# THE EFFECT OF INTERNAL STAKEHOLDER MANAGEMENT ON PROCUREMENT PERFORMANCE IN STATUTORY AUTHORITIES.

A CASE OF NATIONAL FORESTRY AUTHORITY.

SHAINEH ZAIDI

12/U/422/GMSC/PE

A DISSERTATION SUBMITTED TO THE GRADUATE SCHOOL IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTERS OF SCIENCE IN SUPPLY CHAIN MANAGEMENT OF KYAMBOGO UNIVERSITY

DECEMBER, 2014

# **DECLARATION.**

I, Shaineh Zaidi, declare that this is my original work and that it has never been presented to any University or Institution for the award of any academic qualification.

Any material that is not my original work is clearly identified and acknowledged.

Signed:

Shaineh Zaidi

Date: 23/12/ 2014

# APPROVAL.

Principal Supervisor.
Dr. Peter. W. Obanda.
Signed Date 29122044
Lecturer, Kyambogo University.
2 <sup>nd</sup> Supervisor.
Dr. Titus. B. Watmon.
Signed Bevilnon Date 29/12/2014
Kyambogo University.

This work has been done under the supervision of the following supervisors;

# **DEDICATION.**

To my beloved Wife Nakigozi Bushira, Children; Abdul-Ahad, Imran and Sajid

And

The entire Shaineh Family

# ACKNOWLEDGEMENT.

This piece of academic work has been completed successfully with the support of many people who contributed both directly and indirectly, all of whom i owe great thanks. First, I thank Allah for His will and grace that made me accomplish this work effectively and efficiently. Secondly, I wish to express my sincere appreciation to my supervisors Dr Peter. W. Obanda and Dr. Titus. B. Watmon for their dedicated guidance, encouragement and advice throughout this study despite their very busy schedules. I also take pleasure to acknowledge my parents; Mr Shaineh. N. Sowedi and Mrs Namakula Harriet, the family of Nagoso Ramadthan Shaineh, Mr. Allan. R. Katusiime, my course mates, all my friends and colleagues at the National Forestry Authority who have in one way contributed to the success of this project.

Lastly, I wish to acknowledge the support of my wife Nakigozi Bushira for the words of encouragement and emotional support she gave me during the course of my studies.

# **Table of Contents**

DECLARATION	i
APPROVAL.	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES.	ix
LIST OF FIGURES.	xi
LIST OF ACRONYMS.	xii
ABSTRACT	. xiii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the study	1
1.1.1 Procurement performance.	1
1.1.2 Internal Stakeholder Management.	2
1.2 Problem Statement.	4
1.3 Purpose of study.	4
1.3.1 Specific objectives	4
1.4 Research questions	5
1.5 Scope of the study.	5
1.6 Significance of the study	5
CHAPTER TWO	6
LITERATURE REVIEW	6
2.1 Introduction.	6
2.2 Theoretical frame work	6

	2.2.1 Principal -Agent theory.	6
	2.2.2 The General Systems Theory.	7
	2.2.3 Instrumental stakeholder theory.	7
	2.3 Conceptual literature Review.	8
	2.3.1 Internal Stakeholder Management.	8
	2.3.2 The effect of Stakeholder involvement on procurement performance.	10
	2.3.3 The effect of Communication on Procurement performance.	13
	2.3.4 Effect of Separation of Stakeholder roles on procurement performance.	17
	2.4 Conceptual framework	19
Cl	HAPTER THREE	21
M	ETHODOLOGY	21
	3.1 Introduction.	21
	3.2 Research Design.	21
	3.3 Area of Study.	22
	3.4 Target Population.	22
	3.5 Sample Size.	22
	3.6 Sampling Technique.	22
	3.7 Data Collection.	24
	3.7.1 Data Source	24
	3.8 Research Instrument.	24
	3.8.1 Self-administered Questionnaire.	24
	3.8.2 Interview.	24
	3.9 Measurement of Variables.	24
	3.10 Data Validity.	25
	3.10.1 Content Validity.	25

3.10.2 Face Validity	26
3.11 Data Reliability.	27
3.12 Data Processing and Analysis.	27
3.13 Limitations.	28
CHAPTER FOUR	29
ANALYSIS, PRESENTATION AND INTERPRETATION OF RESULTS	29
4.1 Introduction.	29
4.2 Response Rate.	29
4.3 Results on the Background Characteristics of Respondents.	30
4.3.1 Gender of Respondents	30
4.3.2 Age Bracket of Respondents.	30
4.3.3 Respondent's role in the Procurement Cycle.	31
4.3.4 Position held on the Contract's Committee.	32
4.3.5 Length of employment with NFA.	32
4.3.6 Level of Education of Respondents.	33
4.4 Effect of Internal Stakeholder involvement on Procurement performance	34
4.4.1 Descriptive Statistics of Response on the Internal Stakeholder Involvement	34
4.4.2 Correlation analysis between Internal Stakeholder Involvement and Procure performance.	
4.5 The effect of Communication on Procurement performance.	37
4.5.1 Descriptive Statistics of Response on Communication.	37
4.5.2 A Pearson correlation analysis of the effect of Communication affects Procur performance.	
4.6 Effect of Separation of Roles on procurement performance	
4.6.1 Descriptive statistics on the response of respondents on Separation of Roles	

4.6.2 A Pearson Correlation analysis of the effect of Separation of Roles and Procurement performance.
•
4.7 The effect of Internal Stakeholder management on Procurement performance
4.8 The extent to which Internal Stakeholder management affects Procurement performance.45
CHAPTER FIVE47
DISCUSSION, SUMMARY, CONCLUSION AND RECOMMENDATIONS47
5.1 Introduction
5.2 Summary of Findings
5.2.1 Internal Stakeholder involvement and Procurement performance
5.2.2 Communication and procurement performance
5.2.3 Separation of Roles and Procurement Performance
5.3 Discussion of the findings
5.3.1 Internal Stakeholder Involvement on Procurement performance
5.3.2 Effect of Communication on Procurement performance
5.3.3 Effect of Separation of roles on Procurement performance
5.4 Conclusion
5.5 Recommendation
5.6 Areas of further research. 52
APPENDIX53
Appendix 1 Survey Questionnaire
Appendix 11 Interview Guide
Appendix 111 Code summary for the interviewed Respondents
Appendix IV Morgan and Krejcie Table For Determining Sample Size
REFERENCES

# LIST OF TABLES.

Table 1-Shows the sample and subsamples selected
Table 2-Results of the Content Validity Index
Table 3-Results of Cronbach's alpha for the variables
Table 4-Shows the summary of Response Rate
Table 5-Shows the Gender of Respondents
Table 6-Shows the Respondents Age bracket
Table 7-Shows the Role played by the respondents in Procurement Cycle
Table 8-Shows the positions held by respondents in contract committee
Table 9-Shows time spent by the respondents working for NFA
Table 10-Shows highest level of education of respondents
Table 11-Shows descriptive statistics on the responses by respondents about Internal Stakeholder
involvement in NFA
Table 12-Shows Pearson Correlation between Internal Stakeholder involvement and
Procurement performance
Table 13-Shows the Model Summary for Effect of Internal Stakeholder Involvement and
Procurement performance. 36
Table 14-Shows descriptive statistics on the responses about Communication in NFA from
Respondents. 37
Table 15-Shows the results of the Pearson correlation analysis between Communication and
Procurement performance
Table 16-Shows the Model Summary for the effect of Communication on Procurement
Performance
Table 17-Shows the descriptive statistics on the response of Separation of roles in NFA from the
respondents
Table 18-Shows the Pearson Correlation between Separation of roles and Procurement
performance
Table 19-Shows the Model Summary for the effect of Separation of roles and procurement
performance

Table	20-Results	of	the	Pearson	Correlation	between	internal	stakeholder	Stakeholder
manag	ement on Pro	ocur	emer	nt perform	ance				45
Table 21-Results of the Multiple regression analysis of the extent to which Internal Stakeholder									
Manag	gement affect	s pr	ocure	ement perf	formance				46
Table	22-Code sum	ımaı	ry for	the interv	viewed Respo	ndents			63

# LIST OF FIGURES.

Figure 1-Shows Summa	ary of the Conceptua	ıl Framework	 20

# LIST OF ACRONYMS.

A = Agree.CIPS = Canadian Information Processing Society. DA = Disagree.DV = Dependent Variable. EFA = Exploratory Factor Analysis. ICT = Information Technology. IV = Independent Variable. KPIs = Key Performance Indicators. MIT = Massachusetts Institute of Technology. NFA = National Forestry Authority. OECD = Convention on the Organization for Economic Co-operation and Development. PDEs = Procuring and Disposing Entities. PDU = Procurement and Disposing Unit. PESTE = Political, Economic, Social, Technology and Environment. PPDA = Public Procurement and Disposal of Public Assets. PPOA = Public Procurement Oversight Authority. SA = Strongly Agree.SD = Strongly Disagree. UK = United Kingdom.

UN = United Nations.

# ABSTRACT.

The main purpose of the study was to examine the influence of Internal Stakeholder management onto Procurement performance in NFA with three specific objectives which included examining the effect of Internal Stakeholder Involvement, Communication and Separation of roles on the Procurement Performance of NFA respectively. Using a case study design, data was collected using two methods; a self administered Open ended questionnaire which was designed and administered to a sample of 155 staff of NFA from different units and departments out of which 132 questionnaires were returned showing an 85.2% response rate and Interviews on three senior management staff. Validation and reliability tests to were performed on the data and found out that the data was both valid and reliable for analysis. Both descriptive and inferential statistics were run to analyze the data where a Pearson correlation analysis under inferential statistics was used to answer the specific objectives and also went ahead to check the extent to which the independent variables explained procurement performance using the adjusted R-squared from regression. The findings revealed that; there was a positive significant effect of Internal Stakeholder Involvement on procurement performance with the effect being stronger on Quality of goods and services (0.658) as compared to Timeliness (0.623) and Compliance (0.555) and that Internal Stakeholder Involvement also accounted for a greater proportion of over 42.9% changes in Quality of goods and services, there was a positive significant effect of Communication on Procurement performance with the effect being stronger on quality of goods and services (0.595) as compared to Timeliness (0.574) and compliance (0.544) and that Communication accounts for a greater proportion of over 34.9% changes in Timeliness and there was a significant positive effect of Separation of roles on procurement performance with the effect being stronger on Timeliness (0.748) and that Separation of roles accounts for a greater proportion of over 55.6% changes in Timeliness. From the findings, the researcher recommends that for NFA to improve on its procurement performance, there is need for it to take a critical review through including its internal stakeholder in all the procurement cycle stages, improve on Communication and should Separate the roles of its employees.

# CHAPTER ONE

# INTRODUCTION

## 1.1 Background to the study.

## 1.1.1 Procurement performance.

Public procurement refers to acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination (PPDA Act, 2003).

Since the 1930s, procurement performance has been attracting great attention from practitioners, academicians and researchers. Procurement performance is considered to be the result of two elements; effectiveness and efficiency. Procurement performance moves along the lines of efficiency and effectiveness in the procurement function with the utmost goal being the ability to achieve a change from reactive to proactive management of procurement (Kakwezi & Nyeko, 2010). Procurement performance forms a vital yardstick for an organization to assess how well it is progressing towards its predetermined objectives, identifying areas of strengths and weaknesses and deciding on future initiatives with the goal of how to initiate performance improvements.

The performance of a country's procurement system impacts on the ability of the available funds to pay for the planned target volumes of goods, services or works. On the political side, it's also worth noting that procurement performance impacts on the fulfillment of political promises in the areas of economic and social welfare of the societies they lead. Procurement performance can also be used as an aid for innovation for instance consumption of new products made out of new technology or processes thereby helping to establish a conducive environment for the creation of new markets, in particular in areas of public interest (OECD, 2005).

#### 1.1.2 Internal Stakeholder Management.

Sharma (2008), illustrates how early stakeholder identification and strategic combination of outreach, communication and involvement methods contribute organization's success. In most cases it involves a more planned and implemented scan to identify the various stakeholders and their unique interests in a particular program. A key example of a properly planned scan is the vertical scan which starts viewing the contribution of an organization's senior Management up to the end users. Knowing the key players at each level of an organization and how each relates to the program is the first step towards crafting an effective outreach strategy (Sharma,2008; UN procurement practitioners Handbook, 2006). The key skills that have an impact on the procurement performance are; interpersonal communication, ability to make decisions, ability to work in team, analytical, negotiation, customer focus, managing change, influencing and persuasion, strategic, understanding business conditions. All these have their roots stemming from how effective internal stakeholders are involved in the procurement activities and how each performs their role. (Ancarani, Capaldo, Raffab & Zollo, 2003)

In Uganda the need for procurement reforms became urgent because of internal and external pressure given the fact that the Government was losing huge sums of money in poorly managed procurement processes that cost the tax payer a lot of money. The procurement reforms that were recommended in the Uganda-Country Procurement Assessment Report (World Bank, 2001) are; the abolition of the Central Tender Board; enactment of a Procurement Law (Public Procurement and Disposal of Assets Act); establishment of a policy regulation body, the Public Procurement and Disposal of Assets Authority; establishment of Contract Committees and Procurement and Disposal Units in procuring entities; harmonization of central and local government regulations; incorporation of procurement plans in sector investment programs; preparation of standard bidding documents, establishment of a procurement cadre in the civil service and restoration of professionalism in the procurement function. All procurements and disposals handled by public procuring and disposing entities (PDEs) are governed by the regulations in the PPDA Act (2003). These regulations specify procurement and disposal procedures that have to be followed by all persons involved in procurement and disposal processes in order to ensure fairness, transparency, competitiveness and non-discrimination to all potential providers of goods, services and works (PPDA Act, 2003).

However, despite the efforts put in place by Uganda, public entities of Uganda have been known for their poor performance and corruption, resulting from non-adherence to processes and procedures, poor resource utilization, poor personnel management and training, inadequate payment and benefits (Kakwezi & Nyeko, 2010). According to the African Peer Review Mechanism Country Review (APRM) Report on Uganda (2009), non-compliance with the regulations is so high in Uganda. The same report estimates that more than Uganda Shillings 300 Billion (US Dollars 184) is lost every year due to non-compliance. De Boer and Telgen (1998) as cited by Gelderman et al., (2006) explain that compliance is a problem not only in the third world countries but also evident in the countries in the European Union.

When poor procurement performance is mentioned, the focus is on Compliance in terms of unethical behavior of procurement officers like Corruption, poor resource utilization and inadequate payments. However, not much focus has been placed on explaining non-compliance in terms of internal stakeholder management in Uganda despite the fact that each year compliance reports produced by the Public Procurement and Disposal of Public Assets Authority report that there is non-compliance attributed to internal stakeholder management.

Since October 2013 NFA has not had a fully constituted Board of Directors which is supposed to provide strategic guidance to the organization and its management (The Auditor General's report, 2014). According to an interview during this study with the IT manager, the organization has also for the last two years not had internet connectivity; therefore communication with either public or staff outside the Headquarter offices via that platform has been made ineffective. NFA also uses centralized procurement where the headquarter procurement and Disposal Unit (PDU) procures for all departments and field offices (The NFA Financial Management Procedures Manual), however some of the users are not only located many kilometers away but also with varying requirements and sometimes not actively involved or totally not involved in procurements which affect the quality of the output from procurement. The PPDA Audit report of (2012), rated the Entity's performance in the Financial year 2009/2010 as moderately satisfactory with a 30% risk rating but with an improved/ moderate improvement in level of compliance.

In Uganda, little empirical evidence does exist on the effect of internal stakeholder management based on the practitioner's point of view yet many scholars in different countries for instance Sharma (2008), UN procurement practitioners Handbook (2006) and Ancarani et al, (2003) have found the effect of internal stakeholder management vital in the procurement process.

#### 1.2 Problem Statement.

Public procurement has undergone various reforms right from the early 1960's with the sole aim of improving service delivery to the end users. In Uganda the emphasis of the PPDA Act (2003) is on streamlining procurement practices but there have been a lot of complaints about the failure by procurement to deliver the promised benefits especially in public sector. According to the PPDA Audit report (2012), NFA's performance in the Financial year 2009/2010 was rated as moderately satisfactory with a 30% risk rating but with moderate improvement in level of compliance. In addition, NFA has for the last two years not had internet connectivity which has affected the communication with either public or staff outside the Headquarter offices. It also uses centralized procurement where the headquarter procurement and Disposal Unit (PDU) procures for all departments and field offices which are not only located many kilometers away but also with varying requirements and sometimes not actively involved or totally not involved in procurements which has affected the quality of the output from procurement.

Therefore, it's on this basis that this research empirically examined the effect of stakeholder involvement, communication and Separation of roles on the procurement performance in NFA. It is hoped that this study may provide liable results that can be used by policy makers among others to improve on procurement performance in NFA.

#### 1.3 Purpose of study.

To examine the effect of internal stakeholder management on procurement Performance in Statutory Authorities

## 1.3.1 Specific objectives

- i. To examine the effect of Internal Stakeholder Involvement on Procurement performance.
- ii. To establish the effect of Communication on Procurement performance.
- iii. To assess the effect of separation of stakeholder roles on Procurement performance.

# 1.4 Research questions

- i. What effect does Internal Stakeholder Involvement have on Procurement performance?
- ii. What is the effect of Communication on Procurement performance?
- iii. What is the effect of separation of roles on procurement performance?

# 1.5 Scope of the study.

The study focused on the effect of internal stakeholder management on procurement Performance in Statutory Authorities, a case of NFA, Kampala. The study was limited to internal stakeholder management in NFA.

# 1.6 Significance of the study

This study established the effect of internal stakeholder management on the procurement performance of NFA. The findings from this study shall be of help to NFA, PPDA, other interested stakeholders and they may be useful as reference materials guiding future studies.

# **CHAPTER TWO**

# LITERATURE REVIEW

#### 2.1 Introduction.

This chapter covered a review of theories, conceptual frame work and previous scholarly and academic work concerning the effect of Internal Stakeholder involvement, Communication and Separation of stake holder roles on procurement performance.

#### 2.2 Theoretical frame work.

This section covers a theoretical frame work which is guided by the theory of Principal agent theory, the General System's theory and Instrumental stakeholder theory.

# 2.2.1 Principal -Agent theory.

There is no single and universally agreed definition of "institution" or "institutional theory". According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. The author explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (the preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). In Uganda, public procurement is guided by the PPDA Act (2003), regulations and guidelines which include Clear identification of the procurement staff's roles and responsibilities for the program, including a Sustainable Procurement Champion, with support and influence at the senior management level and Ensuring that key performance indicators and targets associated with sustainability performance/impact have been shared and agreed upon with suppliers which are from time to time issued by the PPDA Authority only and which must be

complied with to the latter by all PDEs and providers. Hence, this theory becomes relevant for the study as it highlights the need for Separation of staff roles and effective communication in procurement performance.

## 2.2.2 The General Systems Theory.

The most widely employed conceptual framework in the policy sciences is the systems model (Easton, 1953;1965; Dye 1966), which may be seen as an application of general system theory (von Bertalanffy, 1968) to public policy. For many social science applications, this model is referred to as an "open systems" model, which reflects the idea that all elements of the model are open to influences from the external environment. Thus, outputs and feedback are functions not only of the conversion element, but of other environmental factors as well. The theory becomes relevant for the study as it highlights the need for communication in procurement performance.

## 2.2.3 Instrumental stakeholder theory.

Instrumental stakeholder theory holds that stakeholders and managers interact and their relationship is contingent upon the nature, quality and characteristics of their interaction (Donaldson and Preston, 1995). In this view, the identification of stakeholders is more concerned with their instrumentality, agency capacity, or being vectors of influence. This implies a need for negotiation, and expected reactions ranging from standoff to mutual adjustment, depending on such intermediate variables such as trust and commitment, and motivational forces (being harmonized or in conflict) (Walker et al, 2007). Borrowing from the concept of Lean Procurement, the key success factor is to involve relevant stakeholders be it employees or suppliers. This may involve identifying hidden cost drivers and waste by applying Lean thinking and Lean principles and practices internally (Bravo Solution). Organizations can no longer choose if they want to engage with stakeholders or not; the only decision they need to take is when and how successfully to engage them (Jeffery, 2009). What becomes clear is that 'legitimate and valid' stakeholders need to be identified and their power and influence mapped so that their potential impact on projects can be better understood. Appropriate strategies can then be formulated and enacted to maximize a stakeholder's positive influence and minimize any negative influence (Walker et al, 2007). The theory becomes relevant for the study as it highlights the need for Internal Stakeholder involvement in procurement performance.

# 2.3 Conceptual literature Review.

This section mainly focuses on the effect of Internal Stakeholder management and how its indicators (Stakeholder involvement, Communication, Separation of roles) affect procurement performance.

## 2.3.1 Internal Stakeholder Management.

Organizational stakeholders include groups and individuals who benefit from or are affected by and whose rights are violated or respected by its actions. Stakes require action of a certain sort and conflicting stakes require appropriate method of resolution. Stakeholders' interests are reciprocal since each can affect the other in terms of harms and benefits as well as rights and duties (Freeman, 2001). Cleland (1995), recognized the need to develop an organizational structure of stakeholders through understanding each stakeholder's interests, and negotiating both individually and collectively to define the best way to manage stakeholder needs and wants.

The idea on the importance of stakeholder management was introduced by R Edward Freeman in 1984 and ever since concern for stakeholders has grown in recognition majorly as an ethical management feature. Stakeholder management was developed because of the numerous groups and relationships which often created a shift in the strategic trend. Consideration of stakeholders' interest such as employees, customers, suppliers, and the community, as well as shareholders and other investors must be made whenever managers are in the decision making spheres of organizations (Boatright, 2006; Freeman, 2001). Boatright further emphasizes that the obligation to serve all stakeholder interests, as often referred to as "stakeholder management" is comparable to the standard form of corporate governance, in which shareholder interests are primary.

A successful corporation must be in position to effectively manage its relations with all stakeholder groups much as this may not obviously imply satisfying the individual wishes but rather considering them amply to gain their support and cooperation. He adds that the manager's role is not merely to coordinate the contribution of the various stakeholders, but to inspire them to put forth their best efforts in a joint effort to create valuable products and services. Any firm that neglects its stakeholders or, worse alienates them is doomed to failure (Boatright, 2006).

Whilst dealing with stakeholders, organizations need not overlook the requirement to abide by the prevailing industrial ethical code of conduct including not only those that are owed to everyone, such as honesty and respect, but also the obligations to abide by agreements or contracts made with a firm. In most countries, basic moral obligations concerning the treatment of employees, customers, and other parties as well as agreements and contracts are codified in laws that constitute the legal framework of business (Boatright, 2006).

Based on the view of Freeman & McVea (2001), the momentum behind stakeholder management was aimed at building a framework that was responsive to the concerns of managers who were being buffeted by unprecedented levels of environmental turbulence and change. Traditional strategy frameworks were neither helping managers develop new strategic directions nor were they helping them understand how to create new opportunities in the midst of so much change. The need for a new conceptual framework to overcome the challenges came in form of the "stakeholder approach". Freeman wrote on the inconsistence of the then prevailing theories in relation to both the quantity and kinds of change that were occurring in the business environment of the 1980's.

While the stakeholder framework had roots in a number of academic fields, its heart lay in the clinical studies of management practitioners that were carried out several years through the Busch Center, the Wharton Applied Research Center, and the Managerial and Behavioral Science Center, all at The Wharton School, University of Pennsylvania by a host of researchers.

While the 1980's provided an environment that demonstrated the power of a stakeholder approach, the idea was not entirely new. The use of the term stakeholder grew out of the pioneering work at Stanford Research Institute (now SRI International) in the 1960's. SRI's work, in turn, was heavily influenced by concepts that were developed in the planning department of Lockheed and these ideas were further developed through the work of Igor Ansoff and Robert Stewart. From the start the stakeholder approach grew out of management practice.

It is of paramount importance to ensure the active participation of all internal key stakeholders, throughout the procurement lifecycle. In particular the users of the service, technical experts and legal advisors should be involved and an early dialogue between these stakeholders is essential (European Commission, 2007).

#### 2.3.2 The effect of Stakeholder involvement on procurement performance.

Stakeholders are anyone who have an interest in procurement activities delivering actual or perceived objectives. They can include development partners, clients, end-users, civil society, senior management, finance, technical experts. The PPDA Act and Regulations categorize the stakeholders as; User departments, Accounting Officer, The Authority (PPDA), Procurement and Disposal Unit, Contracts Committee, Evaluation Committee, and Negotiation Committee (Adhoc). The role of each stakeholder is contained in sections 26 to 37 of the PPDA Act 2003.

According to the UN, all organizations involved in procurement act as custodians of the public funds with the overall responsibility of using the funds correctly to serve the interest the various stakeholders. However, it is also important to identify the interests and relative importance of each stakeholder however varied they may be notwithstanding the fact that sometimes their interests can be in conflict or competition with each other. (UN procurement practitioners Handbook, 2006). The UN notes the dare need for procurement personnel to build develop a collaborative, but focused relationship with key stakeholders. This includes listening to their concerns and ideas, seeking their agreement where necessary, keeping them informed, challenging their needs and wants, and adapting to their needs where necessary without compromising the interests of the organization both in terms of its regulative and procedural framework. (UN procurement practitioners Handbook, 2006). A complimenting argument is that of the World Bank where it is argued that a good procurement system that features transparency, accountability, and stakeholder participation can be a practical tool for carrying out effective governance reforms and that the capacity of all stakeholders is among the key factors that influence the success and implementation of reforms in terms of the governance and legal framework for public procurement (The World Bank, 2012).

Important to note is the fact that neglecting to engage key stakeholders early and often is one of the most common points of failure of supply management initiatives (Sharma, 2008). Sometimes it is also challenging to get the buy-in and active participation from various stakeholders in pursuing enterprise-wide operations including some procurement stages (Sharma, 2008; Ambe, 2012). However, it's surprising to find a large disconnects between procurement and the people within the organization who hold the real subject matter expertise about the item being procured (Sharma, 2008). It's also true that so many times there is an assumption on the procurement side

that they understand their customers' needs contrary to the fact that needs vary and keep changing from one customer to another from time to time (Sharma, 2008). Its good practice to develop a collaborative but focused relationship with the key stakeholders including; listening to their concerns, ideas, seeking their consent / agreement where necessary, keeping them informed, challenging their needs and wants and adapting to their needs where necessary, however this should not be at the compromise of the regulative and procedural framework (UN Procurement Practitioners Handbook, 2006).

For an organization to be truly effective, every single part of it be it department, activity or person at each level must work together since they affect and are affected by each other. Within the public sector, there are goods and services of a similar type used by more than one department within the entity. Often there is the additional issue of technical or other complexity where procurement expertise alone cannot compensate for users' difficulty in specifying and agreeing upon common standards and technical requirements within the undertakings (McClelland CBE, 2006; Johnston, 2008). McClelland goes further to report that in some organizations User Groups have been formed to facilitate agreement on common standards and to provide more intelligent technical input to Procurement. However, any weakness in users' capability to specify their requirements and also the absence of standard requirements within a public body undermines effective procurement (McClelland CBE, 2006)

Involving the users in the procurement process helps to get a clear definition of requirements and facilitates successful implementation and quality of the final product (European Commission, 2007). From a research on tenders in the Netherlands, International research shows that an active lead customer results in more successful innovations in a procurement process similarly illustrates how early stakeholder identification and strategic combination of outreach, communication and involvement methods contribute to the organization's success (Putten, 2011; Sharma, 2008). In most cases it involves a more planned and implemented scan to identify the various stakeholders and their unique interests in a particular program (Sharma, 2008; UN procurement practitioners Handbook, 2006). A key example of a properly planned scan is the vertical scan which starts viewing the contribution of an organization's senior Management up to the end users on the other hand knowing the key players at each level of an organization and how

each relates to the program is the first step towards crafting an effective outreach strategy (Sharma, 2008).

The European Commission agitates for the early involvement of all stakeholders particularly those poised to take up contract management positions to have their input into the specification of requirements if success is to be registered in the implementation and execution of the contract. The role of the contract managers is ensuring that the key performance outputs are met by the contractor (European Commission, 2007).

An assessment of the preparedness and readiness by the users to use a new solution is very important so that change management programs are organized to equip them with the requisite skills and confidence to get their buy-in even if it means investment in organizational cultures and training programs for as long as it yields value of the end product procured. If they are unprepared or unwilling to adopt and to adapt to new ways of working, a change-management or skills-enhancement programme may be called for, if the process is not to compromise the quality of the products at the implementation phase (European Commission, 2007)

An example cited by the European Commission is where Four UK government departments decided to join forces in procuring a replacement for their Human Resource management system which required robust planning and preparation for the procurement. As part of the preparatory work, procurers conducted a stakeholder analysis to ensure that the right stakeholders were identified and that the level of input required from them was defined. All internal stakeholders contributed throughout the procurement lifecycle of the project, from initial identification of needs, through the drafting of the specification of requirements up to the implementation of the selected solution. Planning for the involvement of key stakeholders ensured that the joint procurement operation was run on time and to budget and delivered the required level of quality (European Commission, 2007)

The involvement of stakeholders in the management of the contract and evaluation of the project provides a platform in which officials involved in the procurement process and the contractors can assess the actual performance and achievements against the set targets at the start of the contract/ process (European Commission, 2007). This stage is vital in performance of any procurement function given the fact that failure to meet expectations of influential stakeholders

renders a project unsuccessful however much it meets other indicators such as being within the planned time, budget and scope (Walker, Bourne & Rowlinson, 2007)

The development of meaningful relations should add value to the organization's operations by: reducing constraints on business and increasing the license to operate; allowing it to plan for the future, minimizing risks and enhancing opportunities by better understanding the fast-changing PESTE (Political, Economic, Social, Technological, Environment) context; and, enabling it to better understand critics and potentially refute, convince or address criticisms. Furthermore it will enable organizations to reassure stakeholders that they are on top of issues, and in some cases, be essential for solving problems. It is, therefore, justifiable in terms of time, money and effort expended in their development and maintenance.

#### 2.3.3 The effect of Communication on Procurement performance.

Croom (2005) defines e-business as the use of systems and open communication channels for information exchange, commercial transactions and knowledge sharing between organizations.

E-procurement is a specific area of e-business that covers both internal processes as well as B2B processes (Versendaal and Brinkkemper, 2003). E-procurement allows companies to leverage Internet technology in the purchasing process. According to Davila, Gupta and Palmer (2003), any technology designed to facilitate the acquisition of goods over the Internet can be defined as e-procurement.

An important approach to communication is the System Dynamics (SD) created and developed by a group of researchers led by Forrester at the Massachusetts Institute of Technology (MIT) in the late 1950s. This is the study of the information feedback characteristic of industrial activity to show how organization structure, amplification and time delays interact to influence the success of the enterprise. It is a framework for thinking about how the operating policies of a company and its customers, competitors and suppliers interact to shape the company's performance over time (Momiwand & Shahin, 2012)

Information is critical to an effective and efficient procurement process (Ngugi & Mugo, 2012). Efficient and timely information sharing further helps to ensure that stakeholders are aware of what is taking place and the key objectives or purpose of a particular program (Sharma, 2008). The importance of allowing for interactive dialogue in form of inquiries, suggestions and

feedback should not be underestimated (Sharma, 2008). Its further emphasized that stakeholder objectives need to be combined with information gathered during the initial stages of the procurement cycle and supply market analysis together with the organization's overall procurement strategy (UN procurement practitioners handbook, 2006). In addition it can now be possible for an agreement to be reached on the objectives and outcomes, the Key Performance Indicators (KPIs) for the procurement by all stakeholders and therefore feedback can be provided about the degree of success.

Feedback in procurement is important for a sound procurement system as it forms a basis of continuous evaluation and possible course of action in form of system adjustments or reforms where needed (Thai, 2001). However, the Procurement Research Group (2012) found that feedback was an issue of debate given the low number of suppliers who receive feedback on procurements, sometimes due to lack of confidence in the feedback system and reluctance on the side of the PDU to provide meaningful feedback to contracts of certain nature and value despite consenting to the fact that feedback helps to improve quality of the suppliers' future tenders.

In terms of information sharing, user departments can also provide feedback to Procurement on the services provided to the wider internal user community in that organization. They can also provide under procurement supervision, a forum in which suppliers can demonstrate their offerings including innovative future products (McClelland CBE, 2006). Achieving value from procurement requires more vital information and knowledge to be transmitted with the utmost accuracy and timeliness to all concerned parties. In fact the capacity to manage knowledge, and to transform it into value adding Procurement services, is quickly becoming the critical Procurement executive skill (Ancarani et al, 2003).

Information in the network is accessible to all public procurement practitioners, even the smallest community, online fosters experience sharing among the players thus providing a strong stimulus for innovation in procurement (European Commission, 2007).

Communication amongst the procurement stakeholders is a critical success factor in that it provides a form of analysis for decision through answering questions such as; how much is actually spent externally? On what commodities and services is it spent? With which suppliers is it spent? Where are those suppliers based? How much does it cost to administer the spend? How does current value achieved compare with previous performance? Are financial targets being

met? Is the content or format of the reported data consistent with that of other public sector organizations? (McClelland CBE, 2006). Indeed, without the reported information being translated into key performance indicators (KPIs) it is difficult to create an environment in which performance can be properly assessed and its improvement encouraged (McClelland CBE, 2006).

ICT in procurement has a great opportunity in fostering communication both internally with the internal stakeholders and externally with the key players such as suppliers (European Commission, 2007). The use of websites can provide quick and structured information to companies on such things as potential business opportunities and specific calls for tenders, as well as more general information on the buying organization and the context of public procurement. During a technical dialogue they can help generate a wide interest, response and ensure good, uniform information provision to all interested parties. (European Commission, 2007). In short, transaction and communication costs for companies and government alike can be reduced by using electronic means to disseminate, collect and process information including electronic submission of bids during the procurement process (European Commission, 2007)

The two main reasons for the long lead time identified by Momiwand & Shahin, (2012) are; poor communication between the procurement department and suppliers, and problems in procurement management. One important tool identified as crucial in reducing the lead times is especially when dealing with orders placed for goods is the adoption of a Supplier Relationship management software (SRM) which helps to buying organization to monitor the performance of the supplier including the strong and weak points (Momiwand & Shahin, 2012). For example in a study on a manufacturing supplier company the results revealed that after implementing SRM approach, products were delivered five days earlier which was approximated at 33% time reduction since previously the lead time was between 10 to 15 days (Momiwand & Shahin, 2012)

Procurement is usually one of the largest expense items in a company's cost structure and can have a significant influence on company's overall performance. Croom and Johnston (2003), recognize that procurement activity is an important activity in all organizations whether public, private or governmental. Procurement managers are constantly looking for solutions to lower the

high procurement costs (processes, risks, reliability) by automating the supply chain (Attaran and Attaran, 2002; Trkman and McCormack, 2010).

There are many different classifications for e-procurement, but common to all is that e-procurement consists of different applications (Knudsen, 2003). The critical difference of e-procurement compared to traditional procurement is that it allows individual employees to order goods and services directly from their own PCs through the web (Croom and Johnston, 2003).

According to the World Bank (2004), a significant number of nations have spent more on information communication technology (ICT) over the last decade than on traditional capital investments such as roadways, airports, water purification plants and the like. Those governments investing heavily in e-governance initiatives anticipate that these efforts will transform governance. Eventually how governments operate, how citizens interact with their governments, as well as what role government plays in society will change (Christensen and Laereid, 2007). The ICT sector within government has seen significant reform efforts, as well as notable investments in ICT is procurement. Those attempting to reform the procurement process argue that the current system is broken, and unsuitable for the demands of modern governance (Thai, 2001). As a result of various efforts to limit the opportunity for corruption, increase accountability, and promote transparency, procurement has witnessed tremendous pressures to change current processes. Investing in ICT, primarily through e-procurement, has been an attempt to change how government procurement operates. Eventually by adopting digital platforms, procurement would be better suited to achieve the advances of modern government.

According to Mota and Filho (2011), worldwide e-procurement initiatives have been undertaken in the public sector on a large scale. However, these efforts have been associated with varying levels of success (Bof and Previtali, 2007). In some cases the implementation of e- procurement has led to the expected outcomes, while in other cases badly designed adoption processes have caused high failure levels and financial waste (Somasundaram and Dastard, 2005). Varney (2011) argued that there has been significant progress in the implementation along certain e-procurement dimensions in the European Union. All union members use e-notices for at least 85% of their contracts with many states employing e-notification more than 95% of the time. E-catalogues and e-procurement based solutions, however, enjoy much less emphasis. The implementation of technology in the public sector is seldom simple and has to be framed within

the ambiguous and continuously transforming constrains of administrative and political prerogatives (Fountain, 2001). In the case of public procurement, given that the process already exhibits high levels of complexity (Leukel and Maniatopoulos, 2005) substantive policy choices become even more challenging (Henriksen and Mahnke, 2005). Certain adoption and barriers might be common to most environments.

According to PPOA (2009), procurement processes are to be computerized to the extent possible in order to integrate the operations between Procurement Units and the potential beneficiary of the services. This will speed up routine transactions and communications within and outside the procuring entity. These include: communication to and from suppliers using telephones, emails, interactive website including tenders and procurement information sharing; communicating with internal users on emails, telephones and electronic notice boards including diary and meetings management; instituting process automation and simplification using Enterprise Resource Planning systems and automation of internal procurement process controls such as approvals, payments, confirmation of receipt of products and services, tracking of procurement process deliverables and so on.

## 2.3.4 Effect of Separation of Stakeholder roles on procurement performance.

The term separation of duties means that the processes involved in the procurement process are divided between two or more people so that no one person is responsible for the entire procurement process (CIPS, 2012). Sometimes referred to as Segregation of Duties, separation of roles also refers to a method of process control to manage conflict of interest, the appearance of conflict of interest, and errors or fraud aimed at restricting the amount of power held by any individual. It puts a barrier in place to prevent errors or fraud that may be perpetuated by one individual (Ministry of Finance, Ontario (2011)

The separation of duties is one of a range of strategies available to the Purchasing and Supply Management professional for ensuring probity in the field. It achieves this objective by ensuring that no single individual has complete authority over one purchase; rather the power is divided between two or more people. The importance of the concept of the separation of duties is illustrated by the relevant regulations currently in place in the public sector aimed at ensuring and maintaining the required level of probity and integrity within the procurement process (CIPS, 2012).

In Uganda, the PPDA Act (2003) gives the functions of each of the stakeholders in the procurement process. However, sec 38 of the Act emphasizes the independence of the stakeholders while performing the functions and that the Accounting Officer, PDU, Contracts Committee, Evaluation Committee and User Department shall act independently in relation to their respective functions and powers. Those participating in public procurement are supposed to ensure compliance with the key principles governing public procurement, these include; non-discrimination, transparency, accountability and fairness, maximization of competition and ensuring value for money, confidentiality, economy, efficiency and promotion of ethics (PPDA Act, 2003).

As a matter of fact, adherence to the Procurement law is both an individual and a corporate responsibility, therefore for its effective implementation it requires from each person involved an active involvement, consideration and weighting of the factors (CIPS, 2013). However, they should be constantly on the alert for possible fraudulent activity within other departments and their own. Equally, if a Procurement professional is told or instructed by their line manager to do something outside the procedures or, anything that could be perceived as unethical, they should use influencing skills or, if under duress, take it up with either a senior colleague or the internal/external audit function. The prime reason for allocating different duties to different employees is so that a single individual is not able to influence the procurement outcome to his own advantage (CIPS, 2012; Ministry of Finance-Ontario, 2011)

The benefits of roles separation duties in the procurement cycle include cross-fertilization of ideas and sharing of commercial expertise between the person who defines the need and the person responsible for the procurement. It is important to ensure that those employees chosen to take on such responsibilities have the competence to carry out their duties effectively (CIPS, 2012).

Segregation of duties and delegation of authority are essential control mechanisms within the procurement process as they ensure integrity of the process by reducing exposure to inappropriate, unauthorized or unlawful expenditures (Ministry of Finance-Ontario, 2011)

Inappropriate duty allocation of duties puts the organization's reputation at stake. Separation of duties is just one internal control that increases protection from fraud and errors by implementing appropriate checks and balances upon the activities of individuals within an organization. By

designing and implementing a robust governance structure that includes separation of duties the potential for errors and fraudulent activity will be greatly reduced (CIPS, 2012).

Similarly Public procurement has for long been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. This has adversely impacted the rate and quality of progress in realizing the objectives of national development, especially in developing and transition countries (Ngugi & Mugo, 2012)

While big steps have been taken to reform the governance and legal framework for public procurement, implementing reform will require building the capacity of all stakeholders, developing information technology, communicating and exchanging experiences with international partners, and including civil society and the private sector as partners in reform (The World Bank, 2012).

## 2.4 Conceptual framework

The study conceptualizes that Procurement performance, the dependent variable (DV), which is measured in terms of Lead-time, Compliance with the law and Quality of products; is affected by the independent variable (IV), internal stakeholder management measured in terms of Effective communication, Separation of roles and Internal Stakeholder involvement.

#### i. Internal Stakeholder involvement.

Internal Stakeholder involvement has a direct influence on procurement performance. Stakeholders are both internal stakeholders like the end users and managers and external stakeholders like the vendors and the general public that is affected by our activities. Internal stakeholders ensure completeness of the procurement cycle given the various roles played.

#### ii. Communication.

Communication has a direct effect on the procurement performance as efficient and timely information sharing further helps to ensure that stakeholders are aware of what is taking place and the key objective of a particular program.

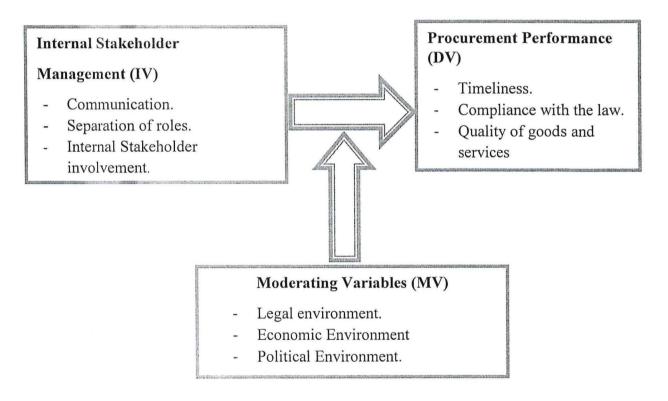
# iii. Separation of roles.

Separation of roles also has a direct influence of procurement performance as it allows accountability and minimizes delays that may arise as a result of too much work help or allocated to an individual.

## Dependent variable.

From the basis of this study, the independent variables affect immensely the dependent variable, which is the Procurement performance. To this extent therefore, the overall performance of the Procurement performance depends on the degree of the fore mentioned internal stakeholder management.

Figure 1-Shows Summary of the Conceptual Framework.



Adapted from Thai (2001)

# CHAPTER THREE

# **METHODOLOGY**

#### 3.1 Introduction.

This chapter outlined the strategy that was used to accomplish the research undertaking outlined in chapter one. It covers the research design, area of study, target population, sampling method, sample size selection, data collection, processing, analysis and measurement of variables.

## 3.2 Research Design.

Each research method has its strengths and weakness and certain concepts are more appropriately studied through some methods than others (Cooper and Schindler, 2000). The study used a Case study design and a Cross sectional survey. The case study design is one constructed to richly describe, explain or assess and evaluate a phenomenon (Gall et at, 1996) and hence it was used because it seeks to understand people's interpretations, produce a more in-depth and comprehensive information and seeks a wider understanding of the entire situation in a single entity while a Cross sectional survey is a type of survey undertaken at a particular point in time and it was used by the researcher because Cross sectional surveys are undertaken when time of resources for more extended research for example longitudinal surveys are limited (Colin. N, 2007).

The quantitative method of data collection was used to obtain viable data as regards the phenomenon. A quantitative method is a collection method used to inquire into a problem, issue, question, theory among others of interest to a researcher. Typically, a question of theory, composed of variables is measured in a systematic way and data are analyzed with statistical procedures (Colin. N, 2007).

## 3.3 Area of Study.

The study was conducted at the National Forestry Authority (NFA) located at plot 10/20 Spring Road Bugolobi Kampala and its Regional head offices situated in Namanve, Jinja, Mayuge, Kyenjojo, Bundibugyo, Mbarara, Bushenyi, Kabale, Masindi, Arua, Zombo and Gulu.

# 3.4 Target Population.

The target population comprised of the 263 employees of NFA in different head quarters and these include Senior Management, Middle Management and the Operational management.

## 3.5 Sample Size.

To select a total sample of 155 out of the initial total population of 263 staff members, the research used the statistical tool of Morgan & Krejcie (1970) mathematical tables. Israel (2013) complements Morgan's idea and notes that a researcher can rely on published Tables to determine the sample size which provide the sample size for a given set of criteria out of the total population.

Since the staff of NFA is composed of different categories (Senior Management, Middle Management and the Operational management), the researcher selected different sub-samples from the different categories to constitute the total sample selected (155) that is to say, sub-samples of three (3) Senior management staff were selected out of a population of five, twelve (12) Middle management staff were selected out of a population of 20 and one hundred forty four (144) Operational management staff were selected out of a population of 238 that sums to the 155 staff members to take part of the survey.

## 3.6 Sampling Technique.

To constitute a structured and representative sample, the researcher used a probability sampling method called Stratified sampling method to select sub-samples to constitute the total sample size of 155 since population under study was heterogeneous (the population of NFA is composed of different categories of staff in different management positions) as it brings about greater precision. The population of NFA was divided into different strata which are homogeneous within that is to say Senior Management, Middle Management and the Operational management and the research used proportion allocation with proportionate stratification (the size of the

sample in each stratum is taken in proportion to the size of the stratum) to select sub-samples from each stratum that constituted the total sample size of 155. According to the sub-samples obtained from each stratum, simple random sampling was then applied to enable each individual in the different strata have an equal probability of being selected (Astrea et al, 2012).

Formula of Proportional Allocation.

$$n_h = \frac{nN_K}{N}$$

Where;

 $n_h$  = the sub-sample size of the  $h^{th}$  stratum (Senior Management, Middle Management and the Operational management).

n =the total sample selected from the population size of NFA (n=159)

 $N_k$  = the population size of the  $k^{th}$  stratum (Senior Management, Middle Management and the Operational management).

N is the population size of NFA (N=263).

Source, Astrea et al (2012)

Table 1-Shows the sample and subsamples selected.

No	Staff category	Population	Sample size	Sample size Selection method.	Sampling Technique.	Research Instrument.
1	Senior Management	5	3	Stratified Sampling with proportion allocation.	Simple Random sampling	Interview.
2	Middle Management	20	12	Stratified Sampling with proportion allocation.	Simple Random sampling	Self administered questionnaire
3	Operational Management	238	140	Stratified Sampling with proportion allocation.	Simple Random sampling	Self administered questionnaire

Total	263	155	Morgan & Krejcie table.		
-------	-----	-----	-------------------------	--	--

#### 3.7 Data Collection.

#### 3.7.1 Data Source.

- a) Primary Data: This was collected by the researcher by using a well designed self administered questionnaire structured to obtain relevant data and to gain opinions and practices on effects of Internal Management on Procurement Performance in NFA.
- b) **Secondary Data**: secondary data was sourced from reputable and relevant Organizations such as NFA, PPDA audit reports and related journals.

#### 3.8 Research Instrument.

Two procedures were used to collect data which included;

#### 3.8.1 Self-administered Questionnaire.

Self-administered questionnaires were used to obtain the necessary primary data to answer the research questions and achieving the research objectives (Dawson, 2002). This is because most of the staff at NFA are literate and were well versed with the questions in the instrument and hence could interpret the questions and answer then on an individual basis without any assistance.

#### 3.8.2 Interview.

The researcher carried out at interview on three randomly selected senior managers out of the five using an interview guide so as to obtain detailed information as regards the procurement performance in NFA so as to help the researcher come up with reliable results in the analysis. Senior managers were considered the category with vast knowledge about the procurement process in NFA given their work experience and academic qualification in this area.

#### 3.9 Measurement of Variables.

Over the years, numerous methods have been used to measure character and personality traits (A technique for measuring Attitude by Likert, 1932). The difficulty of measuring attitudes,

character, and personality traits lies in the procedure for transferring these qualities into a quantitative measure for data analysis purposes. The recent popularity of qualitative research techniques has relieved some of the burden associated with the dilemma; however, many social scientists still rely on quantitative measures of attitudes, character and personality traits. In response to the difficulty of measuring character and personality traits, Likert (1932), developed a procedure for measuring attitudinal scales. The original Likert scale used a series of questions with five response alternatives: strongly agree (1), agree (2), Not sure (3), disagree (4), and strongly disagree (5). He combined the responses from the series of questions to create an attitudinal measurement scale. His data analysis was based on the composite score from the series of questions that represented the attitudinal scale and did not analyze individual questions. Hence, to analyze the effect on internal stakeholder management on procurement performance that are qualitative quantitatively, the researcher adopted the Likert procedure and used a five point Likert scale to enable the analysis of the data quantitatively using statistical procedures. The five point Likert ordinal scales were ranging from; 1= strongly agree, 2= Agree, 3= Not Sure, 4= Disagree allocated and 5= strongly disagree.

## 3.10 Data Validity.

#### 3.10.1 Content Validity.

Content validity was undertaken to ascertain whether the content of the questionnaire was designed according to the study variables and their respective indicators of measurement. Content validity indicates whether content reflects a complete range of the attributes under study and is usually undertaken by seven or more experts (Pilot & Hunger 1999; DeVon et al. 2007). To estimate the content validity of the Survey Instrument, the researcher clearly defined the conceptual framework on Procurement performance by undertaking a thorough literature review and seeking expert opinion. Once the conceptual framework was established, ten purposely chosen experts in the areas of procurement and disposal unit, Contracts committee, user department and questionnaire design were asked to review the survey instrument to ensure it was consistent with the conceptual framework. Each reviewer independently rated the relevance of each item on the survey instrument to the conceptual framework using a 4-point Likert scale (1= not relevant, 2 = somewhat relevant, 3 = relevant, 4 = very relevant). The Content Validity Index (CVI) was then used to estimate the validity of the items (Lynn 1996).

According to the CVI index, a rating of three or four indicates the content is valid and consistent with the conceptual framework (Lynn 1996). For example, if seven of ten content experts rate an item as relevant (3 or 4) the CVI would be 7/10=0.7, which does not meet the 0.8 (8/10) level required, and indicates the item should be dropped (Devon et al. 2007).

Table 2-Results of the Content Validity Index.

Variable.	CVI Index
Internal Stakeholder	0.9
Involvement.	
Quality of goods and	0.8
services.	
Communication.	0.9
Procurement Timeliness.	0.9
Separation of roles.	0.9
Procurement compliance.	0.8

## 3.10.2 Face Validity.

Face validity indicates whether or not the questionnaire appears to be appropriate to the study purpose and content area. It is the easiest validation process to undertake but it is the weakest form of validity. It evaluates the appearance of the questionnaire in terms of feasibility, readability, consistency of style and formatting, and the clarity of the language used (Haladyna 1999; Trochim 2001; DeVon et al. 2007). To determine the face validity of the survey instrument, an evaluation form was developed to help respondents assess each question in terms of:

- a) the clarity of the wording,
- b) the likelihood the target audience would be able to answer the questions,
- c) the layout and style.

Thirty staff members of NFA were randomly selected and completed the face validity form on a Likert scale of 1-5, 1=strongly agree, 2=agree, 3=Not sure, 4=disagree, 5=strongly disagree. The results indicated that 95% of the respondents indicated they understood the questions and found them easy to answer, and 90% indicated the appearance and layout would be acceptable to the intended target audience.

### 3.11 Data Reliability.

The Reliability of data was assessed using the Cronbach's alpha  $\alpha$  which is a measure of internal consistency, that is, how closely related set of items are as a group and the variables were found to be reliable for analysis and the alpha was greater than 0.70 which is a recommended value as shown in the table below;

$$\alpha = \frac{N\overline{C}}{\overline{\overline{V}} + (N-1)\overline{\overline{C}}}$$

Where;

N = number of items.

 $\overline{C}$  = average inter-covariance among the items.

 $\overline{V}$  = average variance.

Table 3-Results of Cronbach's alpha for the variables.

Variable.	Cronbach's Alpha
Internal Stakeholder	0.842
Involvement.	
Quality of goods and	0.788
services.	
Communication.	0.812
Procurement Timeliness.	0.818
Separation of roles.	0.812
Procurement compliance.	0.721

#### 3.12 Data Processing and Analysis.

According to Mugenda & Mugenda (2003), data analysis is the process of bringing order, structure and meaning to the mass of information collected. After gathering the data, it was entered in SPSS version 16 where it was edited, coded for analysis. The data was analyzed using two sets of techniques;

The first technique was descriptive statistics, where the percentages and frequencies together with the means and standard deviations were computed and analyzed for each item that measured public procurement performance and the effects of internal factors.

The second technique was inferential analysis where a Pearson Correlation analysis was run to examine the effect of Internal Stakeholder Involvement on the quality of goods and services procured, to assess the effect of separation of stakeholder roles on procurement compliance and to assess the effect of Communication on Procurement lead-time respectively. A Correlation analysis was chosen other than a regression analysis because the Correlation analysis helps to measure the strength or degree and direction of association of linear dependence between variables as compared to the Regression analysis that only predicts the average score of the dependent variable given the independent variable without showing the degree of association between the variables. In addition, specifically a Pearson Correlation analysis was run other than the Kendall's Tau-b because Pearson correlation is mainly used on quantitative and continuous variables as compared to the Kendall's tau-b that is only used on categorical variables (Gujarati, 2004). In-order to determine the proportion of variation in the dependent variable explained by the explanatory/independent variable, the researcher used the model summary results from the regression analysis since it provides an overall measure of the extent to which the variation in one variable determines the variation in the other since Correlation does not produce such values (Gujarati, 2004)

#### 3.13 Limitations.

- i. There was a challenge in obtaining one factor out of the three factors that comprise procurement performance that is Timeliness, Compliance and Quality of goods and services to best explain procurement performance in order to obtain the exact influence of Internal Stakeholder Management on procurement performance from multiple regression hence the study used a generalization of the effect of Internal Stakeholder Management on each component of procurement performance.
- ii. During Exploratory Factor analysis to obtain factor scores for analysis for each variable, some variables like Procurement Compliance had many components as shown from the scree plot which made it hard to determine which component to be used to get the factor scores for analysis.

## CHAPTER FOUR

# ANALYSIS, PRESENTATION AND INTERPRETATION OF RESULTS.

#### 4.1 Introduction.

This chapter presents the findings of the study analyzed using the research methodology discussed in Chapter 3. The findings are presented thematically under the subheadings namely: general characteristics of the respondents; Effect of Internal Stakeholder involvement on Quality of goods and services; Effect of Communication on Procurement Lead-time and effect of Separation of roles on Procurement compliance.

## 4.2 Response Rate.

The study distributed 159 questionnaires to sampled staff members of NFA in all its head offices. Out of those, 132 respondents answered and returned the questionnaires while 27 respondents did not return the questionnaires contributing to 83.0% response rate and analysis conducted on the justification of this rate showed that it was well above 50% which is quite okay as argued by (Mubazi, 2009). This commendable response rate was attributed to the data collection procedure, where the researcher with the help of other colleagues personally administered the questionnaires by first explaining the importance of the survey to the respondents and waiting for the respondents to fill. The response rate demonstrates the willingness of the respondents to participate in the study.

Table 4-Shows the summary of Response Rate.

Category	Number
Administered questionnaires	155
Returned questionnaires	132
Percentage respondents	85.2%

Source: Primary Data.

## 4.3 Results on the Background Characteristics of Respondents.

The back ground characteristics of respondents cut across a number of variables and these included gender of respondents, Age, Role played in the procurement cycle, positions, time spent working at NFA and level of education of respondents.

#### 4.3.1 Gender of Respondents.

The table below shows an assessment and evaluation of the Gender Sensitivity of the respondents of NFA.

Table 5-Shows the Gender of Respondents.

		Frequency	Percent	Valid Percent
	Male	85	64.4	64.4
Valid	Female	47	35.6	35.6
	Total	132	100.0	100.0

Source: Primary Data.

According to the findings, 64.4% of the respondents were male while 35.6% were female respondents. These results show that the highest percentage of NFA employees is male.

## 4.3.2 Age Bracket of Respondents.

The table below shows the age bracket of the respondents of NFA. The data indicates that the employees of NFA are mature to give honest responses.

Table 6-Shows the Respondents Age bracket.

		Frequency	Percent	Valid Percent
Valid	20-30years	44	33.3	33.3
	31-40years	54	40.9	40.9
	41-50years	22	16.7	16.7
	51 years and above	12	9.1	9.1
	Total	132	100.0	100.0

Source: Primary Data.

The study results reveal that 40.9% of the respondents were aged between 31-40years, 33.3% were aged between 20-30years, and 16.7% were between 41-50years while only 9.1% were aged above 51years. These findings indicate that the majority of NFA employees are middle aged and elderly and most likely they would take the study seriously and give honest answers.

## 4.3.3 Respondent's role in the Procurement Cycle.

The table below seeks to find out the distribution of respondents of NFA in various positions in the procurement cycle.

Table 7-Shows the Role played by the respondents in Procurement Cycle.

		Frequency	Percent	Valid Percent
Valid	Accounting Officer	7	5.3	5.3
	User Department	93	70.5	70.5
1	Contracts Committee	9	6.8	6.8
	Procurement & Disposal Unit	8	6.1	6.1
	Accounts & Finance Unit	15	11.4	11.4
	Total	132	100.0	100.0

Source: Primary Data.

The findings reveal that 70.5% of the respondents are in the User Department, 11.4% in the Accounts and Finance Unit, 6.8% in the Contract committee and 6.1% in Procurement and Disposal Unit while 5.3% are in accounting office. These results revealed that majority of the respondents come from the User Department, Accounts and Finance Units

#### 4.3.4 Position held on the Contract's Committee.

The table below assess the distribution of the respondents in the various positions of the contracts committee.

Table 8-Shows the positions held by respondents in contract committee.

		Frequency	Percent	Valid Percent
	Chairperson	2	1.5	1.5
	Secretary	2	1.5	1.5
Valid	Member	5	3.8	3.8
vana	Not Applicable	123	93.2	93.2
	Total	132	100.0	100.0

Source: Primary Data.

The results reveal that 93.2% of the respondents of NFA are not on the contracts committee and of those on the contracts committee, 1.5% are both Chairperson and Secretary while 3.8% are members on the committee.

## 4.3.5 Length of employment with NFA.

The table below shows the length of time the respondents (employees) have spent at NFA. The data indicates that the experience these people have makes them give factual responses.

Table 9-Shows time spent by the respondents working for NFA.

		Frequency	Percent	Valid Percent
Valid	Over 10 years	13	9.8	9.8
	7 to 10 years	35	26.5	26.5
	4 to 6 years	47	35.6	35.6
	Less than 3 years	37	28.0	28.0
	Total	132	100.0	100.0

Source: Primary Data.

The findings reveal that 35.6% of the respondents have worked for NFA for 4 to 6years, 28% have worked in NFA for less than 3 years, 26.5% have worked for 7 to 10 years while only 9.8% of the respondents have worked in NFA for over 10 years. These results show that the respondents were highly qualified and experienced as many have worked in NFA for a long time implying that the responses given were most likely factual.

#### 4.3.6 Level of Education of Respondents.

The table below shows the education distribution among employees of NFA. The data shows that most employees are qualified to give objective responses.

Table 10-Shows highest level of education of respondents.

		Frequency	Percent	Valid Percent
Valid	Diploma	26	19.7	19.7
	Degree	63	47.7	47.7
	Post Graduate	43	32.6	32.6
	Total	132	100.0	100.0

Source: Primary Data.

The results reveal that 47.7% of the respondents hold a Degree, 32.6% hold a Post Graduate and 19.7% are Diploma Holders. These results show that the respondents were highly qualified implying that their responses were qualified for the study and their responses were objective.

## 4.4 Effect of Internal Stakeholder involvement on Procurement performance.

#### 4.4.1 Descriptive Statistics of Response on the Internal Stakeholder Involvement.

Table 11-Shows descriptive statistics on the responses by respondents about Internal Stakeholder involvement in NFA.

Internal Stakeholder Involvement	Percentage Responses (%)					MEAN	Std
	SA(1)	A(2)	NS(3)	D(4)	SD(5)		Dev
Users understand their roles in the	22.7%	56.8%	15.2%	4.5%	0.8%	2.04	.795
procurement cycle							
End users are involved in initiation	18.2%	62.1%	12.9%	6.8%	0%	2.08	.762
of procurements							
End users play an active role in preparation of statement of require	15.9%	59.8%	17.4%	6.8%	0%	2.15	.767
End users take part in evaluation of bids	27.3%	42.4%	16.7%	9.8%	3.8%	2.20	1.068
End users certify the quality of goods and services procured	32.6%	41.7%	16.7%	5.3%	3.8%	2.06	1.025
Procurement budgets are drawn in consultation with the Procurement Unit	11.4%	57.6%	17.4%	13.6%	0%	2.33	.853
Market Research is done when drawing procurement budgets	7.6%	38.6%	40.9%	9.8%	3.0%	2.62	.878
Procurement requirements are prioritized	10.6%	60.6%	15.9%	12.9%	0%	2.31	.830
The procurement unit actively collaborates with other departments	31.1%	52.3%	13.6%	3.0%	0%	1.89	.748
Where the Procurement unit is involved in the initial stages, the procurement process is always successful	37.9%	44.7%	15.9%	1.5%	0%	1.81	.753

Source: Primary Data.

Key SA(1)=Strongly Agree A(2)=Agree NS(3)=Not Sure D(4)=Disagree SD(5)=Strongly Disagree.

From the table above, results indicate that 83.4% of respondents agree that the procurement unit actively collaborates with other departments and 80.3% of respondents agreed that end users are involved in initiation of procurements while a highest percentage of 53.7% of respondents disagreed that market research is done when drawing procurement budgets and 31% of the respondents disagreed that procurement budgets are drawn in consultation with the Procurement Unit.

A comparative analysis of the mean scores for all the above items suggests a relatively high ranking of all the scores of internal Stakeholder involvement. The highest mean score of 2.62 computed on the basis of the 5 Likert scale confirms that NFA does not perform a market research when drawing procurement budgets and procurement budgets are not drawn in consultation with the procurement unit. However, combination of all the responses implies that internal Stakeholder involvement affects procurement performance.

An interview with the management staff also confirmed that stakeholders in NFA are involved in the procurement process and have a great effect on its performance as exemplified by one of the respondents who said that;

Internal stakeholders are involved at all stages of the procurement and Disposal process and hence provide input into the specifications hence helping to procure the right quality of goods and services (SM1).

## 4.4.2 Correlation analysis between Internal Stakeholder Involvement and Procurement performance.

Table 12-Shows Pearson Correlation between Internal Stakeholder involvement and Procurement performance.

		Quality of goods and services	Timeliness	Procurement Compliance.
Internal stakeholder	Pearson Correlation	0.658**	0.623**	0.555**
involvement	Sig. (2-tailed)	0.000	0.000	0.000
	N	132	132	132

<sup>\*\*,</sup> correlation is significant at the 0.01 level (2-tailed)

The Pearson correlation shows that there is a positive strong correlation (0.685) between Internal Stakeholder involvement and Quality of products. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Internal Stakeholder involvement and quality of products.

The Pearson correlation shows that there is a positive strong correlation (0.623) between Internal Stakeholder involvement and Timeliness. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Internal Stakeholder involvement and Timeliness.

The Pearson correlation shows that there is a positive moderate correlation (0.555) between Internal Stakeholder involvement and Procurement compliance. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Internal Stakeholder involvement and Procurement compliance.

Therefore, Internal Stakeholder Involvement has a positive effect on procurement performance with the effect being stronger on the quality of goods and services as compared to Timeliness and Procurement performance.

Table 13-Shows the Model Summary for Effect of Internal Stakeholder Involvement and Procurement performance.

	Quality of goods and services	Timeliness	Procurement Compliance
Model	Adjusted R Squared	Adjusted R Squared	Adjusted R Squared
1	0.429	0.383	0.302

Predictors: (constant), Internal Stakeholder Involvement.

The adjusted R-squared value between internal stakeholder Involvement and Quality of goods and services is 0.429 which implies that 42.9% of the changes in quality of goods and services are accounted for by the changes in internal stakeholder involvement. This implies that there are other factors that affect quality of goods and services other than internal Stakeholder involvement.

The adjusted R-squared value between internal stakeholder Involvement and Timeliness is 0.383 which implies that 38.3% of the changes in Timeliness is accounted for by the changes in the internal stakeholder involvement. This implies that there are other factors that affect Timeliness other than internal Stakeholder involvement.

The adjusted R-squared value between internal stakeholder Involvement and Procurement Compliance is 0.302 which implies that 30.2% of the changes in Procurement Compliance is accounted for by the changes in the internal stakeholder involvement. This implies that there are other factors that affect Procurement Compliance other than internal Stakeholder involvement.

## 4.5 The effect of Communication on Procurement performance.

## 4.5.1 Descriptive Statistics of Response on Communication.

Table 14-Shows descriptive statistics on the responses about Communication in NFA from Respondents.

Communication	Percentage Responses (%)					MEAN	Std
	SA(1)	A(2)	NS(3)	D(4)	<b>SD(5)</b>		Dev
Information about procurement	17.4%	46.2%	22.0%	9.1%	5.3%	2.39	1.046
is freely shared amongst the							
NFA Staff							
Stakeholders' input in the	20.5%	58.3%	17.4%	2.3%	1.5%	2.06	.779
procurement process are							
welcome and respected							
Stakeholders are updated on	12.9%	39.4%	34.8%	9.8%	3.0%	2.51	.945
the status of all procurements							
Evaluations are conducted	39.4%	49.2%	9.1%	0.8%	1.5%	1.76	.773
transparently							
All stakeholders take part in	14.4%	48.5%	22.0%	12.1%	3.0%	2.41	.980
Procurement planning							
Procurement planning is done	8.3%	53.0%	14.4%	21.2%	3.0%	2.58	1.012
in time							
Procurement lead-times are	3.0%	35.6%	37.9%	20.5%	3.0%	2.85	.887
known to all stakeholders							
Delays in the procurement	2.3%	36.4%	16.7%	38.6%	6.1%	3.10	1.040
process are communicated in a							
timely manner							
Achievements in the	7.6%	47.7%	25.8%	13.5%	5.3%	2.61	.993
procurement process are							
communicated to all							
stakeholders							
Procurement information is	13.6%	53.0%	20.5%	9.8%	3.0%	2.36	.942
accessible to the general public							
Procurement Audit findings are	6.8%	37.1%	34.1%	20.5%	1.5%	2.73	.917
disseminated to all							
stakeholders							
Best Evaluated Bidder notices	28.0%	37.1%	26.5%	6.8%	1.5%	2.17	.966

Communication	Percentage Responses (%)				MEAN	Std	
	SA(1)	SA(1) A(2) NS(3) D(4) SD(5)					Dev
are accessible to the general Public							

Source: Primary Data.

Key SA(1)=Strongly Agree A(2)=Agree NS(3)=Not Sure D(4)=Disagree SD(5)=Strongly Disagree.

From the table above, results indicate that 88.6% of respondents agree that the evaluation are conducted transparently and 78.8% agreed that stakeholders' input in the procurement process are welcome and respected while the highest percentage of 44.7% of respondents disagreed that delays in the procurement process are communicated in a timely manner and 23.5% of respondents disagreed that procurement lead times are known by the stakeholders

A comparative analysis of the mean scores for all the above items suggests a relatively high ranking of all the scores of Communication. The highest mean scores of 3.10 and 2.85 computed on the basis of the 5 Likert scale confirms that NFA delays in the procurement process are not communicated in a timely manner and procurement lead times are not known to all stake holders. However, combination of all the responses implies that Communication affects the procurement performance.

An interview with the management staff also confirmed that there is transparency in the procurement process of NFA and has a great effect on its performance as exemplified by one of the respondents who said that:

There is transparency in the procurement process of NFA as many staff are involved in the procurement cycle which provides a check and balance in the process, NFA uses a pre-qualified providers list and competitive bidding, procurement procedures are followed and that all stakeholders are involved in the procurement cycle. In addition, Communication is a gist of procurement cycle (all stakeholders are linked to each other through communication) and hence any interruption in the link highly affects procurement performance (SM2 and SM3).

## 4.5.2 A Pearson correlation analysis of the effect of Communication affects Procurement performance.

Table 15-Shows the results of the Pearson correlation analysis between Communication and Procurement performance.

		Quality of goods and services	Timeliness	Procurement Compliance.
Communication	Pearson Correlation	0.595**	0.574**	0.544**
	Sig. (2-tailed)	0.000	0.000	0.000
	N	131	132	132

<sup>\*\*,</sup> correlation is significant at the 0.01 level (2-tailed)

The Pearson correlation shows that there is a positive moderate correlation (0.595) between Communication and Quality of goods and services. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Communication and Quality of goods and services.

The Pearson correlation shows that there is a positive moderate correlation (0.574) between Communication and Timeliness. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Communication and Timeliness.

The Pearson correlation shows that there is a positive moderate correlation (0.544) between Communication and Procurement Compliance. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Communication and Procurement Compliance.

Therefore, Communication has a positive significant effect on procurement performance with the effect being stronger on the quality of goods and services as compared to Timeliness and Procurement compliance.

Table 16-Shows the Model Summary for the effect of Communication on Procurement Performance.

	Quality of goods and services	Timeliness	Procurement Compliance
Model	Adjusted R Squared	Adjusted R Squared	Adjusted R Squared
1	0.349	0.324	0.291

a. Predictors: (constant), Communication.

The adjusted R-squared value between Communication and Quality of goods and services is 0.349 which implies that 34.9% of the changes in quality of goods and services is accounted for by the changes in Communication. This implies that there are other factors that affect quality of goods and services other than Communication.

The adjusted R-squared value between Communication and Timeliness is 0.324 which implies that 32.4% of the changes in Timeliness is accounted for by the changes in Communication. This implies that there are other factors that affect Timeliness other than Communication.

The adjusted R-squared value between Communication and Procurement Compliance is 0.291 which implies that 29.1% of the changes in Procurement Compliance is accounted for by the changes in Communication. This implies that there are other factors that affect Procurement Compliance other than Communication.

## 4.6 Effect of Separation of Roles on procurement performance.

## 4.6.1 Descriptive statistics on the response of respondents on Separation of Roles.

Table 17-Shows the descriptive statistics on the response of Separation of roles in NFA from the respondents.

Separation of Roles	Percentage Responses (%)					Mean	Std
•	SA(1)	A(2)	NS(3)	D(4)	SD(5)		DV
NFA staff involved in procurement understand their roles in the procurement cycle	30.3%	56.1%	11.4%	2.3%	0%	1.86	.700
There is clear separation of roles amongst the stakeholders in line with the PPDA	24.2%	54.5%	18.2%	3.0%	0%	2.00	.741
Roles in the procurement cycle are assigned according to ones capability	25.0%	49.2%	20.5%	2.8%	1.5%	2.08	.862
Independence while performing roles is respected	25.0%	59.1%	6.1%	7.6%	2.3%	2.03	.907
Tasks assigned are unambiguous	14.4%	38.6%	28.8%	18.2%	0%	2.51	.953
Roles assigned in the procurement cycle conflict with the staff job Description	4.5%	20.5%	16.7%	41.7%	16.7%	3.45	1.128
PPDA rules are followed in awarding all tenders/contracts	37.1%	38.6%	12.9%	11.4%	0%	1.98	.981
Procurement trainings are arranged for staff involved in the procurement cycle	25.0%	49.2%	14.4%	11.4%	0%	2.12	.917
Approvals by relevant stakeholders are made in time	6.1%	45.5%	18.2%	24.2%	6.1%	2.79	1.070
Procurement is represented at senior management level	18.9%	34.1%	23.5%	20.5%	3.0%	2.55	1.108
Conflict of interest is not heard of	10.6%	40.2%	29.5%	15.2%	4.5%	2.63	1.014
The contracts committee is fully constituted	46.2%	43.2%	10.6%	0%	0%	1.64	.667
The Procurement Unit at NFA is adequately staffed to fulfil its mandate	8.3%	27.3%	17.4%	36.4%	10.6%	3.14	1.177
The procurement budget is	4.5%	22.0%	39.4%	23.5%	10.6%	3.14	1.025

Separation of Roles	Percentage Responses (%)					Mean	Std
_	SA(1)	A(2)	NS(3)	D(4)	SD(5)		DV
enough to meet							
organizational needs							
Some procurement functions	26.5%	51.5%	18.9%	3.0%	0%	1.98	.762
at NFT are delegated							
Staff delegated are	14.4%	40.9%	31.8%	9.8%	3.0%	2.46	.960
conversant with the							
procurement cycle							
Staff delegated understand	25.0%	39.4%	28.8%	6.8%	0%	2.17	.887
their roles in the							
procurement cycle							
Users are represented on	43.9%	39.4%	13.6%	3.0%	0%	1.76	.802
evaluation committees							
Procurement Unit is among	38.6%	53.8%	6.1%	1.5%	0%	1.70	.651
the major units at NFA							
All staff involved in the	34.1%	49.2%	12.1%	3.0%	1.5%	1.89	.844
procurement cycle aim at							
achieving a common goal							
(Value of money)							

Source: Primary Data.

Key SA(1)=Strongly Agree A(2)=Agree NS(3)=Not Sure D(4)=Disagree SD(5)=Strongly Disagree.

From the table above, results indicate that 92.4% of respondents agreed that the Procurement Unit is among the major units at NFA and 86.4% agreed that NFA staff involved in procurement understand their roles in the procurement cycle while a highest percentage of 58.4% of respondents disagreed that Roles assigned in the procurement cycle do not conflict with the staff job Description and 47.0% of respondents disagreed that the Procurement Unit at NFA is adequately staffed to fulfill its mandate.

A comparative analysis of the mean scores for all the above items suggests a relatively high ranking of all the scores of Communication. The highest mean scores of 3.45 and 3.14 computed on the basis of the 5 Likert scale confirms that in NFA the Roles assigned in the procurement cycle conflict and Procurement Unit at NFA is inadequately staffed to fulfill its mandate. However, combination of all the responses implies that Separation of roles affects the procurement performance.

An interview with the management staff also confirmed that the procurement unit of NFA is inadequately staffed and that sometimes roles assigned to the staff involved in the procurement cycle conflict and has a great effect on its performance as exemplified by two of the respondents who said that;

The staff's academic qualification, knowledge and capability at times do not match their roles in the procurement cycle at a rate of 60% for instance the current Acting Head of the Procurement unit is not a procurement professional by qualification though several trainings have been held for the staff. The NFA PDU has only two staff with a vacant position of the Procurement Manager. In addition, this number is small compared to other organizations. Where there is Separation of roles it fosters compliance by aiding the checks and balance mechanism in the procurement cycle (SM1 and SM2).

## 4.6.2 A Pearson Correlation analysis of the effect of Separation of Roles and Procurement performance.

Table 18-Shows the Pearson Correlation between Separation of roles and Procurement performance.

		Quality of goods and services	Timeliness	Procurement Compliance.
Separation of	Pearson Correlation	0.653**	0.748**	0.512**
roles	Sig. (2-tailed)	0.000	0.000	0.000
	N	131	132	132

<sup>\*\*,</sup> correlation is significant at the 0.01 level (2-tailed)

The Pearson correlation shows that there is a positive strong correlation (0.653) between Separation of roles and Quality of goods and services. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Separation of roles and Quality of goods and services.

The Pearson correlation shows that there is a positive strong correlation (0.748) between Separation of roles and Timeliness. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Separation of roles and Timeliness.

The Pearson correlation shows that there is a positive moderate correlation (0.512) between Separation of roles and Procurement compliance. The corresponding P-value 0.000 is less than the level of significance 0.01 which implies that there is a significant correlation between Separation of roles and Procurement compliance.

Therefore, there is a positive significant effect of Separation of roles on the procurement performance with the effect being greater on Timeliness as compared to Procurement Compliance and Quality of goods and services.

Table 19-Shows the Model Summary for the effect of Separation of roles and procurement performance.

	Quality of goods and services	Timeliness	Procurement Compliance
Model	Adjusted R Squared	Adjusted R Squared	Adjusted R Squared
1	0.422	0.556	0.251

a. Predictors: (constant), Separation of roles.

The adjusted R-squared value between Separation of roles and Quality of goods and services is 0.422 which implies that 42.2% of the changes in quality of goods and services is accounted for by the changes in Separation of roles. This implies that there are other factors that affect quality of goods and services other than Separation of roles.

The adjusted R-squared value between Separation of roles and Timeliness is 0.556 which implies that 55.6% of the changes in Timeliness is accounted for by the changes in Separation of roles. This implies that there are other factors that affect Timeliness other than Separation of roles.

The adjusted R-squared value between Separation of roles and Procurement Compliance is 0.291 which implies that 29.1% of the changes in Procurement Compliance is accounted for by the changes in Separation of roles. This implies that there are other factors that affect Procurement Compliance other than Separation of roles.

## 4.7 The effect of Internal Stakeholder management on Procurement performance.

Since Procurement performance as a dependent variable is made up of three indicators that is compliance, Procurement Timeliness and quality of goods and services, the effect of internal Stakeholder management is tested on all the indicators.

Table 20-Results of the Pearson Correlation between internal stakeholder Stakeholder management on Procurement performance.

		Quality of goods	Procurement	Compliance
			lead-time	
Stakeholder involvement.	Pearson correlation	.658**	.623**	.555**
	Sig.(2-tailed)	.000	.000	.000
	N	131	132	132
Communication.	Pearson correlation	.595**	.574**	0.544**
	Sig.(2-tailed)	.000	.000	.000
	N	131	132	132
Separation of roles.	Pearson correlation	.653**	.748**	.512**
	Sig.(2-tailed)	.000	.000	.000
	N	131	132	132

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Internal Stakeholder involvement has a higher significant effect on procurement performance followed by Separation of roles and then Communication respectively on comparison with the values of Pearson correlation on each indicator of procurement performance. Hence, Internal Stakeholder management has a significant positive effect on the Procurement performance of NFA.

## 4.8 The extent to which Internal Stakeholder management affects Procurement performance.

Since Procurement performance as a dependent variable is made up of three indicators that is Compliance, Procurement Timeliness and Quality of goods and services, the extent to which Stakeholder management is tested on all the indicators using a multiple linear regression.

Table 21-Results of the Multiple regression analysis of the extent to which Internal Stakeholder Management affects procurement performance.

	Quality of go	Quality of goods and		Timeliness		
	services				Compliance	
Mdel	F-statistics	Sig	F-statistics	sig	F-statistics	sig
1 Regression	54.575	.000	65.738	.000	29.397	.0000

- a. Predictors: (Constant), Separation of roles, Internal Stakeholder Involvement, Communication
- b. Dependent Variable: Procurement performance

Since the P-value of the F-statistics (0.000) is less than the level of significance 0.05, this implies that separation of roles, communication and internal stakeholder involvement have a joint significant effect on quality of goods and services.

Since the P-value of the F-statistics (0.000) is less than the level of significance 0.05, this implies that separation of roles, communication and internal stakeholder involvement have a joint significant effect on Timeliness.

Since the P-value of the F-statistics (0.000) is less than the level of significance 0.05, this implies that separation of roles, communication and internal stakeholder involvement have a joint significant effect on Procurement compliance.

Since all the p-values (0.000) of the F-statistics of stakeholder management (separation of roles, communication and Internal stakeholder involvement) on Procurement compliance (Quality of products, Procurement lead-time and procurement compliance) respectively are less than the level of significance 0.05, this implies that the null hypothesis is rejected and therefore concludes that Stakeholder management has a significant influence on procurement performance of NFA.

## CHAPTER FIVE

# DISCUSSION, SUMMARY, CONCLUSION AND RECOMMENDATIONS.

#### 5.1 Introduction.

This chapter represents the general discussion, summary and conclusion of the findings from the analysis and provides policy recommendations and areas of further research.

## 5.2 Summary of Findings.

The main objective of this research was to examine the effect of Internal Stakeholder management on procurement performance of National Forestry Authority. The study carried out both descriptive and inferential statistics. The descriptive statistics revealed that most of the employees of NFA were male, aged between 31 to 40 years, holding a academic degree and had worked in the organization between 4 to 6 years while most of them are not on the contracts committee but are in the user departments.

Inferential statistics was carried out to answer the specific objectives. The study utilized the factor scores from the exploratory factor analysis to perform further analysis of correlation and regression.

## 5.2.1 Internal Stakeholder involvement and Procurement performance.

The study found out that both data on internal stakeholder involvement and procurement performance was reliable for analysis. The comparative analysis of the mean scores using a five Likert scale revealed that NFA suffers from two main problems in the perspective of internal Stakeholder involvement which included; market research is not done when drawing procurement budgets with the highest mean of 2.62 and that procurement budgets are not drawn in consultation with the procurement unit and this represents a mean score of 2.33.

Using a Pearson correlation analysis, the study revealed that internal stakeholder involvement had positive significant impact on procurement performance with the effect being stronger with quality of goods and services (0.658) as compared to Timeliness (0.623) and Procurement Compliance (0.555). The study also found out that internal stakeholder involvement accounted for a greater proportion of 42.9 % of the changes in Quality of goods and services from the regression model summary as compared to the changes of 38.3% in Timeliness and 30.2% in procurement compliance a moderate fit of the model.

#### 5.2.2 Communication and procurement performance.

The study found out that both data on Communication and procurement performance was reliable for analysis. The comparative analysis using the mean scores on a five Likert scale revealed that in NFA suffers from two main problems in the perspective of Communication which include; delays in procurement process not communicated in a timely manner with the highest mean value of 3.10 and procurement lead-times are not known to all stakeholders with a mean score of 2.85.

Using a Pearson correlation analysis, the study revealed that Communication had a positive and significant effect on procurement performance with the effect being stronger on quality of goods and services (0.595) as compared to timeliness (0.574) and Procurement compliance (0.544). The study also found out that Communication accounted for a greater proportion of 34.9 % of the changes in Quality of goods and services from the regression model summary as compared to the changes of 32.4% in Timeliness and 29.1% in procurement compliance which showed a moderate fit of the model.

#### 5.2.3 Separation of Roles and Procurement Performance.

The study found out that both data of Separation of Roles and Procurement performance were reliable for analysis. The comparative analysis using the mean scores on a five Likert scale revealed that in NFA suffers from two main problems in perspective of Separation of roles which included; some roles assigned in the procurement cycle conflict with the staff job description with the highest mean score of 3.45 and that procurement unit is not adequately staffed to fulfill its mandate with a mean score of 3.14.

Using a Pearson Correlation analysis, the study revealed that Separation of Roles had a positive significant impact on Procurement performance with the effect being stronger on Timeliness (0.748) as compared to quality of goods and services (0.653) and procurement Compliance (0.512). The study also found out that Separation of Roles accounted for a greater proportion of 42.2 % of the changes in Timeliness from the regression model summary as compared to the changes of 55.6% in Quality of goods and services and 25.1% in procurement compliance which showed a good fit of the model. This implied that there were other factors that affect Procurement performance other than Separation of Roles.

## 5.3 Discussion of the findings.

## 5.3.1 Internal Stakeholder Involvement on Procurement performance.

The findings reveal that there is a significant positive correlation between Internal Stakeholder Involvement and Procurement performance and the effect is stronger on the Quality of goods and services compared to Timeliness and Procurement compliance and in addition, internal stakeholder involvement explains a greater proportion of the changes in quality of goods and services. This implies that the involvement of internal stakeholders is an important aspect in the procurement performance of NFA especially on the quality of its goods and services. A better procurement performance should embrace internal Stakeholders involvement so as to ensure completeness of the procurement cycle given the various roles they play. In addition, consultations from various internal stakeholders helps to address issues that may have been left out in the budget formulation and making a right choice in obtaining a best bidder in the procurement process. Hence Internal stakeholder involvement needs to be addressed in NFA if procurement performance is to be improved.

These findings are in line with the reviewed literature of various academic research for instance; Johnston (2008), illustrates that the success of every single part of an organization be it department or activity, persons at each level must work together since they affect and are affected by each other. Further, (Sharma, 2008), illustrates that early stakeholder identification and strategic combination of outreach, communication and involvement methods contribute to the organization's success. In most cases it involves a more planned and implemented scan to identify the various stakeholders and their unique interests in a particular program. In addition, (UN Procurement Practitioners Handbook, 2006), shows that its good practice to develop a

collaborative but focused relationship with the key stakeholders including; listening to their concerns, ideas, seeking their consent/agreement where necessary, keeping them informed, challenging their needs and wants and adapting to their needs where necessary, however this should not be at the compromise of the regulative and procedural framework.

#### 5.3.2 Effect of Communication on Procurement performance.

The findings reveal that there is a significant effect of Communication on Procurement performance with the effect being stronger on quality of goods and services as compared to Timeliness and procurement compliance and that Communication explains a greater proportion of the variations in Quality of goods and services. This implies that Communication is an important aspect in the procurement performance of NFA. An improvement in procurement especially on procurement of better quality of goods and services embraces effective communication in that information is a potentially powerful source of competitive advantage and therefore, effective communication plays a critical role in supply chain for instance with effective communication, the time taken between placing an order and receiving the order significantly reduces. Hence communication needs to be addressed in NFA if procurement performance is to be improved.

The findings re-affirm the various academic works reviewed in literature for instance; According to PPOA (2009), procurement processes are to be computerized to the extent possible in order to integrate the operations between Procurement Units and the potential beneficiary of the services. This will speed up routine transactions and communications within and outside the procuring entity. These include: communication to and from suppliers using telephones, emails, interactive website including tenders and procurement information sharing; communicating with internal users on emails, telephones and electronic notice boards including diary and meetings management; instituting process automation and simplification using Enterprise Resource Planning systems and automation of internal procurement process controls such as approvals, payments, confirmation of receipt of products and services, tracking of procurement process deliverables and so on and Varney (2011) argued that there has been significant progress in the implementation along certain e-procurement dimensions in the European Union. All union members use e-notices for at least 85% of their contracts with many states employing e-notification more than 95% of the time. E-catalogues and e-procurement based solutions.

#### 5.3.3 Effect of Separation of roles on Procurement performance.

The results reveal that there is a significant positive correlation between Separation of roles and procurement performance and that the effect is stronger on Timeliness as compared to Quality of goods and services and Procurement Compliance and in addition, Separation of roles explains a greater proportion in the variation in Timeliness. This shows that Procurement performance has to embrace Separation of roles of staff to bring about an improvement. Separation of roles of staff provides accountability, responsibility and early accomplishment of roles assigned to the staff in the procurement cycle which brings about timeliness in procurement of goods and services. Hence Separation of roles needs to be addressed in NFA if procurement performance is to be improved.

The findings are in line with a number of academic literature reviewed for instance; The prime reason for allocating different duties to different employees is so that a single individual is not able to influence the procurement outcome to his own advantage (CIPS, 2012; Ministry of Finance- Ontario, 2011), As a matter of fact, adherence to the Procurement law is both an individual and a corporate responsibility, therefore for its effective implementation it requires from each person involved an active involvement, consideration and weighting of the factors (CIPS, 2013) and PPDA Act (2003), emphasizes the independence of the stakeholders while performing the functions and that the Accounting Officer, PDU, Contracts Committee, Evaluation Committee and User Department shall act independently in relation to their respective functions and powers. Those participating in public procurement are supposed to ensure compliance with the key principles governing public procurement, these include; non-discrimination, transparency, accountability and fairness, maximization of competition and ensuring value for money, confidentiality, economy, efficiency and promotion of ethics.

#### 5.4 Conclusion.

The results supported the hypotheses that internal stakeholder management had an effect on procurement performance. The main factor that affected procurement performance was Internal Stakeholder involvement followed by communication and Separation of roles respectively basing on the extent to which they correlated with procurement performance and the extent to which they explained the variations in the procurement performance as observed in the model summary. In conclusion therefore, for NFA to improve on its procurement performance, it

should take critical review of its Internal stakeholder involvement, communication and separation of roles in procurement but mainly focusing on Internal Stakeholder involvement.

#### 5.5 Recommendation.

After careful analysis of the findings and the conclusions drawn, the following recommendations are made;

- a) There is need for NFA to involve internal stakeholders in the procurement process especially through drawing the procurement budgets in consultation with the procurement unit and performing a market research by getting stakeholders opinions when drawing the procurement budgets as this improves the procurement performance through improving on the quality of goods and services procured.
- b) There is need for NFA to decentralize and delegate to some directors and units to handle certain correspondences and decision to enable smooth communication in the procurement process which will lead to an improvement in timeliness hence an improved procurement performance.
- c) NFA should allocate individuals different roles according to their ability and academic qualification to avoid incompetent individual from performing tasks that they cannot manage as this will lead to improvement in procurement performance through procurement of better quality of goods and services.

## 5.6 Areas of further research.

- a) Since the research was only carried out in NFA from among a number of statutory bodies, there is need for further research to be carried out in different statutory bodies in Uganda.
- b) The model summary revealed that there are other internal factors that affect the procurement performance. Therefore, further research should be carried to find out other factors that affect procurement performance in statutory bodies.
- c) This research was done basing on how internal factors influenced procurement performance hence further research should be done to examine the effect of external factors on the procurement performance.

**APPENDIX** 

Appendix 1 Survey Questionnaire.

Questionnaire:

To examine the effect of Internal Stakeholder Management on procurement performance

in Statutory Authorities-A case study of National Forestry Authority.

Dear respondent,

You have been selected to participate in this Research by answering the attached questionnaire

which has been designed purposely for data collection.

Your response shall greatly contribute to the body of knowledge in enhancing Public

Procurement Performance.

The information provided shall be treated with the utmost confidentiality it deserves and only

used for academic purposes.

How to complete the questionnaire

Please answer all the sections

Respond to each of the statements (Section A to E) by a tick and an appropriate answer for

questions in Section F.

I will greatly appreciate your timely contribution.

**SECTION A: BASIC DATA** 

Please tick in the space provided

1. What is your Gender?

Male Female

2. What is your Age Bracket	t?	
20-30 years		
31-40 years		
41-50 years		
51 years and above		
3. Role played in the Procur	ement Cycle	
Accounting Officer		
User Department		
Contracts Committee		
Procurement & Disposal Un	nit	
Accounts & Finance Unit		
4. If on Contracts Committee	ee, which Positio	n do you hold?

Chairperson	
Secretary	
Member	
5. For how long have	e you worked with your current organization?
Over 10 years	
7 to 10 years	
4 to 6 years	
Less than 3 years	
6. What is your High	nest Level of Education?
Diploma	
Degree	

## SECTION B: SEPARATION OF ROLES.

For the following statements, indicate the extent of your agreement or disagreement by ticking in the appropriate box following the scale below;

	1	2	3	4	5
NFA staff involved in procurement understand their roles in the					
procurement cycle					
There is clear separation of roles amongst the stakeholders in line with the PPDA.					
Roles in the procurement cycle are assigned according to ones capability.					
Independence while performing roles is respected					
Tasks assigned are unambiguous					
Roles assigned in the procurement cycle conflict with the staff Job					
Descriptions.					
PPDA rules are followed in awarding all tenders/ contracts.					
Procurement trainings are arranged for staff involved in the procurement					
cycle.					
Approvals by relevant stakeholders are made in time.					
Procurement is represented at senior management level.					
Conflict of interest is not heard of.					
The contracts committee is fully constituted.					

	1	2	3	4	5
The Procurement Unit at NFA is adequately staffed to fulfill its mandate.					
The procurement budget is enough to meet organizational needs?					
Some procurement functions at NFA are Delegated.					
Staff delegated are conversant with the procurement cycle.					
Staff delegated understand their roles in the procurement cycle.					
Users are represented on evaluation committees.					
Procurement Unit is among the major units at NFA					
All staff involved in the procurement cycle aim at achieving a common goal (Value for money)					

## SECTION C: COMMUNICATION.

For the following statements, indicate the extent of your agreement or disagreement by ticking in the appropriate box following the scale below;

	1	2	3	4	5
Information about procurement is freely shared amongst the NFA Staff					
Stakeholders' input in the procurement process are welcome and respected.					
Stakeholders are updated on the status of all procurements.					
Evaluations are conducted transparently					
All stakeholders take part in Procurement planning.					

	1	2	3	4	5
Procurement planning is done in time.					
Procurement lead-times are known to all stakeholders.					
Delays in the procurement process are communicated in a timely manner.					
Achievements in the procurement process are communicated to all stakeholders.					
Procurement information is accessible to the general public.					
Procurement Audit findings are disseminated to all stakeholders.					
Best Evaluated Bidder notices are accessible to the general Public.					

## SECTION D: INTERNAL STAKEHOLDER INVOLVEMENT.

For the following statements, indicate the extent of your agreement or disagreement by ticking in the appropriate box following the scale below;

	1	2	3	4	5
Users understand their roles in the procurement cycle.					
End users are involved in initiation of procurements					
End users play an active role in preparation of statement of requirements.					
End users take part in evaluation of bids					
End users certify the quality of goods and services procured.					
Procurement budgets are drawn in consultation with the Procurement Unit.					
Market Research is done when drawing procurement budgets.					

	1	2	3	4	5
Procurement requirements are prioritized					
The procurement unit actively collaborates with other departments.					
Where the Procurement unit is involved in the initial stages, the procurement process is always successful.					

## SECTION E: PROCUREMENT PERFORMANCE.

For the following statements, indicate the extent of your agreement or disagreement by ticking in the appropriate box following the scale below;

Timeliness	1	2	3	4	5
Contracts are completed in time					
Any delays in the cycle are communicated					
Sufficient contract duration are allocated to suppliers.					
Payments for completed contracts are within the agreed time frame.					
Sometimes delays are attributable to internal weakness/ factors					
Sometimes delays are attributable to the supplier-side					
The rate of supplier failure (to deliver) is very high					
Remedial actions are taken against suppliers who fail to adhere to their contract obligations.					
Many procurements cross to new Financial Years before completion.					
Approvals by relevant stakeholders are made in time.					
Procurement planning is done in time.					

Timeliness	1	2	3	4	5
Procurement lead-times are known to all stakeholders.					

Compliance	1	2	3	4	5
All procurements are handled in line with the PPDA Act and					
Regulations.					
NFA's Audit trail is good.					
Internal stakeholders (Staff) are satisfied with the Procurement					
procedures.					
Conflict of interest is unheard of in NFA Procurements.					
The right procurement methods are used.					
Competitive bidding is evident in NFA					
Complaints from suppliers are common in NFA					
Administrative Reviews by PPDA are common in NFA.					
Safety and security of Procurement records is maintained.					

Quality of products	1	2	3	4	5
Products meet the user expectations					
Value for money is achieved in all procurements					
Contract prices are within the budgeted limits/ estimates					
Complaints are satisfactorily addressed.					

Quality of products	1	2	3	4	5
The defects-rate is too high.					
Contract management is in place					
Contract managers are appointed.					
Service level agreements are used.					
The procurement unit actively collaborates with other departments.					
The procurement unit enhances the efficiency of other departments.					
The procurement unit helps to reduce costs.					
Procurement contributes to the achievement of the NFA objectives.					

## **SECTION F:**

Please answer the following questions by providing the most appropriate answer. (Please note
that all answers are correct)
What do you think needs to be done to improve procurement performance in NFA?
Apart from Internal stakeholders, state any other factors that impact on procurement
performance?

List any other indicators of procurement performance.

I appreciate your precious time rendered by answering this questionnaire.

These answers shall be treated with the utmost confidentiality.

## Appendix 11 Interview Guide.

#### Internal Stakeholder Involvement.

- 1. In comparison with other government entities, how do you rank NFA's procurement performance?
- 2. In your opinion, why should internal stakeholders be involved in the procurement process?
- 3. In your opinion, are internal stakeholders involved in the procurement process of NFA? Why do you think so?
- 4. What are the possible challenges facing the quality of goods and services procured by NFA. And if any, what are the possible recommendations?

#### Communication.

- 1. In your opinion, is there transparency in the procurement process of NFA? And why do you think so?
- 2. In your opinion, does Communication affect procurement performance? And why do you think so?

- 3. What challenges are involved in the communication process of NFA?
- 4. What are the possible recommendations to overcome the problem of communication in NFA?

## Separation of Roles.

- 1. In your opinion, do the academic qualifications, knowledge and capability among NFA staff match their roles in procurement department of NFA? Why do you think so?
- 2. Do you think the procurement unit of NFA is adequately staffed? If not, what would be the possible reasons for its inadequacy?
- 3. In your opinion, how would the separation of roles impact on the procurement compliance?
- 4. What challenges does NFA face in separation of roles in the procurement cycle and what are the possible recommendations?

## Appendix 111 Code summary for the interviewed Respondents.

Table 22-Code summary for the interviewed Respondents.

Code.	Name.
Senior Management (SM)1	James.
Senior Management (SM)2	Abdul.
Senior Management (SM)3	David

Appendix IV Morgan and Krejcie Table For Determining Sample Size.

$\overline{N}$	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size. S is sample size.

## REFERENCES

- Ancarania, A., Capaldob, G. R., & Zollob, A. (2003). Competencies Management in Integrated Services Procurement Process in Public Organizations. A Methodological Approach
- Bell, S. M., McCallum, R. S., & Cox, E. A. (2003). Toward a research-based assessment of dyslexia: Using cognitive measures to identify reading disabilities. Journal of Learning Disabilities, 36(6), 505-516.
- Benton, W. C., & Maloni, M. (2005). The influence of power driven buyer-seller relationships on supply chain satisfaction. Journal of Operations Management.
- Blome, C., & Schoenherr, T. (2011). Supply chain risk management in financial crisis. A multiple case study approach.
- Bof, F. & Previtali, P. (2007). Organizational Pre-Conditions for E-procurement in Governments: The Italian Experience in the Public Health Care Sector. The Electronic Journal of e-Government, 5(1), 1-10.
- Burt, D. N., Dubler, D. W., & Stephen, L. (2003). World Class Supply Management: Seventh Edition. New Delhi: Tata McGraw-Hill Publishing Company Limited.
- Cannon, P., & William, D. (1999). Buyer-Seller Relationships in Business Market, Journal of Business Research.
- Christensen, T. & Lægreid, P. (2007). Transcending New Public Management: The Transformation of Public Sector Reforms. Burlington, VT: Ashgate Publishing Company.
- CIPS. (2012). CIPS Positions on Practice P&SM: Separation of Duties.
- Cooper, D. R., & Schindler, P. S. (2000). Business Research Methods. New York: Mc

- Cornelia, K., Sabiiti, E. M. & Benon, C. B. (2010). Developing Public.
- Croom, S. R., (2005). The impact of e-business on supply chain management: An empirical study of key developments. International Journal of Operations & Production Management, 25 (1), 55-73.
- Derek, H.T., Lynda, B. & Steve, R. (2007). Stakeholders and the supply chain.
- Doney, M. & Cannon, P. (1997). An Examination of the Nature of Trust in Buyer-Seller Relationships. Journal of Marketing.
- Ernst & Young. (2012). Five things: Getting the basics right in procurement.
- European Commission. (2007). Guide On Dealing with Innovative Solutions in Public Procurement: 10 Elements of Good Practice. Commission staff working document Sec, (2007) 280.
- Fang, T., & Kris, A. (2000). Cross-Cultural Challenges to the IMP Paradigm.
- Freeman, R. E. (2001). Stakeholder Theory of Modern Corporation.
- Freeman, R. E., & McVea, J. (2001). A Stakeholder Approach to Strategic Management. The Darden School University of Virginia
- Gadde, L. E., & Hakansson, H. (2001). Supply Network Strategies. Chichester, UK: John Wiley
- Glenn, D. I. (2013). Determining Sample Size. University of Florida Institute of Food and Agricultural Sciences (IFAS) Extension. ISBN 978-87-7681-421-2.
- Goodman, L. E., & Dion, P. A. (2001). The Determinants of Commitment in the Distributor Manufacturer Relationship. Industrial Marketing Management.
- Griffith, D. A., & Myers, M. B. (2005). The Performance Implications of Strategic Fit of Relational Norm Governance Strategies in Global Supply Chain Relationships. Journal of International Business Studies.
- Gujarati. (2004). Basic Econometrics: 4th edition. The McGraw-Hill Companies.