executed, leading to optimized outcomes. This alignment is particularly crucial in industries where supply chain efficiency directly impacts competitive positioning.

Managers must ensure that procurement strategies align closely with the specific goals and performance metrics of projects. Effective procurement strategies that account for project-specific requirements can amplify the project's contribution to a firm's competitive edge. Since project performance moderates the impact of procurement strategies, managers should prioritize enhancing project performance. This includes implementing robust project management practices, ensuring timely delivery, controlling costs, and maintaining quality standards. Procurement strategies should be dynamic and adaptable to the performance outcomes of ongoing projects.

For instance, a project experiencing delays might require adjustments in supplier selection, contract terms, or resource allocation to mitigate risks and protect competitive advantage. Organizations should invest in tools and systems to monitor project performance in real time. Performance data can help identify how procurement strategies impact project outcomes and, consequently, the firm's competitive positioning. The relationship highlights the importance of collaboration between procurement and project management teams. Cross-functional collaboration ensures that procurement decisions are informed by project needs and constraints, optimizing overall outcomes.

To leverage the moderating effect of project performance, managers should continuously evaluate and refine procurement strategies. Lessons learned from past projects can help in designing procurement approaches that are more responsive to performance demands. Procurement strategies should emphasize partnerships with suppliers that can adapt to project needs, ensuring the smooth delivery of inputs that meet quality, time, and cost requirements. This supports superior project outcomes, reinforcing competitive advantage. Organizations should train project managers and procurement professionals on how project performance and procurement strategies interact. This understanding can improve decision-making and strategic alignment.

Finally, organizations should view project performance as a critical enabler of their competitive strategies. By achieving consistently high project performance, firms can ensure that their procurement strategies deliver sustained competitive advantage. By implementing these managerial insights, organizations can better leverage project performance as a strategic moderator, optimizing procurement strategies for competitive success.

5.2 Recommendation

Enhanced Execution and Efficiency: Project performance, particularly in the context of procurement strategies, reflects how effectively procurement plans are executed. When procurement strategies are executed efficiently, they can directly contribute to a competitive advantage by ensuring timely delivery, cost savings, and improved quality. Therefore, strong project performance can amplify the positive impact of effective procurement strategies on competitive advantage.

Adaptability and Innovation: Strong project performance can lead to greater adaptability in the procurement process, allowing the firm to innovate and respond effectively to market changes. A firm that consistently delivers projects with high performance is more likely to incorporate innovative procurement strategies, which in turn fosters a sustainable competitive advantage.

Strategic Alignment and Goal Achievement: High project performance often correlates with alignment between procurement strategies and organizational goals. When procurement

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strategies are aligned with the overarching goals of the firm, it boosts competitive advantage. Project performance can moderate this relationship by ensuring that procurement initiatives are not only well-planned but also well-executed, ensuring they meet the required standards.

Operational Excellence: Strong project performance ensures that procurement strategies are effectively operationalized, leading to cost control, risk management, and value creation, which are all key components of competitive advantage. A well-executed project guarantees that procurement decisions contribute to long-term profitability and competitiveness.

Risk Mitigation: Efficient project management helps to mitigate risks that might arise from poor procurement strategy execution. As risks are reduced and project performance improves, the procurement strategies' contribution to competitive advantage becomes more pronounced, thus strengthening the moderating role of project performance.

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