

**PROCUREMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE : A  
CASE OF ADJUMANI DISTRICT LOCAL GOVERNMENT**

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**UGANDA CHRISTIAN  
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## DECLARATION

I hereby confirm that this research dissertation is my original work and has not been submitted for review or award of a degree in any other University.

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.....  


**Signature**

.....  


**Date**

## APPROVAL

This research dissertation has been submitted for examination with my approval as the University Supervisor

Signature



Date: 14.07.2024

Name of the supervisor: **Henry Omache**

## **DEDICATION**

I dedicate this research proposal to all my family members especially my brother Lemeriga George for encouraging me during this difficult moment and all my children for their tireless motivation throughout the entire study period and especially during this research project

## **ACKNOWLEDGEMENT**

I owe special thanks to God and sincerely acknowledge the assistance of my supervisor for his direction, patience and support for the duration of this research. To my parents, I am indebted for their support and encouragement that has brought me this far, may the Lord bless the work of their hands. My appreciation goes to the entire community and Management of Uganda Christian University, Mbale University College for the favorable learning environment.

## **LIST OF ABBREVIATIONS & ACRONYMS**

ADLG	Adjumani District Local Government
B2B	Business-to Business
CAA	Civil Aviation Authority
ERP	Enterprise Resource Planning
GDP	Gross Domestic Product
IGG	Inspector General of Government
JIT	Just In Time Delivery
MoPS	Ministry of Public Service
NARO	National Agricultural Research Organization
NEMA	National Environmental Management Authority
NGO	Non-Government Organisation
PAT	Principal-Agency Theory
PPDA	Public Procurement and Disposal of Public Assets Authority
PSRRC	Public Service Review and Reorganization Commission
TQM	Total Quality Management
URA	Uganda Revenue Authority
UWA	Uganda Wildlife Authority

## **ABSTRACT**

This study examined the effect of procurement practices on organizational performance in Adjumani district local government. Specifically, the study examined the effect of inventory, contract and E-procurement practices on organizational performance. The research employed a positivist research philosophy with descriptive analysis. The sample of this study was 92 employees of Adjumani district local government of which only 71 participated and returned the completed questionnaires. Questionnaires, and interview guide were the main data collection tools while data analysis involved the use of quantitative and qualitative statistical techniques. The study established a positive and significant correlation between procurement practices and organizational performance, R Square value = 0.890 ( $0.890 \times 100 = 89.0\%$ ). The study concluded that all study variables, inventory with Beta value of 0.883 at  $p=0.002$ , contract with Beta value of 0.344 at  $p=0.000$  and E-Procurement practices with Beta value of 0.285 at  $p=0.001$  have a positive significant effect on organizational performance. The research concluded that effecting changes in the inventory, contract and E-Procurement will significantly lead to better organizational performance. The study recommends that; the management of Adjumani District local government should put more emphasize on contracts management since the regression results indicated that it was the second contributor to organizational performance. This can be done through contracts administration and regular monitoring of contractual works; based on descriptive results the management should maintain optimal levels of inventory to help reduce cases of tied up capital in the organization; the study results suggest that management should make sure that E-procurement implemented innovations are suitable with existing systems and resources in order to assure flexibility and usefulness.

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# **CHAPTER ONE: INTRODUCTION**

## **1.0 Introduction**

This chapter introduced the background to the study, problem statement, objectives of the study, research questions, the scope of the study, and the significance of the study in relation to procurement practices on organizational performance and also the conceptual framework.

## **1.1 Background to the study**

Procurement is a critical function that directly affects the performance of every organization, irrespective of its public or private nature. It involves the acquisition of goods, services, and works, encompassing activities such as supplier selection, contract management, and negotiation. Effective procurement practices can yield numerous benefits, including cost savings, improved quality and delivery, enhanced supplier relationships, and increased innovation. Consequently, the ability to optimize procurement processes and strategies has become a focal point for organizations seeking to maximize their overall performance (Cao & Wang, 2022; Mohamud et al., 2023).

The primary objective is to examine existing research on how procurement affects the performance of organizations and identify gaps within the current body of knowledge.

According to Patrucco et al. (2019), the role of procurement in organizational performance is crucial and has undergone a significant transformation from a tactical and passive function to a strategic one. This shift has led to an increased emphasis on quality-based procurement, as highlighted by (Balaeva et al. 2021; Patrucco et al. 2016). Strategic procurement acknowledges the importance of procurement quality performance in achieving strategic objectives, as noted by (Anin et al. 2020; Essuman et al. 2021), aligning with the principles of supply chain quality management (Phan et al., 2019). Procurement quality performance, as described by (Patrucco et al. 2016; Yeung et al. 2015), measures the extent to which procured items adhere to predetermined specifications and meet end-users' expectations.

The economic significance of public procurement activities, coupled with the substantial allocation of public funds to these functions, underscores the utmost importance of ensuring their effective organizational and national economic performance (Changalima et al., 2021; Ahmed & Mohamed,

2023). However, the presence of mismanagement and malpractices has led to a less than satisfactory performance of procurement activities in numerous organizations, thereby raising concerns among stakeholders and academics alike (Changalima et al., 2022c; Basheka, 2021; Hui et al., 2011). In addition, within the public sector, inadequate procurement quality performance can often be attributed to corrupt practices in procurement (Balaeva et al., 2021), which underscores the necessity and promotion of procurement audits (Ibrahim et al., 2017; Sabet, 2020). This study endeavors to address the limited knowledge surrounding procurement performance by conducting a comprehensive literature review. The primary objective is to examine existing research on how procurement affects the performance of organizations and identify gaps within the current body of knowledge. Recognizing the significance of reviewing prior studies on procurement performance, this research aims to guide researchers and policymakers toward future investigations aimed at enhancing organizational performance by developing effective and efficient procurement practices. By identifying research gaps, this study intends to contribute to the advancement of procurement knowledge and facilitate the implementation of strategies that optimize procurement performance in organizational contexts. Ultimately, this study seeks to enhance understanding of how procurement practices affect organizational performance in Adjumani district local government.

### **1.1.1 Historical Background**

During the last two decades of 20th century, procurement practices have become a well-established phenomenon in the public sector (Grüning 2000). More and more countries started to implement procurement concepts from the private sector into their administrations (Aucoin 1990; Behn 1995). They attempted to generate *value-for-money* by improving the "three E's": efficiency, effectiveness and economy (Starks 1991). Proponents associate the implementation of these concepts with higher public sector performance (Hood 1995; Osborne and Gaebler 1992; Paterson 1988). They argue that the public sector would benefit more from the experiences of the private sector to survive in a competitive environment than from traditional concepts of administrative science.

The World Bank (2011:102) approximates that of the world's total annual expenditure, 75 per cent (equivalent to five trillion United States dollars) goes towards procurement-related activities. Aketch (2013:9) recently argued that public procurement plays a significant role in the generation of a country's wealth since it accounts for approximately 16% of most countries' GDPs. Agaba

and Shipman (2008: 11) examined spending levels in Sub-Sahara Africa and found that they ranged between US\$ 30 and 43 billion towards the procurement market. They counseled that because of the size of these organizations, allocations to procurement activities, well-functioning public procurement systems in the region are needed in order to monitor and make certain that resources allocated to procurement units are properly expensed. They established that the total expenditure in the region was at 40% compared to the global average of 12-20%.

Globally, public sector organizations are experiencing an unprecedented step of change and as a result, they are rapidly re-examining their operating models and supply chain markets strategies not just to withstand these market forces but gain competitive advantage (Chilunjika, Intauno, and Uwizeyimana & Chilunjika 2022). The global marketplace is so dynamic that procurement must play a leading role in capturing the value at stake (Spiller, Reinecke, Ungerman & Teixeira 2014). The environment in which organizations currently operate has innumerable economic and political interference to their sources of supplies and services (Mazzucato & Kattel 2020). To thrive in this tumultuous environment, organizations are expected to keep on monitoring their competitive situation together with their internally controllable process particularly the procurement process (Isaac & Robert 2015). Clearly, procurement has a significant role to play in helping the public sector to achieve their objectives and prepare for the uncertainties (Tantalo & Priem 2016). This requires procurement to focus on driving costs out of the cost base, exploring new markets or partnerships, introducing new products and redesigning the organizational structure. But the opportunity also exists for the function to add value in a much more strategic way and ensuring that the process is economical, and efficiency is vital (Girth, Hefetz, Johnston Warner 2012). This demands the whole procurement process to be well understood by the actors, government, the procuring entities and business community or suppliers and other stakeholders, including professional associations, academic entities and general public.

In Africa, massive changes are occurring in the operating models and marketing strategies of public sector organizations. Procurement greatly impacts how an organization achieves its objectives. According to Leenders et al (2008), purchasing adds value to the organization. Procurement practice is an area that can be improved to further contribute to organizational performance.

Organizations tend to choose procurement procedures that are familiar to them; they should instead choose the ones most suited and most beneficial to their organization's success.

Narasimhan and Kim (2002), states that there has been increased pressure for purchasing integration. Purchasing integration links purchasing practices to organizational performance (Gattorna, 2006). The direct link of operational efficiency and supply chain to organizational performance therefore means that the adoption of procurement practices is crucial to organizational success. Consolidation of the entire procurement process leading to the implementation of procurement practices such as, green purchasing, just in time delivery (JIT), total quality management (TQM), contract management, inventory management and e-procurement are necessary so as to boost the overall organizational performance. According to Bartle (2008) organizations today provide a focus for the organization, aid in the coordination of activities and facilitate control.

Historically, 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. It is on this basis that the government of Uganda, in 1989, set up the Public Service Review and Reorganization Commission (PSRRC), under the Ministry of Public Service, to examine and propose recommendations on public service improvement (Ministry of Public Service, 2008). The ultimate goal was to improve the general service delivery to the public, create efficiency and effectiveness based on transparency in processes and procedures, performance evaluation systems and clear organizational goals and objectives. The results of the commission led to the establishment of government agencies by law: Public Procurement and Disposal of Public Assets Authority (PPDPA), Uganda Revenue Authority (URA), National Environmental Management Authority (NEMA), Civil Aviation Authority (CAA), National Agricultural Research Organization (NARO), Uganda Wildlife Authority (UWA), Inspector General of Government (IGG) and many others.

Nationally, Procurement practices are vital functions in the public sector, since procurement process is generally a critical part of open spending in organizations. Carr and Smeltzer (1997) states that procurement practices comprise of the actions taken by the purchasing organization to navigate and integrate its organizational performance in order to increase productivity by reducing cost and time. Procurement is the practice of selecting vendors, strategic vetting, setting up payment terms, selection, negotiation of contracts and actual purchasing of goods (Weele, 2010).

Lim (2014) describes procurement as a process which entails acquiring (procuring) goods, services and work that is vital to an organization. Worldwide, public procurement has become an issue of concern and debate, and has been subjected to reforms, restructuring, rules and regulations (Kabega, Kule & Mbera, 2016).

In today's economic environment doing what you have always done even if you are to do it very well is no longer acceptable (Chigumira, Chipumho & Chiwunze 2020). There is pressure to contain costs and produce results. Despite challenging circumstances, supply managers are expected to transform rather than simply improve their operations. This means adopting the philosophies, methods and process that makes the organisation perform at optimum level. What makes the organisation best in the industry is the strategies it utilizes (Chigumira, Chipumho & Chiwunze 2020). The strategies provide control and regulation of public procurement and disposal of public assets in order to ensure that such procurement and disposal is performed in a manner that reveal transparency, fairness, honest, cost effective and competitive (Marawu, Utete & Zhou 2023). The direct link of operational efficiency and organizational performance therefore makes the adoption of procurement practices crucial to today's organizational success. Procurement practices and how they will be effectively integrated into the organizational strategy is therefore valuable to today's business leaders (Chikwere, Chikazhe & Tukuta 2023). It is upon this background that the researcher sought to examine the effect of procurement practices on organizational performance at Adjumani district local government.

### **Organizational performance**

Locally, the linkage of procurement to organizational performance in particular, makes the embracing of best practices important to present organizational success. Procurement is found to be practiced in many industries around the world (Hussein & Shale, 2014). Kabega, et. al. (2016) reiterated that various public institutions both in developing and developed countries have instituted procurement reforms which involve laws and regulations but the main challenge has been inadequate regulatory compliance.

Ahmed, Akbar, Aijaz, Channar, Ahmed and Parmar (2023) define organizational performance as the degree to which it increases productivity, reduces inventory, and increases its market share. According to Hassan and Omwenga (2023), procurement performance is tied to resources' innately varying degrees of efficiency, allowing businesses to improve delivery to customers at a fixed cost, or to maintain benefit at a lower cost.

Changalima and Mdee (2023) add that when procurement efficiency of the resources is directly proportional to the operational output results are achieved. According to Changalima, Mchopa and Ismail (2023), procurement efficiency can be measured by key performance indicators in an organisation such as the return on investment, return on capital employed and market share. On the other hand, Ahmed et al. (2023) point out that when it comes to the actual procurement process, accurate specifications of the works, services and products are of the utmost importance. Changalima and Mdee (2023) concur by postulating that accurate specifications are tantamount to customer satisfaction levels and pitfalls in specifications results in losses. The accurate fundamentals needs and specifications of the user must be well understood, in order to acquire the right products or services that meets the required quality standards. Musanzikwa (2013) points that procurement function entails anticipating needs, locating resources, and keeping tabs on their status, all of which improve the efficiency of an organization. According to Chigumira, Chipumho and Chiwunze (2020), public sector procurement involves acquisition of goods, works and services should be undertaken within the jurisdiction of the procurement law, approved budgets, and customer needs. Changalima, Mchopa and Ismail (2023) argue that high quality service delivery to all stakeholders is enabled not only by procurement staff skills, but also the procurement ethics and policy compliance. Organizations must set clear objectives and ensure compliance to high quality standards (Utete, 2022). Utete (2023) postulates that organisation performance is measured by determining quality, productivity, market share, increase in customer base, profitability, return on equity, customer satisfaction, management efficiency and increase in branch network. Public institutions are found to be big spenders and that they deal with massive budgets (Roodhooft & Abbeelee, 2006). In addition, Mahmood (2010) restates that public procurement was estimated to represent 18.42% of the world Gross Domestic Product (GDP). Public procurement is recognized as essential in-service delivery and it accounted for a high proportion of total expenditure (Basheka & Bisangabasaija, 2010). For the purpose of this study, organizational performance was measured by Supplier deliveries, Supplier defect rate, internal customers satisfaction, Procurement cycle time and Procurement efficiency

### **Theoretical review**

Two different theoretical approaches have been commonly used in literature to offer insights regarding environmental issues: Institutional theory and the Principal-Agency. While both theories

make important explanatory contributions in their own right, they focus on different domains of organizational action. Institutional theory acknowledges the role of external forces in shaping organizational activities and emphasizes the importance of legitimacy. A central tenet of institutional theory (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Scott, 1995) suggests that institutional pressures lead organizations to adopt similar structures, strategies, and processes. In order to reduce environmental uncertainty and conform to social expectations, companies imitate practices used by other organizations (DiMaggio and Powell, 1983; Haveman, 1993). In turn, companies gain social support as legitimacy is endorsed by institutional actors (Deephouse, 1996; DiMaggio and Powell, 1983). According to this perspective, companies adopt similar practices to avoid the pitfalls of newness (Aldrich and Fiol, 1994; Singh, Tucker, and House, 1984).

### **Institutional theory**

Contemporary institutional theory has captured the attention of a wide range of scholars across the social sciences and is employed to examine systems ranging from micro interpersonal interactions to macro global frameworks. Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas; rules, norms, and routines, become established as authoritative guidelines for social behavior. It inquires into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse (Scott 2004b).

Under this theory, institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. The theory states that the regulatory pillar emphasizes use of rules, laws and sanctions as enforcement mechanisms with expediency as a basis of compliance, the normative pillar refers to norms and values, social obligation being the basis of compliance while the cultural-cognitive pillar rests on shared understanding. In Uganda, public procurement is guided by the PPDA Act (2003), treasury circulars, guidelines, and PPDA regulations. This in essence facilitates the process of service delivery to Ugandans, whenever the services are needed, and fosters technical efficiency of personnel concerned with carrying out these functions.

DiMaggio and Powell (2012:16), assert that the net effect of institutional performance is a function of the homogeneity of organizational planning and management structures in an institutional environment. They add that the rate of institutional isomorphism is increased when organizations

are highly dependent on the efficiency and effectiveness of the institutional environment. Kabaj (2003:25) contends that an efficient public procurement system is vital to the advancement of African countries and is a concrete expression of their national commitments to making the best possible use of public resources. Equally, Kakwezi and Nyeko (2010:56) argue that the procurement and disposal units of public entities in Uganda are faced with the problem of not complying with procurement procedures and regulations and are therefore unable to determine their efficiency and effectiveness. This implies that such a problem requires the establishment of clear procurement procedures and performance standards. Performance standards, when adopted, can provide the decision-makers in the procurement department with unbiased and objective information regarding the performance of the procurement function.

Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006:14). Otieno (2004:26) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001:20), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are justifiable reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003:34).

### **Principal-Agency Theory**

This theory is the foundation model employed to ascertain the formation of this study. The economists founded this model to confront the issue related to principal and agents, where agents are persuaded to carry out some task on behalf of the principal (Health & Norman, 2004). The Principal-Agency Theory (PAT) concerns with the understanding that is put in place for an individual or entity (agent) to act in another's interest (principal). The postulations and proposition of PAT fit obviously with the issues concerning procurement and performance. For instance, the government which is in this case the principal/shareholder of the Adjumani district local government. Chooses management (agents) to act on its behalf. For that reason, the procurement

management is given power to make decisions on behalf of the government. In the process of managing supplier quality, buyers in agency relations are likely to be faced by possible risks. By nature, it is the expectation of buyers to get good and improved quality goods and services from suppliers, however, suppliers might be hesitant to spend considerably in quality. Zu and Kaynak (2012) observed that the difference between buyers and suppliers always result in the two parties concerning themselves only with their self-interests. PAT establishes the way procurement managers carry out the procurement practices on behalf of public universities. If there is existence of poor relationship between the principle and agent, then this could affect the relationship between the suppliers and the institutions. This study therefore, used this model to determine the procurement practices' role and the performance of organizations with focus on Adjumani district local government.

### **Conceptual background**

Procurement best practices equivalent is therefore continuous and rapid movement as well as benchmarking, where an organization measures itself against other 'best-in-class' organizations (Guth, 2010). However, several characteristics of best practices for supplies management are identified across many high performing organizations. They include: Commitment to total quality management, commitment to just in time, commitment to total cycle time reduction, long range strategic plans, supplier relationships, strategic cost management, training and professional development, service excellence, corporate social responsibility, learning, management and leadership (Arawati, 2011).

Procurement practices can be described as activities which involve procurement planning, contract management, E-Procurement, procurement controls, procurement monitoring and training workforce and this formed the basis of this study with addition of inventory management (Makabira & Waiganjo, 2014). An organization's procurement functions are guided by practices and activities that are entirely different hence divided into strategic and operational processes (Kaufmann, 2009). The importance of procurement in an organization has made some organizations to improve procurement processes of new systems such as, e-procurement that relates well with the varied technologies of electronic commerce such as document imaging, workflow management, bulletin boards and e-mail enabling business process remodeling (Wanyama, 2012).

According to Public Procurement and Disposal Act (2005) "Procurement" means 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. Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the on-going management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters, 2004).

Procurement, in essence, engirdles the whole process of acquiring goods and services. Organizations identify their needs and then decide on the procurement procedures. Procurement also extends to the ultimate disposal of property at the end of its useful life (Out-law, 2013:15). Out-law on the other hand, defines procurement planning as the process of deciding what to buy, when and from what source whilst contract management encircles administrative activities associated with handling of contracts, such as invitation to bid, bid evaluation, award of contract, contract implementation, measurement of work completed and computation of payments. There cannot be a good procurement practice without a plan, and there can be no procurement without a budget to fund it. Planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today. Procurement must take a thoroughly professional view of its role in business as a whole and that must include planning (Nzau, 2014:10).

Several studies examining the connection between procurement management practice and performances have been undertaken. Amoako-Gyampah (2018) established a significant effect of supplier relationships managements and firm performances in emerging economies. Simon and Chukwuemeziem (2018) also uncovered a significantly positive effect of inventory managements on organizational performances. Muhammed, Saoula, Issa and Ahmed (2019) demonstrated a substantial relationship between variables such as contract management and performance characteristics in Indonesia. Furthermore, Chepng'etich, Waiganjo, and Ismael (2020) unravel the significance of strategic supplier relationship and effectiveness of Kenya's decentralized government systems.

Although there exist a nexus between procurement management practice and performance, studies such as Chepng'etich, Waiganjo, and Ismael (2020);Sunmola and Shehu (2021); and Amahalu, Egolum, Ezechukwu, and Obi (2018) have conducted their researches in different context like government but in other countries and on food, thus providing a contextual gap for this study to fill. Additionally, Hajir (2021) examined how e-procurement procedures affected the operational effectiveness of Kenya's Nairobi City County Retail Supermarkets. The previous study focused on e-procurement, this providing a conceptual gap. In addition, it is also noted that little studies have focused on procurement practices and organizational performance in local governments particularly Adjumani district local government. Therefore, with these gaps where most studies focused on other sectors hence providing a foundation for this study as it sought to determine how procurement practices affect the performances of local governments, case of Adjumani district local government.

### **Organizational Performance**

Ahmed, Akbar, Aijaz, Channar, Ahmed and Parmar (2023) define organizational performance as the degree to which it increases productivity, reduces inventory, and increases its market share. According to Hassan and Omwenga (2023), procurement performance is tied to resources' innately varying degrees of efficiency, allowing businesses to improve delivery to customers at a fixed cost, or to maintain benefit at a lower cost. Changalima and Mdee (2023) add that when procurement efficiency of the resources is directly proportional to the operational output results are achieved. According to Changalima, Mchopa and Ismail (2023), procurement efficiency can be measured by key performance indicators in an organisation such as the return on investment, return on capital employed and market share. On the other hand, Ahmed et al. (2023) point out that when it comes to the actual procurement process, accurate specifications of the works, services and products are of the utmost importance. Changalima and Mdee (2023) concur by postulating that accurate specifications are tantamount to customer satisfaction levels and pitfalls in specifications results in losses. The accurate fundamentals needs and specifications of the user must be well understood, in order to acquire the right products or services that meets the required quality standards. Musanzikwa (2013) points that procurement function entails anticipating needs, locating resources, and keeping tabs on their status, all of which improve the efficiency of an organisation. According to Chigumira, Chipumho and Chiwunze (2020), public sector procurement involves acquisition of goods, works and services should be undertaken within the jurisdiction of the

procurement law, approved budget, and customer needs. Changalima, Mchopa and Ismail (2023) argue that high quality service delivery to all stakeholders is enabled not only by procurement staff skills, but also the procurement ethics and policy compliance. Organizations must set clear objectives and ensure compliance to high quality standards (Utete, 2022). Utete (2023) postulates that organisation performance is measured by determining quality, productivity, market share, increase in customer base, profitability, return on equity, customer satisfaction, management efficiency and increase in branch network.

### **Contextual background**

Modern local government in Uganda traces its origins to British colonial rule. As it consolidated its hold on the territory, the colonial administration decided to introduce ‘good government’ and ensure effectiveness and efficiency in administration by establishing elected local councils. At independence the colonial administration bequeathed Uganda well-developed and autonomous local authorities. After independence, many of the colonial-era achievements were reversed by the successive regimes of Milton Obote and Idi Amin. Local administrations became political instruments of the central government and, in the process, lost their autonomy and capacity for service delivery. What remained of local governments after the collapse of the second Obote government in 1986 subsequently underwent far-reaching reforms through decentralization by the National Resistance Movement (NRM) after it seized power.

Adjumani district is in the north-western region of Uganda, lying on the eastern bank of the Albert Nile, which is its common border with Moyo district. It borders the districts of Amuru in the south and east, Arua and Yumbe in the west, and Moyo in the North. Adjumani District was created on May 17, 1997, when Moyo District was split into two. The eastern part of Moyo District was renamed Adjumani District, after its largest town, Adjumani. The western part of the old Moyo District, remained as the modern Moyo District

It’s against this background that the researcher is carrying out the study to find out the effect of procurement practices on organizational performance of Adjumani district local government.

### **1.3 Problem statement**

Public procurement should be deeply involved in the design and implementation of sustainable procurement policies, focusing on how environmental issues and issues related to other aspects of society and the economy can be integrated into the activities of the public procurement process

(Wegulo et al., 2023). In practice, when procurement process is well planned and implemented, it can act as an economic instrument for guaranteeing national development (Keith et. al, 2016). Uganda procurement regulations guide regulate Local Government Councils, Administrative Units and other entities using public funds in functions and operations relating to procurement of goods, services, works and disposal of public assets under the Local Governments Act as stipulated in the Public Procurement and Disposal of Public Assets Act, 2003 (STATUTORY INSTRUMENTS 2006 No. 39.) Organizational performance should be measured from various perspectives; these include quality, efficiency, productivity, profitability and sustainability (Polycarp et al., 2023). Procurement practices should be viewed as part of organizational strategy. Purchasing should be involved in the process of budgeting, supplier selection and consolidation, environmental concern and quality and technological advancement issues (Ntirandekura & Friday, 2022).

Despite the efforts by the governments of developing countries, like Uganda and development partners like World Bank to improve performance of the organizational performance practices, public procurement is still marred by shoddy works, poor quality goods and services due to inadequate organizational planning. Failure to implement or delayed implementation of recommended organizational performance standards has resulted in unnecessarily high operation costs, uncoordinated business activities, and failure to attract and retain experienced and skilled personnel in the procurement positions, thus affecting the function's performance. It was reported in 2021/2022 and 2022/2023 auditor general reports that the procurement functions of most public entities were not complying to set procurement process and budget performance procedures, leading with irregular and subjective decisions. These decisions have had costly consequences for any public entity, and the country at large.

During the last three financial year Adjumani District local government did not achieve the best service delivery due to poor organizational planning and implementation which leads to poor service delivery like infrastructure development, expenditure deviation and local revenue proportion which affect service delivery and performance of the district (Auditor general reports (2022/2023)).

It's therefore against this background that the researcher is seeking to carry out a research on the topic Procurement practices and organizational performance in Adjumani district local government in Adjumani District.

### **1.3 Purpose of the Study**

The general purpose of the study was to assess the effect of procurement practices and organizational performance of Adjumani District Local Government, in Adjumani district.

### **1.4 Objectives of the study**

- i. To analyze the effect of contract management on organizational performance at Adjumani District Local Government, in Adjumani district.
- ii. To establish effect of inventory management and organizational performance at Adjumani District Local Government, in Adjumani district.
- iii. To evaluate the effect of E-Procurement on organizational performance at Adjumani District Local Government, in Adjumani district.

### **1.5 Research Questions**

- i. What is the effect of contract management on organizational performance at Adjumani District Local Government, in Adjumani district?
- ii. What is the effect of inventory management on organizational performance at Adjumani District Local Government, in Adjumani district?
- iii. What is the effect of E-Procurement on organizational performance at Adjumani District Local Government, in Adjumani district?

### **1.6 Scope of the Study**

The scope of the study sought to cover the time scope, geographical scope and content scope.

#### **1.6.1 Content Scope**

The study focused on procurement practices and organizational performance of Adjumani District Local Government, in Adjumani district covering these objectives; to establish how inventory management, contract management and E-Procurement affect the organization performance.

#### **1.6.2 Geographical Scope**

The area under study was Adjumani District Local government, in Adjumani district. Adjumani is in the West Nile sub-region, approximately 210 kilometers (130 mi), by road, northeast of Arua,

the largest city in the sub-region. This is approximately 460 kilometers (290 mi), north-northwest of Kampala, the capital and largest city of Uganda. The coordinates of the town are  $3^{\circ}22'38.0''\text{N}$ ,  $31^{\circ}47'26.0''\text{E}$  (Latitude: 3.377222; Longitude: 31.790556).

### **1.6.3 Time Scope**

The study covered a period of 5 years between 2020 – 2024, this time frame was considered since it was during these times that organizational performance at the district was at its lowest.

### **1.7 Significance of the study**

Upon successful completion, the findings from this study may form authoritative information for tracking organizational performance in local governments across the country.

The study report may form the basis for further policy formulation both at the national and local government level, as well as other stakeholders, to draw lessons for improving procurement practice to enable for the full realization of organizational performance in district local governments.

Further the research may form a basis for further study in the field, to stimulate more positive efforts to undertake studies in this field.

The report may supplement on the institutional data in the district, on this subject matter.

This research may contribute to the body of literature in the area of the effect of personality trait on student's academic performance, thereby constituting the empirical literature for future research on the subject area.

The study is partial fulfillment of the requirements for the award of a master degree in Business administration.

The findings of the study may be relevant to other commercial state corporations in Uganda's strategic plan and operational plans in that it gives the organizations the milestones in strategic measurements towards integrating procurement as a strategy for growth and performance.

Researcher may also benefit from the findings of this study since it provided additional knowledge to the already existing literature on organizational performance

The findings and gaps of this study may act as ground for further research.

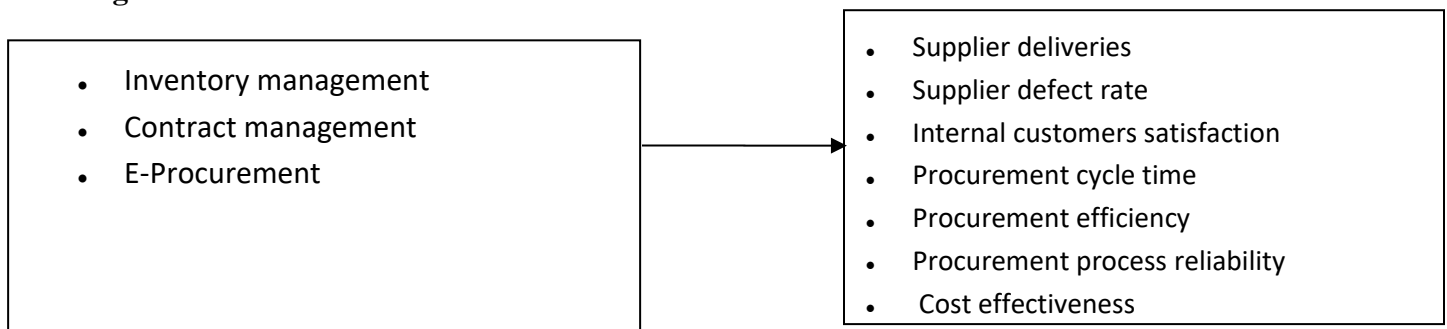
The findings of the study may also serve as a benchmark to other organizations who intend to adopt procurement practices. It will enable them to better understand the role and effects of e procurement in the performance of an organization.

### 1.8 Conceptual framework of effect relationship of procurement practices in organizational performance

**Independent variable**

**Organizational Performance**

**Dependent variable Procurement practices**



**Source:** Adopted and modified from Thai (2004); McFalls (2016); Li et al., 2006); Tippins and Sohi (2010) and modified by researcher (2019 Definitions of key words.

**Inventory management:** Inventory management encompasses all of the procedures carried out by a company to ensure that a client obtains the goods that he or she demands. By doing so, production prioritizes sourcing, and delivery in order to provide the finished goods to the consumer on time (Elsayed & Wahba, 2016). The purpose of inventory management is to save costs and retain stocks in order to ensure a constant supply for subsequent activities (Ahmed, Modibbo, Modu, & Muhammad, 2016). This is why inventory accounts for a major portion of total costs in several firms, which may have an impact on both an organization’s financial and market performance. This substantial cost is typically incurred as a consequence of poor inventory control or procurement, which could also lead to wear, loss, thievery, amortization, overall surplus or deficiency (Golas & Bieniasz, 2016).

**Contract management:** According to (Klara, 2021) Contract management is the process of managing contract creation, execution, and analysis to maximize operational and financial performance at an organization, all while reducing financial risks. Organizations encounter an ever-increasing amount of pressure to reduce costs and improve company performance.

Contract management proves to be a very time-consuming element of business, which facilitates the need for an effective and automated contract management system. When two companies wish to do business with each other, a contract specifies the activities entered into by both organizations and the terms through which they each fulfill their parts of the agreement. Contracts affect business profitability in a very large way due to the emphasis on revenue and expenses

**E-Procurement:** According to Ward. P et al., (1996), e-procurement (electronic procurement, sometimes also known as supplier exchange) is business-to-business or business-to-consumer or business-to-government purchasing. the sale of supplies (Gracious, 2023), labor and services via the Internet, as well as other information and network systems such as electronic data interchange and enterprise resource planning to improve service delivery (Polycarp et al., 2023).

**Procurement practices:** The procurement practices refer to the successful procurement strategy and benefits that are usually derived from adequate and efficient procurement procedures that achieve cost optimization that meet user requirements. Satisfactory procurement activities result in three major advantages: (1) cost savings, (2) product effect, and (3) technology development commitment. Supplier partner management should be customized to those principles that are aligned with the overall strategy of business value. Relationship results may vary from cost savings to collaborative product development (Steven Sin Choon Heong, 2020).

**Procurement Organizational performance:** According to Patrucco et al. (2019), the role of procurement in organizational performance is crucial and has undergone a significant transformation from a tactical and passive function to a strategic one. This shift has led to an increased emphasis on quality-based procurement, as highlighted by (Balaeva et al. 2021; Patrucco et al. 2016). Strategic procurement acknowledges the importance of procurement quality performance in achieving strategic objectives, as noted by (Anin et al. 2020; Essuman et al. 2021), aligning with the principles of supply chain quality management (Phan et al., 2019). Procurement quality performance, as described by (Patrucco et al. 2016; Yeung et al. 2015), measures the extent

to which procured items adhere to predetermined specifications and meet end-users' expectations.

**Procurement:** Procurement is a critical function that directly affects the performance of every organization, irrespective of its public or private nature. It involves the acquisition of goods, services, and works, encompassing activities such as supplier selection, contract management, and negotiation. Effective procurement practices can yield numerous benefits, including cost savings, improved quality and delivery, enhanced supplier relationships, and increased innovation. Consequently, the ability to optimize procurement processes and strategies has become a focal point for organizations seeking to maximize their overall performance (Cao & Wang, 2022; Mohamud et al., 2023)

### **1.10. Chapter summary.**

This chapter presents the background of procurement practices and its effect on organizational performance at Adjumani district local government. It also presents the problem statement, research questions to be answered by the study, justification and significance of the study, scope and conceptual framework. Further, the chapter introduces chapter two which reviews the definitions used and literature underpinning the study based on the research questions.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter focuses on reviewing the literature related to the study constructs. The chapter presents a review of theories that guided the examination of the study variables, an empirical review of previous research studies, and a summary of the research gaps.

### **2.1 Theoretical Review**

Stakeholder's theory can be best described as a view, variety of ideas, metaphors and expressions relating to the stakeholders' value objectives. The theory originated from four lines of organizational research management which includes organizational theory, systems theory, strategic organizational planning and corporate social responsibility (Strand & Freeman, 2015). Managers should establish a modal centered on stakeholders' concept, according to Freeman (1984). The vocabulary was created by Freeman and other academics from around the globe in such a way that it discusses the issues of generating value and trade, the moral principles of capitalism, and administrative accountability market throughout the period of the 1980's and the 1990's. The stakeholder's theory further opined that the adoption of an analysis unit with regard to relationships between businesses and people can be affected by the above listed problems. The management of the relationship between a stakeholder and the people involved in the business should be done by the executive (Freeman, 1984). When conflicts arise between a group of stakeholders, the conflict should be settled by the executives by finding a way to address the problems (Harrison, Bosse & Philips, 2010). Efficient management of the relationship that exists between stakeholders helps businesses to survive the test of time in most capitalist systems (Phillips, 2003). The stakeholder view has been globally utilized in a great number of disciplines such in such areas as government administration, legislation, policies regarding the environment, medical care, and morality (Freeman *et al.*, 2010). Stakeholder theory comprises of a variety of theories which involves a compilation of various normative values.

Resource Based View Theory was put forward by Barney (1991). RBV proposes that creative value propositions, exceeding customer expectations for the price paid, are key drivers of competitive advantage. The dominant research trend explores corporate resource identification and

deployment strategies for achieving and sustaining this edge (Barney, 1991). Through the viability of local partnerships in emerging economies, or affiliates of their parent companies, global company strategists additionally clarify the accomplishments and failings of corporations across borders. To truly understand local value creation, tapping into the expert insights of an affiliate or forging a local partnership becomes a resource worth its weight in gold (Barney & Griffin, 1992). The Resource-Based View posits that companies possess unique and invaluable bundles of skills and assets, acting as potent weapons in the battle for long-term competitive advantage. As per the resource-based approach, a firm's competitive edge helps to increase organizational productivity and performance (Barney & Clark, 2007). It stated that organizational unique financial resources, human capital, skills, and technology provide a competitive edge for your company over rivals in achieving improved performance.

The system theory was put forward by von Bertalanffy (1950). This theoretical framework is predicated on the basis that an organization is whole, interdependence, hierarchy, openness and equifinality. The theory assumes that an organization is an organized whole, comprised of interrelated and interdependent components. This means that the system as a whole possesses properties that are not present in its individual parts. Systems theory concentrates more on three (3) basic stages of observation which includes the surroundings, the human members inside the corporation, and the social structure as a whole (Poole, 2014). This theory explains the interconnection with the organizational structures where no part of the organization operates in isolation thus leading to the organizational goals achievement. The systems theory is a discipline that encompasses all natural, environmental, and scientific systems (Capra, 1997). Von Bertalanffy (1956) contrasted this definition by defining a system as a complex entity made up of interconnected parts. Systems theory aims to illuminate the dynamic interactions and interdependencies that exist among the different parts of the system. For an extended period, researchers in organizational studies were quick to embrace systems theory after realizing that traditional models were inadequate to explain intricate corporate actions. As awareness of the multifaceted nature of the work setting has grown, the systems theory's adoption has been possible (Ashmos & Huber, 1987).

## **2.2 Empirical Review**

Studies were reviewed establishing, inventory managements, contract managements EProcurement and organizational performance.

### **2.2.2 Inventory Management Practice and Organizational Performance**

Simon and Chukwuemeziem (2018) sought to examine the organizational effectiveness and inventory control at Dansa Food Limited in Lagos, Nigeria. To evaluate the inventory management, the research used descriptive survey. The Dansa group of companies in Ikeja, Lagos state, made up the research population. A purposeful non-probability sampling strategy was deployed in obtaining a total of two hundred and twenty (220) from the sample size, which was chosen at random. One sample T-test served as assessment of validity of research hypothesis, while research questions, descriptive statistics, and easy percentage approaches were employed to examine the information gathered from respondents. To gather information, an established questionnaire was used. At the conclusion of the investigation, it was discovered that inventory control significantly improves the organization's performance metrics. The previous study utilized purposive non-probability sampling technique while this survey utilized stratified descriptive technique. Despite the conduct of the survey, a contextual and institutional gap were exposed as the former was in Lagos and in food industry while this study was carried out in Adjumani district local government in Northern Uganda

Akinlabi, Asikhla and Obamiro (2018) researched how Nigerian flour milling firms' operational performance is affected by their inventory management techniques. All of the flour milling companies in Nigeria served as the research's core population, and all of the flour milling companies that are publicly traded on NSE served as its secondary population. Yet, the research's intended demographic consists of the 2,337 personnel who are in charge of overseeing the policy and management of inventory at the flour mills were chosen. The chosen companies received structured questionnaires. Using pilot research and exploratory factor analysis, reliability and validity tests took place. Data was descriptively and inferentially analyzed. The research's conclusions showed inventory shrinkage has inverse significant influences on customer satisfaction and inventory control and cost effectiveness have positive important effects. Only Nigerian flour milling enterprises were the subject of the study offering a contextual gap with the

emphasis of the current investigation on local governments in Uganda particularly in Adjumani district in Northern Uganda.

Amahalu, Egolum, Ezechukwu and Obi (2018) investigated financial results and inventory control of breweries listed between 2010 and 2016 at Nigerian Stock Exchange. The survey used historical information that was gleaned from annual statements of finances and reports of companies listed on NSE. Ex-post facto design methodology was utilized. Seven (7) brewery firms listed made up the survey. The coefficients of correlation and ordinary least squares regression were utilized in data evaluation. The survey's conclusions showed significantly positive relationships of returns on assets with inventory conversion periods. In contrast to the previous study, which used historical data rather than more recent data, the current study used more recent data. Furthermore, the investigation disclosed contextual gap as the former was in Nigeria while this study was conducted in Uganda particularly in Adjumani district in Northern Uganda.

Agu, Obi-Anike and Eke (2018) unraveled the effects of inventory managements on organizational performances of manufacturing selected firms. The survey population size amounts to nine hundred and ninety-six (996). A sample size of two hundred and eighty-five (285) was obtained out of the nine hundred and ninety-six (996) study population size. Data obtained was with the use of a primary questionnaire and the conduction of an interview. Two hundred and eighty-five (285) questionnaires were issued out and distributed to various respondents and of which only two hundred and seventy Copies were returned. A design based on descriptive survey research was used for the investigation. Utilizing correlation coefficient as well as simple linear regressions statistical techniques, the hypothesis was tested. The study's conclusions showed that there exist positive relationships of inventory control with productivity of chosen enterprises. The study however was conducted on manufacturing firms in Nigeria unraveling contextual gap while this present survey was conducted using Adjumani district in Northern Uganda.

Olanipon, Akinola, and Oladele (2022) analyzed the variables influencing the implementation of inventories/stock management methods in the tertiary medical centers in south-west Nigeria. They concentrated on each of the kinds of inventory management processes utilized there. To acquire data, a questionnaire was given to a sample of staff members from the pharmacies, department/supply, stock/inventory, as well as general department divisions. Considering these individuals are responsible for the colleges' entire inventory management procedures, these departments were specifically chosen. The gathered information was examined using descriptive

and inferential statistics. According to the study, tertiary medical centers of Southwest Nigeria are aware of inventory management strategies investigated, including EOQ, JIT, CR, and ABC analysis. It was further determined that implementation of inventory management strategies by tertiary health care providers of Southwest Nigeria was substantially affected by product categories, demand for products, as well as delivery time. This survey was performed in Nigeria where its procurement procedures are different from Uganda hence exposing a contextual gap.

### **2.2.3 Contract Management Practice and Organizational Performance**

Brian (2018) examined the effectiveness of contract management on contractors' performances in Uganda. The researcher employed descriptive method of design. The population of the study involved forty (40) people which includes the procurement department members, user department, previous contract management members, human resource and administration and other employees working in Ministry of Trade, Industry and Cooperatives. Sample size consisted of thirty (30) respondents in total. The guide for interviews and questionnaires were the tools for collecting data. The survey found that actions and processes involved in contract management have favorable, significant impacts on contractors' performances. But Uganda was the location of the earlier investigation. As a result, Ministry of Trade, Industry and Cooperatives was the location of the previous study while the location of current investigation is Adjumani district local government on in the north demonstrating a contextual gap.

(270) Muhammed, Saoula, Issa and Ahmed (2019) investigated on contract management and performance characteristics in Indonesia. Through the adoption of qualitative approaches and structured questionnaires which were issued out and distributed, the target respondents were people from various public and private contracts. One hundred (100) questionnaires were distributed and only eighty-three (83) were recovered back. Out of the eighty-three (83) questionnaires which were gotten back, seventy (70) out of them were finally selected. The analysis was carried out with descriptive analysis while empirical association was carried out by means of regression analysis techniques. At the end of the survey, it was noticed that cost and benefit analysis have great significant effects on contract length while project delivery and quality have negative significant impacts on contract length. This study was carried out using qualitative data while both quantitative and qualitative data were used by this current study. More so, the

context of the survey was in Indonesia while this study has particular reference to Adjumani district in Northern Uganda.

By conducting empirical investigations into impacts of contract managements on Kiambu County's performances in Kenya, Nyaga and Mwangangi (2019) aimed to close the gap. The following study goals served as a guide for the investigation: to ascertain the impact of contract connection management and contract cost management on the performances of Kiambu County. Quantitative approaches and descriptive survey design were utilized. 96 respondents were chosen as a sample for this investigation. The compelling evidence of this study underscores the significant performance gains associated with effective contract relationship management and diligent cost management. Kiambu County's path forward undoubtedly lies in prioritizing improved contract relationship practices. The survey targeted employees at Kiambu County, this study targeted procurement managers and supervisors in supermarkets in Nairobi City County. Although these investigations were performed in Kenya, they were contextually different from each other and not in Uganda hence this current study.

Matto, Ame and Nsimbila (2021) investigated the influences of contracts managements on Tanzania's cost-effectiveness procurement. In the study's data sourcing and analysis, quantitative technique was employed. For the study, a cross-sectional survey method was also implemented. The survey's data came from public sources in Tanzania's Dar es Salaam, Dodoma, and Arusha areas. The study data was gathered from one hundred and sixty-four (164) procurement entities was analyzed via inferential and statistical data that is descriptive. Findings indicated that contract creation and quality control are crucial elements that improve the financial value of Tanzanian public procurements. The aforementioned study only focuses on public money procurement in Tanzania while the recent study aimed majorly on supermarkets in Nairobi, Kenya providing both conceptual and contextual gaps as the current study focused on Adjumani district in Northern Uganda .

Cherono and Chekwony (2021) addressed contracts management's practices effect on performances of road contractors in Nandi County, Kenya. The research implemented the usage of design which is descriptive. The survey's population entails two hundred (200) employees of the road construction projects, six (6) contractor's managers, thirty (30) ward administrators, thirty (30) members of the county assembly, one hundred and twenty (120) community members, two (2) staff of finance ministry and four (4) staff of the ministry of public work. The research also

made use of three (3) sampling techniques for the respondents' selection which includes the stratified, sampling and purposive sampling techniques. The sample size consisted of one hundred and ninety-nine (199) respondents. Inference and descriptive techniques utilized for data evaluation. The result of the research revealed that contract monitoring, contract administration, contract relationship management and conflict management has effective effects on road contractor's performance. The former concentrated on roads contractors as this survey focused on supermarkets in Nairobi City County, Kenya while the current study was procurement practices and organizational performance of Adjumani district in Northern Uganda

#### **2.2.4 E-Procurement Adoption and Organizational Performance**

To determine the motivators and barriers to implementation, Jayawardhena and Jayaratne (2019) looked into the adoption and performances of e-procurement in Sri Lanka's garment supply chain. Data were analyzed using exploratory, confirmatory factor analysis, and SEM. Results proved extensive effects on lowering costs, especially with regard to decreasing paperwork and associated mistakes, and enhancing the dependability and openness of the procurement process. Additionally, e-procurement led to a decrease in customer complaints, a decrease in reverse logistics expenses, a rise in fill rate, and a reduction in lead times. All stakeholders, notably clients, staff, and suppliers, were more satisfied as a result of the reduced workload. The effectiveness of eprocurement processes has been impeded by incompatibility, improperly established security systems, and lack of uniform technology across organizations. The study failed to look at the connection between local government performances and e-procurement adoptions thus providing conceptual difference.

Features of e-tendering systems' performances were examined from the users' point of view in a case study by Sunmola and Shehu (2021). From e-tendering literature, the design components were taken. Data from a survey using Kano questions were analyzed using a Kano model. It was found that the e-tendering platform's multiple-user, multi-language, limitless auctions time frame, free trial auctions, safety, real-time first interfaces, review capacity, and feedback indicated improved client satisfaction and absorption. Also, encouraging company engagement were elements like leadership oversight, honesty, conformity, and secrecy. Positive correlation between using etendering technology and improved business performance by keeping a customer-centered emphasis was discovered. This study employed multilinear regression models to analyze the study,

which was conducted using the Kano model as this investigation was on OLS estimation model indicating the methodological gap

The procedures of e-procurement effect on the operational effectiveness of Nairobi City County Retail Supermarkets in Kenya were examined by Hajir (2021). The study explored whether e-sourcing, e-tendering, and e-payments affected operational efficiency of Nairobi City County's retail supermarkets. The Technology Acceptance Model 2 served as foundation for the study. It was supported by the positivist philosophy, which demanded the use of quantitative methods. It took the form of a case study of Retail Supermarkets as a company or enterprise in Nairobi City County, Kenya. These methods involved interviewing the procurement managers at the store in Nairobi County and gathering primary data using provided questionnaires and interview guides. Regression analyses, descriptive statistics, and Spearman rank correlations were all used to assess the quantitative data that was gathered. The efficiency of operations of Nairobi City County's retail supermarkets was positively and statistically significantly impacted by e-procurement procedures, according to regression analysis. The report suggests that management make sure that implemented innovations are suitable with existing systems and resources in order to assure flexibility and usefulness. This study focused on not just e-procurement but also supplier relationships and inventory, managements in addition to the study's previous focus on eprocurement practices tendering a conceptual gap filled by this survey.

Studies were conducted by Masudin, Aprilia, Nugraha, and Restuputri (2021) to address how adoption of e-procurement has altered productivity of Indonesian manufacturing businesses. The four elements in this study are management support, information accuracy, e-procurement deployment, and business performance. Pilot testing surveys were used to see if participants understood the researcher's questions completely. Participants received the final survey after the initial assessment was finished. In order to determine the correlations between the factors, software such as SPSS version 21 and SmartPLS v3.0 were used to assess results of pilot tests and final surveys. Results of the investigation allow for the acceptance of three hypotheses. The results demonstrate that top management supports have important effects on the deployment of eprocurement. The introduction of e-procurement is greatly affected by the quality of the information, and the business's success is considerably affected by the e-procurement adoption.

The results of the investigation allow for the acceptance of three hypotheses. The results demonstrate that top management support has major impacts on deployments of e-procurement. The commencement of e-procurement has been significantly determined by the standard of the information, and the firm's performance is heavily impacted by the adoption of e-procurement, according to other research. This study focused on procurement management's practices, including supplier relationship, and inventory management practices, and adoption of e-procurements, as opposed to the previous study's primary focus on e-procurement offering conceptual gap.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.0 Introduction**

This chapter presents the methodology that were applied while conducting the study. It focused upon the research design, study population, sample size, sampling techniques, data collection instruments, data processing and analysis and instrument reliability and validity.

### **3.1 Research Design**

Sampling design is the mechanism through which samples are gathered for a study (Creswell, 2014). This is a subset of a target population which was employed for a survey (Mugenda & Mugenda, 2013). A cross-sectional research design with both quantitative and qualitative research approaches were adopted. A cross-sectional design involves producing a ‘snapshot’ of a population or analyses of particular situations, events or phenomena at a particular point time (Creswell, 2013; Cohen, Manion, & Morrison, 2007; Thompson & Panacek, 2007). With a cross-sectional design, data relating to the study variables (procurement practices and organization performance) was obtained from Adjumani district local government single point in time. This research design was used because it is time saving, cheap to administer and there is a stronger likelihood of participation as observations in the selected group are recorded at a single point in time (Creswell, 2013; Cohen et al., 2007; Thompson & Panacek, 2007; Amin, 2005). Besides, this design is suitable for collecting both quantitative and qualitative data. The quantitative approach was adopted because the proposed study drew statistical inferences. The qualitative approach supplemented the quantitative approach by providing detailed information in form of statements from interviews for in-depth analysis (Fassinger & Morrow, 2013).

### **3.2 Area and Population of the Study**

Mugenda & Mugenda, (2003) defines target population as the population to which a researcher wants to generalize the results of the study. The target population of the study constituted of the chief administrative officer, district planner, finance department, procurement department, members of the district contract committee, production and marketing, education department, health department, council, engineering department and suppliers.

### 3.3 Sample Size

The sample size was set to cover 124 people, but in the field the researcher managed to obtain 92 respondents and supplemented with documentary reviews and this will be determined using Slovene's formula shown below.

$$n = \frac{N}{1 + N(e)^2}$$

Where  $n$   
= sample size

$N$  = population  $e$  = level of significance = 0.05 in social science research

$$n = \frac{124}{1 + 124(0.05)^2}$$

$$= \frac{124}{1 + 124(0.0025)}$$

$$n = \frac{124}{1 + 00.31 n}$$

$$n = \frac{124}{1.31}$$

1.31

$n = 92$  respondents.

The sample size obtained 92 respondents and the sample were put in various categories divided by the overall population and multiplied by sample size

**Table 1: Number of Respondents for the Study**

Category	Population	Sample size	Sampling technique
Chief administrative officer	1	1	Purposive sampling
District planner	1	1	Purposive sampling
Finance department	6	6	Purposive sampling
Procurement department	10	5	Simple random Sampling
Contract committee	10	10	Purposive sampling
Production and marketing	25	19	Simple random Sampling

Education department	6	5	Simple random Sampling
Health department	8	6	Simple random Sampling
Council	21	17	Simple random Sampling
Engineering department	12	9	Simple random Sampling
ICT	17	10	Simple random Sampling
<b>Total</b>	<b>120</b>	<b>92</b>	

**Primary data, (2020)**

### **3.4 Sampling Techniques**

The study will employ both random and purposive sampling techniques as explained below:

#### **3.4.1 Random Sampling:**

Simple random sampling (SRS): the researcher used simple random sampling technique (randomization) as it gave the same probability and equal chances to all members in the population. Therefore, the researcher made a random sampling in selecting the members in the Production and marketing, Education department, Health department, Council and Engineering department to get the required sample because of their understanding of the phenomena.

Simple random sampling gave a potential participant an equal opportunity to take part in the research study. In this, the researcher obtained a list of the members in the Production and marketing, Education department, Health department, procurement Council, Engineering department and ICT. Names were written on the list of small papers (each name on its own paper), folded them and poured them in a box. The researcher then shook the box vigorously before picking out a paper at random after which the researcher noted down the name on that paper on a separate sheet of paper and notebook. This was repeated throughout.

#### **3.4.2 Purposive Sampling**

Here the Chief administrative officer, District planner, Finance department and Contract committee were purposively sampled because they are knowledgeable about the research problem. Their participation were pre-arranged in advance to benefit from their rich knowledge. They were given questionnaires to fill them at their own convenience.

### **3.5 Data Collection Methods**

#### **3.5.1 Questionnaires**

The researcher designed questionnaires and were distributed to respondents to get information. The questionnaires were both open and close ended. These tools were used to collect of information

#### **3.5.2 Interview**

Interview is a flexible method of data collection; were used to supplement the data collected using the questionnaires. The researcher considered it to be suitable for the study as it permits on spot editing which enhances the accuracy of the data collected.

### **3.6 Research instruments**

#### **3.6.1 Questionnaire**

Sanga (1991) defined questionnaire as a self-administered schedule of questions and statements. The research used this method as it helps to collect a lot of information over a short period of time. This is because the population is literate, is large and time is limited, and the information needed can be easily described in writing.

#### **3.6.2 Interview guide**

This is a form of question characterized by a fact that it employs verbal questioning as its principle technique for data collection it is the best method of carrying out research however it can be combined with other methods.

### **3.7 Validity and Reliability**

In order to reduce the possibility of getting the wrong answer, attention was given to the particulars on the research design, reliability and validity (Saunders et. al; 2003).

#### **3.7.1 Validity.**

Validity refers to how well a test measures what it is purported to measure Cozby, P.C (2001). According to John Brennan validity by contrast asks whether the survey were measured, what it was supposed to measure, and on the other hand validity refers to the extent to which an instrument measures that which it is supposed to measure. George and Mallery (2003).The researcher determined validity using the Content Validity Index (CVI) tool which were determined using the formula  $CVI = \frac{VR+R}{TOTAL}$  where VR=Very Relevant, R=Relevant and the data instrument was to be accepted if the results obtained from the CVI give a figure that is greater than 0.7 and if the figure was below 0.7 then the items were to be rephrased to improve on the validity. Therefore, the researcher used sampling validity which is a type of validity that ensures that the measure covers the broad range of areas within the concept under study since everything cannot be sampled from all the domains.

### **3.7.2 Reliability**

Reliability refers to the consistency of the survey results John Brennan, Cozby, P.C (2001) on the other hand defines reliability as the degree to which an assessment tool produces stable and constant results. According to George and Mallery (2003) defines reliability as the measure of the level of consistency, they further add that an instrument is considered reliable if the results obtained after a correlation coefficient is undertaken and it reveals an answer that is greater than 0.7 and if the result is below 0.7 then the items will be increased to improve on the reliability therefore the researcher used test -retest reliability which e measure of reliability obtained by administering the same test twice over a period of time to a group of individuals, the scores from the first and second can then be correlated in order to evaluate the test for stability over time.

### **3.8 Research procedure**

The researcher ensured that data collected procedures was fruitful by securing a cover letter from Uganda Christian University, which was presented to Adjumani District Local Government, in Adjumani district to give the researcher permission to carry out the study.

The questionnaire was photocopied, and then distributed to respondents whose consent was secured for administration. Respondents were approached in groups and as individuals to participate in face to face interview sessions, where an explanation was given to them that the study is purely for academic purposes.

The researcher collected the questionnaires in the aftermath of getting filled for further analysis. And for the interviews the researcher sought permission from the respondents on whether they accept to be recorded or take notes, convenient time for the interviews and how long it should take.

### **3.9 Data Analysis**

Data analysis is a process of inspecting, cleaning, transforming and modeling data with the goal of discovering useful information, suggesting conclusions and supporting decision making. The research was carried out using both qualitative and quantitative methods which took the form of the tabulation and summarization of data, therefore due to the nature of the data, quantitative data were analyzed using descriptive approaches therefore the researcher employed methods like determination of the mean, median and standard deviation and this were done through the use of computer packages and therefore interpreting the data in the form of tables and the qualitative data was analyzed manually using the reflective analysis where by the data was analyzed through the use of judgment of the researcher to make conclusions on the study being conducted

### **3.10 Ethical consideration.**

The researcher presented an introductory letter from university head of department/ faculty to show to the organization authorities to seek permission to carry out the research. In addition, confidentiality of the obtained information was assured to the respondents.

### **3.11 Chapter summary**

In preparation for chapters four, five and six, this chapter presented the research design, area of study, population and sample size of the study, sampling techniques, data collection methods, data sources, instruments of data collection, data analysis, data management, data analysis and ethical considerations.

## **CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF RESULTS**

### **4.1 Introduction**

This chapter presents analyses and interpretation of the study findings of procurement practices and Organizational performance of Adjumani district local government based on the information obtained from the study questionnaire, interviews and documentary review. It specifically presents the response rate, background information about the respondents and a presentation of the descriptive and inferential findings in relation to inventory management, contract management, EProcurement and organizational performance of Adjumani district local government.

### **4.2 Response Rate**

A total of 92 questionnaires were distributed but 71 useable questionnaires were returned successfully as in the table 4 below.

**Table 1.1: Percentage of respondents in the sample population**

<b>Sample population</b>	<b>Actual participants</b>	<b>Percentage</b>
92	71	77.%

*Source: Primary data 2024*

Table 4 above shows an overall response rate of 77% which was high (Amin, 2005) and also suggesting good representational sample.

### **4.3. Background Information about the Respondents**

This subsection presents the profile of the respondents in relation to the directorate, job title, and level of education, and time worked with Adjumani district local government.

#### **4.3.1 Directorate of the respondents**

The directorate of respondents in ADLG includes the CAO, District planner, finance department, procurement department, contract committee, production and marketing, education, health, council engineering and ICT.

**Table: Directorate of the respondents**

**Table 4.2: Number of Respondents for the Study**

<b>Category</b>	<b>Frequency</b>	<b>%</b>
Chief administrative officer	1	1
District planner	1	1
Finance department	5	5
Procurement department	10	5
Contract committee	10	10
Production and marketing	19	17
Education department	5	5
Health department	6	5
Council	16	12
Engineering department	9	6
ICT	10	5
<b>Total</b>	<b>92</b>	<b>71</b>

**Primary data, (2024)**

Table 5 above shows that majority of the respondents, 17 were from production and marketing, followed by 12 who were from council followed by contracts committee and Engineering department ICT, finance procurement education, and health had equal responses at 5 each and CAO and district planner were represented by 1 each. These findings revealed that data was collected from virtually all directorates of ADLG and therefore representative of the experiences of procurement practices and organizational performance of ADLG

**4.3.2 Level of education of respondents**

The respondents were grouped in three education levels including degree, postgraduate and masters.

**Table 4.3: The level of education of the respondent**

<b>Level of education</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Cumulative Per cent</b>
Degree	29	40.9	23.9
Post graduate	25	35.2	59.1
Masters	17	23.9	100.0
<b>Total</b>	<b>71</b>	<b>100.0</b>	

**Source: Primary data 2024**

Table 7 above shows that majority of respondents, 29(40.9%) had attained a bachelor’s degree, 25(35.2%) had attained a post graduate degree and 17(23.9%) had attained master’s degree. The study therefore inferred that the respondents had an adequate understanding of procurement practices and performance of *ADLG* by virtue of the high knowledge they possessed.

#### **4.3.4 The time worked in *ADLG***

The respondents were also grouped according to time that they have spent working in the organization for instance less than a year, 1 to 2 years and 3 to 5 years.

**Table 4.4: Time worked in *ADLG***

<b>Time worked</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Cumulative Per cent</b>
Less than a year	5	7.04	7.04
1-2 Year	16	22.54	29.58
3-5 Years	50	70.42	100.00
<b>Total</b>	<b>71</b>	<b>100.00</b>	

**Source: Primary data 2024**

According to table 8 above, the majority, 50 (70.42%) of the respondents had been with *ADLG* for 3-5 years while 16(22.54%) had been with the organization for 1-2 years and 5(7.04%) had worked for less than a year. The study findings suggest that 7 in every 10 respondents had been with *ADLG* for at least three years and had therefore gained reasonable experiences on corporate governance and performance of the organization. The views expressed are therefore based on actual experiences gained over the time they had worked with the organization.

#### 4.3.5 Descriptive statistics on organizational performance.

To what extent do you agree with the following aspects of Organization Performance in Adjumani district local government? (Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

**Table 4.5: Respondents view on status of organizational performance.**

Particular Statements	SA	A	N	D	SD	Mean	Std. D	Comment
Procurement practices adopted by the district have impacted positively on district's performance	3 (4.2%)	4 (5.6%)	3 (4.2%)	39 (54.9%)	22 (31%)	1.97	.985	Low
Procurement practices adopted by the district have contributed to users' department satisfaction	6 (8.5%)	7 (9.9%)	0 (0%)	42 (59.2%)	16 (22.5%)	2.23	1.161	Moderate
Procurement practices adopted in the district have resulted in procurement cost reduction	2 (2.8%)	34 (47.9%)	2 (2.8%)	33 (46.5%)	0 (0%)	3.07	1.033	Moderate
Procurement practices adopted by the district have resulted in quality goods/services.	23 (32.4%)	32 (45.1%)	6 (8.5%)	8 (11.3%)	2 (2.8%)	3.93	1.060	High
Procurement practices adopted Promote efficiency in procurement procedure	12 (16.9%)	33 (46.5%)	7 (9.9%)	14 (19.7%)	5 (7%)	3.46	1.193	High
Procurement practices adopted by the District have resulted in timely delivery of goods and services	2 (2.8%)	3 (4.2%)	11 (15.5%)	33 (46.5%)	22 (31%)	2.01	.949	Low
District always Procures needed (planned) goods, services and works	2 (2.8%)	3 (4.2%)	6 (8.5%)	37 (52.1%)	23 (32.4%)	1.93	.915	Low
Procurement practices adopted Promote functional efficiency	2 (2.8%)	3 (4.2%)	6 (8.5%)	35 (49.3%)	29 (40.8%)	1.79	.909	Low
Procurement practices adopted Enhance timely response to customer needs	2 (2.8%)	7 (9.9%)	9 (12.7%)	30 (42.3%)	23 (32.4%)	2.08	1.052	Low
<b>Average Mean</b>						<b>2.49</b>	<b>1.028</b>	<b>Moderate</b>

*0.00-1.00 Very Low, 1.10-2.00 Low, 2.10-3.00 Moderate, 3.10-4.00 High, 4.10-5.00 Very High*

**Source: Primary data 2024**

For presentation of findings, the responses for strongly agree and agree were added together to represent “**Agree**” as they were positive and those of strongly disagree and disagree were also added together to represent “**Disagree**” as they were negative. The “**Neutral**” was left as it is.

Descriptive findings on whether Procurement practices adopted by the district have impacted positively on district’s performance, results indicated that 61(85.9%) of the majority respondents disagreed with the statement, 3(4.2%) remained neutral while 7(9.8%) of the respondents agreed with the statement. The mean value of 1.97 was low which shows a low disparity in answers. Also, a standard deviation of .985 presents a low variance among the responses. The findings therefore imply that procurement practices adopted have not impacted the District’s performance positively.

Results on whether the Procurement practices adopted by the district have contributed to users’ department satisfaction, further revealed that majority 58(81.7%) of the respondents disagreed pointing that procurement practices do not contribute to users’ department satisfaction, 31(43.7%) agreed while 24(33.8%) of the respondents remained neutral about the statement. The mean value of 2.23 shows a moderate disparity in answers and the standard deviation is 1.161 indicates a wide variance in responses. The findings imply that Adjumani district grapples with poor procurement practices thus poor performance.

The study further indicated that 36(50.7%) agreed with the statement that Procurement practices adopted in the district have resulted in procurement cost reduction, 33(46.5%) disagreed with the statement and 2(2.8%) were neutral about the statement. The mean score of 3.07 was moderate to signify moderate disparity in responses. However standard deviation of 1.033 indicates a wide variance among the responses.

On finding out whether Procurement practices adopted by the district have resulted in quality goods/services., results indicated that 10(14.1%) of the respondents disagreed with the statement, 6(8.5%) of the respondents were neutral about the statement while 55(77.5%) of the respondents agreed. The mean value obtained of 3.93 indicated high agreement and the standard deviation is 1.060 indicated a wide variance in responses. This implies that there is procurement of quality goods and services.

Results indicate that the majority 19(51.4%) of the respondents disagreed with the statement that Procurement practices adopted Promote efficiency in procurement procedure, 45(63.4%) agreed with the statement while 7(9.9%) of the respondents were neutral. The mean value of 3.46 was high and the standard deviation is 1.193 indicates a wide variance in responses.

Responses on whether Procurement practices adopted by the District have resulted in timely delivery of goods and services indicate that 55(77.5%) of the respondents disagreed with the statement, and 11(15.5%) of the respondents were neutral about the statement while 5(7.0%) of the respondents agreed. The mean value obtained of 2.01 indicated low agreement and the standard deviation of .949 indicates a low variance in responses.

Findings further reveal that the majority 60(84.5%) of the respondents disagreed with the statement that District always Procures needed (planned) goods, services and works, 5(7.0%) agreed while 6(8.5%) of the respondents were neutral about the statement. The mean value of 1.93 is low signifying low disparity in responses. Similarly, the standard deviation of .915 indicates a low variance in responses.

Findings also indicate that the majority 64(90.1%) of the respondents disagreed with the statement that Procurement practices adopted Promote functional efficiency, 5(7.0%) agreed, with the statement while 2(2.8%) of the respondents were neutral about the statement. The mean value of 1.79 was low signifying low disparity in responses. The standard deviation of .909 on the other hand also indicates a low variance in responses.

Findings further reveal that the majority 53(74.7%) of the respondents disagreed with the statement that Procurement practices adopted Enhance timely response to customer needs, 9(12.7%) agreed while 9(12.7%) of the respondents were neutral about the statement. The mean value of 2.08 is low signifying low disparity in responses. However, the standard deviation is 1.052 indicates a wide variance in responses.

Descriptive statistics show the overall average mean of 2.49 which shows moderate agreement on performance. This implies that there is moderate performance in Adjumani District taking into consideration of all the inter-relations among the study variables of performance.

The above findings were supported by the interview guide; this is what one of the respondents had to say;

*“Obtaining the maximum benefit over time with the resources available is about achieving the right local balance between economy, efficiency and effectiveness, or, spending less, spending well and spending wisely to achieve local priorities...VFM is high when there is an optimum balance between all three elements, when costs are relatively low, productivity is high and successful outcomes have been achieved.*

#### 4.3.6 Descriptive statistics on Contract management

To what extent do you agree with the following aspects of **Contract management** in Adjumani district local government? (Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

**Table 4. 6 Descriptive statistics on Contract management**

To what extent do you agree with the following aspects of Contract management aspects?

(Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

Particular Statements	SA	A	N	D	SD	Mean	Std. D	Comment
Dispute resolution plays a significant role in improving customer satisfaction	0 (0%)	1 (1.4%)	13 (18.3%)	31 (43.7%)	26 (36.6%)	1.85	0.768	Low
Achieving low supplier defect rates	7 (9.9%)	24 (33.8%)	24 (33.8%)	10 (14.1%)	6 (8.5%)	3.23	1.085	High
Procurement department go through process needs of organization	0 (0%)	0 (0%)	9 (12.7%)	24 (33.8%)	38 (53.5%)	1.59	0.709	Low
Contracts of the organization are managed fairly and justly	12 (16.9%)	33 (46.5%)	16 (22.5%)	4 (5.6%)	6 (8.5%)	3.58	1.104	High

Most projects are completed within timeline	0 (0%)	0 (0%)	2 (2.8%)	33 (46.5%)	36 (50.7%)	1.52	0.557	Low
Evaluating the contract play a significant role in improving customer satisfaction	26 (36.6%)	33 (46.5%)	8 (11.3%)	3 (4.2%)	1 (1.4%)	4.15	0.873	Very High
Dispute resolution plays a significant role in attaining timely delivery	14 (19.7%)	24 (33.8%)	24 (33.8%)	7 (9.9%)	2 (2.8%)	3.58	1.009	High
Achieving required quality service level	27 (38%)	40 (56.3%)	2 (2.8%)	0 (0%)	2 (2.8%)	4.27	0.774	Very High
<b>Average Mean</b>						<b>2.97</b>	<b>.859</b>	<b>Moderate</b>

*0.00-1.00 Very Low, 1.10-2.00 Low, 2.10-3.00 Moderate, 3.10-4.00 High, 4.10-5.00 Very High*

Source: **Primary data 2024**

For presentation of findings, the responses for strongly agree and agree were added together to represent “**Agree**” as they were positive and those of strongly disagree and disagree were also added together to represent “**Disagree**” as they were negative. The “**Neutral**” was left as it is.

Findings on whether Dispute resolution plays a significant role in improving customer satisfaction, results indicated that 57(80.3%) of the majority respondents disagreed with the statement, 13(18.3%) remained neutral while 1(1.4%) of the respondents agreed with the statement. The mean value of 1.85 was low which shows a low disparity in answers. Also, a standard deviation of .768 presents a low variance among the responses. The findings therefore imply that dispute resolution does not play a significant role in improving customer satisfaction.

Results on Achieving low supplier defect rates revealed that majority 31(43.7%) of the respondents agreed pointing that procurement practices contribute to achieving low supplier defect rate,

16(22.6%) disagreed while 24(33.8%) of the respondents remained neutral about the statement. The mean value of 3.23 shows a high disparity in answers and the standard deviation is 1.085 indicates a wide variance in responses.

The study further indicated that 62(87.3%) disagreed with the statement that Procurement department go through process needs of organization, while 9(12.7%) were neutral about the statement. The mean score of 1.59 was low signifying low disparity in responses. Also, standard deviation of .709 indicates a low variance among the responses. This implies that the respondents disagreed to a larger extent

On finding out whether Contracts of the organization are managed fairly and justly, results indicated that 10(14.1%) of the respondents disagreed with the statement, 16(22.5%) of the respondents were neutral about the statement while 45(63.4%) of the majority respondents agreed. The mean value obtained of 3.58 indicated high agreement and the standard deviation is 1.104 indicated a wide variance in responses. This implies that contracts of the organization are managed fairly and justly.

Results indicate that the majority 69(97.2%) of the majority respondents disagreed with the statement that Most projects are completed within timeline, while minority 2(2.8%) of the respondents were neutral. The mean value of 1.52 was low and the standard deviation is .557 indicates a low variance in responses.

Responses on whether Evaluating the contract play a significant role in improving customer satisfaction indicate that 60(84.5%) of the majority respondents agreed with the statement, and 8(11.3%) of the respondents were neutral about the statement while 4(5.6%) of the respondents disagreed. The mean value obtained of 4.15 indicated very high agreement and the standard deviation of .873 indicates a low variance in responses.

Findings further reveal that the majority 38(53.5%) of the respondents agreed with the statement that dispute resolution plays a significant role in attaining timely delivery, 9(12.7%) disagreed while 24(33.8%) of the respondents were neutral about the statement. The mean value of 3.58 is high signifying high disparity in responses. However, the standard deviation of 1.009 indicates a wide variance in responses.

Findings also indicate that the majority 67(94.3%) of the respondents agreed that Adjumani district achieves required quality service level, 2(2.8%) disagreed and remained neutral about the statement respectively. The mean value of 4.27 was very high signifying very high disparity in responses. The standard deviation of .774 on the other hand indicates a low variance in responses.

Descriptive statistics show the overall average mean of 2.97 which shows moderate agreement on contract management. This implies that there is moderate contract management in Adjumani District taking into consideration of all the inter-relations among the study variables of contracts management.

The respondents indicated that the process of awarding contracts adheres clearly with existing laws and policies as spelt in the new PPDA act of 2013. One of the ADLG operations officers was quoted saying,

*“ADLG has a contract committee which I head and the process of awarding contracts here is very transparent...you can go ahead to make a clear follow up with the contractors which offers contracts here and see...we have no such things like kickbacks...such things may have existed before this new management came into play....we clearly define our specifications on what we want and that is what we exactly get...”*

Another key informant said,

*“The process of awarding contracts here is guided by a clear regulatory framework as written in the PPDA Act and this has been our basis of doing everything...nothing is done out of the law....”*

In yet another interviews, one respondent stated,

*“Tenders are advertised and people put in their bids which are evaluated to select the best bids, however, issues like lobbying committee members at times affect transparency.”*

Another respondent stated, *“Procurement planning somehow is erratic due to planners not involving all stakeholders, lack of transparency distorts the whole process.”*

Another respondent stated, *“Pre-qualification is done well and transparently.”* Over all, the results above show that largely there was transparency in the contracting process.

### 4.3.7 Descriptive statistics on inventory management

To what extent do you agree with the following aspects of **inventory management** in Adjumani district local government? (Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

**Table 4.7 Descriptive statistics on inventory management**

Statements	SA	A	N	D	SD	Mean	Std. D	Comment
The department has put in place systems and processes that identify inventory requirement	33 (46.5%)	18 (25.4 )	2 (2.8 )	11 (15.5 )	7 (9.9%)	3.83	1.414	High
The department always set inventory targets	4 (5.6%)	8 (11.3 )	6 (8.5 )	21 (29.6 )	32 (45.1 )	2.03	1.230	Low
The department observes replenishment techniques	34 (47.9%)	28 (39.4 )	2 (2.8 )	2 (2.8%)	5 (7%)	4.18	1.112	Very High
The department handles all functions related to the tracking and management of material	8 (11.3%)	4 (5.6%)	2 (2.8 )	18 (25.4 )	39 (54.9 )	1.93	1.350	Low
Complete accounts of inventory received/issued is always maintained	4 (5.6%)	8 (11.3 )	6 (8.5 )	21 (29.6 )	32 (45.1 )	2.02	1.230	Low
Regular stock-taking is done to ensure inventory records match with the current inventory held in stock	22 (31%)	32 (45.1 )	2 (2.8 )	4 (5.6%)	11 (15.5 )	3.70	1.377	High
Re-ordering is done based on inventory balances	33 (46.5%)	18 (25.4 )	6 (8.5 )	8 (11.3 )	6 (8.5%)	3.90	1.333	High
Only common user items and items critical to the operations of the institution are held in stock	36 (50.7%)	20 (28.2 )	4 (5.6 )	6 (8.5%)	5 (7%)	4.07	1.246	High
<b>Average mean</b>						<b>3.207</b>	<b>1.287</b>	<b>High</b>

*0.00-1.00 Very Low, 1.10-2.00 Low, 2.10-3.00 Moderate, 3.10-4.00 High, 4.10-5.00 Very High*

Source: **Primary data 2024**

For presentation of findings, the responses for strongly agree and agree were added together to represent “**Agree**” as they were positive and those of strongly disagree and disagree were also added together to represent “**Disagree**” as they were negative. The “**Neutral**” was left as it is.

Study findings on whether the department has put in place systems and processes that identify inventory requirement results indicated that 51(71.9%) of the majority respondents agreed with the statement, 2(2.8%) remained neutral while 18(25.4%) of the respondents disagreed with the statement. The mean value of 3.83 was moderate which shows a moderate disparity in answers. however, a standard deviation of 1.414 presents a wide variance among the responses.

Results on whether the department always set inventory targets revealed that majority 53(74.7%) of the respondents disagreed, 12(16.9%) agreed while 6(8.5%) of the respondents remained neutral about the statement. The mean value of 2.03 shows a low disparity in answers and the standard deviation is 1.230 indicates a wide variance in responses.

The study further indicated that 62(87.3%) agreed with the statement that the department observes replenishment techniques, 7(9.8%) disagreed while 2(2.8%) were neutral about the statement. The mean score of 4.18 was very high signifying very high disparity in responses. Also, standard deviation of 1.230 indicates a wide variance among the responses.

On finding out whether the department handles all functions related to the tracking and management of material, results indicated that 57(80.3%) of the respondents disagreed with the statement, 2(2.8%) of the respondents were neutral about the statement while 12(16.9%) of the respondents agreed. The mean value obtained of 1.93 indicated disagreement to larger extent and the standard deviation is 1.356 indicated a wide variance in responses.

Results indicate that the majority 53(74.7%) of the majority respondents disagreed with the statement that complete accounts of inventory received/issued are always maintained, minority 6(8.5%) of the respondents were neutral while 12(16.9%) of the respondent agreed. The mean value of 2.03 was low and the standard deviation is 1.230 indicates a wide variance in responses.

Responses on whether regular stock-taking is done to ensure inventory records match with the current inventory held in stock indicate that 54(76.1%) of the majority respondents agreed with the statement, and 2(2.8%) of the respondents were neutral about the statement while 15(21.1%) of the respondents disagreed. The mean value obtained of 3.78 indicated high agreement and the standard deviation of 1.377 indicates a wide variance in responses.

Findings further reveal that the majority 51(71.9%) of the respondents agreed with the statement that Re-ordering is done based on inventory balances, 14(19.8%) disagreed while 6(8.5%) of the respondents were neutral about the statement. The mean value of 3.90 is high signifying high disparity in responses. However, the standard deviation of 1.333 indicates a wide variance in responses.

Findings also indicate that the majority 56(78.9%) of the respondents agreed that only common user items and items critical to the operations of the institution are held in stock, 11(15.5%) disagreed while 4(5.6%) remained neutral about the statement respectively. The mean value of 4.07 was very high signifying high disparity in responses. The standard deviation of 1.246 on the other hand indicates a wide variance in responses.

Descriptive statistics show the overall average mean of 3.207 which shows high agreement on inventory management. This implies that there is good inventory management in Adjumani District taking into consideration of all the inter-relations among the study variables of inventory management.

To supplement the above findings, interviews were done and during the interviews, the respondents further provided the following additional information on effects of inventory management on organizational performance. This is what they said,

*'There is increased financial accountability, improved customer scanning, lower unnecessary inventories and increased customer forecasting'.*

One of the procurement officers stated that,

*"The implementation of inventory management techniques at ADLG requires all stakeholders' involvement. Stores staffs have always delivered reliable services to the users". The implementation of inventory management practice has directly improved the organization's competitiveness in providing better quality products to the clients.*

Another respondent said that, *'there has been increased customer satisfaction of good inventory management techniques.*

### 4.3.8 Descriptive statistics on E-Procurement

To what extent do you agree with the following aspects of **E-Procurement** in Adjumani district local government? (Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

**Table: 4.8 Descriptive Results for E-Procurement**

Particular Statements	SA	A	N	D	SD	Mean	Std. D	Comment
The employees are trained in the use of the e-procurement process.	30 (42.3%)	23 (32.4%)	2 (2.8%)	9 (12.7%)	7 (9.9%)	3.85	1.359	High
Use of e-procurement reduces ordering costs e.g. stationery costs, secretarial expenses, follow up costs	27 (38.7%)	27 (38.7%)	4 (5.6%)	11 (15.5%)	2 (2.8%)	3.93	1.150	High
The period from requisition (ordering) to issuing (order fulfillment) is reduced when eprocurement application is used	21 (29.6%)	32 (45.1%)	9 (12.7%)	6 (8.5%)	3 (4.2%)	3.87	1.068	High
Online procurement facilitates effective information sharing across departments	27 (38%)	21 (29.6%)	4 (5.6%)	11 (15.5%)	8 (11.3%)	3.68	1.412	High
Technology utilization in the procurement process enables users to generate accurate reports in a timely manner	22 (31%)	36 (50.7%)	2 (2.8%)	11 (15.5%)	0 (0%)	3.97	.985	High
There is adequate training on our eprocurement system	2 (2.8%)	7 (9.9%)	11 (15.5%)	21 (29.6%)	30 (42.3%)	2.01	1.115	Low
E-procurement system is fully integrated with our ERP/financial system	2 (2.8%)	4 (5.6%)	8 (11.3%)	28 (39.4%)	29 (40.8%)	1.90	1.002	Low

E-procurement has enhanced transparency in our procurement processes	18 (25.4 %)	42 (59.2 %)	4 (5.6% )	2 (2.8% )	5 (7%)	3.93	1.033	High
E-procurement has improved our organization's efficiency in procurement processes	20 (28.2 %)	47 (66.2 %)	0 (0%)	4 (5.6% )	0 (0%)	4.17	.697	Very High
<b>Average mean</b>						<b>3.91</b>		<b>High</b>

*0.00-1.00 Very Low, 1.10-2.00 Low, 2.10-3.00 Moderate, 3.10-4.00 High, 4.10-5.00 Very High*

**Source: Primary data 2024**

For presentation of findings, the responses for strongly agree and agree were added together to represent “**Agree**” as they were positive and those of strongly disagree and disagree were also added together to represent “**Disagree**” as they were negative. The “**Neutral**” was left as it is.

Descriptive findings on whether the employees are trained in the use of the e-procurement process, results indicated that 53(74.7%) of the majority respondents agreed with the statement, 2(2.8%) remained neutral while 16(22.6%) of the respondents disagreed with the statement. The mean value of 3.85 was high which shows a high disparity in answers. However, a standard deviation of 1.359 presents a wide variance among the responses.

Results on whether the use of e-procurement reduces ordering costs e.g. stationery costs, secretarial expenses, follow up costs, further revealed that majority 54(77.4%) of the respondents agreed, 13(18.3%) disagreed while 4(5.6%) of the respondents remained neutral about the statement. The mean value of 3.93 shows a high disparity in answers and the standard deviation is 1.150 indicates a wide variance in responses.

The study further indicated that 53(74.7%) agreed with the statement that the period from requisition (ordering) to issuing (order fulfillment) is reduced when e-procurement application is used, 9(12.7%) disagreed with the statement and 9(12.7%) were neutral about the statement. The mean score of 3.87 was high to signify high disparity in responses. However standard deviation of 1.068 indicates a wide variance among the responses.

On finding out whether Online procurement facilitates effective information sharing across departments, results indicated that 19(26.8%) of the respondents disagreed with the statement, 4(5.6%) of the respondents were neutral about the statement while 48(67.6%) of the respondents agreed. The mean value obtained of 3.68 indicated high agreement and the standard deviation is 1.412 indicated a wide variance in responses.

Results indicate that 11(15.5%) of the respondents disagreed with the statement that technology utilization in the procurement process enables users to generate accurate reports in a timely manner, 58(81.7%) agreed with the statement while 2(2.8%) of the respondents were neutral. The mean value of 3.97 was high and the standard deviation is .985 indicates a low variance in responses.

Responses on whether there is adequate training on our e-procurement system indicate that 51(71.9%) of the respondents disagreed with the statement, and 11(15.5%) of the respondents were neutral about the statement while 9(12.7%) of the respondents agreed. The mean value obtained of 2.01 indicated low agreement and the standard deviation of 1.115 indicates a wide variance in responses.

Findings further reveal that the majority 57(80.2%) of the respondents disagreed with the statement that E-procurement system is fully integrated with our ERP/financial system, 6(8.4%) agreed while 8(11.3%) of the respondents were neutral about the statement. The mean value of 1.90 is low signifying low disparity in responses. Similarly, the standard deviation of 1.002 indicates a wide variance in responses.

Findings also indicate that the majority 60(84.6%) of the respondents agreed with the statement that E-procurement has enhanced transparency in our procurement processes, 7(9.8%) disagreed, with the statement while 4(5.6%) of the respondents were neutral about the statement. The mean value of 3.93 was high signifying high disparity in responses. The standard deviation of 1.033 on the other hand also indicates a wide variance in responses.

Findings further reveal that the majority 67(94.4%) of the respondents agreed with the statement that E-procurement has improved our organization's efficiency in procurement processes while 4(5.6%) disagreed about the statement. The mean value of 4.17 is very high signifying very high disparity in responses. However, the standard deviation is .697 indicates a low variance in responses.

Descriptive statistics show the overall average mean of 3.91 which shows high agreement on E procurement. This implies that there is high application of E procurement in Adjumani District taking into consideration of all the inter-relations among the study variables of E procurement.

To supplement the above findings, interviews were done and one of the respondents had this to say:

*“There is need for training, on the other hand , training helps employees to know about the features of the software and thus help in developing a familiarity with the system, by facilitating their learning of the interface and appropriate use of the system process. Also adequate knowledge should be provided to staffs and suppliers developing a clear framework for E-procurement and proving enforcement and monitoring on such usage of e-procurement system”.*

A Senior Human Resource Officer noted that: *“E-procurement has eliminated non-value-added activities, improved order processing, improved procurement process, improved supplier searching, improved control, elimination of exceptions, and reduced problems with suppliers and elimination of paperwork”*

In support another respondent noted that:

*“E- Procurement has not only reduced costs but also led to price reduction, improved contract compliance, shortened cycle times, reduced administration costs, enhanced inventory management, improved visibility and enhanced decision making”*

#### **4.3.9 Multiple Regression Analysis**

In a bid to establish the effect of independent variables on organizational performance, a multiple regression model was run considering all variables of procurement practices and all these were all regressed with Organizational performance. The findings are presented in tables below.

**Table 4.9 Multiple Regression Model summary**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.943 <sup>a</sup>	.890	.885	.31806

a. Predictors: (Constant), E Procurement, Contract management, Inventory Management

**Source: Primary data (2021)**

To respond to the general objective of the study, findings in the model summary reveals, R Square value = 0.890 (0.890\*100 = 89.0%). The study shows that procurement practices have a strong positive effect on organizational performance of Adjumani District. In order to explain the percentage of variation in the dependent variable (organizational performance) as explained by the independent variables, the researcher established that the independent variables (Contract management, inventory management and E procurement) contributed to 89.0% of the variation in the organizational performance as explained by R square of 0.890 which shows that the model is the good prediction. It further reveals that procurement practices explains 0.890 or 89.0 percent of the organizational performance while 11.0 percent is explained by other factors not covered in this study.

**Table 4.10 ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.626	3	18.209	179.989	.000 <sup>b</sup>
	Residual	6.778	67	.101		
	Total	61.404	70			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), E Procurement, Contract management, Inventory Management

Analysis of variance was conducted at 5% level of significance. From the findings, F-calculated is 179.989 and the sig value (p value =.000<sup>b</sup>) is less than 0.05 an indication that procurement practices significantly affect organizational performance. Thus, accept that there is a significant effect of procurement practices (Contract management, inventory management and E procurement) on organizational performance. This indicates the overall regression was significant for the study.

**Table 4.11 Coefficients**

Coefficients <sup>a</sup>				
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

	B	Std. Error	Beta		
(Constant)	.113	.260		.432	.667
1 Contract management	.410	.255	.344	1.609	.000
Inventory Management	.725	.230	.883	3.156	.002
E Procurement	.269	.216	.285	1.244	.001

a. Dependent Variable: Organizational Performance

a. Dependent Variable: Financial performance

Coefficients of regression were used in the study to answer the research questions and determine the direction and extent of effect of independent variable on the dependent variable using  $\beta$  (Beta values).

Results reveal that inventory management is the greatest contributor to organizational performance at Adjumani District with a Beta value of 0.883 at 0.002 level of significance. This implies that inventory management has a positive and significant effect on organizational performance. This therefore answers the research question which stated that *'what is the effect of inventory management on organizational performance of Adjumani District?'*

Analysis further reveal that contract management is the second contributor to organizational performance at Adjumani District with a Beta value of 0.344 at 0.000 level of significance. This means that contract management has a positive and significant effect on organizational performance. This therefore answers the research question which stated that *'what is the effect of contract management on organizational performance of Adjumani District?'*

Analysis reveal that E procurement is the least contributor to organizational performance in Adjumani District with a Beta value of 0.285 at 0.001 level of significance. This implies that E procurement has a positive and significant effect on organizational performance. This therefore answers the research question which stated that *'what is the effect of E procurement on organizational performance in Adjumani District?'*

## **CHAPTER FIVE: SUMMARY AND DISCUSSION OF FINDINGS**

### **5.1 Introduction**

The chapter presents the summary and discussion of findings guided by the study objectives. The discussion of this study findings was done by reviewing related literature, and comparing and contrasting with other previous studies.

### **5.2 Summary of the Findings**

#### **5.2.1 Effect of Contract management on organizational performance**

Results from Descriptive statistics show the overall average mean of 2.97 which was moderate. This shows moderate disparity in the responses among respondents portraying an agreement to some extent. This implies that contract management is moderately performed at Adjumani District, taking into consideration all the inter-relations among its study variables.

Similarly, regression coefficients reveal that contract management is the second contributor to organizational performance at Adjumani District with a Beta value of 0.344 at 0.000<sup>b</sup> level of significance. This implies that contract management has a positive and significant effect on organizational performance. Since the significance value 0.000<sup>b</sup> is less than 0.05, it can be deduced that contract management was significant in predicting organizational performance of Adjumani District. The study therefore answers the research question which stated that *'what is the effect of contract management on organizational performance of Adjumani District?'*

#### **5.2.2 Effect of inventory management on Organizational performance**

Descriptive statistics primarily show overall average mean of 3.207 which was high. This shows low disparity in the responses among respondents thus an agreement to a larger extent. This implies that inventory management is highly performed at Adjumani district local government, taking into consideration all the inter-relations among its study variables.

Regression Analysis on the other hand revealed that inventory management is the greatest contributor to organizational performance in Adjumani District with a Beta value of 0.883 at 0.002 level of significance. This implies that inventory management has a positive and significant effect

on organizational performance. Since the significance value 0.000<sup>b</sup> is less than 0.05, it can be deduced that inventory management was significant in predicting organizational performance in Adjumani District. This therefore answers the research question which stated that *'what is the effect of inventory management on organizational performance?'*

### **5.2.3 Effect of E procurement on Organizational performance**

Descriptive statistics on the other hand show overall average mean of 3.91 which was high. This shows low disparity in the responses among respondents thus an agreement to a larger extent. This implies that E procurement is highly performed at Adjumani district local government, taking into consideration all the inter-relations among its study variables.

However, regression Analysis reveals that E procurement is the least contributor to organizational performance at Adjumani District with a Beta value of 0.285 at 0.001 level of significance. This means that E procurement has a positive and significant effect on organizational performance. Since the significance value 0.001<sup>b</sup> is less than 0.05, it can be deduced that E procurement was significant to organizational performance. This therefore answers the research question which stated that *'what is the effect of E procurement on organizational performance?'*

## **5.3 Discussion of the Findings**

### **5.3.1 Effect of contract management on organizational performance**

Multiple regressions findings revealed that has a positive and significant effect of contract management on organizational performance. This was attributed to actions and processes involved in contract management. These findings are consistent to Brian (2018) who in his study examined the effectiveness of contract management on contractors' performances in Uganda and found out that actions and processes involved in contract management have favorable, significant impacts on contractors' performances.

Additionally, Muhammed, Saoula, Issa and Ahmed (2019) investigated on contract management and performance characteristics in Indonesia. Their findings posit that cost and benefit analysis have great significant effects on contract length while project delivery and quality have negative significant impacts on contract length.

Similarly, Matto, Ame and Nsimbila (2021) in their study found out that that contract creation and quality control are crucial elements that improve the financial value of Tanzanian public procurements.

### **5.3.2 Effect of inventory management on organizational performance**

The study revealed that inventory management on organizational performance has a positive and significant effect on organizational performance. This was attributed to the inventory management techniques. These findings coincide with the results of a study conducted by Olanipon, Akinola, and Oladele (2022) where their findings confirmed that the tertiary medical centers of Southwest Nigeria are aware of inventory managements strategies investigated, including EOQ, JIT, CR, and ABC analysis.

Similarly, according to a study by Agu, Obi-Anike and Eke (2018) on effects of inventory managements on organizational performances, the study conclusions showed that there exist positive relationships of inventory control with productivity of chosen enterprises. Amahalu, Egolum, Ezechukwu and Obi (2018) in their study further showed significantly positive relationships of returns on assets with inventory conversion periods

### **5.3.3 Effect of E-procurement on organizational performance**

The study revealed that E-procurement has a significant effect on organizational performance. Analysis reveal that E-procurement is the least contributor to organizational performance at Adjumani District. This is attributed to the fact that effectiveness of e-procurement processes has been impeded by incompatibility, improperly established security systems, and lack of uniform technology across organizations. These findings are consistent with Masudin, Aprilia, Nugraha, and Restuputri (2021) who found that introduction of e-procurement is greatly affected by the quality of the information.

Hajir (2021) in his study found out that efficiency of operations of Nairobi City County's retail supermarkets was positively and statistically significantly impacted by e-procurement procedures according to regression analysis. The report suggests that management need to make sure that implemented innovations are suitable with existing systems and resources in order to assure flexibility and usefulness.

However Multiple regression analysis was used to evaluate the ideas using information taken from the supermarket's annual reports. The results showed that the E-procurement significantly impacted the organizational performance positively. Moreover, although not it was a least contributor, investigation had a favorable effect on organizational performance.

## **CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS**

### **6.1 Introduction**

The chapter presents conclusions and recommendations of the study based on the study objectives

### **6.2 Conclusions**

#### **6.2.1 Effect of Contract management on organizational performance**

It can be deduced from multiple regression that contract management was significant in determining organizational performance levels since it was the second contributor to organizational performance at Adjumani District local government with a Beta value of 0.344 at 0.000<sup>b</sup> level of significance. Thus, it can be concluded that contract management has a positive and significant effect on organizational performance.

Based on Results from Descriptive statistics it can further be concluded that inventory management is crucial in enhancing organizational performance at Adjumani District local government as shown by the overall average mean of 2.97 which was moderate showing a moderate disparity in the responses among respondents portraying an agreement. This implies that regression results agree with descriptive statistics.

#### **6.2.2 Effect of Inventory management on organizational performance**

It can be deduced from multiple regression that inventory management was significant in determining organizational performance since it was greatest contributor to organizational performance at Adjumani District with a Beta value of 0.883 at 0.002<sup>b</sup> level of significance. Thus, it can be concluded that inventory management has a positive and significant effect on organizational performance.

It can further be concluded from Descriptive statistics that inventory management affects organizational performance in Adjumani District local government as shown by the overall average mean of 3.207 which shows moderate agreement among respondents taking into consideration all the inter-relations among its study variables. This implies that descriptive results support that inventory management enhances organizational performance.

### **6.2.3 Effect of E-procurement on organizational performance**

It can be further deduced from multiple regression that E-procurement was significant to organizational performance. It was the least contributor to organizational performance at Adjumani District with a Beta value of 0.285 at 0.001<sup>b</sup> level of significance. Thus, it can be concluded that E procurement has a positive and significant effect on organizational performance.

Descriptive statistics show that E-procurement affects the organizational performance as shown by the overall average mean of 3.91 which shows satisfactory or high agreement among respondents taking into consideration all the inter-relations among its study variables. Thus, regression results agree with descriptive statistics.

## **6.3 Recommendations**

### **6.3.1 Effect of contract management on organizational performance**

- The management of Adjumani District local government should put more emphasize on contracts management since the regression results indicated that it was the second contributor to organizational performance. This can be done through contracts administration and regular monitoring of contractual works.
- The management of Adjumani District local government should put in place a strong contract policies and procedures which are essential to guarantee quality contract work and timely completion of the works

### **6.3.2 Effect of inventory management on Organizational performance**

- The management should focus on continuous improvement on inventory management by converting inventories more quickly and this might increase profitability
- Based on descriptive results the management should maintain optimal levels of inventory. This shall help to reduce cases of tied up capital in the organization

### **6.3.3 Effect of E-procurement on organizational performance**

- The study results suggest that management should make sure that E-procurement implemented innovations are suitable with existing systems and resources in order to assure flexibility and usefulness.

- The advocates of E-Procurement implementation in the district need to think of how to build support for E- Procurement implementation as part of the wider Procurement Reform and design.

#### **6.4 Suggestions for further Studies**

- i. The study recommends an analysis of procurement practices and procurement performance on private sector.
- ii. The study recommends a further study on public procurement process and organizational performance in local government.
- iii. The study still recommends a further analysis of E-procurement and organizational performance in local government.

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Appendix I:

## QUESTIONNAIRES

### Introduction

Dear respondents,

I, **Droma Alfred** a student at Uganda Christian University conducting research on the topic of the **‘effect of procurement practices and organizational performance in Adjumani district local government’**. The purpose of the study is to establish the procurement practices and organizational performance in Adjumani district local government. You have been randomly selected and kindly requested to take part in this study by completing this questionnaire. Your participation is purely voluntary and you reserve the right to withdraw any time without any problem. The information obtained from you is confidential and will be protected as permitted by law. Although, there are no benefits to you as an individual, you will have the opportunity to write about your experiences and offer valuable suggestions concerning the topic. As a participant in this research, you will not incur any material or financial costs and there no risks attached for being a respondent. The findings of the research will be used to provide relevant information to stakeholders of Adjumani district local government for the purpose of improving organizational performance.

**Please answer all questions as accurately as possible.**

### SECTION A: DEMOGRAPHIC INFORMATION

**Instruction:** For each of the items in this section, kindly tick (√) in the box that represents the right option and where necessary, specify accordingly.

1. Sex:  Male  Female

**2. Age bracket of the respondent:** 20-29 yrs  30-39 yrs  40-49 yrs.

Above 50 yrs

**3. Duration of service within this district :** Less than one yr  1-5 yrs  6-10 yrs

11-15 yrs  More than 15 yrs

**4. Highest level of Education (qualification):** PhD  Masters  Bachelors

Diploma

NB: In the sections below there are statements intended to measure the extent to which you agree or disagree. Kindly indicate with a tick inside the box, circle/tick (against) the number that best represents your views on the given statements or fill in the blank spaces provided on a scale of 1-5 where: **1 – Strongly Disagree 2-Disagree 3-Uncertain 4-Agree 5-Strongly Agree.**

### 5. Respondents view on status of organizational performance

To what extent do you agree with the following aspects of Organization Performance in Adjumani district local government? (Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

#### Respondents view on status of organizational performance

Particular Statements	SA	A	N	D	SD	Mean	Std. D	Comment
Procurement practices adopted by the district have impacted positively on district's performance								
Procurement practices adopted by the district have contributed to users' department satisfaction								
Procurement practices adopted in the district have resulted in procurement cost reduction								
Procurement practices adopted by the district have resulted in quality goods/services.								
Procurement practices adopted Promote efficiency in procurement procedure								
Procurement practices adopted by the District have resulted in timely delivery of goods and services								
District always Procures needed (planned) goods, services and works								
Procurement practices adopted Promote functional efficiency								
Procurement practices adopted Enhance timely response to customer needs								

#### Contract management

To what extent do you agree with the following aspects of Contract management aspects? (Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

<b>Particular Statements</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>Std. D</b>	<b>Comment</b>
Dispute resolution plays a significant role in improving customer satisfaction								
Achieving low supplier defect rates								
Procurement department go through process needs of organization								
Contracts of the organization are managed fairly and justly								
Most projects are completed within timeline								
Evaluating the contract play a significant role in improving customer satisfaction								
Dispute resolution plays a significant role in attaining timely delivery								
Achieving required quality service level								

### **Inventory management**

To what extent do you agree with the following aspects of inventory management aspects?

(Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

<b>Statements</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>Std. D</b>	<b>Comment</b>
The department has put in place systems and processes that identify inventory requirement								
The department always set inventory targets								
The department observes replenishment techniques								
The department handles all functions related to the tracking and management of material								
Complete accounts of inventory received/issued is always maintained								
Regular stock-taking is done to ensure inventory records match with the current inventory held in stock								
Re-ordering is done based on inventory balances								
Only common user items and items critical to the operations of the institution are held in stock								

### **E-Procurement**

To what extent do you agree with the following aspects of E-Procurement aspects? (Where: 5=strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=strongly disagree)

<b>Particular Statements</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>Std. D</b>	<b>Comment</b>
The employees are trained in the use of the e-procurement process.								

Use of e-procurement reduces ordering costs e.g. stationery costs, secretarial expenses, follow up costs								
The period from requisition (ordering) to issuing (order fulfillment) is reduced when eprocurement application is used								
Online procurement facilitates effective information sharing across departments								
Technology utilization in the procurement process enables users to generate accurate reports in a timely manner								
There is adequate training on our eprocurement system								
E-procurement system is fully integrated with our ERP/financial system								
E-procurement has enhanced transparency in our procurement processes								
E-procurement has improved our organization's efficiency in procurement processes								

## **Appendix II: Interview guide**

### **Contract management**

1. How does evaluating the contract play a significant role in improving customer satisfaction?
2. Does dispute resolution play a significant role in improving customer satisfaction?
3. How does the organization achieve low supplier defect rates?
4. Does Procurement department go through process needs of organization?
5. How are Contracts of the organization managed fairly and justly?
6. Are most projects completed within timeline?

### **Inventory Management:**

1. What inventory management system does your organization use?
2. How do you determine optimal inventory levels?
3. What methods do you use to track and manage inventory?
4. How often do you conduct inventory audits?
5. What strategies do you use to minimize inventory obsolescence?

### **E-procurement:**

1. Are employees trained in the use of the e-procurement process?
2. Do you have online procurement facilitates for effective information sharing across departments?
3. Does technology utilization in the procurement process enables users to generate accurate reports in a timely manner?
4. Has E-procurement enhanced transparency in procurement processes?
5. Is E-procurement system fully integrated with r ERP/financial system?
6. Has E-procurement improved organization's efficiency in procurement processes?

### **Organizational Performance:**

1. How does inventory management impact your organization's overall performance?
2. What are the key performance indicators (KPIs) used to measure inventory management effectiveness?
3. How does inventory management affect customer satisfaction and service levels?
4. What is the impact of inventory management on your organization's bottom line?
5. How does inventory management influence supply chain efficiency and effectiveness?

**Thank you for your participation**



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Office of the Academic Registrar

To CAO

Asimani

*Request granted*  
*04/02/2020*



Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs. / Miss DORNA ALFRED  
Of Registration Number; 318/MUC/MBA/004 pursuing a  
Masters' Degree/Postgraduate Diploma / Bachelor's Degree

Business Administration (MBA)  
He/ she is required to carry out an academic research on the topic

Production of a Research Paper  
and its performance in Asimani Asimani

and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.

Thank you.

Yours faithfully,



Dr. Ovia Kyatuna Mwisaka  
Academic Registrar



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SCHOOL OF RESEARCH & POSTGRADUATE STUDIES

## DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 6<sup>th</sup> Sept 2024

Name of Candidate: Droma Alfred

Reg. No: S18/MUC/MBA/004

Title of Dissertation Procurement Practices and organizational performance A Case of Adjumani District Local Government.

SN	COMMENTS BY EXTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	Ensure that the interpretation of the regression results makes practical sense;	Worked on	Page 50-51 corrected
2	State the study problem clearly supported by timely and relevant evidence	Worked on	Page 13 corrected
3	Write a logical background that is within the study scope;	Worked on	Page 1-8 corrected

4	Write the correct study design that you used;	Worked on	Page 27 corrected
5	Introduce and conclude every chapter.	Worked on	Page 1&18, 19&27, 28&33, 34&52, 53&56, 57 &59 corrected.
6	Provide the explanation of the conceptual framework;	Worked on	Page 16-18 corrected
7	Improve the explanation of the data collection methods, tools and ethical considerations;	Worked on	Page 31-33 corrected

SN	COMMENTS BY INTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	The problem statement focuses more on the independent variables rather than the dependent variables.	Worked on	Page 13 corrected
2	The information on the second paragraph of the problem statement has no supporting evidence.	Worked on	Page 13 and 14 corrected
3	The dependent variables on the conceptual framework needed to be amended due to hypothesis error	Worked on	Page 16 corrected
4	The literature review is too descriptive and missing literature gaps.	Worked on	Page 18-26 corrected
5	There is need to justify the use of the mentioned data collection methods and	Worked on	Page 30-31 corrected

instruments.	
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SN	COMMENTS BY VIVA VOCE PANNEL	ACTION TAKEN	INDICATOR
1	There is need to show the unit of analysis in the descriptive statistics	Worked on	Page 34-35 corrected
2	Use the right constrain in public procurement like the PPDA	Worked on	Page 16 corrected

DREMA ALFRED

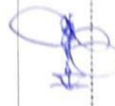
Candidate's Name



Signature

Henry Omachu

Supervisor's Name



Signature