

**THE ROLE OF PROCUREMENT PLANNING ON ORGANIZATIONAL
PERFORMANCE**

A Case Study of National Agricultural Research Organization (NARO)

BY

MIREMBE SHERINA LUYIGA

REGISTRATION NUMBER

2012-B021-10062

**A Dissertation Presented to the Faculty of Business Administration and Management in
Partial Fulfilment for the Requirements for the Award of the
Bachelors Degree of Business Administration and Management of
Uganda Martyrs University**

APRIL 2015

DEDICATION.

This dissertation is dedicated to my lovely parents who have never given up on me. Their hope and faith in me has kept me going even when things seem tough.

ACKNOWLEDGEMENT

I thank the Almighty God the provider of knowledge and wisdom for seeing me through my studies and for enabling me to undertake my research successfully, without His grace I would not have made it.

I extend my deep appreciation to my supervisor Prof. Simeon Wanyama for the guidance and advice provided during the study that made it possible for me to successfully complete this report.

Special thanks go to my lecturers, my friends: Najjingo Gertrude, Mansa Betty, Mbabazi Rachael, Tusiime Marion Shanice, Nalwoga Judith, Agaba Linda, Kusiima Roberta, Camara Linz, Nabbanja Regina, Akanyo Sharon, Mukimba Teddy, Takubeera Mariam, Nampiima Desire, Namutebi Brendah, Nakasiita Victoria, Nassuna Vanessa, Namagembe Charlotte and Ssebowa Liz.

I wish to express my sincere gratitude to all those who made tremendous contributions to this study: my family- Mr&Mrs Kavuma and all my brothers Bryan and Ronnie Kavuma and sisters Vanessa Kabejja, Tina Kawuma and Maureen Ninsiima. I appreciate your encouragement and moral support.

I would like to thank my discussion group: Woyaga Derrick, Senabulya Jonathan, Baigana Isaac, Kibirige Augustine, and Mutachoka Francis. I wouldn't have made it without you.

May the Almighty Lord bless you abundantly!!

TABLE OF CONTENTS

DECLARATION.....	i
APPROVAL.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS.....	v
LIST OF FIGURES.....	viii
LIST OF TABLES.....	ix
LIST OF ABBREVIATIONS.....	x
ABSTRACT.....	xi
CHAPTER ONE: INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background to the Study.....	1
1.2 Statement of problem.....	5
1.3 Objectives of the Study.....	6
1.3.1 General Objective.....	6
1.3.2 Specific Objectives.....	7
1.4 Research Questions.....	7
1.5 Scope of Study.....	7
1.5.1 Study Scope.....	7
1.5.2 Geographical Scope.....	7
1.5.3 Time Scope.....	8
1.6 Significance of the Study.....	8
1.7 Justification of the study.....	8
1.8 Conceptual Framework.....	9
1.9 Conclusion.....	11
CHAPTER TWO.....	12
LITERATURE REVIEW.....	12
2.1 Introduction.....	12

2.2 Determination of Procurement Needs.....	12
2.3 Timing of Acquisition.....	15
2.4 Funding In Procurement Planning.....	19
2.5 Government Policies and Regulations; (PPDA) Laws and Regulation and Organizational Regulations and Rules.....	23
2.5.1 Government policies and regulations	23
2.5.2 Public Procurement and Disposal of Public Assets (PPDA) laws and regulations	24
2.5.3 Organizational Regulations and Rules	26
2.6 Organizational Performance	27
2.6.1 Effectiveness	27
2.6.2 Efficiency	29
2.6.3 Achieving Organization Objectives	31
2.7 Conclusion.....	33
CHAPTER THREE.....	34
RESEARCH METHODOLOGY	34
3.0 Introduction.....	34
3.1 Research Design.....	34
3.2 Area of Study.....	35
3.3 Study Population.....	35
3.4 Sampling Procedure.....	36
3.4.1 Sample Size.....	36
3.4.2 Sampling techniques	37
3.5 Data collection methods and instruments.....	37
3.5.1 Questionnaire	37
3.5.2 Interviewing.....	38
3.6 Quality Control Methods.....	38
3.7 Data Management and Processing	39
3.8 Data Measurement.....	39
3.9 Data Analysis.....	39
3.9.1 Quantitative data analysis.....	39
3.9.2 Qualitative Data analysis	40

3.10 Ethical Considerations.....	40
3.11 Limitations of the Study.....	40
CHAPTER FOUR.....	42
DATA ANALYSIS, RESULTS PRESENTATION, AND DISCUSSION OF FINDINGS	42
4.0 Introduction.....	42
4.1 Response Rate.....	42
4.2 Background of the respondents	43
4.2.1: Gender of the Respondents.....	43
4.2.2 Age of the respondents.....	44
4.2.3 Marital Status of the Respondents	45
4.2.4 Academic Qualification.....	46
4.3 Contribution of Determining the Procurement Needs on Organizational Performance	47
4.4 Role of Timing of Acquisition on Organization Performance	50
4.5 The impact of Funding on Organizational Performance	53
4.6 Findings on Organizational Performance	56
4.7 Conclusion.....	61
CHAPTER FIVE.....	62
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	62
5.1 Introduction.....	62
5.2 Summary of the findings.....	62
5.2.1 The contribution of determining the procurement needs on organizational performance...62	
5.2.2 The Role of Timing of Acquisition on Organization Performance.....62	
5.2.3 The impact of Funding on Organizational Performance	63
5.3 Conclusions.....	63
5.4 Implications of the findings.....	64
5.5 Recommendations.....	65
5.6 Areas for further study.....	66
REFERENCES.....	67
Appendix I: Questionnaire.....	73

LIST OF FIGURES

Figure 1. 1: Conceptual framework of the role of procurement planning on organizational performance... 9	9
Figure 4. 1: Showing the Gender of the Respondents..... 43	43
Figure 4. 2: Showing the Academic Qualification..... 46	46

LIST OF TABLES

Table 3.1: Population of the Study.....	36
Table 3.2: Sample size and selection	36
Table 4.1: showing the research instruments and respondents in Number and percentages.....	42
Table 4. 2: Showing the Age of the Respondents	44
Table 4.3: Showing the Marital Status of the Respondents	45
Table 4.4: Showing the Contribution of Determining the Procurement Needs on Organizational Performance	47
Table 4.5: Showing the Role of Timing of Acquisition on Organization Performance.....	50
Table 4. 6: Showing the Impact of Funding on Organizational Performance.....	53
Table 4.7: Findings on Organizational Performance	56

LIST OF ABBREVIATIONS

MAS:	Multiple Award Schedule
MDG:	Millennium Development Goals
NARO:	National Agricultural Research Organization
NPM:	New Public Management
PPDA:	Public Procurement and Disposal of Public Assets
R&D:	Research and Development
SPSS:	Statistical Package for Social Sciences.
UMU:	Uganda Martyrs University
VFM:	Value-for-Money

ABSTRACT

This study assessed the role of procurement planning on organizational performance. The specific objectives of the study were: to establish the contribution of determining the procurement needs on organizational performance, to investigate the role of timing of acquisition on organizational performance and to establish the impact of funding on organizational performance.

The study adopted the case study design with quantitative and qualitative research techniques. A total sample size of 44 respondents from NARO was used. Self-administered questionnaires and face to face interviews were used to collect data. Data was coded and later processed and analyzed.

From the study, it was revealed that the users were allowed to identify all needs of their units, the technical and functional specifications of the needs were clearly defined and the source of the item was determined whether from internal or external sources and preliminary cost benefits analysis was carried out for new procurement requirements. It was also revealed that the timeframe for procurement process was clearly determined and there was a tentative schedule drafted for purchasing the needs and that the lead times were estimated so as to enable proper procurement planning. The study further revealed that the budget estimates were approved to support the procurement and it was the accounting officer to ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. All procurements were able to achieve value for money and through cost controlling the government or any organization is able to procure in a way that promotes value for money.

It is recommended that the organization's management should employ skilled accounting officers who can strategically ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. The organization's management should consider cost controlling as an essential in the company due its advantages for example minimizing unintended expenses during procurement.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

Procurement is now a global discipline. Those managing the function at both local and central government levels are required to be global leaders or ‘World-Class’ professionals. Global leaders have desired mental characteristics which Thai (2005) suggests to include optimism, self-regulation, social judgment skills, empathy, motivation to work in an international environment, cognitive skills, as well as acceptance of complexity and its contradictions. The behavioral skills for global leaders include social skills, networking skills, and knowledge. However it’s worth noting that good procurement practice entails accurate procurement planning and informed decision making as essentials to delivering successful results. Furthermore, good procurement planning is essential to optimize the contribution of the procurement function towards achieving the overall goals of the organization which is a great factor towards achieving organizational performance. Therefore this study therefore examined the effect of procurement planning on organizational performance.

1.1 Background to the Study

Over the past few years, developing countries have been awakened on the importance of effective management of the public procurement process at both central and local government levels, and its subsequent contribution to improved governance of the public sector. Procurement is a function that was traditionally viewed as a clerical and reactive task and has since positioned itself among core organizational functions. Its management is becoming increasingly critical for the well-functioning of any organization. Procurement is becoming important at the local level,

in parallel with decentralization and the increasing range of functions performed by local governments in most countries (Schiavo-Campo & Sundaram, 2000)

According to Agaba & Shipman, (2007), procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Each year, departments are required to budget for staff, expenses, and purchases. This is the first step in the procurement planning process. Economic Commission of Africa (2003) defines procurement planning as the purchasing function through which organizations obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Whether you are embarking on a project procurement or organizational procurement planning exercise, the steps will be the same. First, define the items you need to procure. Next, define the process for acquiring those items. And finally, schedule the timeframes for delivery.

Procurement is thus one part of the commissioning process. It refers to a specific method of purchasing services which involves tendering for a contract. Sometimes it is more appropriate for a public body to fund a service through the provision of a grant, but then it will have less control over the precise outcomes to be delivered. Procuring entities shall use creative approaches, such as design and build in order to enhance efficiency of the procurement process and project implementation (PPDA Act 2005)

Basheka (2004) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of

acquiring services in local governments. Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management.

Poor procurement planning has been one of the major stumbling blocks to the economic development of Africa and it has been clear that a number of African countries have not paid adequate attention to the proper management of public resources (Basheka, 2004). An efficient public procurement system is vital to the advancement of African countries and is a concrete expression of the national commitment to making the best possible use of public resources (Kabaj, 2003)

The influence of new public management (NPM) philosophies in the functioning of the public sector has been embraced procedurally by government departments in a number of African Countries. A significant number of African countries have over the years adopted measures aimed at decentralization of government, together with development planning and administration and this fashion became popular in the 1980s(Livingstone & Charlton, 2001). By the late 1990s, the failure of the existing procurement systems to cope with the expansion in government procurement requirements and to delivery of value for money had become generally accepted among government and donor partners (Agaba and Shipman, 2007). In Kenya, never before has there been a growing interest in the procurement planning as discovered by the researcher than it is today. Its management now appears on the agenda of researchers, academics, and policy makers (Patrick Kakwezi and Sonny Nyeko unpublished thesis)

In Uganda, procurement planning is part and parcel of the traditional planning already familiar in central and local governments: - notably, development planning and budgeting. The user department of the organization prepares an annual work plan for procurement based on the approved budget, which is then submitted to the procurement and disposal unit to facilitate orderly execution of annual procurement activities. A procurement plan should be integrated into the annual sector expenditure program to enhance financial predictability, accounting and control over procurement budgets. The combined work plan for the procuring and disposing entity includes details of activities of works, services or supplies to be procured, a schedule of procurement requirements in order of priority, a statement of required resources supported by a schedule of the projected funding.

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 (Agaba, & Shipman, 2007). The ultimate goal of procurement planning is coordinated and integrated action to fulfill a need for goods, services or works in a timely manner and at a reasonable cost. Early and accurate planning is essential to avoid last minute, emergency or ill-planned procurement, which is contrary to open, efficient and effective and consequently transparent – procurement. With good procurement planning in place, improved organizational performance is assured.

Basheka (2004) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of organizational operations and improved organizational performance. Procurement planning is essential in enabling organizations to procure goods, services and works in an orderly manner which optimizes the contribution of the procurement function towards achieving the overall performance of the organization.

Better performance is achieved through better transparency, effective and timely solicitation of offers, award of contracts and delivery of the goods, services and works required. Procurement planning enables early requisition to reduce any delays in procurement and timely delivery to project sites and it also enables early identification of right commodities and quantities to meet programmed needs. All this signifies that procurement planning is key in every organization and affects the way the organization performs (Soudry, 2007)

The National Agricultural Research Organization (NARO) was established and governed under the National Agricultural Research Act, 2005, whose objectives are to transform agricultural production into modern science-based market oriented agriculture capable of greater efficiency, profitability and of sustaining growth in the agricultural sector while contributing to poverty reduction. It also supports the development and implementation of national policy with relevant information and knowledge.

NARO is a Public institution that was established in November 2005, and is a body that operates with perpetual succession and a common seal. It was reported a few years ago that the procurement functions of NARO were not complying with set procurement processes and performance procedures, leading to irregular and subjective decisions. These decisions led to costly consequences for organization with decreasing performance levels (PPDA, 2008)

1.2 Statement of problem.

Proper procurement planning accelerates coordinated and integrated action which fulfills the need for goods, services or works in a timely manner and at a reasonable cost that is essential to organizational performance and achievement of goals. In addition, most potential savings in the

procurement process are achieved by improvements in the planning stages. Even in situations where planning is difficult such as emergencies, proactive measures can be taken to ensure contingency planning and be better prepared to address upcoming procurement requests (Burt & Pinkerton, 1996).

However, regardless of the effort by the governments of developing countries, like Uganda and development partners like World Bank to improve performance of the procurement planning, procurement is still marred by shoddy works, poor quality goods and services which have greatly affected the organizations' performance. Failure to implement or delayed implementation of recommended performance standards has resulted in unnecessarily high operation costs, uncoordinated business activities, and failure to attract and retain experience and skilled personnel in the procurement positions, thus affecting the function's performance (PPDA, 2007) It was reported in PPDA, (2007) report that procurement functions of most public entities were not complying with the set procurement planning procedures. Therefore as one of the most vital stage of procurement towards achieving organizational goals that include performance, this study used NARO as the case study to examine the effect of procurement planning on organizational performance.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study is to establish the role of procurement planning on organizational performance using NARO as a case study.

1.3.2 Specific Objectives

- i. To establish the contribution of determining the procurement needs on organizational performance.
- ii. To investigate the role of timing of acquisition on organization performance.
- iii. To establish the impact of funding on organizational performance.

1.4 Research Questions

- i. What is the contribution of determining the procurement needs on organizational performance?
- ii. What is the role of timing of acquisition on organization performance?
- iii. What is the impact of funding on organizational performance?

1.5 Scope of Study

1.5.1 Study Scope

The study covered procurement planning as the independent variable (IV). Van Wheel (2005) defines procurement planning as the process of determining the procurement needs and the timing of their acquisition and funding such that the entire operations needs are met as required in an efficient way. Thus, procurement planning must be appropriate to circumstances. The study lastly looked at organizational performance as the dependent variable (DV)

1.5.2 Geographical Scope

The study was carried out at the National Agricultural Research Organization (NARO) located along Berkeley Rd in Entebbe Uganda.

1.5.3 Time Scope

The researcher looked at a period from 2009 to 2014 because this period had enough information relevant to the study.

1.6 Significance of the Study

- The study will assist management to device means to overcome poor procurement planning methods so that the organization can improve on its performance levels.
- Further, stakeholders in the organization will be abreast with the need to develop the required managerial capabilities necessary to keep a going concern.
- The study is to act as reference material for other scholars who may wish to carry out a study or research in the same field.

1.7 Justification of the study

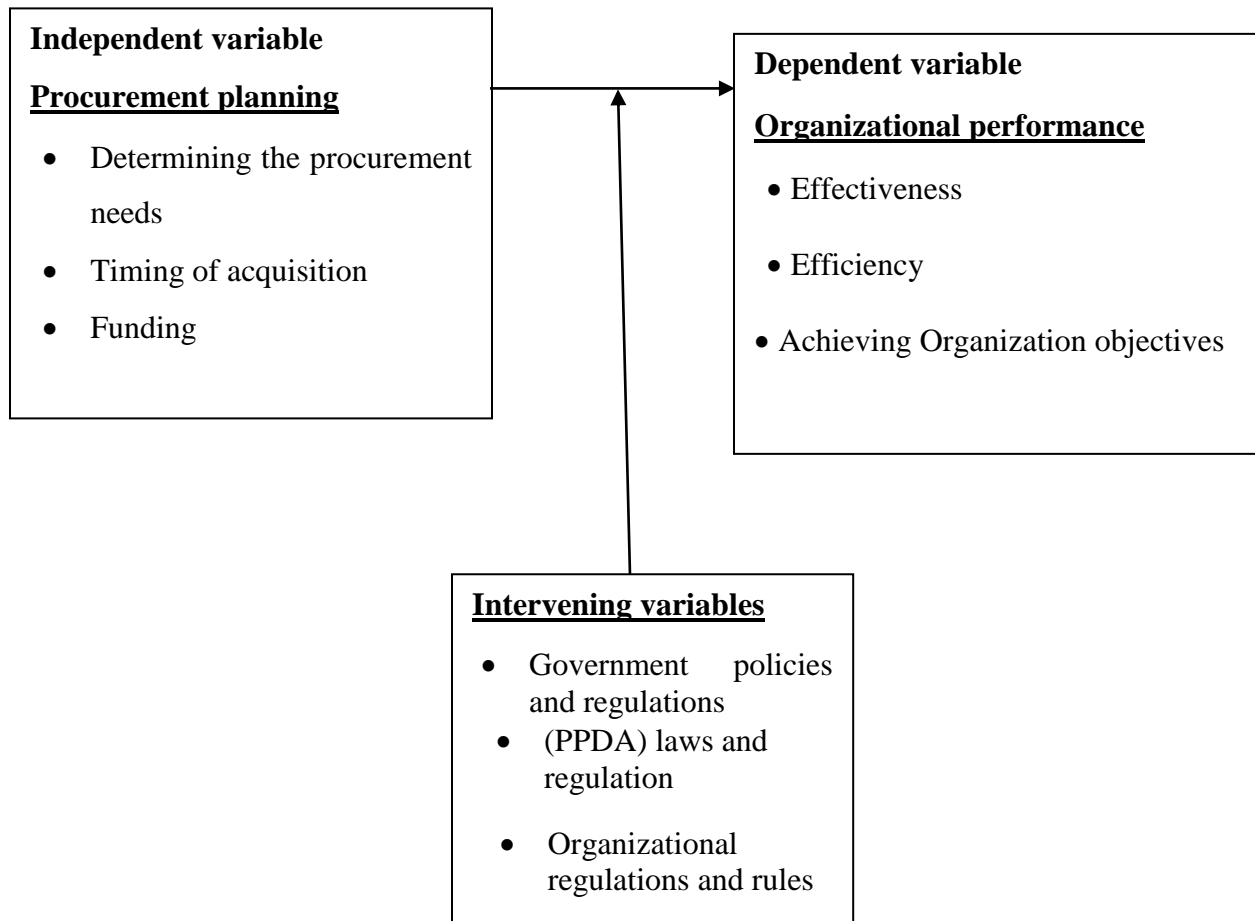
A lot has been written on the rapid and widespread diffusion of procurement planning in organizations as one of the most notable trends over the past years. Beaumaster (2002) and O'Brien (2004) agreed that the demand for efficient and effective use of procurement planning is gradually increasing at the present time. Milis & Mercken (2002) are of the view that procurement planning in many organizations is surrounded with various problems regarding the way it is embraced which the previous studies had left out. The extent to which procurement planning affects the performance of particular organizations has however been left out by most

researchers and thus this study is justified in the sense that it highlighted the imperative of procurement planning and its inherent dynamism towards organizational performance and in this case, NARO as a case study.

1.8 Conceptual Framework

Sekaran, (2003) states that, a conceptual framework helps to hypothesize and test certain relationships which improve the understanding of a situation. In other words, the conceptual framework describes the relationship between the independent variable and the dependent variable.

Figure 1. 1: Conceptual framework of the role of procurement planning on organizational performance



Source: Adopted and modified from Bhaskar and Housden, (1990).

The framework suggests that organizational performance is influenced by procurement planning (Bhaskar and Housden, 1990). Performance of an organization is significant because it is the key indicator in achieving of goals and objectives of the procurement function. Procurement planning is significant through the identification of needs, timing of acquisitions and funding of the procurement needs. Procurement planning manifest a combination of an organization's commercial principles and values with regard to the growing acceptance and utilization of procurement planning commonly used in organizational operations. All these appear to have a significant effect on the organizational performance of an organization measured by organizational effectiveness, and efficiency and achieving organization objectives. In this study, it is assumed that proper procurement planning has a big role in improving the performance of an organization.

In the conceptual frame work, procurement planning is operationalized into determining the procurement needs, timing of acquisition and funding. The procurement needs are identified prior to the beginning of a fiscal year; this process provides an organized means whereby time and money are saved which in turn improves the performance of an organization (Soudry, 2007). This happens when timeliness of acquisitions is followed in the procurement of contract packages and when patience is exercised in the use of the right procedures enshrined by law to ensure transparency and competitiveness. Funding is one of the key components in procurement. This is because any delays caused by finances can cause disruptions in the course of executing procurement activities/projects. However, there are intervening variables that influence

procurement planning and organizational performance and they include Government policies and regulations, (PPDA) laws and regulations and organizational regulations and rules. Edward, (2009) argues that procurement rules®ulations can have significant effects, both inside and outside the procurement market. This because they are always ensuring Integrity and Competition in Public Procurement Market by enforcing or putting in place rigid rules, policies governing procurement , lock prospective bidders out of a procurement market. This affects the relationship between procurement planning and organizational performance (Bhaskar and Housden, 1990)

1.9 Conclusion

In conclusion, the long-term benefits of procurement planning are linked to effectiveness and efficiency of an organization. This is because procurement planning enables the organization to get the right materials from the right supplies at the right place and time. Therefore this study continued to analyse the contribution of procurement planning in form of identification of needs, timing of acquisition and funding on organizational performance as seen in chapter two.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction.

This chapter deals with the review of the related literature on the study variables of procurement planning and organizational performance. The review then focused on the major themes of the study: to establish the contribution of determination of needs on organizational performance, to investigate the role of timing of acquisitions on organizational performance and to establish the impact of funding on organizational performance.

2.2 Determination of Procurement Needs.

2.2.1 Perception of a Need.

The first step in the public procurement process is to identify requirements. All procurement requirements begin with the perception of a need (Rajagopal, & Bernard, 1993). For example the need to cross a body of water could create a requirement to build a bridge, use a ferry, or other transportation system. At this stage, it is necessary to clearly define the need, and this may be done by way of a study to determine the best mode to cross the body of water (given the present situation and forecasted future need), then the type of bridge to be constructed, or a comparative cost/benefit analysis to determine the best solution between a bridge and other alternative.

Before starting any procurement process, it is important to establish whether it is essential to purchase. Establish whether there is a clear business need for the product or service. The procurement should be essential for the conduct of normal operations or to improve performance .(Abi-Karam 2002)

2.2.2 Identify/ Agree on the Need Outcome.

Once the need for, and what is needed from has been agreed on, the specifications for that need agreed upon have to be written down. Thereafter, a supplier or service provider is established, the specification of requirements needs to be developed (Carter, & Narasimhan, 1990). The specifications should be based on the outcome agreed on in the identification of needs. It is also important to ensure that the specifications are clear and comprehensive but not discriminatory (use generic technical specification and avoid proprietary brand names)

2.2.3 Technical / Design Specifications.

In essence, a specification details the attributes of a product, process or service a user wishes to purchase, and consequently, which the supplier is expected to supply. As far as practicable, it is desirable that the requirements be expressed numerically in terms of appropriate units together with their limits. Technical / Design specification details the characteristics of the product to be purchased, it is so detailed that it describes how the product is to be manufactured, and detailing the physical dimensions of the product and materials to be used (Laffont, 1993). It is important to note that references, which have the effect of favoring or eliminating particular suppliers, contractors, products or services, should be avoided. It is not normally permitted to use brand names, sources of supply, trademarks, patent types, origins or other means of production when writing product specifications. The exception is when the goods and services cannot otherwise be described by reference to technical specifications, which are sufficiently precise and intelligible to all suppliers. In these cases, the brand names and other features must be accompanied by the words "or equivalent" (Ray & Jewkes, 2004)

2.2.4 Functional Specifications.

A functional specification is a clear indication of the purpose, function, application and performance expected of the supplied material or service, whereby the supplier is allowed or encouraged to provide an appropriate product. These specifications describe the capabilities where applicable. Performance specifications are to be selected as they allow wider competition and enable suppliers to suggest new or improved ways of meeting the requirement. Tests or criteria are developed to measure a product's ability to perform and to last, as required (Nellore, & Soderquist, 2000)

2.2.5 Determining the Source of the Need.

The user department in organizations should always know their needs and requirements, whether from internal or external sources. The product may be one that needs to be re-ordered, or it may be a new item for the company. This is done by the user department/unit in the organization that is in need. At this stage, the user department is responsible for undertaking internal consultation (engagement) to identify the needs and agree whether the organizational needs and procurement objectives have been met, (Carter, & Narasimhan, 1990)

2.2.6 Terms of Reference

At the end of the requirements definition stage, a clear determination of the terms of reference, technical specifications or statement of work (depending on the procurement category) should be possible, including an estimate of the budget, and, most importantly, the procurement lead-time (Abi-Karam 2002). It is also important to ensure that the specifications present the optimum combination of whole-life-costs and/or price, where appropriate, and quality (or fitness for purpose) to meet your requirements.

2.2.7 Aggregation of Requirements for the Procuring Entity

The aggregation of requirements takes into account, the market structure for the items required, items which are of a similar nature and which are likely to attract the same potential bidders, the optimum size and type of contract to attract the greatest and most responsive competition or the best prices, items which are subject to the same method of procurement and bidding conditions, items which shall be ready for bidding at the same time, items which shall be subject to the same conditions of contract, potential savings in time or transaction costs, the appropriate size of contract to facilitate the application of any preference and reservation schemes, and the optimum number and size of contracts to facilitate management and administration of contracts by the procuring and disposing entity (Perry, 2002)

2.3 Timing of Acquisition

2.3.1 Estimating Length of the procurement

Estimating how long each step of the procurement process will take is the most difficult part of developing a procurement timeline in procurement planning. There is no rule of thumb; experience with the particular circumstances and information gathered during confirmation and elaboration of the requirements must guide the estimates. In some instances, time limits set for particular steps are part of the national procurement legislation. Whether or not these limits are normally observed as an important piece of information to be considered (Ssemayengo, 2005)

2.3.2 Schedule

Obviously, everything cannot be processed at one time (except in very small operations), so the procurement unit also develops a tentative schedule for purchasing activities. This schedule serves multiple purposes: not only does it help to organize the workload, but it identifies time

frames in which certain things will be required, such as funds to cover payment commitments. It is important that early in the procurement process, contracting officers develop a procurement schedule for the entire procurement cycle in consultation with the client, taking into consideration the review and analysis of the client's requirements; time for Request for Information process; the Procurement Review Committee process; assessment/approval for the use of a fairness monitor; approval of the Procurement Plan or the Contract Planning and Advance Approval (Ssemayengo, 2005). It is also important to consider the time required for the preparation of and the receipt of bids, offers or arrangements, including site visits and bidders conference, if applicable.

2.3.3 Lead time estimation

Christopher (2011) stated that lead time is the latency (delay) between the initiation and execution of a process. Determination of the lead times is key since it enables the organization to carry on proper procurement planning. Therefore, the time from the moment the customer places an order to the moment it is ready for delivery is crucial. In the absence of finished goods or intermediate (work in progress) inventory, it is the time it takes to actually manufacture the order without any inventory other than raw materials. The proper timing of acquisitions will enable Departmental offices and operating units to determine the most suitable approach in fulfilling the acquisition need through market research; facilitate the effective allocation and use of resources by apportioning procurement actions more evenly over the entire year; and avoid excessive obligation of funds in the last quarter of the fiscal year (Bernard, 1993)

Still, delay in service delivery will make the services to lose meaning and hence a service should be offered in time before it becomes irritating to the consumer (Ssemayengo, 2005). Services

which are delivered on time are said to be of good service and those that are not delivered on time are said to have poor service.

2.3.4 Time Frame and Costing

Cost and time are intimately connected to each other, both on the supplier side and on the purchasing side. On the purchasing side, lead time has a positive correlation with the required size of inventory and safety stock levels that is needed to prevent stock outs (Ray & Jewkes, 2004). Longer time thus increases the safety stock costs, which are a result of tied-up capital, obsolescence, damaged goods and warehousing operations and facilities (Christopher, 2011). Increased safety stock levels also reduce the inventory turnover rate, incurring costs for bound capital as well as procrastinating product updates and by that inhibiting them from reaching the market. In addition, a long lead time magnifies the bullwhip effect; leading to over- or under-production and inaccurate inventory levels.

2.3.5 Timing procuring of goods and services with working life

According to (Perry,2002), timing the procuring of goods and services which have a working life over many years is appropriate to ensure they are cost effective over their whole working life. This means taking a long term view and not focusing on the lowest purchase price at the expense of long term value for money. Long term procurement commitments also need to be able to deal with change, for example, a department may wish to take advantage of changes in technology. Buying goods and services on time remains the best way of ensuring that the best combination of whole life costs and thus quality is achieved.

2.3.6 Risk Management

Timing is necessary in preventing market risks that are found on the demand and supply side. The former occur when innovations in public procurement are also intended to spill over to private markets and those private markets are not large or responsive enough or do not built up quickly enough to justify capacity investment (Laffont, 1993). The latter are those that potentially disrupt or delay operations such as political instability and volatile labor market; potential threats that a competitor will take over a supplier and potentially lock out supplies, risks related to delays and insufficient quality.

If timing in procurement is well managed, risk taking and innovation that is likely to lead to sustainable improvements in both the cost of procurement and the quality of the goods and services purchased; and ensuring that departments and agencies have overall organizational and management capability to undertake large, novel and contentious projects; and ensuring that departments and agencies have overall organizational and management capability to undertake large, novel and/or contentious projects (Grimsey, 2002)

2.3.7 Social inclusion and environmental sustainability

Grimsey (2002) asserted that timing in procurement promotes decent work, social inclusion and environmental sustainability; organizations can use their substantial timely purchasing power to motivate their client firms to adopt desirable social and environmental outcomes. They can require contractors to comply with labor and environmental standards, and can use procurement to the benefit of marginalized groups, including their smallest clients in the economy.

2.4 Funding In Procurement Planning

2.4.1 Budget estimates

Proper planning and funding can enable the entity to make sure people know that it expects entities to set realistic timescales for the supplies to come in on time (Bernard, 1993). Where payment to a service provider is anticipated to last more than one financial year, it is the role of the accounting officer to ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. The accounting officer also ensures that sufficient funds are budgeted for framework contracts every financial year, to cover the full cumulative cost of call off orders anticipated for each year for a framework contract.

2.4.2 Cost Estimating

Estimates of purchase costs are needed when seeking funding for new equipment. Provision should be made if possible for adjusting the final sum upwards or downwards, to cover the cost of the most economically advantageous offer (Laffont, 1993). Funding may be required for future years to cover such costs as lease charges, consumables, overhauls or upgrading. Any costs relating to building work, staffing, energy, waste disposal, and the eventual disposal of the equipment should also be included in such procurement plans.

2.4.3 Cost Controlling

Cost controlling is important in public procurement since procurement is one of the essential elements in the day to day activities of any country. It is a tool from which the government is able to procure in a way that promotes value for money and make sure that it obtains the best prices and cost effective expenditure within the government (Laffont, 1993). Cost controlling is

normally aimed at controlling or minimizing inaccurate user cost estimates, variations, exaggerated quantities and significant changes during the acquisition.

2.4.4 Cost Saving Advantages

In addition to general cost controlling, contingency plans, adequate payment modalities , funding enables certain procurement practices, such as auctions, e-procurement and aggregation of demand and may bring cost saving advantages. Public bodies may also enter into target costing arrangements and select suppliers with cost reduction programs in places (Smith ,2005). Furthermore, risk management strategies themselves may need to be subject to cost benefit analysis (the cost of risk management strategies may offset the benefits in terms of cost-savings)

2.4.5 Grants

Sometimes, organizations receive funds in form of grants for their procurement needs and items identified. Organizational grants are a legal contract between the funding body and the organization where the grant funds belong to the institution rather than the grant or budget holder, and have to be accounted for in accordance with the institution's regulations. In some cases, a breach of grant conditions could result in the funding being withdrawn and the organization refunding the total grant awarded regardless of any expenditure that may / may not have already been assigned to the grant though in rare cases (Laffont, 1993)

2.4.6 Functioning of financial markets

Funding in procurement comes with the adequate functioning of financial markets. Less and inadequate funding may prevent the procurer and the producer from securing the financing of the items. The effect of procurement on Research and Development (R&D)

would be different depending on whether firms are financially constrained or not, namely whether they can easily raise capital from private investors or not. In industries that are severely financially constrained, R&D investments may not respond positively to the incentive of higher profits (Cabral et al. 2006). The presence of financial imperfections may benefit existing innovative efforts incumbents. Manufacturing the current version would be favored rather than incentivizing outsiders to develop a better version of the product or service. In a situation of financially constrained sectors, the public sector could improve access to funding or increase the current cash flows of innovative firms.

2.4.7 Value for money

Procurers are often under massive external pressure to ensure “value for money”. This, narrowly interpreted, creates strong incentives to fund contracts to the cheapest bidder, regardless of the quality and wider developmental and socioeconomic considerations. This is normally often where by the aim is to meet the immediate need first and don’t care about the future. This attitude increases the short-term outputs of the organizations. However, this may massively reduce the long term potential impact of goods and services procured by agencies and recipient organizations using aid funds, which could otherwise be used to foster investment and innovation, enhance labor, social and environmental standards, and can help build capacities, skills and the adequate socio economic fabric to set organizations to better standards. (Punch, 2011)

2.4.8 Financial management

Procurement funding should be considered an integral part of public financial management and to the fostering of transparency and accountability from expenditure planning to final payment, (Fleming, 2010). Transparency and accountability begin with the budget process, with the full

disclosure of all relevant fiscal information in a timely and systematic manner. Electronic systems can help connect with the overall financial management system to ensure that procurement activities are conducted according to plans and budgets, and that all necessary information on public procurement is made available and tracked.

It is a common complaint that government procurement takes too long - and people ask why the Government doesn't do something about it. Everybody benefits from fast, effective and transparent procurement that is properly funded (Laffont, 1993). It reduces suppliers' costs, enables departments to fulfill commitments faster and more effectively and gives citizens more responsive and better value-for-money (VFM) public services.

2.4.9 Sourcing

The procurement of capital equipment ties up money for long periods of time, and the longer the period, the greater the uncertainty and risk involved. It must be done correctly the first time, as mistakes are not easily rectified. Information on potential suppliers can be obtained from a wide range of sources such as suppliers, peer contact, trade directories, exhibitions, conferences and consultants. Approved suppliers will have met the institution's selection criteria and there may already be a purchase agreement in place. However, sticking to a small number of suppliers may not result in best value for money, for new suppliers may bring in new ideas and increase competition (Laffont, 1993). A thorough market search may reveal opportunities to buy second-hand or ex-demonstration equipment items.

2.4.10 Ensuring availability of Sufficient Fund

Where payment to a service provider is anticipated to last more than one financial year, it is the role of the accounting officer to ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. The accounting

officer also ensures that sufficient funds are budgeted for framework contracts every financial year, to cover the full cumulative cost of call off orders anticipated for each year for a framework contract (Ssemayengo, 2005)

2.5 Government Policies and Regulations; (PPDA) Laws and Regulation and Organizational Regulations and Rules

2.5.1 Government policies and regulations

Government policies and regulations in procurement also may have a negative effect in the market. For example, there might be a policy insisting that contractors on its Multiple Award Schedule (MAS) contracts commit to pass any commercial discounts on to the contractors' Government customers as well. The MAS most-favoured customer provision, known as the Price Reduction means, in practice, that vendors, competing in a market where all competitors face collateral price impacts for lowering their commercial prices, may decline to decrease their prices, public or commercial (Greenstein, 1993)

There is, therefore, little doubt that procurement rules can have significant impacts in the commercial marketplace and indeed, there is substantial agreement on the types of impacts those rules may have. The question, then, is whether government regulators have considered those potential effects when framing new procurement rules (Scott, 2004)

Procurement regulators should also have to consider the market impact of procurement rules. Public procurement policymakers should therefore weigh the prospective economic costs of different approaches, which will in turn help guide public procurement rulemaking that has net positive impacts on the economy (Bernard, 1993). The specific processes used to incorporate

cost-benefit analysis will depend on the particular regulation being considered. Therefore, the government can incorporate cost-benefit analysis into its public procurement rulemaking processes.

According to Artley (2001), the government requires assurance that agencies have not only planned to achieve the required capability and performance standards, but are in fact achieving and maintaining them. Post procurement assessments of outcomes achieved is not sufficient in itself to give this assurance. There is also a need to assess procurement capability before the procurement work occurs. Through the annual Corporate Procurement planning process, the central procurement authority will report to a Procurement Board of Management (PBoM), comprising senior representatives of a selection of agencies, on each agency's capacity to properly manage its procurement. Where it is identified that an agency needs to improve in a particular area, the intention is not to stop the agency undertaking that aspect of its procurement. Rather, the central procurement agency will work with the agency to treat the risk exposure. This may take the form of providing advice or guidance through to assisting with undertaking specific duties.

2.5.2 Public Procurement and Disposal of Public Assets (PPDA) laws and regulations

In Uganda, a wave of procurement reforms that begun in 1997, culminated into the enactment of the Public Procurement and Disposal of Public Assets (PPDA) Act 2003, and regulations 2003. As an organizational performance outcome, effectiveness and efficiency of public organizations has traditionally been understood as conformity or obedience to regulations and legislation. According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. Mahmood, (2010) also stated that public procurement represents 18.42% of the world GDP. In developing countries, public procurement is increasingly

recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure.

Laffont, (1993) argues that procurement rules can, for example, raise new barriers to entry in the commercial marketplace, facilitate collusion in the commercial space, or artificially interfere with commercial prices. In most countries, procurement regulators have not, as a regular matter, assessed those possible impacts in past rulemaking, but sound practice and legal authority; including an executive order, seem to call for such assessments on intervening variables of government policies and regulations, procurement bodies like PPDA.

When government bodies are assessing how procurement rules should be shaped to take advantage of commercial efficiencies, regulators apparently never seriously considered the impact of their rules on those same markets. Many regulators for example in the U.S, federal system instead typically focused on best value, that is to say, on how to shape procurement rules to maximize competition within a procurement itself, to gain the best value for the public money spent (Scott, 2004)

Enforcement of the PPDA laws and regulations could be broadly viewed as any actions taken by regulators to ensure compliance. There are mixed opinions regarding the effect of enforcement on compliance. Some scholars such as Sparrow (2000) doubt the direct effect of enforcement on compliance. They argue that enforcement may make violators more sophisticated in how to prevent, and conceal detection.

However many other scholars agree that enforcement improves compliance (Gunningham and Kagan, 2005) Proper enforcement action for the rules and regulations and increased penalties lead to greater levels of compliance with the procurement laws. Corruption among government

procurement officials in developing countries such as Uganda has been linked to a weak enforcement of the rule of law.

2.5.3 Organizational Regulations and Rules

Due to regulatory reforms and changing community expectations, the role of organizational regulations and rules has a great impact on the effectiveness and performance of the procurement in the organisation. Organizational compliance to procurement requirements has gained momentum (Lisa, 2010). Basing on the values which involve enforcement of rules, conformity and attention to technical matters, individual conformity and compliance are achieved through enforcement of formerly stated rules and procedures.

The organizational regulations and policies can affect the ideas, attitudes, values, habits, beliefs, customs, language, rituals, ceremonies, and practices of the organizational employees. According to Lisa, (2010), organizational rules can have an effect on the organizational culture which plays a central role in the procurement compliance process and associated outcomes. For example organizational culture in Uganda's public sector is an impact to government reforms. It is also contended that in a specific type of culture, characterized by specific values such as openness, trust and honesty (Arjoon, 2006). This applies to developing countries where waves of procurement reforms have resulted into enactment of procurement rules and regulations.

Niles, (1996) mentions that when an organization initiates new procurement programs, the organization policies can affect the existing base line procurement capability since it has to be determined, and the need for additional expertise or resources to properly manage the new program's procurement work. As part of the budget process, the organization would be expected to seek funding to establish the necessary procurement capability to deliver the new program.

2.6 Organizational Performance

2.6.1 Effectiveness

Mawhood (1983) documents that effective procurement planning is an important route towards organizational effectiveness whereby it enables the securing of the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

When an organization is effective, it is able to enhance proper service delivery. Therefore, any delay in service delivery will make the services to lose the meaning and hence a service should be offered in time before it becomes irritating to the consumer (Ssemayengo, 2005). Services which are delivered on time are said to be of good service and those that are not delivered on time are said to have poor service.

This is the probability of a service failing within a specified time period. Among the common measures of reliability are the average time to first failure, the average time between failures, and the failure rate per unit time (Balunywa, 1998). Procurement planning can be fundamental to the development of a strategic business change and delivery programme which can enable the company to improve on the relativity of the organization. It is important to pay attention to the business-change elements. Having a clear and shared understanding of how the organization is to work in its new state will help ensure that the procurement fully supports the business need and isn't delayed by decisions about business change (Zalami, 2005)

Conformance is also another indicator of organizational performance and effectiveness. This is the degree to which a service design and operating characteristics meet established standards. Good service is therefore equated with operation within a tolerance degree (Balunywa, 1998). The question here is that can the service that has been procured achieve the core purpose for which it is intended? If the service performs as expected, it will be considered good service offered.

Public organizations have different types of performance management systems. There are various, major methods and movements to increase the performance of organizations (Zalami, 2005). Each includes regular recurring activities to establish organizational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently and economically be able to save costs.

According to Arjoon, (2006) Procurement planning drives different expected results which are different from business as usual such as: reduction in the number of overall contract awards, understanding and managing total cost of ownership, more purchasing options (lease vs. buy) , data-driven decision making, improved risk mitigation prior to award, more identification of opportunities where suppliers can add value, improved relationships with suppliers which leads to effectiveness of the organization in its operations as a public entity.

Effectiveness of services delivered by the public organization can be hiked if proper procurement planning principles are applied. It is therefore important to learn about your counterparty's past performance to better predict what their interests might be.

An entity's procurement objectives are achieved when an effective procurement plan is utilized. Each contract package procured has a direct or indirect effect on the general aims and objectives

of the procuring entity (Zalami, 2005). With this in mind, when a procurement plan is being prepared, practitioners must consider the impact these purchases will have on the users of these goods, works and services. If the objective of the entity in question is to build modern roads, schools, hospitals; let the goals of achieving higher literacy, better infrastructures development and a healthier society be achieved as well.

2.6.2 Efficiency

This involves the adjustment of differences and inconsistencies among different activities, measurements, methods, procedures, schedules, specifications, or systems to make them uniform or mutually compatible. Harmonization of the activities of the organization can lead to efficiency in its operations. This enables looking for prevention or elimination of differences in the technical content of standards having the same scope. Harmonization looks at differences between the different research activities, and sets bounds to the degree of their variation (Scott, 2004)

The government and the public working together can drive down the cost of procurements. The government can use its unique position as the largest client to the sector to create an efficient supply chain that drives efficiency by adopting procurement planning best practice, standardizing design and creating economies of scale (Laffont, 1993)

The role of procurement planning has changed over the last several years; it is now becoming an important part of the organizational strategy as substantial amounts of money is being spent on public purchases. For many organizations though, requisitioning and ordering of goods and services is a very paper intensive, inefficient and costly process. Finance leaders have to recognize that there is a need to enhance the speed and effectiveness of their procurement

process to help reduce the costs associated with processing paper documents manually (Bernard, 1993)

Laffont, (1993) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the efficiency of government operations and improved organizational performance. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in many public entities.

In Uganda's economic environment today, procurement planning practices are widely accepted as creating good value for money on goods and services in organizations aimed at improving its efficiency. Under pressure to contain costs and produce results despite challenging circumstances, organizations must transform rather than simply improve their operations. Glass, (2011) pointed out that it's important to adopt new procurement planning practices, philosophies, methods, and processes that will make the organization "best in class." This makes a supply chain organization best in class in efficient and effective delivery of its services.

According to Agaba, & Shipman, (2007) procurement planning also permits the creation of a procurement strategy for procuring each requirement that will be included in the procurement plan. Such strategy includes a market survey and determining the applicable procurement method given the requirement and the circumstances.

Jones, (2007) points out that the most important outcome of the procurement planning process is to clearly and directly link an agency's procurement activities to its efficiency in the services that it provides to the public. Procurement planning assists agencies to identify opportunities to better align procurement with the institutional service delivery strategies. Procurement plans need to be clear so that any reader should be able to understand the agency's procurement objectives, how

these link to its service delivery outcomes, what initiatives are planned, and how the agency will measure the achievement of these initiatives.

An effective plan provides a framework to guide procurement officers in the achievement of their tasks and duties. Practitioners, who do not plan, have already planned to fail. When individuals use effective procurement plans in the execution of their functions, they are more organized, effective and efficient in effecting positive changes and growth in their organizations (Zalami, 2005). This growth and change exposes the procurement officers to relevance and reliability in the achievement of duties and responsibilities assigned to their office, thus, producing the necessary measures which would provide the basis for achieving the spirit and intent of the procurement law.

2.6.3 Achieving Organization Objectives

The ultimate goal of procurement planning is coordinated and integrated action to fulfill a need for goods, services or works in a timely manner and at a reasonable cost. Early and accurate planning is essential to avoid last minute, emergency or ill-planned procurement, which is contrary to open, efficient and effective – and consequently transparent – procurement. This in turn enables the organization to achieve its set aims/goals and objectives (Lisa, 2010)

The objectives of a world-class procurement organization move far beyond the traditional belief that procurement's primary role is to obtain goods and services in response to internal needs (Jones, 2007). The primary objectives of a world-class purchasing organization may include supporting operational requirements, managing the procurement process and the supply base efficiently and effectively, developing strong relationships with other functional groups in addition to develop integrated purchasing strategies that support organizational strategies, goals

and objectives among others. In this case, procurement planning enables organizations to achieve its objectives since it enables the organization to buy products and services at the right price, from the right source, at the right specification that meets users' needs, in the right quantity, for delivery at the right time and to the right internal customer (Bernard, 1993)

Effective procurement planning strategies involve, monitoring supply markets and trends (e.g. shortages, changes in suppliers) and interpreting the impact of these trends on company strategies, identifying the critical materials and services required to support company strategies in key performance areas, particularly during new product development. It is also important in enhancing objective attainment since its key in developing supply options and contingency plans that support company plans, and support the organization's need for a diverse and globally competitive supply base (Jones, 2007)

Effective Procurement Planning is essential for all procuring entities in the implementation of the objectives for the many reasons including the following; an effective plan saves time and money, serves as a foundation to achieving entity's objectives, and ensures compliance with regulatory policies. An effective procurement plan also provides a framework to guide procurement officers in the achievement of their tasks and duties (Bernard, 1993)

An entity's procurement and organizational objectives and goals are achieved when an effective procurement plan is utilized. Each contract package procured has a direct or indirect effect on the general aims and objectives of the procuring entity (Lisa, 2010). In fact, in various public procuring entities, specific objectives are tied into the national objectives and goals of the Government. Ministries, Public agencies, commissions and institutions serve as support bases in the achievement of both the Millennium Development Goals (MDG) and the poverty reduction

strategies. With this in mind, when a procurement plan is being prepared, practitioners must consider the impact these purchases will have on the users of these goods, works and services. If the objective of the entity in question is to build modern roads, schools, hospitals; let the goals of achieving higher literacy, better infrastructures development and a healthier society be achieved as well (Zalami, 2005)

Lisa, (2010) found a strong correlation between a company's performance and an effective goal setting process enhanced by a good procurement process. Companies that have more closely aligned goals across their organization enjoyed much higher levels of success.

2.7 Conclusion

In conclusion, there has been a general exploration of procurement planning through identification of needs, timing of acquisitions & funding and how they interconnect with organizational performance in organizations through their ability to be effective and efficient. From the above literature, it can be concluded that procurement planning can have an impact on performance of organizations as confirmed by Bruel, Olivier, and Menuet, (2007) hence the relevance of this research study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methodology that was used in the study. It covers the research design, study population, sample population, size, sampling procedures, data collection methods and their corresponding data collection instruments, data management and analysis procedures, reliability and validity and the ethical considerations.

3.1 Research Design

According to McMillan & Schumacher (2006) research design is a plan that describes the procedures, nature and strategy of the research. Mouton and Marais (1990) noted that the purpose of the research design was to ensure that the eventual validity of the research findings is maximized. The study used a case study design approach. The case study design is a method known for obtaining true and comprehensive picture of a social unit, institution or community in order to understand the life cycle of that particular unit more fully (Amin 2005). A case study provided an in-depth study of the problem with limited time scale. The case study approach was perceived as the most preferable way of obtaining holistic, in-depth insights into the impact of procurement planning on organizational performance at NARO. (Hakim, 1997)

The study also considered both quantitative and qualitative approaches. Quantitative approach is the systematic empirical investigation of observable phenomena via statistical, mathematical or computational techniques. It involved data that was in numerical form such as statistics, percentages (Mertens, 1998). On the other hand, qualitative approach is an approach designed to

reveal a target audience's range of behavior and the perceptions that drive it with reference to specific topics or issues. It aimed at gathering an in-depth understanding of human behavior and the reasons that govern such behavior (Attride & Stirling, 2001) The study also used structured questionnaire, interviews, and document analysis. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Taguchi, 2010) An interview is a conversation between two people (the interviewer and the interviewee) where questions were asked by the interviewer to obtain information from the interviewee (Holstein, & Gubrium, 1995) Documentary Review refers to the use of documentary sources in research. In other words, it refers to the use of documentary methods or documents that contain information about the phenomenon we wish to study (Bailey 1994)

3.2 Area of Study

The study was carried out within the National Agricultural Research Organization (NARO) located along Berkeley Rd in Entebbe Uganda. The area was chosen because NARO is the largest National Research Network in Uganda for Agriculture, Therefore it had enough relevant data and information regarding the topic under investigation. The area of the research study was specifically chosen because of the employees within the branch practicing procurement planning.

3.3 Study Population

The study was conducted at NARO. The study considered a population of 51 respondents that is Administration Managers (5), Accounting and Finance (4), Procurement officers (4) and other employees (40) Respondents from all hierarchies will be selected to give an account related to the research questions that are listed. This is shown in table 3.1 below.

Table 3.1: Population of the Study

S/N	Category	Population
1	Administration Managers	5
2	Accounting and Finance	4
3	Procurement officers	4
4	Other employees	40
Total		51

3.4 Sampling Procedure

3.4.1 Sample Size

A total of 44 respondents were selected based on Krejcie and Morgan (1970) sampling guidelines using the probability stratified random sampling method, and non-probability methods of purposive sampling criteria (*See attached appendix iii*). Table 3.2 below shows the different population categories targeted, sample and sampling methods that were used in the study.

Table 3.2: Sample size and selection

S/N	Category	Population	Sample size	Sampling Technique
1	Administration	5	3	Purposive
2	Accounting and Finance	4	4	Purposive
3	Procurement officers	2	2	Purposive
4	Other employees	40	35	Stratified random sampling
Total		51	44	

NARO Payroll report, (2014)

3.4.2 Sampling techniques

In this study, purposive sampling technique was used to select a key respondent that is Administration, Accounting and Finance, and Procurement officers because it was best suited for selecting information for in depth study (Barifaijo, Basheka and Oonyu, 2010). Simple random sampling technique was used to collect information from the other employees in the organization. This technique had high degree of generalization of findings; hence it was suitable for a large study population (Sekaran and Bougie, 2010). The researcher sampled from each proportion of respondents, allocated a number to every member of the accessible population, placed the numbers in a container then picked numbers at random. The subjects corresponding to the numbers picked were included in the sample (Mugenda & Mugenda, 2003)

3.5 Data collection methods and instruments

3.5.1 Questionnaire

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Taguchi, 2010) In other words, it is a formulated written set of questions that was used to obtain information about the study objectives from the study population (Amin, 2005) The questions used based on the fact that the variables cannot be observed as views, opinions, perceptions and feelings of the respondents (Sekaran, 2003) The questionnaires were used because it was appropriate for large samples and thus the results were more valid and reliable. The researcher set close ended structured questions on a sheet of paper about the field of study. These questionnaires were distributed at NARO to fill in the possible answers. This method helped the researcher to get the information and data concerning

the topic of the study. The data and information was later analyzed to identify answers to the topic of study.

3.5.2 Interviewing

An interview is a conversation between two people (the interviewer and the interviewee) where questions are asked by the interviewer to obtain information from the interviewee (Holstein, & Gubrium, 1995) In this method, the researcher interviewed the respondent face to face to obtain in-depth information on the role of procurement planning on organizational performance. The interviews were structured and thus comprised of a set of issues on which the researcher wished to draw data and the same questions were posed to the respondents using a guide to conduct the interview.

3.6 Quality Control Methods

To ensure quality control, the researcher measured validity and reliability. Validity refers to the extent to which questions in an instrument accurately measure the variables therein (Hair et al., 2003) In other words, Validity is the accuracy and meaningfulness of information, which is based on the research results (Mugenda and Mugenda, 1999) The questionnaires were subjected to expert face validity and theoretical content validity tests. A content validity index (CVI) is an indication of the degree to which the instrument corresponds to the concept it was designed to measure. Amin's (2005) recommended minimum CVI of 0.7 which was employed. Reliability refers to the degree to which a set of variables are consistent with what they are intended to measure (Amin, 2005) When the items on an instrument are not scored right versus wrong, Cronbach's alpha is often used to measure the internal consistency which is often the case with attitude instruments that use likert scale (Barifaijo, Basheka & Oonyu, 2010). Mugenda &

Mugenda, (2003) stressed that a coefficient of 0.80 or more implies that there is a high degree of reliability of the data, and that's what the researcher adopted.

3.7 Data Management and Processing

The data was examined to extract the themes and sub-themes in relation to the research objectives, and then used to describe and explain the contribution of procurement planning on organizational performance. A criterion for evaluating the performance was determined by analyzing the descriptive answers from each respondent. Answers about how procurement planning affects organizational performance were established and recorded. Discussions were based on identified themes. Findings were measured in percentages (%). The aspects were grouped according to themes and tallied into frequency counts and then percentages.

3.8 Data Measurement

The variables were measured by operationally defining concepts. For instance the questionnaire was designed to ask responses about the impact of procurement planning on organizational performance. These were channelled into observable and measureable elements to enable the development of an index of the concept. A five - (5) strongly agree, (4) agree, (3) not sure (2) disagree, (1) strongly disagree were used to measure both the independent and dependent variables. The characteristics of the respondents were measured at nominal and ordinal level.

3.9 Data Analysis

3.9.1 Quantitative data analysis

Raw data was collected, edited, coded and then analyzed using Statistical Package for Social Sciences (SPSS). Numerical codes were attached to each item so as to give statistical meaning to the items. It was then tabulated into frequencies and transformed into percentages.

3.9.2 Qualitative Data analysis

Qualitative data analysis involved identification and transcribing of the qualitative findings into different themes (Mugenda and Mugenda, 1999) The themes were then edited, coded and arranged in different categories to generate useful conclusions and interpretations on the research objectives which were deduced for reporting in a narrative form.

3.10 Ethical Considerations

The goal of ethics in research ensured that no one was harmed or suffered adverse consequences from research activities (Cooper and Schindler, 2001) The following were done to ensure that the respondents' rights are protected:

- i. The researcher sought an introductory letter from the university (UMU) which was presented to the relevant authorities at NARO to seek permission and consent. The data obtained from the respondents was treated purely as academic and confidential for the safety, social and psychological well-being of the respondents.
- ii. Informed consent was sought and appropriate documentation was kept,
- iii. Questionnaires were coded guarantee anonymity as no one of the respondents was named at any time during the research or in the subsequent study, and
- iv. Respondents were selected for their willingness to participate without compulsion and no risks to the respondents were identified at any stage during the research.

3.11 Limitations of the Study

The researcher was unable to probe deeper into the subject matter because some respondents withheld some information because it was regarded as confidential. However, the researcher assured the respondents that any information given was treated with maximum confidentiality.

The researcher experienced a problem of limited finances with respect to this study. Costs regarding this limitation included transport, printing and photocopying of relevant materials. However, the researcher sourced some money from relatives, friends and used it sparingly so as to overcome the cost constraint.

The researcher also faced a time constraint in data collection, analyzing of data and in final presentation of the report. However, the researcher overcame this problem by ensuring that the time element is put into consideration and that all appointments agreed upon with respondents are fully met.

The researcher was limited by the small size of the study area and sample size. This study was conducted in only one organization and involved only 44 respondents. This was dictated upon by the available resources and time. Although care was taken to ensure that the study area and sample is as representative as possible in the prevailing circumstances, it is important to note that the socio-economic and working environment/conditions in organizations did not permit the findings of this study to be used to make generalizations.

CHAPTER FOUR

DATA ANALYSIS, RESULTS PRESENTATION, AND DISCUSSION OF FINDINGS

4.0 Introduction

The chapter partitioned sections into themes and sub themes to generate a logical flow of the study results putting into consideration the objectives of the study which were to establish the contribution of determining the procurement needs on organizational performance, to investigate the role of timing of acquisition on organization performance and to establish the impact of funding on organizational performance

4.1 Response Rate

Out of the targeted sample size of 44, only 30 responded. This gave a response rate of 68%

The study administered the following instruments for the collection of the data: interviews and questionnaire.

Table 4.1: showing the research instruments and respondents in Number and percentages

Instruments	No of respondents (F)	Percentage (%)
interviews	1	3%
Questionnaires	29	97%
Total	30	100

Source: Primary data

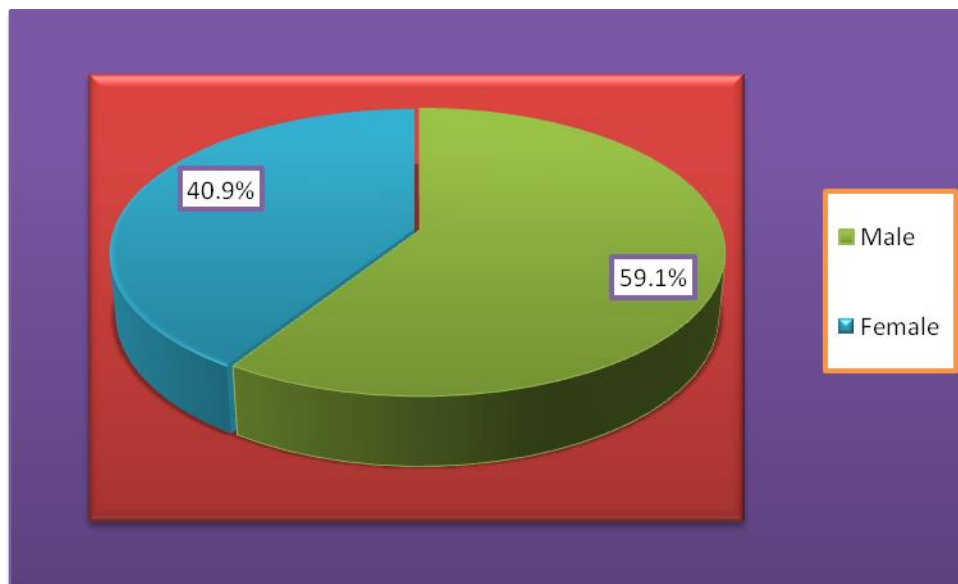
Table 4.1 has demonstrated the distribution of the respondents according to the instruments used by the researcher that, 97% of the targeted respondents participated by answering the questionnaires and 3% with interviews.

4.2 Background of the respondents

Under this section, efforts are made to document the background information of the respondents such as gender, marital status, age bracket and academic qualifications.

4.2.1: Gender of the Respondents

Figure 4. 1: Showing the Gender of the Respondents



Source: Primary data

According to figure 4.1, it is presented that 59.1% of the respondents were males whereas 40.9% of the respondents were females. This evidenced that there was gender imbalance as there were more men than women. The imbalance was associated with the recruiting procedures at National Agricultural Research Organization (NARO)

4.2.2 Age of the respondents

Table 4. 2: Showing the Age of the Respondents

Age	Frequency (F)	Percentage (%)
Below 20 years	0	0%
20 – 25 years	3	11.4%
26 – 30 years	9	29.5%
31 – 35years	10	34.1%
36 – 40 Years	5	15.9%
Above 40 years.	3	9.1%
Total	30	100

Source: Primary data

Results from table 4.2 show that the majority 34.1% of the respondents had years ranging from 31 to 35, these were followed by 29.5% who belonged to the age group of 26-30 years, then 15.9% had years ranging from 36 to 40, 11.4% belonged to the age group of 20-25 years while the minority 9.1% of the respondents were above 40 years. This implied that most employees of the organization were still youths which was affiliated with the Organization's need to have active and industrious workers.

4.2.3 Marital Status of the Respondents

Table 4.3: Showing the Marital Status of the Respondents

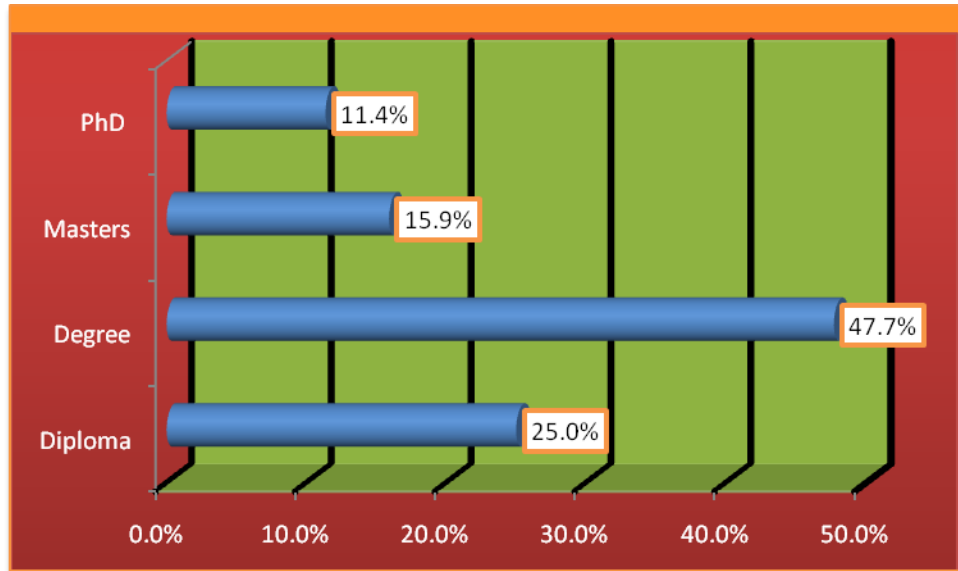
Status	Frequency (F)	Percentage (%)
Single	9	28.6%
Married	18	60.0%
Divorced	2	5.7%
Widowed	2	5.7%
Total	30	100.0

Source: Primary data

In relation to table 4.3 above, it is indicated that the majority 60.0% of the respondents were married, these were followed by 28.5% who were still single, then 5.7% of the respondents were both widowed and divorced. This testified that most employees at NARO had family responsibilities and this also assisted the researcher to obtain views from different group thus avoiding biased data.

4.2.4 Academic Qualification

Figure 4. 2: Showing the Academic Qualification



Source: Primary data

Results from figure 4.2 above showed that the majorities 47.7% of the respondents were degree holders, these were followed by 25.0% who were diploma holders, and then 15.9% of the respondents had attained a Master's degree while the minorities 11.4% were PhD holders. This implied that all employees at NARO had attained some education with needed knowledge and skills to run operations of the Organization. This also helped the researcher in avoiding time wastage through answering of questionnaires since the employees could easily interpret questions.

4.3 Contribution of Determining the Procurement Needs on Organizational Performance

The first objective was to establish the contribution of determining the procurement needs on organizational performance. To achieve this, the researcher explored the level of agreement and disagreement with the statements. The following abbreviations were used; SA = (Strongly Agree), A = (Agree), NS= (Not Sure), D = (Disagree), SD = (Strongly Disagree). The findings are shown in table 4.4 below

Table 4.4: Showing the Contribution of Determining the Procurement Needs on Organizational Performance

Determining the Procurement Needs	SA		A		N		D		SD	
	F	%	F	%	F	%	F	%	F	%
we are allowed to identify all needs of our units	17	60.0%	10	34.2%	0	0.0%	1	2.9%	1	2.9%
The technical and functional specifications of the needs are clearly defined	13	45.7%	11	37.1%	2	8.6%	2	5.7%	1	2.9%
The source of the item is determined whether from internal or external sources.	18	62.9%	8	28.6%	2	5.7%	0	0.0%	1	2.9%
We carry out a preliminary cost benefit analysis for new procurement requirements	12	40.0%	16	54.3%	1	2.9%	1	2.9%	0	0.0%
The various needs identified are clearly aggregated for the	17	60.0%	11	37.1%	0	0.0%	1	2.9%	0	0.0%

Procuring Entity										
------------------	--	--	--	--	--	--	--	--	--	--

Source: Primary Data

The findings from the study as shown in the table above reveal that 94.2% of the respondents agreed that they were allowed to identify all needs of their unit (60.0% strongly agreed and 34.2% agreed) 5.8% disagreed (2.9% strongly disagreed and 2.9% disagreed)

This was in line with Soudry (2007) who pointed out that in procurement, the procurement needs are identified prior to the beginning of a fiscal year; this process provides an organized means whereby time and money are saved which in turn improves the performance of an organization.

According to the findings of the study, it was indicated that 82.8% of the respondents agreed that the technical and functional specifications of the needs were clearly defined (45.7% strongly agreed and 37.1% agreed) 8.6% were not sure if technical and functional specifications of the needs were clearly defined, 8.6% of the respondents disagreed (5.7% disagreed and 2.9% strongly disagreed) One of the respondents who were interviewed attested that;

At the end of the requirements definition stage, a clear determination of the terms of reference, technical specifications depending on the procurement category is estimated, including an estimate of the budget, and, most importantly, the procurement lead-time.

The findings of the study showed that 91.5% of the respondents strongly agreed that the source of the item was determined whether from internal or external sources (62.9% strongly agreed and 28.6% agreed) 5.7% were not sure whether the source of the item was determined from internal or external sources whereas 2.9% of them strongly disagreed. This was supported by the findings of the interview where one of the respondents incremented that;

The product may be one that needs to be reordered, or it may be a new item for the company and is done by the user department/unit in the organization that is in need

The findings of the study showed that 94.3% of the respondents agreed that a preliminary cost benefit analysis was carried out for new procurement requirements (54.3% agreed and 40.0% strongly agreed) 2.9% were not sure whether a preliminary cost benefit analysis was carried out for new procurement requirements whereas 2.9% of them disagreed. This was in line with Perry, (2002) who documented that cost benefit analysis as an essential not only for new procurement requirements, and concept development, but also for requirements needed for maintaining existing operations of the organization.

In relation to the study findings, it was bestowd that 97.1% of the respondents agreed that various needs identified were clearly aggregated for the Procuring Entity (60.0% strongly agreed and 37.1% agreed) While 2.9% of the respondents disagreed that various needs identified were not clearly aggregated for the Procuring Entity. The aggregation of requirements takes into account, the market structure for the items required, items which are of a similar nature and which are likely to attract the same potential bidders (Christopher, 2011)

4.4 Role of Timing of Acquisition on Organization Performance

The second objective was to investigate the role of timing of acquisition on organization performance. To achieve this, the researcher examined the level of agreement and disagreement with the statements. The following abbreviations were used; disagreement with the statements.

The following abbreviations were used; SA = (Strongly Agree), A = (Agree), NS= (Not Sure), D = (Disagree), SD = (Strongly Disagree). The findings are shown in table 4.5 below

Table 4.5: Showing the Role of Timing of Acquisition on Organization Performance

Timing of Acquisition	SA		A		N		D		SD	
	F	%	F	%	F	%	F	%	F	%
The timeframe for procurement process is clearly determined	17	60.0%	7	25.7%	2	8.6%	1	2.9%	1	2.9%
There is a tentative schedule drafted for purchasing the needs	15	51.4%	14	48.6%	0	0.0%	0	0.0%	0	0.0%
The lead times are estimated to enable proper procurement planning.	16	54.3%	11	37.1%	2	5.7%	0	0.0%	1	2.9%
Timing is necessary in averting market risk on the demand and supply side	10	34.3%	17	58.0%	1	2.9%	2	5.7%	0	0.0%
We have a procurement plan which guides the timings of our procurements	18	62.9%	8	28.6%	0	0.0%	1	2.9%	2	5.7%

Source: Primary data

The findings of the study showed that 85.7% of the respondents agreed that the timeframe for procurement process was clearly determined (60.0% strongly agreed and 25.7% agreed) 8.6% were not sure whether the timeframe for procurement process was clearly determined whereas 5.8% disagreed (2.9% disagreed and 2.9% strongly disagreed) The findings from the study also bestowed that 100% of the respondents agreed that there was a tentative schedule drafted for purchasing the needs (51.4% strongly agreed and 48.6% agreed) This was in agreement with Ssemayengo, (2005) who noted that it's obvious that everything cannot be processed at one time so the procurement unit also develops a tentative schedule for purchasing activities.

According to the study findings, it was discovered that 91.4% of the respondents agreed that the lead times were estimated to enable proper procurement planning (54.3% strongly agreed and 37.1% agreed) 5.7% were not sure whether the lead times were estimated to enable proper procurement planning while 2.9% of them strongly disagreed .This was in agreement with Ray & Jewkes, (2004) who stressed that on the purchasing side, lead time has a positive correlation with the required size of inventory and safety stock levels that is needed to prevent stock outs which consequently contributes to the performance of the business.

From the study, it was also indicated that 92.3% of the respondents agreed that timing was necessary in preventing market risk on the demand and supply side (58% agreed and 34.3% strongly agreed) 5.7% disagreed while 2.9% of the respondents were not sure whether timing was necessary in averting market risk on the demand and supply side.

This was backed up by the findings of the interview where one of the respondents noted that;

Procurement of capital equipment ties up money for long periods of time, and the longer the period, the greater the uncertainty and risk involved. Therefore, it must be done correctly the first time, as mistakes are not easily rectified

it was revealed from the study that 91.5% of the respondents agreed that the procurement plan guided the timings of procurements (62.9% strongly agreed and 28.6% agreed) 8.6% disagreed(5.7% strongly disagreed and 2.9 disagreed) This was in line with Bernard (1993) who emphasized that an effective procurement plan also provides a framework to guide procurement officers in the achievement of their tasks and duties.

4.5 The impact of Funding on Organizational Performance

The second objective was to find out the impact of funding on organizational performance. To achieve this, the researcher examined the level of agreement and disagreement with the statements. The following abbreviations were used; **SA** = (Strongly Agree), **A** = (Agree), **N**= (Not Sure), **D** = (Disagree), **SD**= (Strongly Disagree). The findings are shown in table 4.6 below

Table 4. 6: Showing the Impact of Funding on Organizational Performance

Funding	SA		A		N		D		SD	
	F	%	F	%	F	%	F	%	F	%
We have approved budget estimates to support the procurement	11	37.1%	14	48.6%	2	5.7%	2	5.7%	1	2.9%
All procurements are able to achieve value for money	14	48.6%	14	48.6%	1	2.9%	0	0.0%	0	0.0%
Estimates of purchase costs are provided when seeking funding for new equipment.	12	42.9%	12	40.0%	2	8.6%	2	5.7%	1	2.9%
Aggregation of demand items brings cost saving advantages	16	54.0%	8	28.6%	2	8.6%	2	5.7%	1	2.9%
Cost controlling is normally done to enrich the essential elements in the day to day activities	17	57.1%	9	31.4%	2	5.7%	0	0.0%	2	8.6%

Source: Primary Data

According to the study findings, it was observed that 85.7% of the respondents agreed that budget estimates were approved to support the procurement (48.6% strongly agreed and 37.1% agreed) 5.7% were not sure whether the budget estimates were approved to support the procurement, 8.6% of them disagreed (5.7% disagreed and 2.9% strongly disagreed) This was in conformity with the findings of the interview where one of the respondents mentioned that;

The accounting officer should ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years.

It was revealed from the study that 97.2% of the respondents agreed that all procurements were able to achieve value for money (48.6% strongly agreed and 48.6% agreed) while 2.9% of the respondents were not sure whether all procurements were able to achieve value for money. This was in agreement with Laffont (1993) who stressed that it is through cost controlling that the government is able to procure in a way that promotes value for money and make sure that it obtains the best prices and cost effective expenditure within the government.

The study findings indicated that 82.9% of the respondents agreed that estimates of purchase costs were provided when seeking funding for new equipment (42.9% strongly agreed and 40.0% agreed) 8.6% were not sure whether the estimates of purchase costs were provided when seeking funding for new equipment, 8.6% of them disagreed (5.7% disagreed and 2.9% strongly disagreed) From the interview findings, one of the respondents emphasized that;

Provision should be made if possible for adjusting the final sum upwards or downwards, to cover the cost of the most economically advantageous offer.

The study findings also indicated that 82.6% of the respondents agreed that the aggregation of demand items brought cost saving advantages (54.0% strongly agreed and 28.6% agreed) 8.6% of them were not sure whether aggregation of demand items brought cost saving advantages, 8.6% disagreed (5.7% disagreed and 2.9% strongly disagreed) Smith (2005) incremented this mentioning that due to aggregation of demand items, Public bodies may also enter into target costing arrangements and select suppliers with cost reduction programs in places.

It was also discovered from the study that 88.5% of the respondents agreed that cost controlling was normally done to enrich the essential elements in the day to day activities (57.1% strongly agreed and 31.4% agreed) 8.6% of them strongly disagreed while 5.7% of the respondents were not sure whether cost controlling was normally done to enrich the essential elements in the day to day activities. This was in conformity with the findings of the interview where one of the respondents attested that;

Cost controlling is important in public procurement since procurement is one of the essential elements in the day to day activities of any country.

4.6 Findings on Organizational Performance

Organizational performance was investigated by examining the level of agreement and disagreement with the statements in table 4.7 below. The following abbreviations were used; **SA** = (Strongly Agree), **A** = (Agree), **N**= (Not Sure), **D** = (Disagree), **SD** = (Strongly Disagree). The findings are shown in table 4.7 below

Table 4.7: Findings on Organizational Performance

Efficiency as a result of procurement planning	SA		A		N		D		SD	
	F	%	F	%	F	%	F	%	F	%
We have been able to enhance proper service delivery.	12	40.0%	15	51.4%	1	2.9%	2	5.7%	0	0.0%
The cost savings strategies on procurements have been effective	17	57.1%	11	37.1%	2	5.7%	0	0.0%	0	0.0%
We have been able to achieve maximum value for expenditures on services	15	51.4%	14	48.6%	0	0.0%	0	0.0%	0	0.0%
Services are delivered on time and are said to be good	10	34.3%	13	45.7%	3	11.4%	2	5.7%	1	2.9%
We have achieved quality improvement	16	54.3%	9	31.4%	2	5.7%	1	2.9%	2	5.7%
Effectiveness as a result of procurement planning	SA		A		N		D		SD	
We have been able to achieve reduced capital expenditures	18	62.9%	9	31.4%	1	2.9%	0	0.0%	1	2.9%
Using procurement planning has enabled us to	11	37.1%	13	45.7%	2	8.6%	2	5.7%	1	2.9%

save time										
We have been able to secure the right service to be delivered to the public	12	40.0%	12	40.0%	3	11.4%	2	5.7%	1	2.9%
The service design and operating characteristics have been able to meet established standards	17	60.0%	11	37.1%	1	2.9%	0	0.0%	0	0.0%
Planning reduces purchasing errors	14	48.6%	12	42.9%	1	2.9%	1	2.9%	1	2.9%
Achieving organizational objectives through procurement planning	SA		A		N		SD		D	
We have achieved budget targets	15	51.4%	12	42.9%	0	0.0%	1	2.9%	1	2.9%
Outsourced activities are integrated into our value chain to maintain objectives	12	42.9%	12	42.9%	1	2.9%	2	8.6%	1	2.9%
items procured have a direct or indirect effect on the general aims & objectives of the entity	16	54.3%	9	31.4%	2	5.7%	2	5.7%	1	2.9%
Using procurement plans has facilitated growth of the institution	12	40.0%	14	48.6%	1	2.9%	2	8.6%	0	0.0%

Source: Primary data

The study findings indicated that 91.4% of the respondents agreed that proper service delivery had been enhanced (51.4% strongly agreed and 40.0% agreed) 5.7% of them strongly disagreed whereas 2.9% were not sure whether service delivery had been enhanced.

In relation to the study findings, it was noted that 94.2% of the respondents agreed that cost savings strategies on procurements were effective (57.1% strongly agreed and 37.1% agreed) while 5.7% of the respondents were not sure whether cost savings strategies on procurements were effective. This was in line with Ssemayengo (2005) who stressed that when an organization is effective, it is able to enhance proper service delivery. Therefore, any delay in service delivery will make the services to lose meaning and hence a service should be offered in time before it becomes irritating to the consumer.

The findings of the study also established that 100% of the respondents agreed that they have been able to achieve maximum value for expenditures on services achieved.(51.4% strongly agreed and 48.6% agreed) According to the study findings, it was also indicated that 80% of the respondents agreed that services were delivered on time and were said to be good (45.7% agreed and 34.3% strongly agreed) 11.4% were not sure whether services were delivered on time while 8.6% disagreed(5.7% disagreed and 2.9% strongly disagreed) This was in line with the findings of the interview where one of the respondents mentioned that

A procurement plan prepared by the procurement officer helped procuring entities to achieve maximum value for expenditures on services to be delivered and enabled the entities to identify and address all relevant issues pertaining to a particular procurement.

The study findings showed that 85.7% of the respondents agreed that quality improvement was achieved (54.3% strongly agreed and 31.4% agreed) 5.7% of the respondents were not sure whether quality improvement was achieved while 8.6% disagreed (2.9% disagreed and 5.7% strongly disagreed) It was also noted that 94.3% of the respondents agreed that reduced capital expenditures were achieved (62.9% strongly agreed and 31.4% agreed) 2.9% of the respondents

were not sure whether reduced capital expenditures were achieved whereas only 2.9% of them disagreed. One of the interviewed respondents pointed out that;

Quality was achieved through buying goods and services on time which remained the best way of ensuring that the best combination of whole procurement cycle costs are reduced.

The study findings also showed that 82.8% of the respondents agreed that using procurement planning enabled saving of time(45.7% agreed and 37.1% strongly agreed) 8.6% of the respondents were not sure whether using procurement planning enabled saving of time while 8.6% disagreed(5.7% disagreed and 2.9% strongly disagreed) The study also noted that 80% of the respondents agreed that the right service to be delivered to the public was secured (40.0% agreed and 40.0% strongly agreed) 11.4% of the respondents were not sure whether the right service to be delivered to the public was secured while 8.6% disagreed (5.7% disagreed and 2.9% strongly disagreed) This was in line with Bernard (1993) who argued that proper planning and funding can enable an entity to set realistic timescales for the supplies to come in on time.

The study also indicated that 97.1% of the respondents agreed that service design and operating characteristics were able to meet established standards(60.0% strongly agreed and 37.1% agreed) while 2.9% of the respondents were not sure whether service design and operating characteristics were able meet established standards. The study findings also showed that 91.5% of the respondents agreed that planning reduced purchasing errors (48.6% strongly agreed and 42.9% agreed) 2.9% of them were not sure whether planning reduced purchasing errors while 5.8% disagreed (2.9% strongly disagreed and 2.9% disagreed) This is in line with Elhiraika (2006) who mentioned that if an organization is committed to procurement planning, the

procurement unit of each organization spends time to find common purchasing requirements and based on the budgets submitted, they may direct departments to work with central purchasing to combine their planned spending for specific commodities hence avoiding purchasing errors.

In relation to the findings of the study, it was noted that 94.3% of the respondents agreed that budget targets were achieved (51.4% strongly agreed and 42.9% agreed) 5.8% disagreed (2.9% disagreed and 2.9% strongly disagreed) According to the findings of the study, it was established that 85.8% of the respondents agreed that outsourced activities were integrated into the value chain to maintain objectives (42.9% agreed and 42.9% strongly agreed) 2.9% were neutral, 11.5% of the respondents disagreed (8.6% disagreed and 2.9% strongly disagreed) Budget targets are always achieved as long as the accounting officer ensures that sufficient funds are budgeted for framework contracts every financial year, to cover the full cumulative cost of call off orders anticipated for each year for a framework contract (Soudry, 2007)

The study findings also indicated that 85.7% of the respondents agreed that items procured had a direct or indirect effect on the general aims & objectives of the entity (54.3% strongly agreed and 31.4% agreed) 5.7% of them were not sure whether items procured had a direct or indirect effect on the general aims & objectives of the entity while 8.6% disagreed (5.7% disagreed and 2.9% strongly disagreed). It was also noted that 88.6% of the respondents agreed that using procurement plans had facilitated growth of the institution (48.6% agreed and 40.0% strongly agreed) 2.9% of them were not sure whether using procurement plans had facilitated growth of the institution while 8.6% of the respondents disagreed. This was in conformity with one of the interviewed respondents who remarked as follows:

Procurement planning assists agencies to identify opportunities to better align procurement with the institutional service delivery strategies.

4.7 Conclusion

This chapter has provided logical flow and discussion of the study results putting into consideration the objectives of the study which were to establish the contribution of determining the procurement needs on organizational performance, to investigate the role of timing of acquisition on organization performance and to establish the impact of funding on organizational performance. The study further summarizes and concludes the findings as seen in chapter five that follows.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings and conclusions derived from the study based on the findings presented in data analysis and the study objectives. The chapter also brings forward the recommendations, as well as identifying the areas for further studies.

5.2 Summary of the findings

5.2.1 The contribution of determining the procurement needs on organizational performance

The findings testified that 94.2% agreed that they were allowed to identify all needs of their units and 82.8% agreed that technical and functional specifications of the needs were clearly defined. 91.5% of the respondents agreed that the source of the item was determined whether from internal or external sources and 94.3% agreed that preliminary cost benefit analysis was carried out for new procurement requirements. It was also revealed that 97.1% of the respondents agreed that various needs identified were clearly aggregated for the procuring entity.

5.2.2 The Role of Timing of Acquisition on Organization Performance

The study revealed that 85.7% of the respondents agreed that the timeframe for the procurement process was clearly determined and 100% agreed that a tentative schedule was drafted for purchasing the needs. It was also agreed by 91.4% of the respondents that the lead times were estimated so as to enable proper procurement planning. The findings also indicated that 92.3% of the respondents agreed that timing was necessary in preventing market risk on the demand and

supply side which was further illustrated that procurement of capital equipment ties up money for long periods of time, and the longer the period, the greater the uncertainty and risk involved. 91.5% of the respondents agreed that the procurement plan guided the timings of procurements. Furthermore, it was emphasized that an effective procurement plan also provides a framework to guide procurement officers in the achievement of their tasks and duties.

5.2.3 The impact of Funding on Organizational Performance

The study further revealed that 85.7% of the respondents agreed that budget estimates were approved to support the procurement and it was the accounting officer to ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. 97.2% of the respondents agreed that all procurements were able to achieve value for money and through cost controlling, the government or any organization is able to procure in a way that promotes value for money and make sure that it obtains the best prices and cost effective expenditure within the government.

It was also indicated that 82.9% of the respondents agreed that estimates of purchase costs were provided when seeking funding for new equipment which meant that provision should be made possible for adjusting the final sum upwards or downwards, to cover the cost of the most economically advantageous offer. 82.6% agreed that the aggregation of demand items brings about cost savings and 88.5% agreed that cost controlling was normally done to enrich the essential elements in the day to day activities and it was also important in public procurement since procurement is one of the essential elements in the day to day activities of any country.

5.3 Conclusions

In conclusion it was discovered that management and other employees were allowed to identify all needs of respective units, the technical and functional specifications of the needs were clearly

defined, the source of the item was determined whether from internal or external sources, preliminary cost benefit analysis for new procurement requirements was carried out and various needs identified were clearly aggregated for the procuring entity. From the study it was also noted that the timeframe for the procurement process was clearly determined, there was also a tentative schedule drafted for purchasing the needs, the lead times were estimated to enable proper procurement planning. Timing was necessary in preventing market risk on the demand and supply side and there was a procurement plan which guided the timings of our procurements. From the study, it was concluded that NARO had approved budget estimates to support the procurement and all procurements were able to achieve value for money. It should also be noted that estimates of purchase costs are provided when seeking funding for new equipment, aggregation of demand items brought about cost saving advantages and finally that cost controlling was normally done to enrich the essential elements in the day to day activities.

5.4 Implications of the findings

The findings revealed that the user units were allowed to identify all needs of their units and the technical and functional specifications of the needs were clearly defined and this implied that at the end of the requirements definition stage, a clear determination of the terms of reference and technical specifications depending on the procurement category should be specified. The source of the item was determined whether from internal or external sources and that a preliminary cost benefit analysis was carried out for new procurement requirements and that various needs identified were clearly aggregated for the procuring entity which implied that the aggregation of requirements takes into account, the market structure for the items required, items which are of a similar nature and which are likely to attract the same potential bidders. This implied that all

procurements and requirements have to always be properly specified so that they are properly stipulated in the bidding processes.

The study revealed that the timeframe for the procurement process was clearly determined and there was a tentative schedule drafted for purchasing the needs which implied that everything cannot be processed at the same time which means that the procurement unit also develops a tentative schedule for purchasing activities. Timing was necessary in preventing market risk on the demand and supply side which was further implying that procurement of capital equipment ties up money for long periods of time, and the longer the period, the greater the uncertainty and risk involved. Therefore, it must be done correctly the first time, as mistakes are not easily rectified.

The study further revealed that budget estimates were approved to support the procurement and it was the accounting officer to ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years. It was also indicated that estimates of purchase costs were provided when seeking funding for new equipment which implied that provision should be made if possible for adjusting the final sum upwards or downwards, to cover the cost of the most economically advantageous offer.

5.5 Recommendations

- It is recommended that the organization management should employ skilled accounting officers who can strategically ensure that financial provision is made in the budget estimates for the appropriate year to support the procurement during the subsequent years.

- The organization management should consider cost controlling as an essential in the company due its advantages for example minimizing unintended expenses during procurement.
- The organization stake holders and top managers should emphasize budget estimations to avoid unnecessary purchase errors and plan for incoming procurement requirements.
- It is further recommended that stock control should be considered to avoid overstocking that might lead to stock wastage thus poor performance of the organization.

5.6 Areas for further study

More study and research should be made on the following areas and topics

- The contribution of determining the procurement planning on service delivery in an organization.
- Procurement planning and procurement efficiency of an organization.
- The impact of procurement funding on lead time.

REFERENCES

- ABERDEEN 2008 Best Practices in Contract Management: *Strategies for Optimizing Business Relationships*. Retrieved 2008-07-10
- ABI-KARAM 2002 *Contracting public sector services: a meta-analytic perspective of the international evidence*", Australian Journal of Public Administration, Vol. 57, No. 4, pp. 98-110
- AGABA, E., & SHIPMAN, N. 2007. Public procurement reform in developing countries: The Ugandan experience. *Advancing Public Procurement: Practices, Innovation and Knowledge-Sharing*, 373-391
- ALINAITWE, H., & MWAKALI, J. A.,. 2009. *Organizational and contractual effectiveness of Ugandan construction firms*. Journal of Civil Engineering and Management, 15(3), 281-288.
- AMARATUNGA, D., & BALDRY, D. 2002 Moving from Performance Measurement to Performance Management. *Facilities*, 20 (5/6), 217-223.
- ARTLEY, W., & STROH, S. 2001. *The Performance-Based Management Handbook, Volume II*, Retrieved September 24, 2008, from Oak Ridge Institute for science and education website:<http://www.ornl.gov/pbm/pbmhandbook/Volume%202.pdf>
- ATKINSON, W. 2006, April 6. CA'S Procurement Overhaul focuses on Global Expertise. Retrieved April 7, 2008, from Purchasing web site: <http://www.purchasing.com>
- ATTRIDE & STIRLING, J. 2001. Thematic networks: an analytic tool for qualitative research. *Qualitative research*, 1(3), 385-405.

BAILEY, K., 1994, *Methods of Social Research*, Fourth Edition, New York: The Free Press.

BALUNYWA, M. 2004. Decentralization and Service Delivery in Uganda: The Case of Contracting out Road Construction Services in Jinja District. Kampala. Makerere University Library.

BASHEKA 2004 Public Private Partnerships as modes of procuring public infrastructure and service delivery in developing countries: lessons from Uganda. In *Proceedings of the International Public Procurement Conference* (pp. 693-710).

BASHEKA, B. 2004. Procurement Planning and Local Governance in Uganda: A Factor Analysis Approach. Organisation: Uganda Management institute.

BASHEKA, B. C. 2008. "Procurement Planning and Local Governance in Uganda: A Factor Analysis Approach." Paper Presented at the 2008 International Research Society for Public Management Conference, from 26-28 March 2008, in Brisbane, Australia.

BATENBURG, R., & VERSENDAAL, J. 2006, January. Alignment Matters -Improving business functions using the procurement alignment framework.

BOURNE, M., MILLS, J., WILCOX, M., NEELY, A. AND PLATTS, K. 2000. Designing, implementing and updating performance measurement systems. *International Journal of Operations & Production Management*, Vol. 20, No. 7, pp. 754-71.

BRUEL, OLIVIER, AND MENUET, 2007 Purchasing Principles and Management, eight edition. Prentice Hall. Financial Times: Great Britain

CABRER, C., MANYALICH, M., VALERO, R., & GARCIA- FAGES, L. C. (1992, February). Timing used in the different phases of the organ-procurement process. In Transplantation proceedings (Vol. 24, No. 1, pp. 22-23)

CARTER, J. R., & NARASIMHAN, R. 1990. Purchasing in the international marketplace: implications for operations. *Journal of Purchasing & Materials Management*, 26(3), 2.

CENTRE OF EXCELLENCE LONDON. 2006. procurement PerformanceMeasurement. London: London Regional Centre of Excellence.

CIPS AUSTRALIA. 2005. How do we measure up? An Introduction to Performance Measurement of the Procurement Profession.

DAVID, H. 2002, AUGUST 15. British Airways Flies Towards \$996Million Savings Goal. Retrieved April 7, 2008, from Purchasing website: <http://www.purchasing.com>

DE SILVA, D. G., KOSMOPOULOU, G., PAGEL, B., & PETERS, R. 2013. The impact of timing on bidding behavior in procurement auctions of contracts with private costs. *Review of Industrial Organization*, 42(3), 321-343.

EDWARD, B. 2009. Public Sector Procurement Methods. *Journal of Procurement*, 11(1), 65-78

ERRIGDE, 2002 *The Dynamics of Strategic Maneuvering"*, Basic Books, New York, NY
Discussion Paper Series: Institute of Policy Analysis and Research

FLEMING, E. D., KUO, C. C., & White, R. E. 2010 Funding e-procurement initiatives in US Government agencies: challenges, models, and trends. *International Journal of Procurement Management*, 3(3), 231-246.

GREENSTEIN, S. 1993. Procedural rules and procurement regulations: Complexity creates trade-offs. *Journal of Law, Economics, & Organization*, 159-180.

GRIMSEY, D., & LEWIS, M. K. 2002 Evaluating the risks of public private partnerships for infrastructure projects. *International Journal of Project Management*, 20(2), 107-118.

HAKIM, C., 1997, *Research Design, Strategies and Choices in the Design of Social Research*, Boston: Allen and Unwi

JONES, D.S. 2007. "Public Procurement in Southeast Asia: Challenge and Reform." *Journal of Public Procurement*, 7 (1): 3-33.

KORIR, 2006 Supply chain management: A strategic issue in engineer to order manufacturing. *International Journal of Production Economics*, 65(2), 179-19

LAFFONT, J. J. 1993. *A theory of incentives in procurement and regulation*. MIT press.

MAHMOOD, 2010. *IT Procurement Planning and Strategic Sourcing*. Vagina Information Technologies Agency.

MAWHOOD 1993 *Changing obligations and the psychological contract: A longitudinal study*. *Academy of management Journal*, 37(1), 137-152

MERTENS, D. M. 1998. *Research methods in education and psychology: Integrating diversity with quantitative & qualitative approaches*.

MIKAELA, A. 2010. *Integrating Project Change Management Learning Into An Academic Course On It Project Management*.

NELLORE, R., & SODERQUIST, K. 2000. Portfolio approaches to procurement: Analysing the missing link to specifications. *Long Range Planning*, 33(2), 245-267.

NELLORE, R., & SÖDERQUIST, K. 2000. Portfolio approaches to procurement: Analysing the missing link to specifications. *Long Range Planning*, 33(2), 245-267.

NILES, P. A., & MATTICE, B. J. 1996 The timing factor in the consent process. *Journal of Transplant Coordination*, 6(2), 84-87.

NORMAN, 2004. *Helping to improve suggestion systems: predictors of making suggestions in companies*", *Journal of Organizational Behavior*,

PERRY, M., & VINCENT, D. R. 2002 The Optimal Timing of Procurement Decisions and Patent Allocations. *International Economic Review*, 43(4), 1035-1052.

RAJAGOPAL, S., & BERNARD, K. N. 1993. Strategic procurement and competitive advantage. *International Journal of Purchasing and Materials Management*, 29(3), 12-20.

ROJAS-PENA, A., HALL, C. M., COOK, K. E., BARTLETT, R. H., ARENAS, J. D., & PUNCH, J. D. 2011. Timing of heparin and perfusion temperature during procurement of organs with extracorporeal support in donors after circulatory determination of death. *ASAIO Journal*, 57(5), 368-374.

ROODHOOFT AND ABBEELE 2006 Planning for Service Delivery Improvement. *S D R Vol. 1* 5 No. 2 pages 106- 109.

SCOTT, C. 2004. *Regulation in the age of governance: the rise of the post regulatory state* (pp. 145-174). Edward Elgar Publishing.

SOUDRY, 2007. Procurement planning to maintain both short-term adaptiveness and long-term perspective. *Management Science*, 47(6), 769-786.

SPARROW (2000) Purchasing Principles and Management In Transplantation proceedings (Vol. 24, No. 1, pp. 22-23

SPEKMAN, R. E. 1999. A strategic approach to procurement planning. *Journal of Purchasing & Materials Management*, 25(1), 3.

SSEMAYENGO, 2005 Planning for Service Delivery Improvement. *S D R Vol. 1 5 No. 2 pages 106- 109.*

TAN, G. 1992. Entry and R & D in procurement contracting, *Journal of Economic Theory*, 58(1), 41-60.

WALKER, D. J., COULTER, J., & HODGES, R. 2005. Policy implications arising from the development impact of local and regional procurement of food aid. University of Greenwich
Natural Resources Institute

WEELE, ARJAN J. VAN 2010. *Purchasing and Supply Chain Management: Analysis, Strategy, Planning and Practice* (5th ed. ed.). Andover: Cengage Learning. [ISBN 978-1-4080-1896-5](#)

WILLIAMS, 2002 "Positive affect facilitates creative solving problems in contract management, *Journal of Personality and Social Psychology*, Vol. 52, No. 6,

Appendix I: Questionnaire

Introduction

I am a student of Uganda Martyrs University and currently collecting data for compilation for my dissertation as a partial requirement for the award of Bachelor's Degree in Business Administration and Management of Uganda Martyrs University. I am here to conduct a research. The research I am conducting relates to the role of Procurement Planning on Organizational Performance. The information is purely for academic purposes and all the answers will be handled with utmost confidentiality and you do not need to indicate your identity anywhere on the questionnaire. I therefore humbly request that you complete this questionnaire correctly in the spaces provided or options given.

SECTION A: Demographic Characteristics

Tick / fill in the most appropriate answer.

1. Gender:

a) Female b) Male

2. Age

a) Below 20 years b) 20 – 25 years c) 26 – 30 years
d) 31 – 35years e) 36 – 40 Years f) Above 40 years.

3. Marital status

a) Single b) Married c) Divorced e) Widowed

4. Academic Qualification

a) Diploma b) Degree c) Masters d) PhD

Please indicate the extent to which you agree or disagree with the following statements' by ticking the appropriate space provided. The following abbreviations are used.

Strongly Agree	Agree	Not Sure	Disagree	Strongly
-----------------------	--------------	-----------------	-----------------	-----------------

				Disagree
5	4	3	2	1

SECTION B: PROCUREMENT PLANNING

PROCUREMENT PLANNING		5	4	3	2	1
	Determining the Procurement Needs					
1.	we are allowed to identify all needs of our units					
2.	The technical and functional specifications of the needs are clearly defined					
3.	The source of the item is determined whether from internal or external sources.					
4.	We carry out a preliminary cost benefit analysis for new procurement requirements					
5	The various needs identified are clearly aggregated for the Procuring Entity					
	Timing of Acquisition					
6	The timeframe for procurement process is clearly determined					
7	There is a tentative schedule drafted for purchasing the needs					
8	The lead times are estimated to enable proper procurement planning					
9	Timing is necessary in averting market risk on the demand and supply side					
10	We have a procurement plan which guides the timings of our procurements					
	Funding					
11	We have approved budget estimates to support the procurement					
12	All procurements are able to achieve value for money					
13	Estimates of purchase costs are provided when seeking funding for new equipment.					
14	Aggregation of demand items brings cost saving advantages					

15	Cost controlling is normally done to enrich the essential elements in the day to day activities					
----	---	--	--	--	--	--

SECTION C: ORGANIZATIONAL PERFORMANCE

Efficiency as a result of procurement planning		5	4	3	2	1
16	We have been able to enhance proper service delivery.					
17	The cost savings strategies on procurements have been effective					
18	We have been able to achieve maximum value for expenditures on services					
19	Services are delivered in time and are said to be good					
20	We have achieved quality improvement					
Effectiveness as a result of procurement planning		5	4	3	2	1
21	We have been able to achieve reduced capital expenditures					
22	Using procurement planning has enabled us to save time					
23	We have been able to secure the right service to be delivered to the public					
24	The service design and operating characteristics have been able meet established standards					
25	Planning reduces purchasing errors					
Achieving organizational objectives through procurement planning		5	4	3	2	1
26	We have achieved budget targets					
27	Outsourced activities are integrated into our value chain to maintain objectives					
28	items procured have a direct or indirect effect on the general aims & objectives of the entity					
29	Using procurement plans has facilitated growth of the institution					

THANKS FOR YOUR TIME

Appendix II: Interview Guide

I am a student of Uganda Martyrs University and currently collecting data for compilation for my dissertation as a partial requirement for the award of Bachelor's Degree in Business Administration and Management of Uganda Martyrs University. I am here to conduct an interview for a maximum of 15 minutes. The interview I am conducting relates to the role of Procurement Planning on Organizational Performance You have been selected to share with us your experience and make this study successful. The Interview I am conducting is basically aimed at obtaining qualitative information to compliment the quantitative information which I am also collecting from the employees of NARO. Information given will be treated with utmost confidentiality.

1. What are the criteria for identifying the needs in your organization?
2. To what extent has determining the procurement needs enhanced organizational performance?
3. How does amalgamating all the needs identified enhance effectiveness?
4. To what extent does timing of acquisition contribute to organization performance
5. Do you have a timeframe for the different procurements?
6. What are the different sources of funding for procurement in your organization?
7. To what extent have you been able to achieve value for money?
8. In your view, how does funding of procurement requirements enhance organizational performance?
9. Have you been able to achieve your organizational objectives?
10. To what extent has procurement planning enabled the efficiency and effectiveness of your organization?
11. What recommendations can you give with regards to this topic under investigation?

THANKS FOR YOUR TIME