

# Influence of Supplier Relationship Management on Procurement Performance in Local Governments in Uganda: A Case Study of Kabale District Local Government

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**Abstract:** *The study established the influence of supplier relationship management on procurement performance in local governments in Uganda. It was guided by objectives which were to identify the techniques for supplier relationship management in Kabale District Local Government, to assess the indicators of procurement performance in Kabale District Local Governments and to analyse the relationship between supplier relationships management on procurement performance in Kabale District Local Government. The study used a cross sectional research design. A sample size of 67 respondents was used to provide data for the study. Purposive sampling was used to provide data for the study. Data collection involved the use of questionnaires, interview guide. The study established that Kabale District Local Government organized training of its suppliers to ensure better procurement performance. It was also established from the study that suppliers turned for workshops at Kabale District whenever, there was need to procure goods. This means it is important to ensure that suppliers are developed through supplier training and provision of advisory and technical support. The study concluded therefore that supplier development had a positive effect on procurement performance in government agencies in Uganda. It was established that Kabale district pricing policy was not jointly agreed on with its suppliers. Thus, there was falsification of invoices. The study found out that Kabale district undertook supplier evaluation periodically to ensure good quality of the goods and services. The study established that the quality of supplies had increased goods in the supply chain in Kabale District Local Government. The study found out that complaints regarding absence of supplies had not fully reduced. The study found that the influence of the relationships strategies between a buyer and a seller depended on the benefits perceived by both parties which improved on performance. The study established that supplier ability to deliver quality supplies was ascertained before supplier selection and this improved on procurement performance. The leadership of local governments should introduce a policy of "supplier development". It should focus on supplier training and enrolment in seminars and workshops provide them with capital benefits to undertake their work. The leadership of local governments needs to invest much in evaluating the performance of suppliers consistently as they assess their suitability and capability before they are given contracts. The study recommended that the local governments should maintain mutual relationships with suppliers and help the suppliers on how to manage their contracts so as to achieve highest quality.*

**Keywords;** Supplier Relationship Management; Procurement Performance; Local Government

## Background of the Study

Since the 18<sup>th</sup> century, supplier relationship management (SRM) in public organizations emerged as part of the public procurement reforms recommended by International Monetary Fund (Adjei, 2005). Throughout the 2000s, SRM has continued attracting and gaining in both the developed and developing nations (Cowell, 2015). The act of purchasing since history has been highly referred to as a clerical function-meaning that the interplay between the buying agents and the suppliers in the chain is usually done adversary (Burton, 2016). This kind of understanding has been changing through history and many people started shifting their understanding from what is called adversarial to seeing it as a collaborative function (Burt, Dobbler & Starling, 2003). In the United Kingdom for example, a lot of pressure started to emerge putting a number of companies to ensure that they deduct on the prices of supply, inventory costs, stock management costs with a purpose of ensuring that the quality of supplies improve in terms of costs, time and value for money (Veludo, Macbeth & Purchase, 2006). As a way of solving this problem, procurement departments idealized that there is a need to undertake some lessons in managing supplies to ensure that the performance of procurement improved. They started by making sure supplier competence is improved through training, they went to motivation and lastly collaboration.

In the context of Africa today, companies in South Africa, Kenya, Rwanda and Tanzania for example, have already embraced the concept and practice of Supply Chain Risk Management (SCRM) with its related importance. Such countries are today implementing world class Supply chain management (SCM) intended to improve the performance of their service providers. Managing supplier relationships therefore, has become imperative for business growth and realizing efficiencies (Shipman, 2017). The transitivity of a company's competitive advantage however, did not become simple but rather turned out to be complex relationship between supplier and the buyer (Blome & Schoenherr, 2015).

Supplier relationship management is expected to play a significant role in the reduction of costs and the optimization performance of public sector procurement (Han, Wilson & Dant, 2015). The supplier relationship management will be conceptualized in terms of supplier development, supplier appraisal and supplier collaboration. However for the purpose of this study, supplier development will be the focus of this study.

According to Juma (2010), procurement process efficiency is the backbone of a firm's success since it contributes to competitive purchase and acquisition of quality goods that puts its products or services in the competitive edge in the market. However, poor procurement performance has caused financial loss due to delivery of poor quality work materials, loss of value for money and inflated prices and thus has also contributed to decrease of profitability (Juma, 2010). According to Victor (2016), procurement expenditure could be minimized through proper implementation of procurement performance practices. In Kabale District Local Government, there is delay in service delivery such as health, education, poor roads and disposal of wastes.

According to Basheka (2008), procurement performance is an outcome of the effectiveness and efficiency of policies and procedures adopted by the firm during supplier selection. Leenders and Fearon (2016) observe that decisions to buy instead of make so as to improve quality, lower inventories, integrate supplier and buyer systems, and create cooperative relations underline need for good supplier performance. Performance provides the foundation for an organization to gauge how well it is rolling towards its predetermined objectives, identifies areas of improvement and decides on potential initiatives with the goal of how to initiate performance improvements. Van Weele (2016) and Ogubala (2014) concur that there is a link between procurement process, efficiency, effectiveness and performance. Procurement performance starts from purchasing efficiency and effectiveness in the procurement function in order to change from being reactive to being proactive to attain set performance levels in an entity.

In Uganda's context, the issues of supplier relationship management was first depicted in forms of supplier collaborations which was featured into increased disobedience of time for delivery, not minding about the client, lack of some important materials in the supply chain, supplying of goods that were considered substandard, consistent denial of supplies, rejecting of products and increasing deferring of payments (Ntayi & Eyaa, 2015). That situation rendered the introduction of supplier relationship management in public enterprises during the improvement of procurement framework in 2003.

Further, Muhwezi (2014) also showed that organizations in Uganda did not always put much effort to ensure that their suppliers are motivated or collaborated with to ensure lasting relationships. These used to inconvenience a number of government departments especially in billing them inconveniencing costs and indulging in late supplies. Basheka (2008) thus indicated that the move to ensure that the performance of procurement improves created a way for supplier relationship management to ensure that problems to do with disobedience of time for delivery, not minding about the client, lack of some important materials in the supply chain, supplying of goods that were considered substandard, consistent denial of supplies, rejecting of products and increasing deferring of payments are solved.

In Uganda, public procurement takes more than half (55%) of national expenditure making it a strategic function which needs to be well managed for enhanced attainment of value for money (PPDA, 2012).

Kabale District local government is a local government that provides services such as education, health and infrastructure among others. In providing such services, Kabale District local government procurement department contract suppliers for works, services and supplies using the criteria's stipulated in the procurement and Disposal Act (2003) to attain value for money. The procurement department nominates the evaluation committee and approved by the contracts committee so as to effectively and efficiently evaluate potential suppliers for the given contracts (Auditor General's Report, 2018). Moreover, studies on supplier selection and procurement performance in local governments in Uganda are scanty (Odhiambo, 2015). It is against this background that this study was conducted to establish the influence of supplier relationship management on procurement performance in local governments in Uganda.

### **Statement of the Problem**

Sound procurement policies and practices are among the essential elements of good governance (World Bank, 2014). Otieno (2012) as cited by Kasisi, Mumo and Gitonga (2014) notes that irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Kobia and Mohammed, (2016), the primary development goal for any country is to achieve broad-based, sustainable improvement in the standards of the quality of life for its citizens. Local Governments and in particular Kabale District Local Government plays an indispensable role in the effective delivery of public services that are key to the functioning of a state economy. All public organisations in Uganda follow the Uganda Procurement and Disposal guidelines to ensure that there is effective procurement performance (PPDA, 2003). However, the procurement process in Kabale District Local Government among the challenges that it is facing include; the fear for negative publicity has led to a growing emphasis on the legal aspects of the tendering process; selection of suppliers being influenced by political and management

personnel; Increasing instances of suppliers not meeting the required specifications needs to foster relationships with its suppliers to ensure quality goods and services, timely and assured deliveries and information flow to assist both organizations in planning, need to upgrade the supplier's technical, quality, delivery and cost capabilities and to foster ongoing improvements (Kabale District Procurement and Disposal Entity, 2020). Reports show that a number of people using public health centers are suffering and dying or being killed by diseases which are preventable and this has been so because of drug stock-outs. In addition, annually, it is evidenced that the problem of drug stock-outs is reported in all parts of Uganda (BMAU, 2015; 2016). Schools are running out of scholastic materials which have led to poor academic performance. This increasing stock outs on medical supplies in all levels of health facilities and inadequate scholastic materials in government schools have been highly attributed to supplier relationship management. If this problem continues, it would lead to increased poor service delivery. It is against this background that this study was conducted to establish the influence of supplier relationship management on procurement performance in local governments in Uganda.

### Purpose of the Study

The purpose of the study was to establish the influence of supplier relationship management on procurement performance in local governments in Uganda.

### Objectives of the Study

- i. To identify the techniques for supplier relationship management in Kabale District Local Government.
- ii. To assess the indicators of procurement performance in Kabale District Local Governments.
- iii. To analyse the relationship between supplier relationships management on procurement performance in Kabale District Local Government.

### Research Questions

- i. What are the techniques for supplier relationship management in Kabale District Local Government?
- ii. What are the indicators of procurement performance in Kabale District Local Governments?
- iii. What is the relationship between supplier relationships management on procurement performance in Kabale District Local Government?

## RESEARCH METHODOLOGY

### Research Design

Cross-sectional survey research design was used in the study. This design was chosen because it has the ability to produce data required for qualitative analysis, allowing simultaneous description of views, opinions, perceptions and beliefs at a single point in time. Quantitative and qualitative approaches were used to support the research design. Qualitative approach was important because of its ability to penetrate into the different expressions and experiences of respondents to the subject matter. Quantitative approach was used due to the desire of establishing the magnitude of the problems using statistical data and evidence.

### Study Population

A study population should be population that was affected by the problem under investigation and enabled generalization of the findings to the entire population and led to the selection of a sample that was not destroyed the characteristics of the elements of the entire population (Amin, 2005). The study targeted 80 employees of Kabale District Local Government.

### Sample Size Determination

The researcher used a sample of 67 respondents which was reached using Israel Glen (2012) formula  $n = \frac{N}{1 + Ne^2}$  where N is the target population, n is the sample size, e is the level of precision (0.05)

$$n = \frac{80}{1 + 80(0.05^2)} = n = \frac{80}{1 + 80(0.0025)} \quad n = \frac{80}{1.2} = 67$$

### Sampling Techniques

The researcher used the following sampling technique to select respondents;

### Purposive Sampling

This is a technique where sampling units were selected according to the purpose. In this study, simple random sampling and purposive sampling techniques were applied to select respondents.

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## Data Collection Instruments

### Questionnaires

Questionnaires designed in Likert format (strongly agree, agree, undecided, disagree and strongly disagree) was used to collect data from staff of Kabale District. Questionnaires were preferred because they were convenient as respondents could fill them during their free time and had a chance to consult for views and information about the research problem. The respondents for the sample were quite big and the time was limited rendering the questionnaire the ideal data collection tool. Questionnaires were used because of being cheap and the instrument collected responses with minimum errors and high level of confidentiality.

### Interview Guide

An interview guide is a set of questions that the researcher asks during the interview (McNamara, 2009). The researcher conducted interviews with procurement officer in relation to the set objectives of the study. A structured interview guide was used to stimulate them into a detailed discussion on the study supplier relationship management and procurement performance in Kabale District Local Government.

### Data Analysis

#### Qualitative Data

Qualitative data is nominal (named) data concerned with qualities and non-numeric characteristics. Qualitative data analysis is the range of processes and procedures from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people and situations under investigation. Qualitative data analysis is usually based on an interpretative approach (Neuendorf, 2002). Qualitative data responses was transcribed, sorted and classified. The analysis was done manually and responses were summarized in a narrative form of presentation of the major findings of the study. The technique for qualitative data analysis was content analysis.

#### Quantitative Data

Quantitative data refers to data collected in numerical form. Quantitative analysis is a systematic approach to investigations during which numerical data is collected and/or the researcher transforms what is collected or observed into numerical data (Yin, 2008). Quantitative data was coded and entered into Microsoft excel and was analysed to generate frequency tables and percentages.

## DATA ANALYSIS AND PRESENTATION

### Response Rate

Frederick and Wiseman (2003) assert that a response rate has to be presented in research findings as it presents the validity of the study and failure to do so put the validity of the study findings into question. A total of 67 questionnaires were distributed and 50 questionnaires were received back thus, accounting for 75 percent response rate.

### Background Characteristics of Respondents

The study took into account respondents general characteristics and information, in this study the researcher considered respondents in terms of gender, Age and education level to draw understanding of the relationship between rewards and employee performance in Uganda.

**Table 4.1: Gender of the Respondents**

Sex	Frequency	Percentage
Male	40	80
Female	10	20
<b>Total</b>	<b>50</b>	<b>100.0</b>

Source: Field Data, 2020

The analysis in table 4.1 shows that 40 (80%) of the respondents were males while only 10 (20%) were females. These results suggest that the sample is reasonably representative.

**Table 4.2: Age of the Respondents**

Age bracket	Frequency	Percentage
18-29 years	5	10
30-40 years	43	86
41-59 years	2	4
60+	0	0
<b>Total</b>	<b>50</b>	<b>100.0</b>

Source: Field Data, 2020

Table 4.2 reveals that majority of the respondents represented by 43 (86%) were between the age bracket of 30-40 years, 5 (10%) were aged between 18-29 years, those aged between 41-59 years constituted 2 (4%).

**Table 4.3: Level of Education of the Respondents**

Education	Frequency	Percentage
Diploma	0	0
Degree	38	76
Masters	4	24
<b>Total</b>	<b>50</b>	<b>100.0</b>

Source: Field Data, 2020

From table 4.3 above, the results indicated that 38 (76%) of the respondents had attained degree while 12 (24%) had attained masters. This has the implication that the majority of the respondents, having a diploma level qualification was well versed with knowledge and could easily understand the meaning and importance of supplier relationship management and procurement performance in Kabale District Local Government.

### Techniques for Supplier Relationship Management in Kabale District Local Government

**Table 4.4: Techniques for Supplier Relationship Management in Kabale District Local Government**

Statements	SA	A	UD	D	SD
Kabale District Local Government organizes training of its suppliers	13(26%)	18(36%)	4(8%)	10(20%)	5(10%)

There is high turn up for suppliers in Kabale district workshops	10(20%)	17(34%)	3(6%)	12(24%)	8(16%)
Kabale district pricing policy is jointly agreed on with its suppliers	8(16%)	12(24%)	6(12%)	14(28%)	10(20%)
Kabale district undertakes supplier evaluation periodically to ensure good quality of the goods and services	20(40%)	25(50%)	0(0%)	5(10%)	0(0%)
In most aspects of the relationship, the responsibility for getting things done is shared	25(50%)	20(40%)	0(0%)	5(10%)	0(0%)
Kabale district makes its supply plans for the next seasons together with its suppliers in Kabale	18(36%)	22(44%)	0(0%)	10(20%)	0(0%)

**Source: Field Data, 2020**

Table 4.4 reveals that Kabale District Local Government organizes training of its suppliers was strongly agreed by 26% of the respondents, 36% of the respondents agreed, 8% undecided, 20% disagreed while 10% strongly disagreed. The implication is that the majority of the respondents (62%) agreed with the view that Kabale District Local Government organized training of its suppliers. The findings concur with Nagurney (2014) who states that supplier development must start with ensuring that suppliers are trained, provided with the required capital or equipments and fairly advised and technically supported, if an improvement in public procurement performance is to be reached on. Nagurney (2014) adds that in modern development, the competitiveness of any organization lies in ensuring that supplier development is done.

In support of the findings, Krause (2015) argues that supplier development calls for training suppliers in areas they need and this can only be arrived at if a supplier performance appraisal is conducted. Such an appraisal will always provide the required weaker points which need to be addressed during training. If it is late delivery of supplies, the supplying firm is informed that even though it has the best quality of products, late deliveries will distort the relationship. Training should be done on both sides, the buying and supplying side. Maula (2015) argues that supplying personnel are trained not that they do not understand what they are doing but to perfect their supplying capacity in the new organization.

Findings revealed that there is high turn up for suppliers in Kabale district workshops was strongly agreed by 20% of the respondents, 34% of the agreed, 6% undecided, 24% disagreed while 16% strongly disagreed. Since majority of the respondents agreed (54%), it implies that suppliers in Kabale district attend workshops to enhance procurement performance.

In support of the above findings, Monczka (2016) argued that seminars and workshops need to be arranged by an organization at least every financial year and suppliers need to be called and given the required training especially in how the organization manages its inventory, stock management, supply chain performance and other related functions. These always inform the suppliers in doing more than what they will have done to have their performance improve. The improvement in the performance on the side of suppliers means an improvement on the side of buying organization since they are operating in a collegial relationship.

It was also revealed in the table that Kabale district pricing policy was jointly agreed on with its suppliers as strongly agreed by 16% of the respondents, 24% agreed, 12% undecided, 28% disagreed while 20% strongly disagreed. The implication of the findings was that the leadership of Kabale District Local Government agrees on pricing policy with its suppliers.

Table 4.4 clearly reveals that 40% of the respondents strongly agreed, 50% of the respondents agreed, 0% were undecided, 10% disagreed while 0% strongly disagreed that Kabale district undertakes supplier evaluation periodically to ensure good quality of the goods and services. The findings mean that majority of the respondents (90%) agreed with the statement that Kabale district undertakes supplier evaluation periodically to ensure good quality goods and services.

More still, in most aspects of the relationship, the responsibility for getting things done is shared was strongly agreed by 50% of the respondents, 40% of the respondents agreed, 0% undecided, 10% disagreed while 0% strongly disagreed. Overall, 90% of the respondents agreed that in most aspects of the relationship, the responsibility for getting things done is shared.

The table above shows that Kabale district makes its supply plans for the next seasons together with its suppliers in Kabale was strongly agreed by 36% of the respondents, 44% agreed, 0% undecided and 10% disagreed while 0% strongly disagreed. Overall, 80% of the respondents agreed that Kabale District Local Government makes its supply plans for the next seasons together with its suppliers in Kabale District Local Government.

The above responses can be interpreted to mean that suppliers working with Kabale district local Government are well trained in what they expect from them and how best they can deliver supplies. They are provided with the required resources to deliver supplies in time as well as being advised both technically and mechanically. These are assumed very key in enhancing the performance of procurement in an organization.

The responses obtained from the procurement officials in the questionnaire were closely similar with what key informants reported in interviews conducted. For instance, on key informants visited, 100% admitted that supplier development was being ensured by the organization. Among the supplier development indicators they mentioned included; periodic supplier audits, technical abilities of suppliers ensured, pricing policy, workshops conducted and training. One of the executive had this to say,

*“We work in an environment that is too demanding but we have always ensured that our clients are brought together and train them on what and how our relationship must be coordinated over time...this has really improved on the quality of services we provide at Kabale District Local government...”*

Relatedly, another key informant said:

*“It has now become a routine that our suppliers have to be trained on what you expect from them after being selected...we don’t mean they don’t know what to do...they of course know but Kabale District Local Government has different targets away from what other organizations they might have been working with wanted...so training and continually advising them becomes very key in stimulating their performance and our performance at Kabale District Local Government...”*

The above findings are in agreement with Archstone (2017) who identified that many supplying and buying organizations need only some form of advice and technical support from either side to improve procurement performance. Theor (2015) extended this by arguing that most buying organizations tend to force impossible timelines on the side of suppliers and the suppliers tend to force to have such timelines meant and they end up supplying poor quality of materials. But if suppliers are collaborated and engaged, they would directly advise the buying organization that there is a need to extend their procurement plans if they need quality supplies.

### Indicators of Procurement Performance in Kabale District Local Government

The study sought to identify the indicators of procurement performance in Kabale District Local Government. The findings are presented in Table 4.5.

**Table 4.5: Indicators of Procurement Performance**

Statements	SA	A	UD	D	SD
The quality of supplies has increased in goods in the supply chain	9(18%)	15(30%)	4(8%)	12(24%)	10(20%)
Complaints regarding absence of supplies have been reduced	10(20%)	12(24%)	0(0%)	20(40%)	8(16%)
Non prevalence of goods has reduced	15(30%)	20(40%)	3(6%)	7(14%)	5(10%)
All district public health centers are well stocked	25(50%)	20(40%)	5(10%)	0(0%)	0(0%)
Delays in distribution of goods has completely reduced	9(18%)	15(30%)	4(8%)	12(24%)	10(20%)

**Source: Field Data, 2020**

Table 4.5 reveals that the quality of supplies has increased in goods in the supply chain was strongly agreed by 18% of the respondents, 30% of the respondents agreed, 8% undecided, 24% disagreed while 20% strongly disagreed. Since majority of the respondents represented by (48%) agreed, it implies that the quality of supplies has increased in goods in the supply chain.

Findings revealed that complaints regarding absence of supplies have been reduced was strongly agreed by 20% of the respondents, 24% of the respondents agreed, 0% undecided, 40% disagreed while 16% strongly disagreed. Since majority of the respondents disagreed (56%), it implies that complaints regarding absence of supplies have been reduced.

It was also revealed that non prevalence of goods has reduced was strongly agreed by 30% of the respondents, 40% agreed, 6% undecided and 14% disagreed while 10% strongly disagreed. The implication of the findings is that reduction of non-prevalence of goods affected procurement performance in Kabale District Local Government.

The table clearly reveals that 50% of the respondents strongly agreed, 40% of the respondents agreed, 10% were undecided, 0% disagreed while 0% strongly disagreed that all district public health centers are well stocked. The findings show that majority of the respondents agreed that all district public health centers are well stocked.

Delays in distribution of goods has completely reduced was strongly agreed by 18% of the respondents, 30% of the respondents agreed, 8% undecided, 24% disagreed while 20% strongly disagreed. Since majority of the respondents represented by (52%) disagreed, it implies that delays in distribution of goods have completely reduced and this affected procurement performance.

**Relationship between Supplier Relationship Management and Procurement Performance**

The study sought to establish the relationship between supplier relationship management and procurement performance and the following were the findings.

**Table 4.6: Relationship between Supplier Relationship Management and Procurement Performance**

Statements	SA	A	UD	D	SD
The organization develops a cooperative relationship with appropriate suppliers to improve on procurement performance	7(14%)	15(30%)	6(12%)	12(24%)	10(20%)
The influence of the relationships strategies between a buyer and a seller depends on the benefits perceived by both parties which improves on performance	20(40%)	15(30%)	5(10%)	7(14%)	3(6%)
Supplier ability to deliver quality supplies is ascertained before supplier selection and this improves on procurement performance	22(44%)	14(28%)	4(8%)	8(16%)	2(4%)
Assessment the suitability of suppliers before contracts are given improves on procurement performance	26(52%)	20(40%)	4(8%)	0(0%)	0(0%)
Assessment supplier’s capability in controlling quality of supplies before contracts are given	20(40%)	15(30%)	5(10%)	7(14%)	3(6%)

Source: Field Data, 2020

From table 4.6, the organization develops a cooperative relationship with appropriate suppliers to improve on procurement performance was strongly agreed by 14% of the respondents, 30% agreed, 12% undecided, 24% disagreed while 20% strongly disagreed.

The influence of the relationships strategies between a buyer and a seller depends on the benefits perceived by both parties which improves on performance was strongly agreed by 40% of the respondents, 30% of the respondents agreed, 10% undecided, 14% disagreed while 6% strongly disagreed. Since majority of the respondents agreed, it implies that relationships strategies between a buyer and a seller depended on the benefits perceived by both parties which improved on performance.

From the table, supplier ability to deliver quality supplies is ascertained before supplier selection and this improves on procurement performance was strongly agreed by 44% of the respondents, 28% of the respondents agreed, 8% undecided, 16% disagreed while 2% strongly disagreed. Overall, 72% of the respondents agreed that supplier ability to deliver quality supplies is ascertained before supplier selection and this improves on procurement performance.

In support of the above findings, Kirui and Wanyoike (2015) studied factors influencing procurement efficiency at the national hospital insurance fund in Kenya. The study sought to establish the influence of staff competence, quality management and information technology on procurement process efficiency. The target population of the study was all employees of the procurement department of National Hospital Insurance Fund totaling 100 employees. The study employed a descriptive research design using quantitative approaches. The study established that staff competence plays a significant influence on the procurement process efficiency. Further, the study established that information technology used in the organization and quality management systems greatly influence procurement process efficiency. The study recommended further enhancement of these factors and further research to ascertain the influence of other factors on procurement process efficiency.



Assessment the suitability of suppliers before contracts are given improves on procurement performance was strongly agreed by 52% of the respondents, 40% agreed, 8% undecided, 0% disagreed, 0% strongly disagreed. From the findings, majority of the respondents agreed that assessment the suitability of suppliers before contracts are given improves on procurement performance.

Assessment supplier's capability in controlling quality of supplies before contracts are given was strongly agreed by 20 (40%) of the respondents, 15 (30%) agreed, 5 (10%) undecided, 7 (14%) disagreed while 3 (6%) strongly disagreed.

One of the key informants was quoted saying:

*....one of the hardest thing to know to determine the capacity of suppliers because they have a lot of documents they always submit and they need time to be reviewed ad we always want to take every supplier on merit and performance records...therefore, we vest enough time to assess the suitability of these suppliers we are using and I think in the recent years since we became an autonomous organizations, we have consistent suppliers who we appraise very well and our service performance in Uganda has been making a good progress....*

He added,

*We do take time to evaluate the performance of all our suppliers from both local to international level and we keep cancelling contracts of some suppliers have failed to consistently meant our expectations...and this is why we keep getting new suppliers on board and keep maintaining others because of their good performance and...I purely think that this has been the cause of our good performance of procurement as Kabale District Local Government.*

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions of the study**

The study established that Kabale District Local Government organized training of its suppliers to ensure better procurement performance. It was also establish from the study that suppliers turned for workshops at Kabale District whenever, there was need to procure goods. This means it is important to ensure that suppliers are developed through supplier training and provision of advisory and technical support. The study concluded therefore that supplier development had a positive effect on procurement performance in government agencies in Uganda.

It was established that Kabale district pricing policy was not jointly agreed on with its suppliers. Thus, there was falsification of invoices. The study found out that Kabale district undertook supplier evaluation periodically to ensure good quality of the goods and services. The study also established that the responsibility for getting things done was shared

The study established that the quality of supplies had increased goods in the supply chain in Kabale District Local Government. The study found out that complaints regarding absence of supplies had not fully reduced.

It was established that Kabale District Local Government had not developed a cooperative relationship with appropriate suppliers to improve on procurement performance.

The study found that the influence of the relationships strategies between a buyer and a seller depended on the benefits perceived by both parties which improved on performance.

The study established that supplier ability to deliver quality supplies was ascertained before supplier selection and this improved on procurement performance.

### **Recommendations**

The leadership of local governments should introduce a policy of "supplier development". It should focus on supplier training and enrolment in seminars and workshops provide them with capital benefits to undertake their work.

The leadership of local governments needs to invest much in evaluating the performance of suppliers consistently as they assess their suitability and capability before they are given contracts.

The selection process should entail assessing of their past performance and evaluation should go after work is done so that they can be replaced or advised where they are not doing well.

The study recommended that the selection of suppliers should be based on previous performance. The organization should develop mechanisms to scrutinize supplier's capability to conform to contract specifications and quality.

The study recommended that the local governments should maintain mutual relationships with suppliers and help the suppliers on how to manage their contracts so as to achieve highest quality.

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