

**THE ROLE OF A PURCHASING DEPARTMENT IN THE PERFORMANCE
OF AN ORGANIZATION. A CASE STUDY OF TANA DELTA
IRRIGATION PROJECT (TDIP)**

BY

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**A RESEARCH DISSERTATION SUBMITTED TO THE SCHOOL OF
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THE REQUIREMENTS FOR A BACHELOR OF SUPPLIES
AND PROCUREMENT DEGREE OF
KAMPALA INTERNATIONAL
UNIVERSITY.**

JULY, 2010

Declaration

I Bonaya K Muatwa do hereby declare that the work presented on this proposal is original and has never been submitted by anybody for the award of Diploma or Degree in any university or institution of higher learning.

The literature and citation from other scholars' work has been carefully and fully referred to and acknowledged in the text and bibliography.

Signature:.....*Bonaya*.....

BONAYA K. MUATWA

Date:.....*16th July 2010*.....

Approval

This research dissertation by Bonaya K. Muatwa has been prepared under my supervision and submitted with my approval as a supervisor.

Supervisor: **Dr. Stanley Kinyatta**

Date: 16/7/2010

Signature: 

Dedication

I am humbly dedicating this work to my late parents, Mr. and Mrs. Muatwa. My immediate family for their general understanding, dedication and moral support during my academic study in Kampala International University. May the Lord bestow upon all of them his loving kindness.

Acknowledgement

I am grateful to the following people for the contribution they have made towards the successful completion of this research paper. My Late parents for making one of my many dreams come true, my supervisor, Dr Stanley Kinyatta for the invaluable support, commitment and insight during the whole research period.

I also give thanks to the Almighty Lord for bringing me this far because with him everything is possible.

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ABSTRACT

This research paper sought to analyze the roles of the purchasing department on the performance of an organization. The focus was on Tana Delta Irrigation Project (TDIP). The introduction gives an overview of what the purchasing department is, and how it may be of great importance to any organization: the roles and challenges of the purchasing department. The literature review gives a general overview of the procurement department, finance department, production, efficiency, quality management and performance.

The research methodology and design capture the methods of data collection used, population sampling and details of data collected. Data was collected from TDIP staff using convenient sampling methods. Information was gathered using personally administered questionnaires, interviews and observations. Secondary data collected was also used.

Data analysis relates the data collected to the research questions and objectives. Thought is I was able to analyze the roles of the purchasing department on the performance of an organization. The last section covers the summary of the study, conclusions and recommendations. It also covers the limitations of the study and areas of further study.

CHAPTER ONE

INTRODUCTION

1.1 Background

The purchasing department is the unit which carries out purchasing functions in an organization (Zenz 1997). Purchasing is one of the most important functions in all types of business organizations because it either a small, medium ring unit. No business can think of operating effectively with out functions relating to purchasing, Hence waking the purchasing department to be relevant to world, purchasing does not referee t more procurement or buying materials but may include a wide range of activities

It may have a major responsibility of locating major suitable sources of supply and for negotiating prices. In put from other departments is regard to help finding and negotiating sources of supply help the purchasing department in price negotiation.

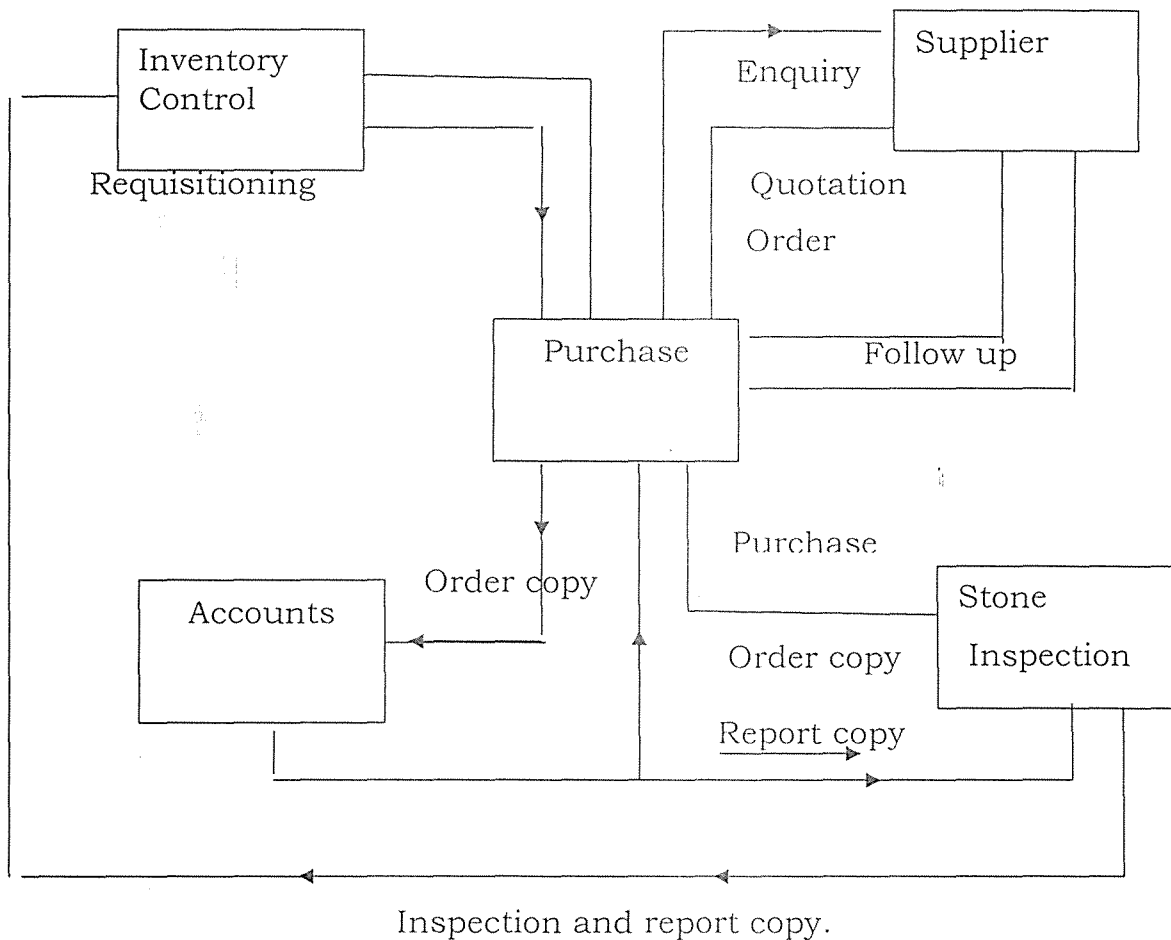
A procedure adopted by the purchasing department of another organization some adjustments may be required. The size of organizations, the type and no of products, type of material. Purchased, sources of suppliers, terms and condition of purchase and several other factors.

The steps may include; a procurement entity shell not commence any procurement procedure until it is satisfied that sufficient funds the been set a side in its budget to meet the obligations of the resulting contract, the person is qualified to be awarded a contract for a procurement only if he or she feels that may have the necessary qualifications capacity, experience, resources, equipment and facilities.

The purchasing department may disqualify for submitting false, inaccurate, incomplete information if the procurement procedure used may be open or restricted tendering or a request for proposals, communication between the procuring entity and the person seeking the contract.

Other steps may include, planning for the required procurement for a given period, identifying the source of items, highlight specifications/initiation of procurements determination of procurement procedures, sourcing (soliciting) efforts, evolution of offers, commencement of contract, accord keeping and accountability, payment and post contract performance

Below is a graphic flow of how the procurement department operates
Figure I



Source: Saleemi; 1997 Pp 57.

The purchasing department may constitute of the following personal purchasing manager assistant purchasing managers receiving office, inspection officer, procurement officer, and clerical staff: the structure of purchasing personal may be different in every organization the management of purchasing personnel is concerned with the acquisition development and maintenance of an effective and satisfied team in the purchasing department.

1.2 Statement of the Problem

Purchasing in one of the most important functions in all type of business organizations, though the purchasing department in organizations has always been. Neglected and undermined, which I think is a major reason for poor performance in organization- that is to say poor tendering, poor quality and shady works such as inflated prices. For this matter, therefore, this study seeks to find out why in spite of the existence of its procurement department, there has been continued existence of poor performance in the procurement processes of organizations.

1.3 Purpose of the Study

The main purpose of the research is to examine the roles of the purchasing department on the performance of the organization

1.4 Research Objectives

- i. To assess the extent of the organizational performance as a result the Purchasing department
 - ii. To establish the role of other departments on organizational performance
 - iii. To investigate on the challenges faced by the purchasing department and Possible solution.
- IV To investigate what causes its poor performance.

1.5 Research Questions

- i. To what extent does the purchasing department of the organization effect performance
- ii. Does other department play a role in the organizations performance?
- iii. Are there any challenges faced by the purchasing department?

1.6 Scope of the study

1.6.1 Content Scope

The study will examine the role of procurement department an organization performance. The specific focus will be on quality, service delivery and cost management.

1.6.2 Time scope

The study will be contracted for period of three months. This time frame was stipulated by the university administration

1.6.3 Geographical scope

The study will be taken from Tana delta irrigation project (TDIP) around 210 km along the lamu, Mombasa road in Gamba camp Tana Delta district.

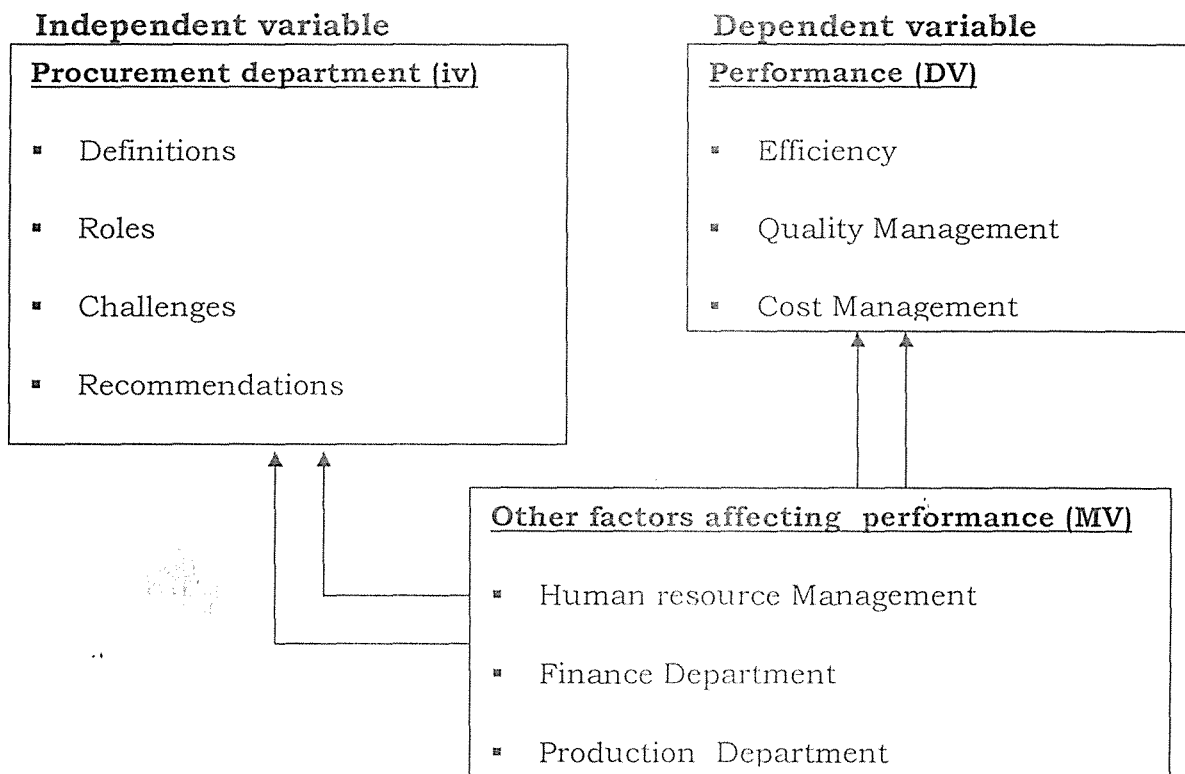
1.7 Significance of the study

The study will help to enhance and effect procurement operation of an organization.

For the procurement department to maintain continuity of its operations, maintenance of adequate standards of qualify avoidance of duplication, waste and obsolescence, maintenance of its competitive position and development of the internal relationship that leads to understanding, harmony among various departmental units.

1.8 Conceptual Framework

The Conceptual framework defines the research topic through the explanation of the variable within the topic. For the purpose of this research the independent variable will be the procurement department and dependent variable will be the performance. This has been illustrated in the figure below.



Source: Researchers Formulation

CHAPTER TWO

Literature Review

2.0 Introduction

This chapter will only review the related literature from different books, scholars and writers concerning purchasing in relation the performance of an organization with the aim of pointing ways of the purchasing department in TDIP can be improved by adoption of effective and efficient procurement processes

Procurement is the acquisition of materials machines tools and equipment on payment (saleemi, 1997). In our Study therefore, the purchasing department roles may affect the performance of the organization and how other departments Such as human resource, finance etc may also help in the organization performance

2.1 Procurement Department

The procurement department is the entity which may carryout the purchasing functions in the organization. The procurement exercise follows steps according to the PPDA Act of 2005(Zenz 1997).

A procedure adopted by the purchasing department of the organization requires some adjustments. The size of organization, types and nature of products, type and nature of materials purchased, source of suppliers terms and condition of purchase and several other factors

The steps may include, a procurement entity shall not commence any procurement procedure until it is satisfied that sufficient funds have been set a side in its budget to meet the obligation of the resulting contract.

Purchasing has been developing for the last 150 years monczka [2002].

Some observers define the early years of purchasing beginning after 1850. Evidence exists, however, that the purchasing beginning after 1850. Evidence exists, however, that the purchasing function received attention before this date. Charles Babbage (1832) in his book "economy of machinery and manufacture" referred to the importance of purchasing function Babbage wrote that the key officer responsible for operating mines was a "materials man, who selects, purchases, receive and delivers all articles required."

The second period purchasing began around the twentieth century and lasted until the beginning of World War II. Several features separate this period from the early years. First, articles specially addressing the industrial purchasing function began appearing with increasing regularity outside railroad journal. In World War I the purchasing department gained importance because of its role in obtaining vital war materials.

World War II introduced a period in purchasing history. The emphasis of acquiring required (and scarce materials) materials during the world war influenced a growth in purchasing would continue to sustain its importance within a firm.

The fourth period of purchasing (1947 - mid 1950) purchasing managers struggled to be recognized within the corporate hierarchy as the world witnessed the growth of procurement. This period saw a development of the value and Ysis technique, pioneered by General electric in 1947.

Period five (mid 1960s to late 1970's) in the beginning in mid 1960. Firms initiated the dramatic growth of materials' growth during this period. The concepts originally date to the 1800s this concept widely affected firms during the Vietnam War. Period six the global era (late 1970s and behavior of purchasing; this period proved to be different from other historical period due to the following reasons;

Never in our industrial history has competition become so intense so quickly. Global firms captured world market and share and emphasized different strategies, organizational structures and management techniques. Rate of technology change was unprecedented. The ability to coordinate world wide purchasing activity by using international data networks

Period seven, integrated supply chain management (2000 and Beyond) purchasing approaches beyond 2000 reflect changing emphasis towards the importance of quality and its roles to suppliers. Supplier relationships on shifting from an arms length advertised approach with supplier purchasing strategic approaches with supplier involve supplier development and improvement, supplier design for supplier evaluation. Purchasing behavior is shifting dramatically to support performance requirement of the new era.

Purchasing personnel may consist of the purchasing managers, assistant purchasing managers, receiving officers, inspection officer, procurement officer clerical staff and so on. This structure of purchasing personnel is different in different organization. The management of purchasing personnel is concerned with the acquisition development and maintenance of an efficient and satisfied team in a purchasing department.

2.1.2 Roles of purchasing department

There are a number of roles that a purchasing department may carry out. N.A. Sleazig (1997) described the following as the main.

Maintain angular flow of materials

To purchase at a competitive price, the right quality, in right quantity and right time at a complete cost;

- Assess if organization ensures high productivity
- Act for standardization
- To ensure a better margin of profit
- From above, it merges that a purchase organization is responsible not only for procurement of materials but also for all the economic consequences which directly and indirectly reflect the entire working of the organization.

2.1.3 Challenges of the procurement department

The purchasing department may have a number of challenges in carrying out its activities. Kiberu (2005) described some as follows.

Conflict of interest between officials and politicians hence interfering with the procurement and disposal process

There are no clear guidelines as to the funding, payment of allowances for the contract committee and procurement unit operation

Limited service providers

Inadequate records management systems for the procurement process

Some service providers have lost confidence with the procurement department

They hold the belief that in order to win a contract of supplying, a motivation factor either in form of a bribe, gift or relationship with key people in the department is mandatory corruption in some procurement processes

2.2 Performance for the Organization

Performance is the measure of how an individual or organization may carry out its duties (Balkin 2002). Organizational performance may be used comfortably in three time senses. The past, present and future. In other words, performance can refer to something completed, happening now, or activities that propose for new needs. Organization members may collaborate to capture synergies between individuals with complementary skills when situation

changes and new tasks and priorities emerge. Critical feedback has the flexibility to learn from its mistakes and make improvements.

2.2.1 Quality Management

Quality management is focused not only on products/service quality, but also the means to achieve it (Saleemi, 1997). The best quality is not usually the right quality, but the suitability of item for a given purpose is the right quality which should be generally purchased. Quality management can be considered to have three components; quality control, quality assurance and quality improvement.

According to Chapman (2001), Quality management adopts a number of principles that can be used by upper management to guide their organization. Towards improved performance. These principles cover;

- Customer Focus
- Leadership
- Involvement of people
- System approach to management
- Continual improvement
- Tactical approach to decision making
- Mutual beneficial supplier relationship.

2.2.2 Cost Management

Cost management is the process by which companies control and plan the costs of doing business. Individual projects have customized cost management

plans, and companies as a whole also integrate cost management into their overall business model. For a companies management to be effective overall, cost management might be n integral feature of it. (Cavinote 1984)

Cost management will help the organization determine whether they accurately estimated expenses at first, and will help them more closely product expenses in the future starting a project with cost management in mind will help to avoid certain pitfalls that may be present otherwise: if the objective of the project cost over runs will be most will be man likely , if costs are not fully researched before the projects, they may be underestimated thereby lifting the expects than of the project success unrealistically.

2.3 The Other Aspects Affecting Performance.

The purchasing department cannot bring about better performance to an organization with out the support of the other department's. these departments or aspects that may work hand in hand with the purchasing department may be ;-

2.3.1 Human Resource Department.

How does the human Resource department contribute to performance?

The human resource department is concerned with labour supply. Labour supply Is the availability of workers who may posses the require skills that the employers might need. The organization may therefore use the human resource department to recruit some qualified personnel in the purchasing department and other departments, hence being able to deliver the kind of output needed

2.3.2 Finance Department

How has the finance department contributed to organizational performance?

The financial department may comprise activities related to ministry sources. It may try to budget and allocated funds to every department in the organization. Garrison (1990).The finance management personnel cooperate in the exchange of information and expertise in such activities. As;

- i. Budget must be periodically prepared in order to plan financial Requirements. Budgets must sometimes be adjusted and performance relative to budget must be evaluated.
- ii. Economic analysis of investment proposal.
- iii. Provision of funds.

2.3.3 Production department.

The production department is responsible for taking the drawings and information and breaking them down to manageable packets Douglas (2001).

They take the information that does not get through the manufacturing facility and passes it to the purchasing department to be processed. the production may comprise o activities which may make a lobe the products this may help the purchasing department because it may make the purchased material into finished goods.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

For this research to be effective, research design, data collection and analysis will be used to arrange the information in such of way that it will enable the researcher to came up with the reliable recommendation and conclusions. The following are the methodologies to be employed starting with the research design, study population sampling, design research instrument and analysis of data

3.1 The Research design is the case study of Tana Delta Irrigation Project (TDIP)

A blend of quantitative and qualitative research design with a cross section of multiple case study kind of strategy will be employed in order to collect data required to answer the research questions. A cross sectional research design that studies a population at a single point in time (Bailey 1994) is deemed fit for this study because data can be gathered from a large number of people

Describe and correlation research design will be adopted in order to provide a clear picture of how the roles of a purchasing department affect the performance of the organization. Therefore, the study will employ a combination of quantitative and qualitative design.

3.2 Research population

The study will concentrate on management and employees of TDIP. The management is expected to give information relating to the roles of the purchasing department on he performance of the organization. Employees will look at their roles in the organization and into the purchasing department. The

researcher will be looking at a total population of 500. This is now going to be his interest population.

3.3 Sampling and Sampling Size

3.3.1 Sample Procedure

Sampling procedure is the source list, it is s a group of items or respondents from which sample is drawn. It constitutes all the components of the target population. In this study sampling frame would be the start of the purchasing department, auditing, marketing, finance and all the other related departments. A combination of sampling methods will be applied to accommodate a variety of respondents. The methods include; stratified random and purposively, drawing one from each other. The criterion applied in this stratifies selection of subject includes: the level of reasonability/authority, knowledge and willingness to participate.

3.3.2 Sample size

Considering time and other constraints of the study to be expected, the researcher is going to select 100 people randomly. Therefore in order to ensure representatives of samples from the study populations of the procurement unit contract committee and some providers. Samples will be grouped according to chain of command. Random sampling technique will be used in picking the collective. Also it will be based in Slovic (1997) method of computing the sample size.

3.4 Sources of Data.

To achieve the research objectives both primary and secondary data will be used on the study

The main primary data source will be questionnaire and interview methods. The questionnaire method will involve the use of questions printed in a definite order.

The interview method will comprise of personal interviews with procurement officials who are believed to hold important and crucial information relevant to the objectives of the study.

The secondary data source will be obtained from text book, annual reports of TDIP, journals and other publications to provide years stick against responses from meaningful objective interpretation of the efficiency of the effects of negotiation on the procurement process.

3.5.0 Data collection instruments

3.5.1 Questionnaires method

Data will be collected by the use of structured questionnaires designed by the researcher. The questionnaire will be sent to the various departments the organization. This technique will be used because all respondents are literate. The major advantage of this method includes; free of based information and enough time for the respondent to consider his/ her point carefully than an interview.

3.5.2 Structured interview.

Interview will be administered to the department head of procurement concerning the relationship and challenges faced by the negotiation on procurement process structured questionnaires were designed in such a way that more specific and truthful answers related to the challenges faced by the organization were got interviews will be preferred because according to Amin (2003), they give an opportunity to problem and obtain detailed data required to meet specific objectives of the study. Interviewer can adopt situation and get such information as possible.

3.5.3 Observation

In addition to the questionnaires and interviews that will be used. Observation will supplement the data collection process. It is also possible to gather information without asking questions. This is going to be done by observation people in their natural working environment and recording their activities. Here the researcher will have two roles. He can act as a non-participant observer where he will collect data in the role of a pure researcher without trying to become an integral part of the organization. The other role is as a participant observer, this will mean that the researcher is going to become part of the working team and in the process is able to observe employees activities and behavior.

3.5.4 Data processing and analysis

Data collected will be edited and analyzed using percentages, tables and graphic and simple statistical modules like frequency distribution to assess the roles of the purchasing department on the performance of on organization.

Quantitative data analysis will be performed in relation to the research questions.

Statistical findings will be interpreted in light to the objectives of the study and conclusion will be based on the literature review to attract more meaning

3.6 Ethical considerations

Permission to carry out the study will start by getting a letter from Dean's office of business and management of Kampala international university; it will be approved by the head of department and the supervisor. In the field permission will be seek from project manager, TDIP in order to consult participants. The principle research will ensure that ethical considerations as strictly adhered to stick confidentiality will be observed names of their study participants will not

be in corded on the question a in and interview be kept locked, only principle investigator will have access to key.

3.7 Limitations of the study.

Some procurement official and staff may feel insecure to reveal sensitive issues in their organizations, in anticipation that the result of the finding may be used against them this can be addressed by assuring them that high level of confidentiality will be applied to them.

In the study so as not to single out particular individuals for whatever information they give. Costly secretarial services which course unnecessary delays the research studies. However this can be addressed using non productive budgets within time allocation

Inadequate materials. This follow because of the uniqueness of the study that makes it limited information for literatures to base on the development of the study. This means then is little opportunity to after cooperation analysis and evaluation of the results of the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0 Introduction

The chapter contains the results of the data collected. Personally administered questionnaires, interviews and observations were used to collect data. They focused on gathering data on the roles of the purchasing department on the performance of the organization. The data was analyzed through the use of descriptive analysis method. The data was presented in form of percentages, histograms and pie-charts.

4.1.1 Respondents Data

The overall responses were good. From the overall 100 questionnaires distributed 98 of them were returned by the respondents, only two questionnaires were not returned as shown in the table below;

Table 1: Respondents Data

TDIP	100	98	98%
Total	100	98	98%

Source: Field data 2010

4.2 Background of the Study

4.2.1 Gender Response

From the respondents issued with the questionnaires, 56 of them were males and 42 were females. This shows that men are the majority of the staff of TDIP as shown in the table below;

Table 2: Gender Distribution of respondents

Sex	No of respondents	Percentage
Females	42	43%
Males	56	56%
Total	98	100

Source: Field data (2010)

4.2.2 Respondents level of education

The study also sought information about the level of education and the study findings were as established in table 3;

Table 2: Education Level of the Respondents

Education	Total	Percentage (%)
Masters	6	10%
Degree	46	27%
Diploma	58	31%
Certificate	23	23%
Total	98	100%

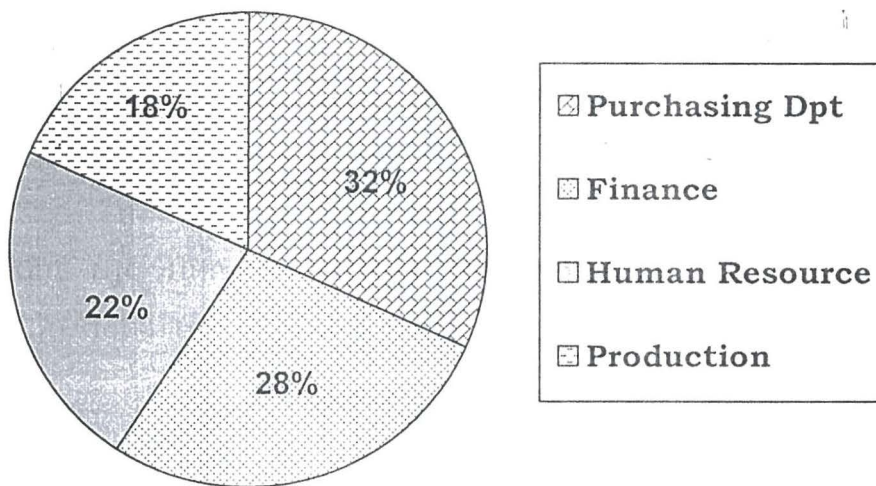
Source: Field Research Findings (2010)

From the above it is seen that the majority of the employees are Diploma holders from various institutions.

4.3 The role of the department on performance

This section addresses the different departments out of the 98 staff interviewed. The staffs interviewed were 31% from the purchasing department, 27% from the finance, 22% from Human resource and 18% from the production department. Data relating to this variable is presented in chart below;

Fig 2: Trends on the purchasing department



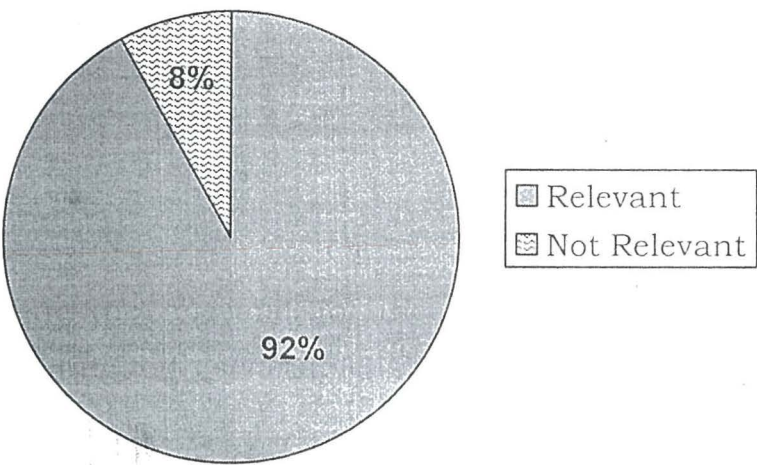
Source: Field data (2010)

4.3.2 Relevance of the department

Purchasing is very important and needed on the day to day running a fan organization. The investigation therefore, was to determine the relevance of the department on the organization. It revealed that 90% of the staff considers the department to be relevant in the day to day running, only 8% did not consider the relevance of the purchasing department, claiming that the finance department can as well carrying out those activities. The study sought to

determine the relevance of the purchasing department to the organization. Data relating to this variable is presented in the figure below:

Fig 3: Relevance of the department



Source: Field data (2010)

4.3.3 Perception of the Departments

The section was aimed at finding out how the procurement department roles may affect performance. The research revealed that some of the interviewed staff had seen the department to have no effects on performance 88% of the staff so the department to have had a large effect on performance while 10% of the respondents said that the department may have no effects to performance. Data relating to this variable may be presented in the Table below;

Table 4: relevance of the department

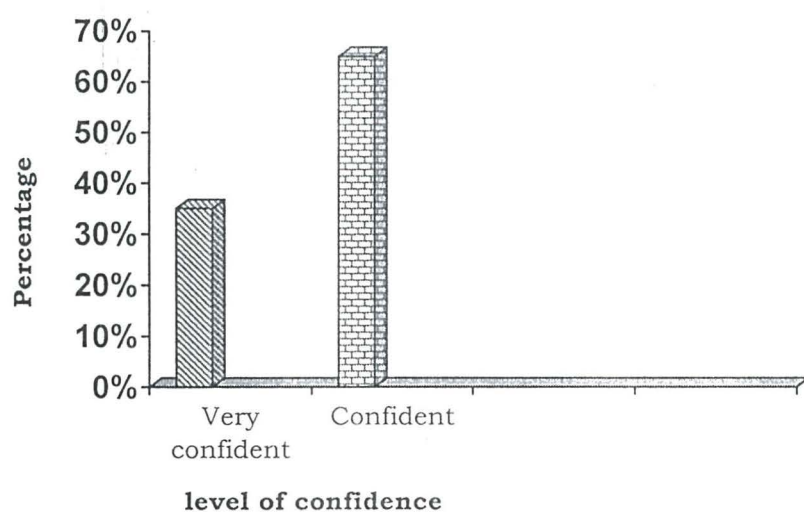
Respondents	Frequency	Percentage
Effect	88	90%
No effect	10	10%
Total	98	100%

Source: Field data (2010)

4.3.4 Public confidence on the organization

The variable of the study were aimed at investigating if the use of the procurement standards may bring about public confidence to the organization. The research revealed that non of the staff had no total confidence with the organization. 65% of the public had very high confidence on the organization's performance. Majority of the staff therefore had confidence on the organizations performance. 35% of respondents had very confidence on the organization performance. Data relating to this variable is presented in figure below;

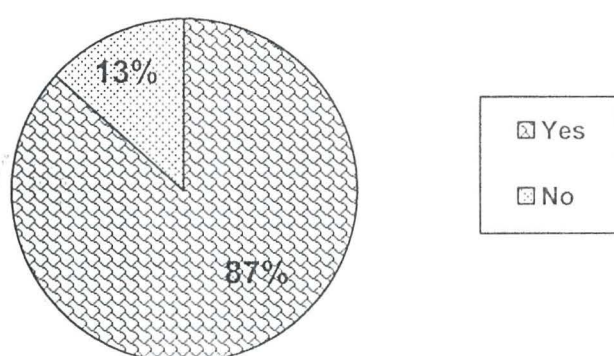
Fig 4: Confidence on the organization



4.3.5 Compliance of procurement procedures

This section was aimed at finding out if the compliance to the procurement standards may bring about performance on the organization from the results of the research. It was observed that 85% of the respondents perceived compliance to procurement procedures to performance. 13% of the respondents argued that compliance to procurement standards may not be necessary for performance. Data relating to the variable is presented on the figure below;

Fig 5: Compliance of procurement procedures



Source: Field data (2010)

4.4 Effects of the department

4.4.1 The purchasing department and accountability

The study was aimed at finding out if the purchasing department may bring about accountability in the organization. The study revealed that 18% of the staff do not believe that having a purchasing department on an organization may bring about accountability. However, 80% of the staff accepts that the purchasing department may bring accountability on the organization in the day

o day performance. Data relating to this variable is presented in the table below;

Table 5: Purchasing department and accountability

Respondents	Frequency	Percentage
Yes	80	82%
No	18	18%
Total	98	100%

Source: Field data (2010)

.4.2 Procurement department and Quality.

The aim of the study was to investigate whether the purchasing department may bring quality on organization performance. 18% does not go well with this, and do not believe that the purchasing department may bring about quality. Data relating to this variable is presented in the table below.

Table 6: Procurement department and Quality.

Respondents	Frequency	Percentage
Quality	80	82%
No quality	18	18%
Total	98	100%

Source: Field data (2010)

4.5 Investigating on the challenges

The aim of this study was to investigate if the purchasing department may have any challenges. 90% of the respondents believed that the purchasing department may experience a lot of challenges on its day today activities. 8% of the respondents believed that the department may have no challenges. Data relating to this variable is explained in the table below;

Table 6: Does the purchasing Department have any challenges

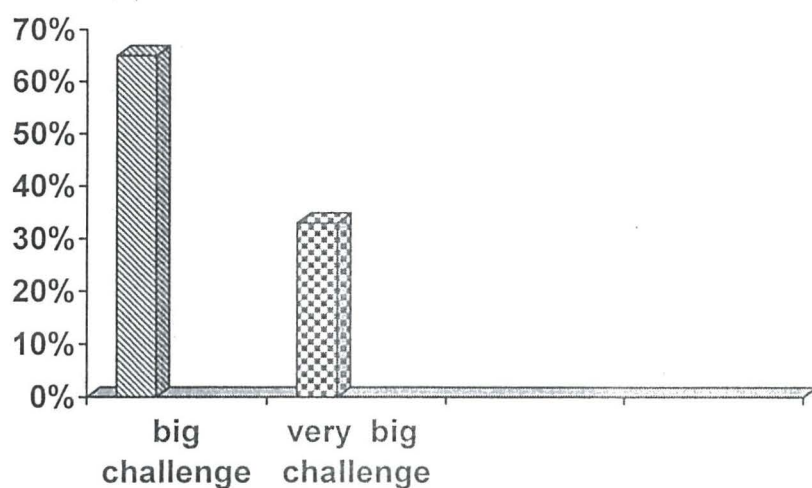
Respondents	Frequency	Percentage
Challenges	90	90%
No challenges	8	8%
Total	98	100%

Source: Field data (2010)

4.5.2 Political pressure as a challenge

The variable of the study was aimed at investigating if political pressure may be a challenge to organizations/department performance. The research revealed that non of the staff viewed political pressure to be a very big challenge. 65% perceived it to be a very big challenge while 33% of the staff viewed it to be a big challenge. Data relating to this variable is presented in the figure 6 below;

Figure 6: Political pressure as a challenge



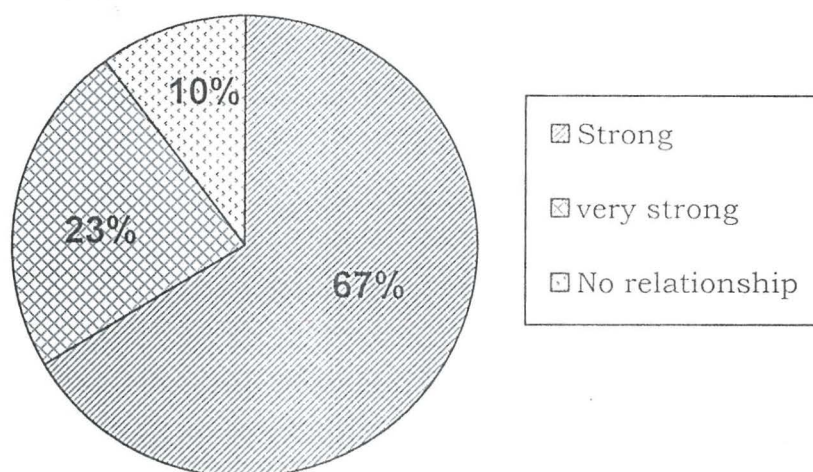
Source: Field data (2010)

.6 Performance on the organization

.6.1 Relationship between roles of a procurement department and Performance.

The study was aimed at finding out the relationship between the roles of the purchasing department and performance of the organization out of the 98% of the staff interviewed, 10% of the respondents said no relationship at all, 65% perceived the relationship to be strong, 23% of the respondents revealed that the relationship was very strong. Data relating to the variable is presented in figure 7 below;

Figure 7: Relationship between roles of a procurement department and Performance.



Source: Field data (2010)

4.6.2 Has the department effectively conducted its activities

The aim of this study was to investigate if the purchasing department effectively performed its activities. 85% of the respondents acknowledged to the fact that the purchasing department effectively performed the activities. 13% of the respondents does not behave that the purchasing department effectively performed its activities. Data relating to this variable is presented in the figure below;

Table 7: Department effective conduct of its activities

Respondents	Frequency	Percentage
Yes	85	87%
No	13	13%
Total	98	100%

Source: Field data (2010)

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

Having analyzed the study findings, this chapter discusses the conclusions drawn from the study, recommendations, limitations of the study and suggestions for further areas of study.

5.1 Findings

The research was aimed at investigating roles of the purchasing department on the performance of TDIP. From the study 13% of the respondents do not comply with the purchasing procedure in the procurement of either goods or services in the organization, where as 85% of the respondents realize and effectively use the PPDA Act in the procurement activities. 65% of the respondents said that there is a strong relationship between the roles of the purchasing department and its performance.

From the study, on the relevance of the purchasing department, 8% of the respondents did not see the importance of the purchasing department, hence claiming it wasn't relevant to the organization. 90% of the respondents considered the purchasing department as a very important part or element for the performance of any organization the purchasing department. 10 % of the respondents had not effectively performed their activities as per the procurement procedures. 85% of the respondents effectively support and use the PPDA Act in performing their activities. From the research on public confidence with the department.

From the research on challenges. 90% of the respondents believed that the purchasing department may experience very many challenges. 8% of the respondents believe that the department may have no challenges. The research revealed that none of staff had viewed political pressure as not being a challenge to the department. 65% of the respondents viewed it to be a very big challenge, 35% of the respondents viewed it to be a challenge, and majority of the staff therefore had viewed political pressure to be a very big challenge.

From the research. 31% of the respondents interviewed were from the purchasing department, 27% from finance, 22% from the Human Resource and 17% from the production department.

5.2 Discussion

From the analysis of primary data it was observed that most of the purchasing roles are executed and the organization effectively follow the procurement procedures when purchasing. From the research, out of the staff interviewed 85% of the respondents said that they effectively use and rely on the purchasing as per the PPDA Act 2005 when carrying out the purchasing activities. It was also observed that there is a relationship between the purchasing department and the performance.

From the data collected, 10% of the respondents said that there is the relationship between the purchasing department and its performance 65% of the respondents said their is a strong relationship while 25% of the respondents believe that their is a very strong relationship between the purchasing department and its performance. This shows that the purchasing

department has a department has a positive influence to the performance of the organization.

From the data collected, it was observed that the organization considered the purchasing department to be an important element in the performance of the organization. From the research carried out, it was observed that 92% of the respondents considered the purchasing department to be relevant to the organizations performance. This shows that the staff considers purchasing to be an important aspect on organization performance.

From the results of the study, it was observed that most of the public had confidence with the purchasing department is bringing about accountability to the organizations performance, 8% of the respondents do not believed that the procurement department may bring about accountability on the whole organization. 18% of the respondents do not believe the fact the purchasing department brings about accountability to the organization.

From the primary data collected it was observed that most of the staff perceived that the purchasing department effectively performed its activities. 13% of the respondents does not go well with the way the department is performing its activities.

5.3 Conclusions

The main objectives of the study were to determine the roles of the purchasing department and how they may influence performance in the organizations. Data was collected by use of personally administered questionnaires.

Interviews and observations. It was observed that the purchasing department influence performance on an organization.

From the data collected, 85% of the respondents considered the procurement department to be important to the organization. Also 80% of the respondents relied on the use of the procurement standards to help on purchasing. From the data collected, 65% of the respondents explained that there is a very big relationship between the purchasing department and its performance. 25% of the respondents considered the purchasing department to have a very strong relationship with its performance. These findings therefore, led to the conclusion that the purchasing department had a great importance to the performance of the organization.

From the findings of the study, it was observed that 85% of the respondents perceived that the general public had a very huge confidence with the organization, higher than those with the confidence with the organization. This therefore led to the conclusion that the purchasing department plays a very big role for the performance of an organization.

5.4 Limitations of the Study

1. There was limited information about TDIP and specifically the purchasing department on its website leading to inadequate information.
2. There was delayed response from the management and staff of TDIP.
3. Lack of cooperation from some of the respondents.

5.5 Recommendation

In an attempt to further improve organization's performance, the researcher made the following recommendations from the purchasing departments.

- I. The department should effectively follow and use the procurement procedures. This means they should be the use the PPDA Act have fair bidding and tendering processes.
- II. There should be improved coordination between/with the other departments. This will facilitate the implementation of the roles of the purchasing department.
- III. Training and development should be encouraged in areas of procurement and organizations performance. This helps workforce gain skills in specific areas which may facilitate performance.
- IV. The organization may come up with incentive schemes linked with the sides of the roles of the procurement department. This may encourage employees to work hard in order to achieve organizations' goals. Organizations reward may include; salary increases, bonuses, promotions and recognition.
- V. Make materials available to staff.
- VI. Managers should not over rely on the PPDA Act but should not be on the forefront for its successful execution.

5.6 Suggested areas of future study.

A research should be carried out on the impact of the purchasing department roles on the performance of the organization.

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APPENDIX I: INSTRUMENTS

A) QUESTIONNAIRE TO PROCUREMENT AND DISPENSING UNIT WORKS DEPARTMENT SERVICE PROVIDERS AND BENEFICIARIES

Dear Respondent,

I am Bonaya K. Muatwa a student of Kampala International University carrying out a research on "The roles of the procurement department on the Tana Delta Irrigation Project (TDIP)." I therefore kindly request you to provide me with necessary answers to this questionnaire. You are however promised outmost confidentiality on the data provided.

Instructions

- a) Fill in the blanks
- b) Tick where necessary

SECTION A

Sex: Male ☐ Female ☐

Position: Principal ☐ Senior ☐ Junior ☐ Assistant ☐

Level of education: Masters ☐ Degree ☐ Diploma ☐ Certificate ☐

Marital Status: Married ☐ Divorced ☐ Single ☐

SECTION B: The Roles of Department on Performance

1a) Do you think the procurement department is relevant?

Yes ☐ No ☐

b) If yes/No why.....
.....

2) What are the effects of the procurement department on Performance?

.....
.....

3 a) Does the procurement standards increase public confidence in the
Organization?

Yes ☐ No ☐

b) If yes/No how.....

4a) Has the compliance to procurement procedure affected performance
In the organization?

Yes ☐ No ☐

b) If yes/No how.....

SECTION C: Effects of the Department on Organizational Performance

5a) Do you think the procurement department can promote
Accountability?

Yes ☐ No ☐

b) If yes/No how.....

6a) Does the procurement department bring about quality?

Yes ☐

No ☐

b) If yes/No how.....

SECTION D: Investigate on the Challenges

7a) Does the procurement department have only any challenges?

Yes ☐

No ☐

b) If yes/No how is it challenged.....

8) Do you think political pressure can be a challenge to the

Procurement department?

Yes ☐

No ☐

b) If yes/No how.....

SECTION E: Performance on the Organization

9) Has the compliance to procurement procedure affected performance

In the organization?

Yes ☐

No ☐

b) If yes/No how.....

10a) Is there any relationship between the roles of the procurement

Department and its performance?

Yes ☐ No ☐

b) If yes/No how.....

11a) Has the department effectively conducted its activities?

Yes ☐ No ☐

b) If yes/No how and why it's carried out.

THANK YOU FOR YOUR CONTRIBUTION

**B) INTERVIEW GUIDE FOR PROCUREMENT OFFICER AND USED
DEPARTMENT OFFICIALS.**

1. What is your name and position in the organization?
2. How long have you worked in Tana Delta Irrigation Project?
3. State the department(s) you work and briefly describe the task(s) you perform in relation to the performance of the organization?
4. What are the roles of purchasing department?
5. Does the purchasing department affect performance in the organization?
6. Are there any challenges faced by the purchasing department in carrying out its activities?
7. Does the organization use the purchasing priced areas as per then PPDA Act 2005 while carrying out its activities?

APPENDIX II: TIME FRAME

ACTIVITY	PERIOD	OUTPUT
Proposal writing	1/6/2010	Proposal submission for approval
Developing instruments	June, 2010	To assists in data collection
Fieldwork	June, 2010	To be able to gather data
Data Collection	June, 2010	Recording of data
Data Analysis	June, 2010	Analyzing on interpretation of data
Preparation of report	July, 2010	Submission of dissertation

APPENDIX III: BUDGET

NO	ACTIVITY	COST UGX
1	Stationery	50,000
2	Typing and printing	150,000
3	Transport	120,000
4	Meals	100,000
5	Photocopy	50,000
6	Internet and Airtime	20,000
7	Miscellaneous	50,000
Total		5 40,000