

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

INSTITUTE OF DISTANCE LEARNING

**ASSESSMENT OF PROCUREMENT FUNCTION AND CORPORATE
PLANNING STRATEGY OF PUBLIC LIMITED LIABILITY
COMPANIES IN THE SEKONDI-TAKORADI METROPOLIS OF
GHANA**

BY

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***A THESIS SUBMITTED TO THE DEPARTMENT OF SUPPLY CHAIN AND
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FOR THE AWARD OF THE DEGREE OF***

MASTER OF SCIENCE IN LOGISTICS AND SUPPLY CHAIN MANAGEMENT

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DECLARATION

I declare that this submission is my own work towards the Master of Science (Logistics and Supply Chain Management Option) Degree and to that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University. Except where due acknowledgement has been made

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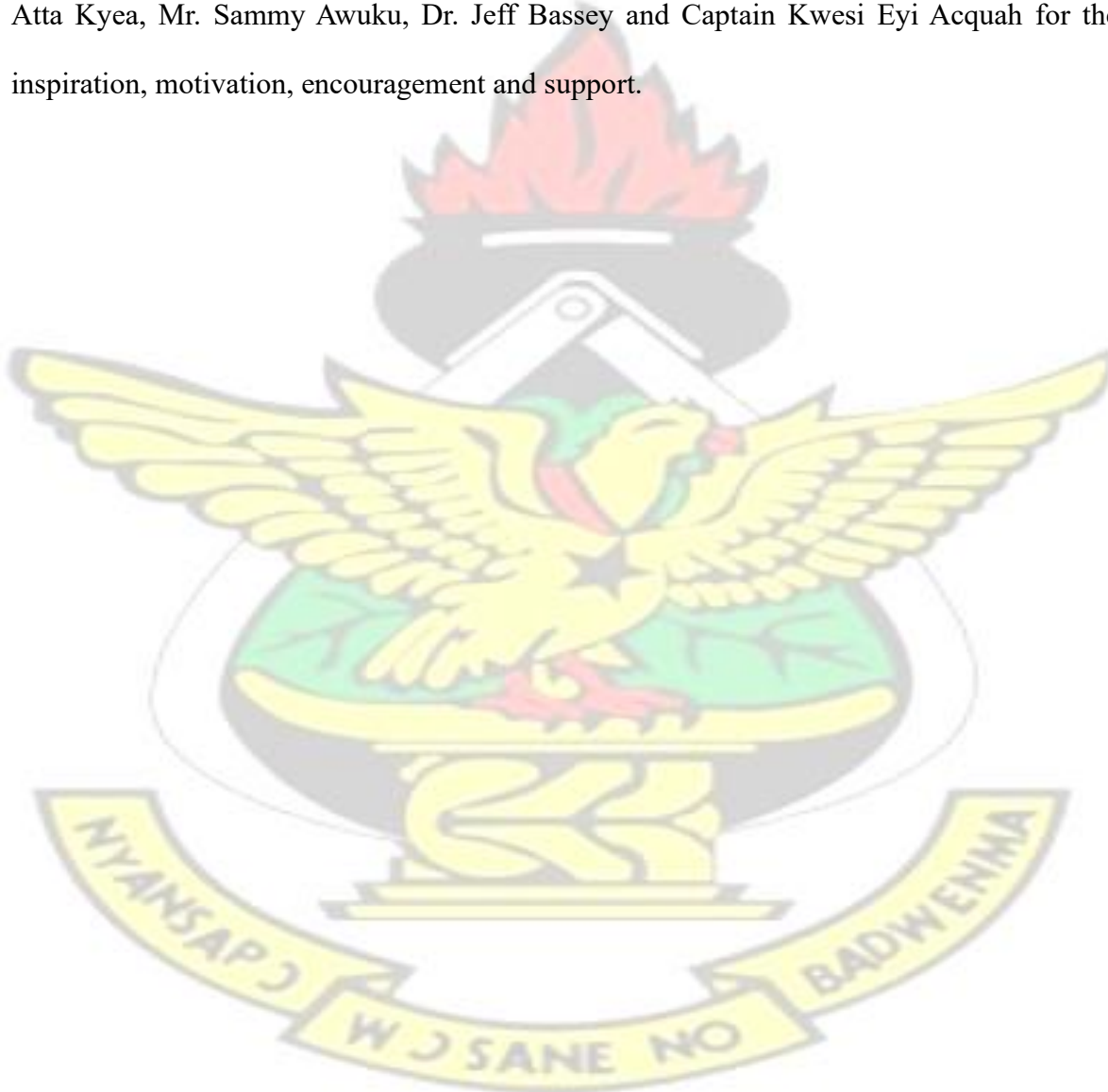
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DEDICATION

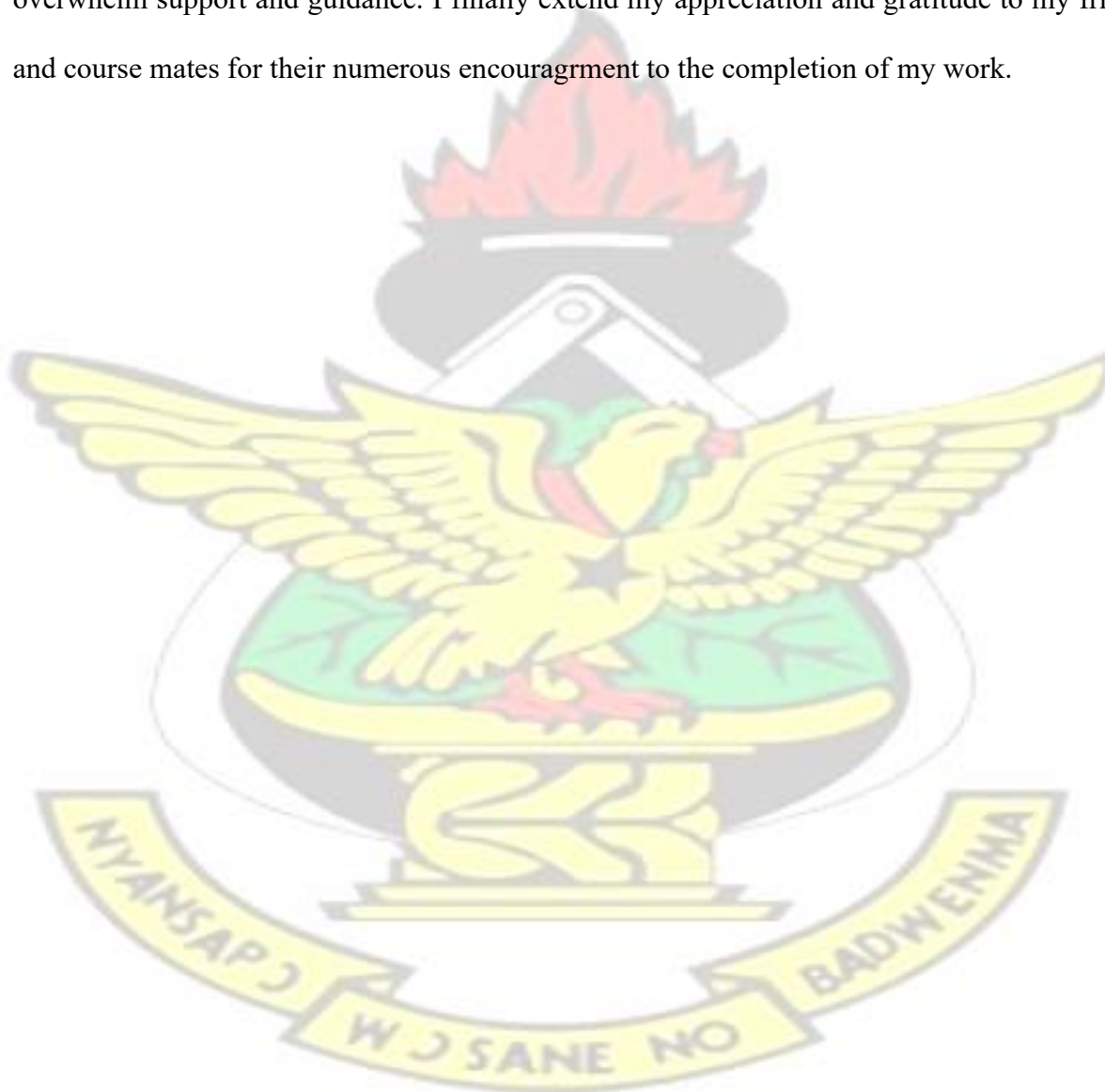
I would like to dedicate this thesis work to Almighty God for His divine protection and guidance, and how far He has brought me, throughout this stressful and tedious academic journey.

I would also like to dedicate this thesis work to my lovely mother, Madam Comfort Mensah, my wife, Mrs. Esther Akosua Quansah, Honorable Frema Akosua Opare, Honorable Sammuel Atta Kyea, Mr. Sammy Awuku, Dr. Jeff Bassey and Captain Kwesi Eyi Acquah for their inspiration, motivation, encouragement and support.



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ABSTRACT

Copious evidence supports the relevance of the procurement function and corporate planning strategies in institutions globally. This study contributes by assessing the effect of the procurement function on corporate planning strategies of public limited liability companies in the Sekondi Takoradi metropolis. The study used a questionnaire as data collection instrument to collect data from various categories of staff of the various professionals of public limited liability companies in the Sekondi-Takoradi metropolis. The study employed questionnaire administration to collect data from total of 50 respondents (n=50); 10 Heads of Departments, 20 Sectional Heads, 10 staffs and 10 neutral respondents who were purposively and randomly selected. The study utilised ordinary least square (OLS) regression to estimate the compliance level and the relationship between procurement function and corporate planning strategy. The findings revealed that both procurement practices and compliance level had a positive effect on corporate planning strategy and both were statistically significant at $p < 0.05$. Similarly, the moderating effect of compliance level on the relationship between procurement practices and corporate planning strategy was also positive and significant. Generally the study gathered that procurement function of the various professionals of public limited liability companies in the Sekondi-Takoradi metropolis can be used to achieve strategic corporate planning if both procurement officials and stakeholders comply with the relevant procurement laws and processes leading to the achievement of value for money in all procurement practices. It is recommended that the public limited liability companies must improve their procurement processes through periodic training and sessions organized for procurement professionals to comply with all guidelines of the procurement law and the institution's strategic corporate planning.

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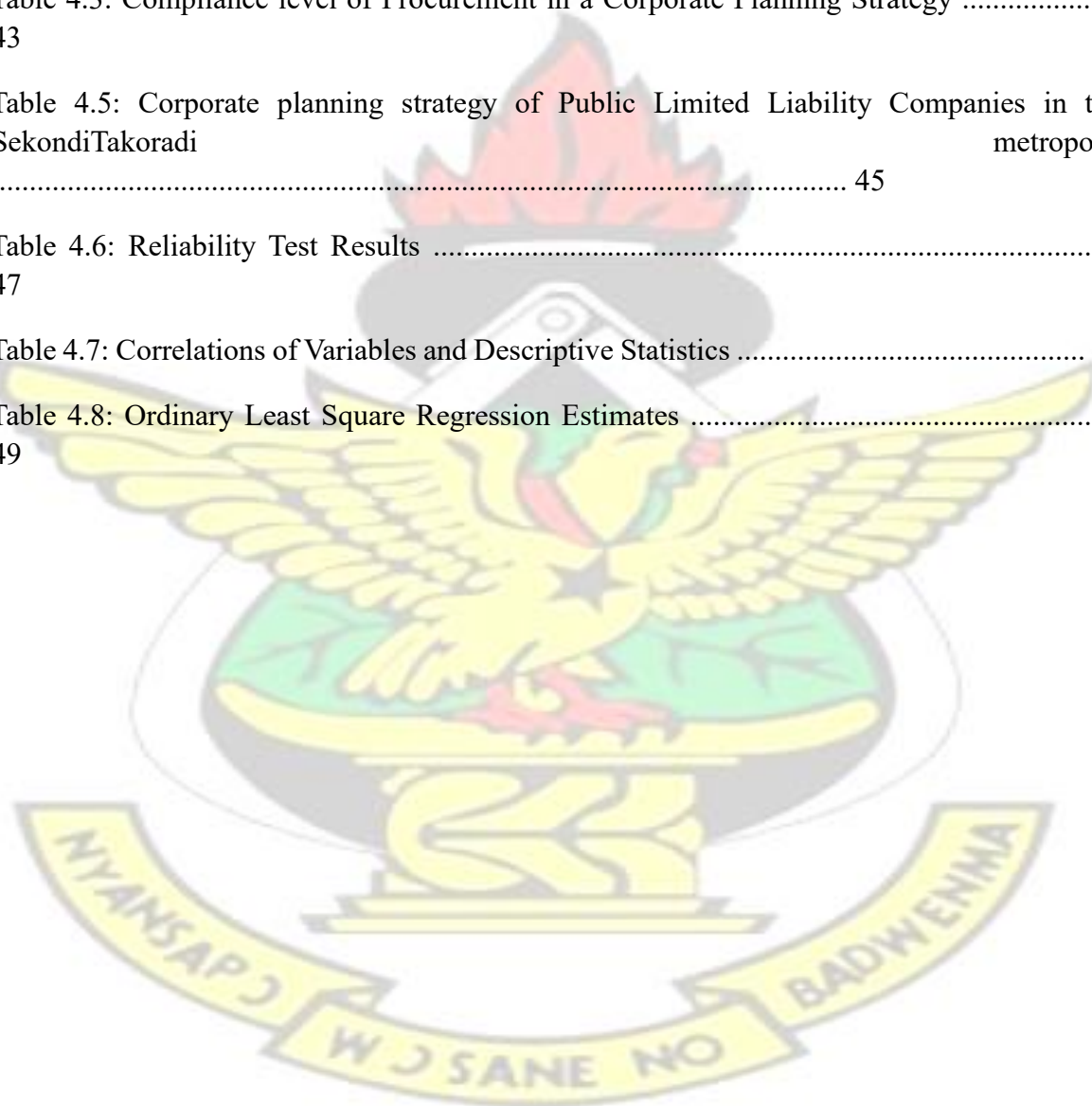
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In every institution, ensuring “value for money spent” is not a dismissible option but a thoughtful suggestion for earning the highest possible profit from resources used. This can be achieved by a conscious effort of reducing cost and maximizing returns, especially in economic engagements. The Government of Ghana enacted the Public Procurement Act (PPA), 2003 (Act 663) in December, 2003. The Act became effective/operational on 27th of August, 2004. Therefore, Public Procurement Act in Ghana is subject to the Act 663 in terms of implementation, regulations as well as administrative instructions which provides the general rules governing the public procurement in all public and any private institution which wishes to apply to its system of operation. Public Procurement Act, 2003 is to ensure that public procurement is carried out in a fair, transparent and non-discriminatory manner. Procurement plays a very important role in corporate planning strategy which should be carefully considered by all entities that wish to apply the act in its operation (Suleiman, 2010).

The PPA Act 2003, board which monitor the successful implementation of the Act 2003 has some functions which include make proposals for the formulation of policies on procurement, ensure policy implementation, human resource development, develop and draft rules, instructions, other regulatory policies on public procurement and formats for public procurement documentation and publish a monthly Public Procurement Bulletin which shall contain information relevant to public procurement (Public Procurement Act, Act 663, 2003).

In the same vain corporate entities should also take bold steps to implement such kind of frame work in their line of operations as an entity. It will help to regulate and streamline procedures towards procurement which is very important for the day to day activities of the firm. It adds

value and encourages due procedures for the execution of all goods, works and services required by the firm for strategic planning.

The Public Procurement Act, 2003 actually came into the system to help streamline administrative procedures in government institutions since the World Bank report (1996) reported that about 60% to 70% of government expenditure was procurement related after emoluments. This will not be an exception should any corporate body choose to implement the procurement Act. The Act came as a remedy to save the already rotten situation in which the country had found itself by effecting the needed operational methods to guide, train and monitor procurement activities. According to Suleiman (2010), there was no outlined policy, guide or frame work for public procurement activities, institutional arrangement, documentation and central body for procurement.

Since 2001, the government has made tremendous efforts to correct the uncontrolled expenditure of public funds that characterised the national economy and led to a rather unstable economic climate. The government therefore set itself the task of regulating expenditure and instilling discipline in public finances through Public Procurement Act (Act 663) and Financial Administration Act (Act 654). The level of implementation of the PPA 2003 in government institutions and the private sector as well is not all that encouraging. The proper implementation of the Public Procurement Act will bring fairness and transparency in the system which is one of the main objectives of the Public Procurement Authority (PPA) bringing sanity and making good use of the taxpayer's money. This also ensures value for money for goods, services and works procured by procurement entities are realised.

The ritual act of corporate institutions not training and upgrading the knowledge of staff to some extent through training (PPA, 2003) has a lot of negative effect which should be considered at all levels. The case in question is not different and need to be approached with

the needed attention and bring a live line there by curbing the current snags and bringing solutions for development. The Public Procurement Act (PPA) Act 663 since its inception has really not found its way that easy into the government institutions and for that matter is suffering same challenges even in corporate institutions of today. This challenge has affected the operations of institutions in diverse ways. The PPA Act 663 though compulsory and enforceable by law, lacks material, human and financial resources to successfully implement its operations both in public and corporate institutions which are worth considering. A study by the World Bank (World Bank 2003a) reported that about 50-70% of the national budget (after personal emoluments) is procurement related in Ghana. Good procurement systems and practices system should bring some sanity into government expenditure thereby ensuring value for money for a developing country like Ghana. As we all know Ghana cannot develop through the public sector alone but the private sector as well. Procurement brings sanity in expenses of institutions and organisation which ensures good financial health for expansion and development in such entities. It also ensures value for money in public and private procurement landscape. The government of Ghana in 1996 launched the Public Financial Management Reform Programme (PUFMARP) all because public expenditure did not consider value for money. The programme was to improve financial management in Ghana public service in order to ensure judicious use of public financial resources. PUFMARP identified weaknesses in the procurement system and others as not effective hence its implementation. Some of these weaknesses that PUFMARP identified included: lack of comprehensive public procurement policy, lack of central body with technical expertise, absence of clearly defined roles and responsibilities for procurement entities, absence of comprehensive legal regime to safeguard public procurement, lack of rules and regulations to guide, direct, train and monitor public procurement.

The programme also identified that there was no independent appeals process to address complaints from tenderers. This led to the establishment of Public Procurement Oversight Group in 1999. The major task of this group was to steer the design of a comprehensive public procurement reform programme which led to the drafting of procurement bill in September, 2002 which was passed into law on 31st December, 2003. This mirage of issues affecting public sector procurement does not spare corporate institutions in Ghana in their planning strategy. The research seeks to relate procurement and corporate institutions and procurement procedures and assess how effective it is and if possible its relevance to the growth of such institutions and suggests possible solutions as well and make some recommendations.

1.2 Statement of the Problem

The implementation challenges of the Public Procurement Act are what border most hence the research in question. It is also unfortunate that corporate bodies do not apply procurement procedures in their day to day procurements. This raises a lot of question marks hence the research in question. Some of the challenges ranges from: lack of implementation of procurement policies, lack of central body with technical expertise, absence of comprehensive legal regime to safeguard procurement, lack of rules and regulations to guide, direct, train and monitor public procurement staff to enable them executive their works as it is expected of them. In a research conducted by Collins, et al, 2010, on Public Procurement staff in Ghana revealed low capacity of procurement professionals, low interaction between procurement entities and Public Procurement Authority (PPA), deliberate controlling of competition, noncompliance with provisions of the law, splitting of contracts into smaller lots (breaking bulk), lack of funds and non-cooperativeness of suppliers, as the major challenges militating against the implementation of the Public Procurement Law. It makes one wonder if the Public Procurement Act and its implementation have really impacted significantly in the government institutions of public procurement in Ghana and if the public itself is suffering this way then how will it be in the corporate bodies? According to the 2010 and 2011 annual Corruption

Perceptions Indices (CPI) released by transparency international, Ghana ranked the 62nd and 69th most corrupt country respectively out of 183 countries worldwide. These means lack of good procurement practices in Ghana remains a significant impediment to effective resource utilisation and efficient service delivery. There is no real evidence that Ghana as a country has made serious gains through the enactment of corruption targeted legislation, thus their impact cannot be discounted completely.

1.3 Objectives of the Study

The main objective of the study is to assess procurement and its effect on corporate planning strategy. However, to achieve the objective of the study, the following specific objectives will be put forward;

1. To examine the procurement activities in a corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis.
2. To assess the compliance level of procurement in a corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis.
3. To examine the effects of procurement on corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis.
4. To examine the moderating role of level of compliance on the relationship between procurement activities and corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis.

1.4 Research Questions

The study would be guided by the following research questions:

1. What are the procurement activities in a corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis?
2. How is the compliance level of procurement in corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis?
3. What are the effects of Procurement in corporate planning strategy of Public Limited

Liability Companies in the Sekondi-Takoradi metropolis?

4. Does level of compliance moderate the relationship between procurement activities and corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis?

1.5 Significance of the Study

The study is significant as it seeks to assess the procurement and corporate planning strategy. It is clear the procurement and planning are twin factors that are worth considering when it comes to business operations. Procurement success lies mainly in good planning in a strategic manner. If you do not plan well you will not achieve your set targets. Good planning calls for due process in the day to day running of activities in a corporate body. If you do not plan very well it means you cannot implement your set objectives. This will make things difficult to be executed as it is required.

It is also an undeniable fact that without procurement there is no order in corporate entities. Procurement plays a very key role in the operation of business activities. Procurement takes the major expenditure of a corporate entity which ranges from 50% to 70% of most firm's expenditure.

This is done by corporate bodies ensuring that proper procurement procedures and due policies are implemented to ensure the judicious use of its financial resource. It is owing to this that the government of Ghana has authorised Public Procurement Authority to ensure that all public institutions implement and apply all its approved procedures to ensure sanity and proper use of the poor taxpayer's money (ensure value for money) is judiciously used. This will only be good for management, procurement staff and specialist to ensure that they put in good procurement practices devoid of favour but transparent and fair in the public domain thereby ensuring the proper use of all money. Meaning all expenditure should be spent towards the realisation of the set objectives of the corporate body.

The significance of the study seeks to address the lackadaisical approach by Private or corporate institutions to the implementation of the Procurement Act in their planning strategy. This claim comes out of corporate institutions inability to avail funds to employ and train staff in the outlined procurement procedures availed by the PPA since its implementation in August, 2003. This research is investigating the basic implementing effects of the Public Procurement Act, 2003 (Act 663) in corporate institutions and its effect on the procurement activities in their operations. The research is also out to study both the positive and the negative effects of the Public Procurement Act (Act, 663 and Amend. Act 914, 2018) implementation in corporate institutions.

The study will also monitor the staff strength of corporate entities and the level to which they have been supported through training and development for proper documentations and policy implementation on procurement in their planning strategy. The study will also seek to address problems that corporate entities are facing and the strategies adopted to reduce it if not completely eradicate it.

At the end of the study, procurement staff and specialist will be educated on the need to successfully implement the PPA policies in corporate institutions.

1.6 Overview of Methodology

Due to the nature of this study, it employs a quantitative approach. An integration of analytical framework with the use of primary data was collected. Primary data was collected through administering of questionnaires and secondary data through books, journals and the review of existing literature. The content of the questionnaire was designed in accordance with the objectives. This was used to gather responses from top management and procurement professionals of public limited liability companies. The study would employ regression model to examine the relationship among the variables.

1.7 Scope of the Study

The geographical location of the study area was limited to the public limited liability companies in the Sekondi-Takoradi metropolis. Specifically, the study focused on staff whose work responsibility related with procurement activities and corporate planning strategy.

1.8 Limitation of the Study

It must be emphasized that the researcher encountered a number of problems with respect to this studies. But well-known among them are: inadequate time was the major challenge for the researcher to submit and collect or obtain responses to the questionnaires relating to this research.

1.9 Organization of Thesis

The thesis was organised into five chapters comprising of introduction including general overview on the activities of Procurement in a corporate planning strategy. Chapter two was on the review of relevant literature on the compliance level and implementation effects of the procurement in a corporate planning strategy. Chapter three provided information about the methods and procedures, sampling frame and sampling size to be used for the research. It further elaborated on how data were collected and analysed. Chapter four presented results and findings of the research. Chapter five shall made appropriate recommendations based on the findings, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This second chapter reviews contemporary publications on effective procurement management practices and corporate goals. It begins by examining the theories of the concept of the procurement management prior to examining issues on international and local perceptive of public procurement practices. Challenges to public procurement practices have also been discussed as well as its organizational management. Efforts have also been made to discuss how organizations use procurement management to achieve corporate goals.

2.2 Concept of Procurement Management

Procurement management, in the view of Bolton (2004) is an important strategic activity that ensures that sufficient materials and services are available for the smooth operation of a company. However, Azeem (2007) indicates that, procurement now plays a new role in corporate performance involving value generator, integrator and networking, positioned as a core competency, a driver of business strategy, and enabler of additional business. Procurement management process according to Hardcastle (2007) includes purchase and acquisition planning, contracting planning, seller response request, seller selection, contract administration, and contract closure. Dixit (2004) submits that, procurement management covers relationship between sellers (or contractors, subcontractors, vendors, service provider, or suppliers) and buyers (client, customers, purchaser, service requestors).

Tookey et al. (2001), explains that a procurement management environment which includes elements of law, finance and accounting, risk management and politics; and where practitioners from each of these professions at times claim this function as their province. This claim- staking

is recognized explicitly in the various management frameworks that can be found worldwide for procurement governance and is indicative of the lack of agreement, including within reform agendas, about what government procurement entails or of its strategic significance. This lack of agreement about the scope and nature of public procurement, in the view of Boateng (2008), is very familiar and varied within organizations and even between procurement practitioners as it is between these professions. For organizations in which procurement is conceived of as a mid to low level back-room activity driven by compliance, process management will be the status quo, and relatively few agendas of performance or wider policy will be met, and reform becomes endemic.

Soriede (2006) indicate that, alternatively where organizations conceive of procurement in terms of organizational performance usually in terms of indicators such as budget impact broader policy expectations and compliance will be neglected. Frequently too, public sector organizations of a scale does not seem to justify anything more than a clerical approach to this function. Even where the impacts of these elements are acknowledged, there is often insufficient scope or incentive for management to coordinate or collaborate with other public sector agencies, or to develop the means and roles to reconcile transparency with substantial bodies of regulations as well as with efficiency and effectiveness objectives and related policy goals such as business development.

Hawking and Stein (2004) are of the conviction that, these elements do not readily co-exist and may even seem incompatible. For example, the commercial and operational realities of procurement efficiency and effectiveness generate management responses in opposing terms of both centralization and devolution. Only where organizations or governments recognize the appropriate scope of public procurement, balancing the process, performance and strategic imperatives, can they develop the skills, incentives, performance measures, organizations and management tools to deliver the full range of political/community expectations. In the absence

of a comprehensive framework such as this, government reforms can be expected to remain piecemeal and cyclical.

Callender and Matthews (2002) mention that, procurement practitioners respond to the requirements of their own organization and will generally identify their role in terms of process management/simple procurement vs. performance management /complex procurement vs. strategic procurement and policy depending on whether they are in a small or a larger operational organization or a central policy agency. But this role identification cannot quarantine these managers from the inherent tensions which arise from the conflicts between centralization and decentralization that is a consequence of these alternate roles.

Westring (1997) points out that, efforts to strengthen or reform public procurement will often include centralization vs. decentralization or devolution considerations but have rarely reconciled or even recognized the tensions between these basic constituents of the procurement environment, and instead have identified the need for change with the outcomes of these problems and in doing so have often preserved or even deepened the underlying divergences. Understanding these complex issues is often unappetizing both to executives and to politicians, making their reconciliation seem unachievable. The emergence of technology into this field is, however, beginning to reshape the possibilities.

2.3 Public Procurement Practices – International Perceptive

According to the Acevedo et al. (2010), the last decade of the twentieth century had witnessed the start of a “global revolution” in the regulation of public procurement. Actually, challenges in procurement reforms are beyond procurement regulations to include procurement process, methods, procurement organizational structure, and workforce.

Arrowsmith and Trybus (2003) submit that, procurement reforms occur constantly in all countries, developed as well as developing countries. The scope of reforms varies, from reforming the whole procurement system if the system is completely dysfunctional such as the

on-going procurement in Sierra Leone after a long civil war and the successful reform in Gambia, or fixing some narrow areas in a well-developed procurement system in developed countries.

In “challenges in public procurement: comparative views of public procurement reform in Gambia,” Wittig and Jeng describe how procurement reform was implemented in The Gambia. Through a joint effort of the World Bank, Government of The Gambia and the International Trade Centre WTO/UNCTAD (ITC), a team of procurement experts developed a comprehensive approach to modernize the public procurement system of The Gambia in a model combining elements of a Central Tender Board with a Procurement Policy Office. Local capacity is being developed in the Gambia Public Procurement Authority and in the Procuring Organizations to support transparent public procurement systems. Positive and objective changes lie in the new legal, regulatory and organizational framework as demonstrated by a survey of Procurement Organizations. Nevertheless, challenges remain in extending and sustaining the reforms.

Westring (1997) indicates that, the role of civil society in public procurement reforms in the Philippines highlights the role of Procurement Watch Inc. (PWI), a civil society organization, which was at the forefront of the advocacy for the Government Procurement Reform Act (GPRA). Prior to the passage of the GPRA, there were over a hundred guidelines governing public procurement. The GPRA sought to standardize and institutionalize procurement reforms and address the lack of transparency and accountability that have long plagued the Philippine government in its procurement. Tookey et al. (2009) pointed out that, to steer the process of change, support from the highest levels of leadership in the government and the private sector were found to be essential. PWI became the cog that linked different branches of government, and garnered support from the private sector.

Dixit (2004) explains that, in reforming public procurement sector in Turkey, the government spends around U.S. \$25 billion on purchased goods, services and construction works each year. It can be easily understood how vital it is to have a transparent and competitive public procurement system for the country. This essay presents both a comparison of the public procurement legislation before and after the reform and a comparison of some aspects of a newly introduced system with some developed countries' public procurement systems.

According to Boateng (2008), in December 2003, the Canadian Prime Minister initiated a comprehensive review of Canada's federal procurement, to ensure a "best of breed" approach with demonstrated high value for Canadian taxpayers, and created the Canada Parliamentary Secretary's Task Force on Government- Wide Review of Procurement for this purpose. In "government-wide review of procurement: redesigning Canadian procurement," the Task Force on Government-Wide Review of Procurement reported on the work of the Task Force to date (mid-way to its planned December 2004 report and recommendations), and set out its initial conclusions. This government-wide review had examined all aspects of procurement, from fundamental concepts such as fairness and open competition, through procurement processes and organization, to management oversight and public accountability.

In the view of Azeem (2007), U.S. Federal procurement agencies have many socioeconomic, and in particular, small business goals, but these goals are currently measured on a single metric: the percentage of total agency dollars that are awarded to small business. Finding the balance between the benefits of public procurement reform and benefits derived from small business participation is a public policy challenge. In balancing socioeconomic and public procurement reform goals, effective metrics for measuring small business participation in public procurement, Hunja (2003) support the argument that in order to accurately measure small business participation in a „trans-procurement transformation“ environment, more

effective metrics are required. The existing metrics are ineffective and that the new metrics measure small business participation with greater efficacy.

In the view of Hawking and Stein (2004), the evolution of procurement, from a bureaucratic, manual process to an IT systems-based approach has not obviated the apparent need to continue the search for a perfect public procurement system. In a tale of two cities in the search for the perfect procurement system, Vives et al. (2009), examine the way in which two state-based jurisdictions in Australia have sought to develop their unique versions of a perfect procurement system. Apart from the classic management choices between centralized or decentralized procurement platforms, the procurement policy choices, represented by lowest purchase price or value- for-money, also have to be resolved. Knight et al. (2008) states that, conflicting demands include the need to enhance government management of procurement within the constraints of a tender-driven contracting policy framework, while assuring high levels of probity, accountability and transparency, whilst also satisfying the diverse governance expectations of stakeholders.

According to Hardcastle (2007), in public procurement partnerships, recent experience with public procurement efforts in the U.S. suggests dissatisfaction with both governmental deliveries of services and resulting efforts to privatize or outsource these services. There is increasing recognition that both approaches should be combined to acquire increasingly complex goods and services, relying upon public procurement partnerships. Various trends have impacted public acquisition in recent years, further supporting the need for partnerships. These include a declining public procurement workforce, an expanded role for procurement practitioners, the complexity of acquiring information technology systems, the need for flexibility in negotiating contracts and partnership arrangements, as well as the increasing visibility of risks and the need to manage them effectively.

According to Giancarlo Spagnolo and Federico Dini “Reputation Mechanisms and Electronic Markets: Economic Issues and Proposals for Public Procurement, “online” feedback mechanisms, also known as “reputation systems”, have been successfully implemented in the most important private e-markets, such as Yahoo, Amazon and eBay. These appear very effective in fostering trust and cooperation among anonymous trading partners. Then they discuss how public procurement practices differ for public electronic markets and supply contracts systems, providing some simple “rules of thumb” for public (and private) procurement agencies that plan to set up a feedback mechanism.

In the United States, a new procurement approach, which was recently initiated, is explored by Ken Buck in overcoming resistance to a paradigm shifting change in the federal sector: share-in-savings contracting: from to concept to application. Rowlinson (1999) explains that the evolution of the share-in-savings (SiS) concept, characterized as the ultimate performance-based contract. Cole (2001) notes that, while the concept has been codified in federal statute and used successfully by many state governments, its adoption at the federal sector, until recently, has been limited. Even with policy emphasis at the highest levels in government on increasing the number of performance-based contracts, there has still been resistance from both the public and private sectors. Using data driven, participatory action research, the author addresses some of the reasons for the slow rate of acceptance; and then analyzes the impact of strategic initiatives aimed at increasing acceptance and ultimately greater utilization of the concept.

In the United Kingdom, public procurement policy may be categorized in terms of their regulatory, commercial and socio-economic focus. According to Acevedo et. al. (2010), public procurement policy in terms of a framework of values culminating in the concept of public value, reflect not only government goals but also broader societal values. The author found that there has been partial delivery of commercial improvements. These improvements, however,

have been uneven across departments as there has been an overemphasis on regulatory requirements at the expense of socio-economic development. While procurement's contribution to wider government policy is increasing, its full potential will only be realized when it is delivering on socio-economic policies and thereby contributing across the full range of values. This argument will be illustrated with particular reference to a pilot project on increasing employment through public service and construction projects in Northern Ireland.

In benchmarking municipal public procurement activities in Finland, Bolton (2004) observed that, there are different kinds of procurement and logistics activities in municipalities and hospital districts. The authors examine whether there were differences in procurement between the municipal public organizations in Finland and how the Finnish municipal public entities differ from benchmarking information in other countries. They try to identify best practices in different parts of municipal public procurement.

Azeem (2007) states that, although the provision of basic public services has historically been considered a core state function, during the last decade governments have been increasingly moving toward the various options of private participation in a constant quest to improve the quality of services in a cost-effective manner. There appear to be considerable advantages in “contracting out” services using performance-based schemes that delegate service to providers under legally binding agreements tying payments to measurable outputs delivered at a predefined quality level. Soriede (2006) mentioned that, public procurement is a multi-faceted challenging field; and public procurement practitioners have faced numerous challenges caused by diverse factors.

2.4 Public Procurement Practices Local (Ghana) Perceptive

Public procurement, in the view of Knight et al. (2008), operates in an environment of increasingly intense scrutiny driven by technology, programmed reviews, and public and political expectations for service improvements. Currently, in Ghana, procurement is of particular significance in the public sector and has been used as a policy tool due to the discriminatory and unfair practices during apartheid. Boateng (2008) explains that, procurement is central to the government service delivery system, and promotes aims which are, arguably, secondary to the primary aim of procurement such as using procurement to promote social, industrial or environmental policies. Arrowsmith (2010) notes that, prior to 1994; public procurement in South Africa was geared towards large and established contractors. It was difficult for new contractors to participate in government procurement procedures. However, public procurement in Ghana has been granted constitutional status and is recognized as a means of addressing past discriminatory policies and practices.

Hawking and Stein (2004) indicate that, reforms in public procurement in Ghana were initiated to promote the principles of good governance, and the National Treasury introduced a preference system to address socio-economic objectives. The reform processes were due to inconsistency in policy application and the lack of accountability and supportive structures as well as fragmented processes. Matthew (2006) states that a uniform implementation approach to procurement was required, due to a research study on opportunities for reform processes in the South African government (2000) conducted by the Joint Country Assessment Review (CPAR) and the World Bank in 2001.

According to Azeem (2007), the deficiencies and fragmentations in governance, interpretation and implementation of the Preferential Procurement Policy Framework Act (PPPFA) Act No 5 of 2000, resulted in the introduction of supply chain management (SCM) in the public sector as a policy tool). In 2003, a SCM document entitled “Supply Chain Management: A guide for accounting officers/authorities” was developed to guide the adoption of the integrated SCM

function and its related managerial responsibilities. This was government's attempt to achieve the desired strategic policy outcomes through public procurement.

Despite the reform processes in public procurement and the employment of SCM as a strategic tool, there are predicaments in procurement practices, for example non-compliance with procurement and SCM-related legislation and policies as well as tender irregularities). According to De Lange (2011), taxpayers were fleeced of GH¢30 billion. Corruption, incompetence and negligence by public servants were to be blamed. The South African government spent GH¢26.4 billion in 2010 in ways that contravened laws and regulations.

According to Callender and Mathews (2002), immediately after taking office in 1994, the government initiated a series of budgetary and financial reforms on procurement. The intention of the procurement reforms was to modernize the management of the public sector, to make it more people- friendly and sensitive to meeting the needs of the communities it serves. Procurement reforms in Ghana started in 1995 and were directed at two broad focus areas, namely the promotion of principles of good governance and the introduction of a preference system to address certain socio-economic objectives.

Hunja (2003) indicates that, in 2001, the National Treasury completed a joint CPAR with the World Bank to assess procurement practices throughout the public sector. The CPAR identified certain deficiencies in the current practices relating to governance, interpretation and implementation of the PPPFA and its associated regulations. The systems of procurement and provisioning were fragmented owing to the fact that tender boards were responsible for procurement, whereas provisioning was largely underwritten by norms and standards in the logistics system driven by the National Treasury. Effective and efficient financial management in government was continuously questioned.

Similarly, Mkhize (2004) submits that, the logistics system as a tool for asset management raised concerns because of a lack of proper handling of movable assets in the government environment. The year 2003 saw the adoption of an SCM document entitled „Policy to guide uniformity in procurement reform processes in government“ in conjunction with provincial treasuries to replace the outdated procurement and provisional practices in municipalities.

“Supply chain management: a guide for accounting officers of municipalities and municipal entities” was also compiled to provide guidelines on the adoption of the integrated SCM function and its related managerial responsibilities assigned to accounting officers in terms of sections 62 and 95 of the MFMA.

2.5 Corporate planning strategy

The concept of corporate planning strategy can be reached following several paths. The concept of corporate planning strategy is completely linked with management and so it is with strategy. On the other hand, it has been necessary a chapter to contextualize the evolution of the purchasing function and the increase in its importance. Academics also worked throughout the time and the concept of corporate planning strategy has also evolved during the last decades. Some of their studies are empirical analyses about the advantages of corporate planning strategy. Those are the reason beyond the explanation of that concept through its historical evolution.

2.5.1 Corporate Planning Strategy from the Concept of Strategy

The path to reach corporate planning strategy from a managerial point of view starts at the definition of strategy. A lot of definitions have been proposed and no agreement has been reached about that concept because academics differ on all the aspects that strategy covers.

However, this master thesis considers that it is “the pattern or plan that integrates an organization’s major goals, policies, and action sequences into a cohesive whole” (Quinn, 1980). There are three immediate consequences that emerge from that definition (Cousins, 2008). Firstly, strategy affects the scale and scope of organization’s activities over the long

term. This is a consequence of the word ‘major’ in the definition. Strategy is not interested in every detail of the different goals, policies, and action sequences. On the contrary, it seeks the main aspects. This is a very important point as it establishes limits to the company such as markets addressed or the activities in which the company should or shouldn’t be involved. Secondly, strategy is about being responsive to changes in the external environment. This point (which is called outside-in approach to strategy) suggests that firms have to consider external markets in order to develop their plans. This is a consequence of the temporal character of strategy because it is a plan to develop through the time. Therefore, it can’t ignore the changes that happen in the environment as time goes by. Finally, strategy is about aligning activities with strategic resources and capabilities. This point of view, which is called inside-out approach to strategy, suggests that a company can only obtain competitive advantage by an appropriate use of their resources and capabilities. This is a consequence of the sentence ‘cohesive whole’ in the definition. The integration of major goals, policies, and actions sequences in a plan makes it necessary to gather the available resources and capabilities in the development of sequences, guided by common policies, to achieve the established goals. This last point is aligned with the resource-based view (RBV) of the makebuy decision, one of the most important decisions in supply management, which is developed later on in this document.

Strategy is usually developed at three levels within the organizations: corporate, business and functional. Each level focuses on each one of the previous three consequences of the definition of strategy. Corporate-level strategy focuses on the business in which the organization is involved. It includes the organizational boundaries because it establishes the extension of the organization and the markets in which it competes. Business-level strategy works on the ways to compete in the chosen markets considering that markets are likely to differ. Therefore, business-level strategy consider aspects such as the key elements of

Porter’s (1980) model: barriers to new entrants, power of buyers, substitutes, power of suppliers and industry rivalry.

Functional-level strategy is interested in the means and practices to support the other two strategies. This strategy considers the available resources and capabilities to help execute the business-level and corporate-level strategy. A definition for corporate planning strategy emerges from the relationships among these strategies: “functional strategies should connect with business- and corporate-level strategies so that resource allocation and activities at the functional level are consistent with high-level objectives” (Cousins, 2008). It is necessary that there are relationships between the different strategies of the firm. If they mismatch, problems will emerge because the company will be unable to achieve its objectives with the existing resources and capabilities. It is important to point out that corporate planning strategy does not only imply that the purchasing function –or any other function at the functional level- has to adapt to fulfill firm’s requirements. It also implies that different functions have to be involved in the process of strategy formulation at the business and corporate level. They can contribute with their knowledge of the function’s skill and capabilities to improve the higher-order strategies.

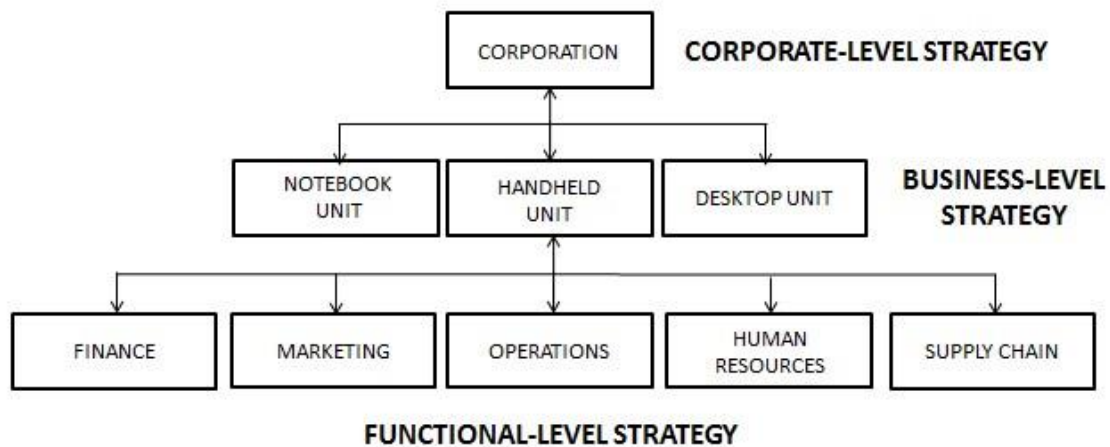


Figure 2.1: The process of corporate planning strategy.

Source: Cousins (2008)

This point of view of corporate planning strategy emerges from the concept of strategy. It enhances the importance that the purchasing function has in the implementation of the overall strategy. However, it only explains why it is important from a theoretical point of view.

2.6 Organisations' Structures and Strategies

Most Organisations adopted a functional structure throughout the 20th century. Entrepreneur's tasks such as searching new markets and external funding were separated from worker's tasks: production activities (Ponce and Prida, 2006).

Similar functions were gathered and departments such as marketing, purchasing, human resources, production, sales, etc., were created. Organisations' main focus was on production, whereas the rest of the functions were subordinated to that function. These secondary functions had no strategic objectives. Their main objective was to manage their resources efficiently (Ponce and Prida, 2006).

Another important reason to explain why purchasing didn't play an important role in company's strategy is vertical integration policy: "bringing a function or technology within the boundary of a firm assuring continuity in the relationship because suppliers are now hierarchically connected employees" (Dwyer and Tanner, 2001). In other words, vertical integration implies that a component is developed within the company instead of buying it in the market. Before 1970s Organisations were operating in very stable markets. That kind of markets encourages Organisations to establish a vertical integration policy because they know that large investments such as new plants will be recovered. When Organisations had to decide whether to buy or make, they preferred to buy products belonging to very competitive markets without significant differences among suppliers, such as raw materials. Therefore, the purchase of those items was not a very demanding activity. On the other hand, they preferred to make those

products which didn't have a very large offer in the market whose purchase would be more sophisticated.

Therefore, purchasing function's objectives were mainly to support production and to buy products, components and services that were easily obtained in the market. Due to its activities, from the company's point of view, it was considered an administrative function rather than a strategic function.

2.6.1 Purchasing function

During these years, the purchasing function was isolated from the other functions of Organisations and was subordinated to other functions, especially production (Ponce and Prida, 2006).

Purchasing policy was to ask large quantities of products to suppliers in order to get discounts (Chopra and Meindl, 2001). Besides, large orders reduced the risk of running out of some components because large stocks were available in warehouses. Additionally, more efficient purchasing transactions were obtained. Although other variables were considered, such as quality and delivery, the lack of responsibility and information in the purchasing department made it difficult to consider other aspects but price.

Purchasers and suppliers used to have very competitive relationships. There used to be a kind of winner-loser relationship in which both sides considered the other side as a competitor rather than a support. Organisations tried to have access to a wide range of suppliers so that they didn't depend on a single supplier. Therefore, close and helping relationships didn't exist. As it has been previously mentioned, Organisations purchased those items which belonged to a competitive market so that they could purchase to several suppliers at the same time and change from one to another very quickly and without negative consequences (Cousins, 2008).

2.6.2 Strategic Purchasing

Ellram and Carr (1994) asserted that strategic purchasing exists in a company when purchasing is viewed as a strategic function, it is included as a key decision maker and participant in the firm's strategic planning process. The word strategic has emerged two times in the definition of strategic purchasing. That drives us immediately to a necessity for a definition of strategic. Oxford University Dictionary defines it as "relating to the identification of long-term or overall aims and interests and the means of achieving them" and also as "relating to the gaining of overall or long-term advantage". Therefore purchasing is a strategic function when it is included as a key decision maker and participant in the firm's process of identifying long-term or overall aims and interests and the means of achieving them. In other words, strategic purchasing implies that the purchasing function is considered an important function within the firm. Besides, it takes part in the identification of the objectives and the problems of the firm and also in the means to achieve the challenges and overcome the difficulties. It also implies that competitive advantage can be obtained through the management of this function.

2.6.3 Adaptation of the Purchasing Function

Organisations had changed due to the modifications in the environment. Consequently, the purchasing function was also forced to adapt to the new environment in which it had more importance within the firm.

When Organisations decided to diversify their products, there was an increase in the variety of components and products purchased. As technology evolved, purchasing departments had to pay attention to technical specifications. It also implied life-span reduction, which made it necessary to reduce the time that the purchasing function had to deal with suppliers as well as to focus on different aspects than price such as quality and time delivery so that no delays in the final product were produced (Ponce and Prida, 2006).

The importance of quality requirements rose for customers and so did for Organisations. Not only because quality became essential to get customers' satisfaction but also because products were more complex and it absolutely necessary to fix all the components properly. Therefore, higher quality components were needed so that the development of the final product was feasible (Ponce and Prida, 2006).

Transport, communications and information exchange improvements allowed Organisations to buy all over the world. The purchasing department had much more suppliers to consider as well as currency exchange rates to analyze. In other words, they had many more aspects to consider in order to do a good purchase (Chopra and Meindl, 2001).

When markets became saturated in the 1970s, a lot of Organisations found that they had more capacity to produce than the market could absorb. They also had plants without the adequate flexibility and with a technology that was becoming obsolete. Besides, they had such a diversity of business in the same company due to the vertical integration strategy that they had been following for decades that they were unable to manage them properly. An outsourcing strategy was followed by a lot of Organisations, without an adequate criterion in some cases, which also increased the number of components that Organisations had to buy (Ponce and Prida, 2006).

Therefore, purchasing functions needed more skilled people who knew several languages with higher knowledge of technology and better management skills. Moreover, they were made to take more responsibility because of the higher importance that the purchased items had, as well as the larger variety.

Purchasing importance did not only rise for Organisations in the 1970s but also for academics; the purchasing function had become strategically important. The purchasing functions could become a competitive advantage if Organisations were able to manage them properly.

2.7 Challenges to Public Procurement Practices to Corporate planning strategy

Soriede (2002) mentions that, it is important to note that SCM is an integral part of procurement in the public sector. Therefore, it is used as a tool for the management of public procurement practices. However, despite the employment of SCM as a strategic tool, public procurement still faces enormous predicaments. These include, among others lack of proper knowledge, skills and capacity, non-compliance with SCM policy and regulations, inadequate planning and the linking of demand to the budget, accountability, fraud and corruption, inadequate monitoring and evaluation of SCM, unethical behaviour, and too much decentralization of the procurement system.

2.7.1 Lack of Proper Knowledge, Skills and Capacity

Boateng (2008) notes that, in keeping with the Ghana government policy of decentralising governance leading to the establishment of over 130 district assemblies, a good number of fresh university graduates were recruited and placed in charge of ensuring the proper functioning of the administrative structures within these newly created Districts. Not much capacity building projects were put in place to enhance the human capital base of these new organisations. The situation appeared worse in the case of procurement management where specialised knowledge was required to implement the seemingly new national procurement law.

Consequently procurement activities within the district assemblies, according to Hardcastle (2007) were handled by mediocre personnel who lacked the proper knowledge, skills and capacity to conduct conventional value for money procurement practices. Inadequate budgetary allocation for training and skills development makes it difficult for personnel to attend coaching sessions being run by private consulting groups.

2.7.2 Non-Compliances with Policies and Regulations

The composition of the district assemblies especially those in Ghana, according to Boateng (2008) are made up of elected and appointed members. Government appointees are usually political party sympathizers and such appointments are often made in appreciation of the role played in winning political power. Consequently these people often collude and connive with appointed district chief executives to implement most procurement projects in their favour.

Newspaper reports reflect volumes of procurement which were conducted in clear violation of the procurement policies and regulations. Political manipulations constitute the greatest “enemy” to compliance with the procurement policies and regulations in Ghana. Perhaps stricter sanctions ought to be applied to punish government officials who help politicians and their cronies to circumvent the laid down procurement policies and regulations.

2.7.3 Inadequate Planning and Linking Demand to the Budget

Planning, according to Daft (2006), is an integral component of strategic management and therefore all administrative functionaries should uphold the virtues of planning.

Unfortunately most procurement functionaries within the public service of Ghana conduct their activities with inadequate planning.

Adequate provisions are not made towards appraising the capacity and capabilities of the suppliers prior to awarding contracts. In most cases supply contracts are even discussed at the national political level and forced down the “throat” of the district assemblies which might not be ready with the processes for such “political” contracts. Procurement officials are not given adequate time to implement the procurement processes necessary to ensure that value for money principle is upheld in the procurement processes.

Most procurement activities are linked to the budgetary provisions and therefore unbudgeted items cannot be procured. This situation often leads to some important requisition items not

being met. District assemblies are required to generate funds internally through market tolls and other levies unfortunately these sources of funds are not enough to budget on. This situation has even been worsened by recent increment in the prices of utilities services which is likely to adversely affect the prospects of many business units.

2.7.4 Inadequate Measures for Monitoring and Evaluating Procurement Activities

Sound procurement practices according to Hunja (2003) entails creating structures that will promote effective monitoring and evaluation (M&E) of the various stages of the procurement management processes. This, in the view of Azeem (2007) presupposes that right from the requisition stage some evaluation ought to be conducted to assess the authenticity of the demand. The pre-bidding stage all ought to be monitored to ensure that miscreants did not have their way with the process. Opening of bid document also demand M&E exercises to ensure that nepotism and its concomitant of favouritism do not disrupt the fairness of the exercise. The contract award process, the initial mobilisation by the contractor all requires monitoring. Project implementation should be monitored and evaluated to ensure that target levels are attained. Unfortunately most public project lack the requisite M&E structures leading to serious compromises in the conduct of procurement management services in the public sectors.

2.7.5 Accountability Fraud and Corruption

Another setback to procurement management practices in the public sector, according to Hawking and Stein (2004), lies with accountability, fraud and corruption. The situation, in the view of Matthew (2006), is serious with some development economies where income levels are low and therefore procurement officials cut corners to supplement their pay packets. The absence of M&E structures promotes such dishonest practice leading to a huge compromise on the value for money principle. Incidence of under-invoicing and over-voicing are rife in many procurement endeavours in public organisations.

Some accounting officers according to Arrowsmith (2010), connive with supplier to dupe their organization. Goods not supplied are even paid for. It also happens in some procurement exercises where goods in stock are siphoned out for sale. Some suppliers manage to motivate officials to secretly disclose quotations made by competitors so as to enable them quote lower figure and as it were win the contracts. Some unscrupulous officials also smuggle late submissions for selfish gains. All these go to disrupt procurement management practices in various public sectors organization.

2.7.6 Unethical Behaviour

Another setback to procurement management practices at public organisation emanate from unethical behaviours. Hardcastle (2007) notes that some procurement officials throw ethnics of the profession to the wind and assist particular suppliers to win contracts at all cost.

Unethical behaviour includes highly placed officials twisting the arms of procurement officials to ensure that their favourites eventually succeed in winning the bid contracts. It is also a common unethical practice for some procurement officials to divulge information on bid quotations to their favourites in order to help them to quote more favourable rates thereby winning the contract. The desire to amass wealth often clouds the judgment of procurement officials in compromising professional ethics.

2.7.7 Too Much Decentralization of the Procurement System

Procurement, like other value chain management activities require professional experience and therefore ought to be solely handled by trained people. Unfortunately with decentralized organizations managing their own procurement activities, too many untrained hands are discharging procurement functions leading to mediocrity in procurement administration. Ghana, for instance used to have a National Procurement Agency; unfortunately its activities have now been reduced to importing rice and salad oil for sale to the public. Certainly, over-decentralisation of the procurement system has introduced too many crooks and miscreants into

the system thereby injuring the value for money component associated with procurement management.

2.8 Conceptual Framework

From the literature reviewed so far, the study identified strategic corporate planning as the dependent variable been predicted by procurement practices and level of compliance of procurement to corporate planning strategy as a moderating variable. This relationship can be seen in Figure 2.1.

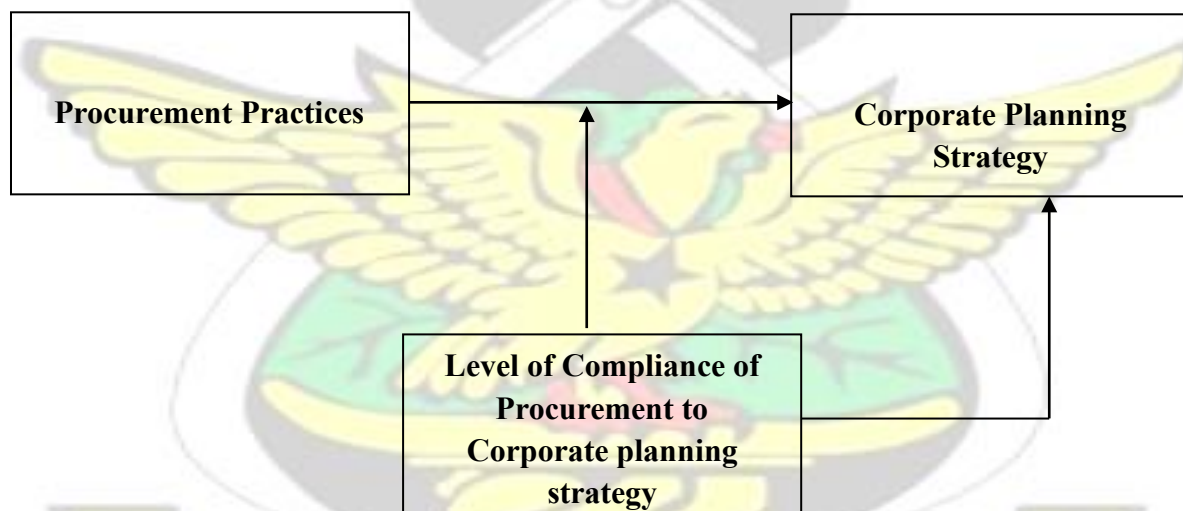


Figure 2.1: Conceptual Framework

Source: Researcher's Construct, 2022

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CHAPTER THREE

METHODOLOGY OF THE STUDY

3.1 Introduction

This chapter describes how the research was carried out outlining step-by-step activities involved in designing the approach, questionnaires and interviews. It explains the various sources of data used for the project. This section discusses the population, the sample, the sampling techniques, the research instruments used for this study.

3.2 Research Design

A research design is the overall plan for relating the conceptual research problem to relevant and practicable empirical research. In other words, it provides a plan of what data to gather and how to analyze the data. In this work a case study approach was adopted as the research design.

The methodology employed in the study determines the prerequisites attitudes towards knowledge generation, explaining and understanding of the problem being studied. In order to provide a good analysis of the problem, it was essential to find the methodological approach that best suit the problem under study and emphasises the answer to the problem formulation.

A survey is a strategy for doing research which entails an empirical investigation of a particular contemporary phenomenon within its real life context using a particular of evidence.

The motive behind the choice of this approach is based on the fact that the study required a quantitative approach of data collection and analysis. A survey research offers researchers the

opportunity to test relationships among the variables under study. Another reason is that, the researcher to some extent have some control over the issues to be investigated.

3.3 Population of the Study

The target population for the thesis was the whole staff of public limited liability companies in the Sekondi-Takoradi metropolis out of which the sample was drawn. It consisted of Heads of Department (HODs), sub heads of department and staff of the institution as well as neutral people who are not directly involved in procurement activities. The population size was infinite as there were a plethora of public limited liability companies in the selected area.

3.4 Sampling Size and Sampling Techniques

This study selected a total number of fifty (50) respondents as sample of the study. It consisted of ten (10) Heads of Department (HODs), twenty (20) sub heads of department and staff of the institution and ten (10) neutral people who are not directly involved in procurement activities. This study adopts two sampling methods. These are purposive and simple random sampling techniques. On purposive sampling, the researcher has specific groups within the selected departments and agencies who shall provide very vital and sensitive information.

On the other hand sampling method the researcher seeks to use simple random sampling techniques which will be employed to provide a representation of the neutral group who are staff of the institution but not directly involved in procurement activities to acquire general views on the subject.

3.5 Sources of Data

The study relied on two main sources of information. This comprises primary data were obtained from questionnaire administration. The second data were secondary source of information which were also obtained from reading of books, periodicals, journals, and magazines for the review of literature on the subject matter.

3.6 Data Collection Method

The study made good use of the questionnaire by administering and use of a check list instrument in the collection of data from the sampled population. This was to create convenience and privacy for the respondents; ensuring quick coverage of large respondents and above all provides greatest anonymity in other to reduce the chance of prejudice.

3.6.1 Data Collection Instrument and Design

The main instruments used for collecting data for the study was questionnaire which was designed for expert respondents and Head of Departments. The scales and items used to measure these three constructs were adapted from past studies which are summarised in Table 3.1 below;

Table 3.1 Measures, Number of Items and Sources

Variable	Type	Number of Items	Sources
Procurement Practices/Function	Independent Variable	8	Oballah et al. (2015), Anichebe and Agu (2013) and Ogbo et al. (2014)
Level of Compliance	Moderating Variable	10	Oballah et al. (2015), Anichebe and Agu (2013) and Ogbo et al. (2014)
Corporate Planning Strategy	Dependent Variable	10	Lopez et al. (2005) and Reinartz et al. (2004)

Source: Author's Construct, 2022

Using a 7-point Likert Scale, which ranges from “1=Strongly Agree” to “7=Strongly Agree”, all the constructs, thus both the independent variables and the dependent variable were measured.

3.6.2 Piloting of Data Collection Instrument

Mrofin Rural Bank Plc was used to pilot the questionnaires. The aim of this exercise was to refine and assess the professional tactics employed in the procurement activities in the corporate planning strategy from the results obtained. The exercise was carried out in about six

days, and subsequently issues raised were taken into account. Modifications to the questions were made accordingly before finally distributing to the target population.

3.7 Data Collection Procedure

An introductory letter was sought from the University, Kwame Nkrumah University of Science and Technology Graduate School before the actual data collection process. This was in conformity to the policies and directives by the Graduate school governing writing of dissertations.

3.8 Data Analysis

The data from the survey were collated, sorted, summarised and critically analysed with the help of Statistical Package for Social Sciences (SPSS Version 25) and Microsoft Excel spreadsheet. Data analysis was performed using descriptive and inferential statistics. Data on the Likert scale was evaluated at the interval measurement scale according to Boone and Boone (2012). Likert scale items are generated by measuring a composite score (sum or mean) from four or more Likert-type items; thus, the Likert scale composite score should be calculated at the measurement interval scale. Descriptive statistics recommended for products with interval scale include central tendency mean and variation standard deviations. The Pearson's correlation (r), ANOVA, and regression analysis procedures were employed to establish the moderating effect of the level of compliance on the relationship between procurement and corporate planning strategy.

3.9 Ethical Consideration

It is necessary to ensure that ethical values are hailed and held high in life. The researcher ensured that proper ethics are strictly followed from the release of the cover letter by the graduate school till the end of the study. The researcher ensured that the purpose of the questionnaire is clearly explained to the understanding of the respondents before they were asked to answer. The respondents were given the chance to freely answer the questions without

restrictions or discomfort in any form. They were also sensitized to be very objective about their answers to reduce or possibly avoid any form of biasness.

3.10 Reliability and Validity of the Study

Biasness was eliminated completely in the data collection process. This was done by allowing respondents to be given the privacy; confidentiality as well as general comfort to answer the questions under those conditions such that the researcher has no influence what so ever on the answers given by the respondents.

In order to achieve the study validity and variable indicators were included in the questionnaire to bring out respondents' understanding on the study. Questionnaire was designed based on the gaps that were identified in the review of existing literature to direct respondents' ideas on the subject under study. The questions were very simple for clarity and easy understanding by the respondents.

3.11 Profile of the Study Area

The study focused on selected public limited liability companies in the Western Region of Ghana. These include Takoradi Technical University, Sekondi-Takoradi Coordinating Council, Sekond-Takoradi Metropolitan Assembly, among others.

3.11.1 Takoradi Technical University

The Takoradi Technical University was established in September, 2016, as a result of the government's policy to convert Takoradi Polytechnic, among five other Polytechnics, to the status of Technical University. In effect, since April 1954, Takoradi Technical University (formerly Takoradi Polytechnic) has existed as a Government Technical Institute under the Ghana Education Service of the Ministry of Education. During that period, the institute offered programmes mainly at the Craft and Technician Certificate levels in commercial and technical subjects, awarding Royal Society of Arts (RSA) and City and Guilds of London, United

Kingdom. However, in 1990, the Ghana Education Service took over the awards of the above-mentioned certificates.

As part of the Ghana Educational Reforms which began in the 1980s, the Takoradi Technical Institute and five other similar institutions were upgraded by the Polytechnic Act 321 (PNDC Law 1993) to become part of the Ghana Tertiary Education System. The Polytechnics, per the law, began to offer Higher National Diploma (HND) programmes in the 1993/1994 academic year. These reforms mandated the polytechnics to compliment the role of the Universities to increase access to tertiary education for the training of middle and higherlevel manpower.

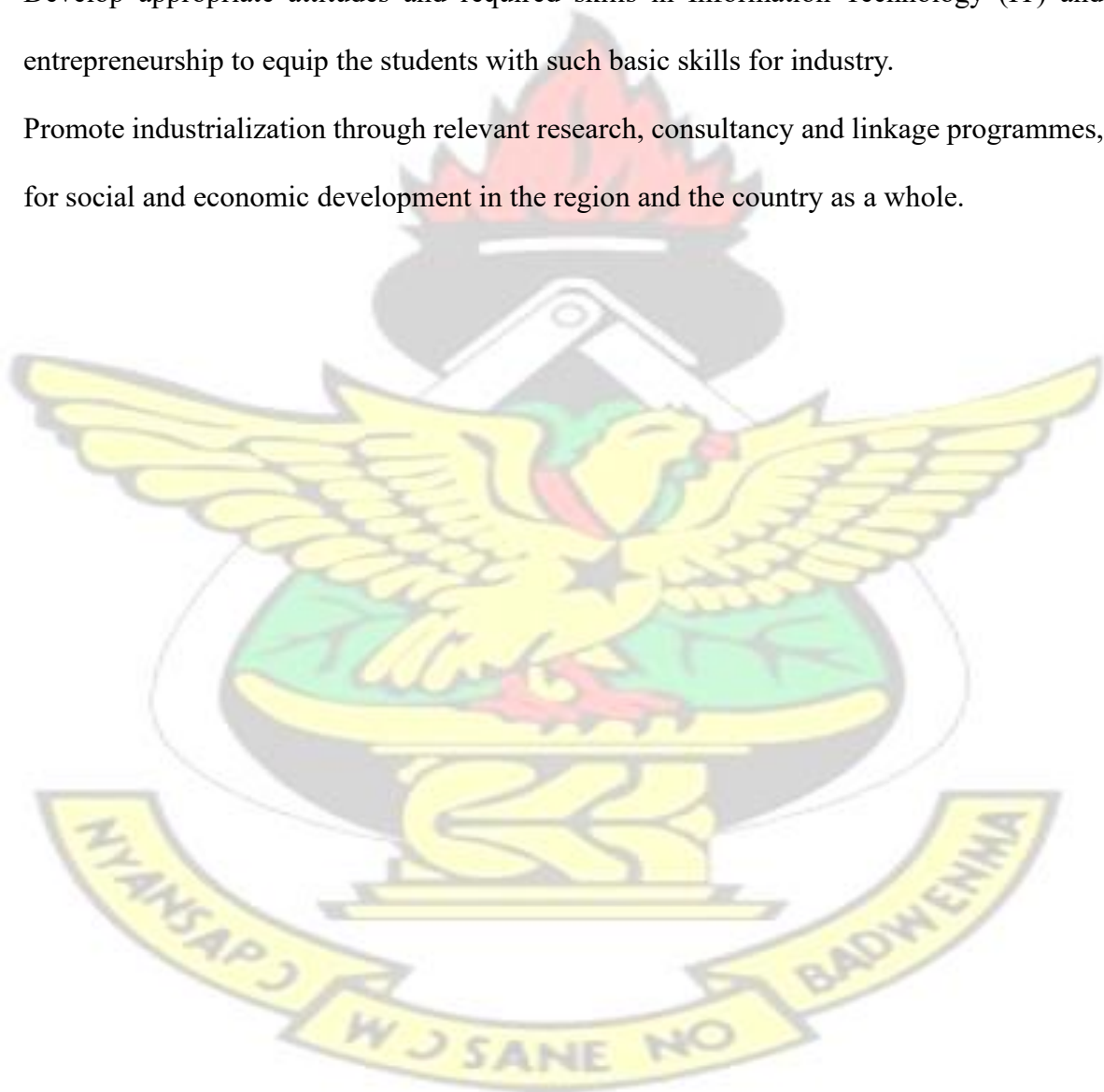
A Bill proposed by the Ministry of Education and considered by Cabinet of Government in 2014 was passed by Parliament as an Act in August 2016 with the assent of the President, converting some polytechnics into technical universities as full-fledged technical universities. In view of that, the Takoradi Polytechnic Council adopted the name “Takoradi Technical University” which has been duly registered with the Registrar General’s Department of Ghana. Currently, Takoradi Technical University has three (3) campuses: Effia Kuma (Takoradi), Butumagyebu (Sekondi) and Akatakya (Agona-Nkwanta). The Akatakya Campus is the largest of the three, with an acreage of 152.3.

Mandate

The Takoradi Technical University, without limiting its other powers, shall;

1. Award degrees, diplomas, certificates and other qualifications as may be agreed upon by the Council of the Takoradi Technical University as established under section 4 of the Technical Universities Act, and approved by the national body responsible for accreditation.
2. Offer Higher National Diploma programmes approved, accredited, examined and certified by the national bodies responsible for Higher National Diploma programmes and awards.

3. Provide for the general welfare, recreational and social needs of staff and students of the Takoradi Technical University.
4. Exercise powers that are incidental to the achievement of the aims of the Takoradi Technical University.
5. Increase access to career focused tertiary education in general, while encouraging female enrolment in applied science and technology programmes.
6. Develop appropriate attitudes and required skills in Information Technology (IT) and entrepreneurship to equip the students with such basic skills for industry.
7. Promote industrialization through relevant research, consultancy and linkage programmes, for social and economic development in the region and the country as a whole.



CHAPTER FOUR

PRESENTATION OF FINDINGS, ANALYSIS AND DISCUSSIONS

4.1 Introduction

This chapter presents the findings of the study as well as analysis and discussions in line with the objectives of the study

4.2 Response Rate

One hundred questionnaires were administered to respondents who are heads of department within the municipality. All the fifty (50) questionnaires administered were retrieved representing 100% response rate. This was as a result of the sampling techniques adopted for the study. The high response rate could be attributed to the desire of respondents in ensuring that procurement management practices in the municipality are used as a strategic tool towards achieving their organisational goals.

4.3 Demography of Respondents

The study used staff and management of Public Limited Liability Companies in the SekondiTakoradi metropolis. Therefore, their demographic information are presented in Table 4.1.

Table 4.1: Demographic Information of Respondents

Demographic Variable	Category	N	%
Gender of Respondents	Male	29	58.0%
	Female	21	42.0%
Educational Background Respondents	Secondary of	2	4.0%
	Tertiary	44	88.0%
	Postgraduate	4	8.0%
Job Status of Respondents	Senior Staff	19	38.0%
	Junior Staff	25	50.0%
	Other	6	12.0%
Number of Years respondent has worked in the Institution	Less than 1 year	10	20.0%
	1 - 5 years	20	40.0%
	6 - 10 years	15	30.0%
	Above 10 years	5	10.0%

Source: Field Study, 2023

It could be seen from table 4.1.1 that the staff and management respondents who participated in the study were made up of 29 (58.0%) males of respondents whereas the remaining 21 (42.0%) were made up of females. This implies that of Public Limited Liability Companies in the Sekondi-Takoradi metropolis, there are more males than female staff. Again, concerning their level of education, it could be seen that majority (88%, n=44) were Tertiary, followed by 8.0% (n=4) who were having Postgraduate qualifications and 4.0% (n=2) were having other secondary qualification. This implies that the staffs and management selected are knowledgeable and qualified for their respective positions. They were asked about their level of work experience, it was realized that most of them have been in Public Limited Liability Companies in the Sekondi-Takoradi metropolis with majority (40%, n=20) who had been there between 1 – 5 years, followed by 15% (n=30) who had worked there for 6-10 years, followed

by 20%(n=10) who have worked for less than a year and 10%(n=5) who had worked for 10 years and above. Finally, they were asked about their job status, it was realized that most of them were junior staff which represent 50%(n=25), followed by the senior staff which represent 38%(n=19), followed by others representing 8%(n=4) and followed by the senior member and casual staff representing 2%(n=1) respectively. The demographic information of the staff and management information of the respondents of the study indicates that they have the requisite knowledge and understanding of the study that was conducted on them because they are educationally sound, have the work experiences to know the procurement function of the Public Limited Liability Companies in the SekondiTakoradi metropolis and how it affects the corporate planning strategy. Therefore, the findings of this study are said to be valid and reliable for any future analysis.

4.4 Procurement Activities in a Corporate Planning Strategy

The first objective of the study is to examine procurement activities in a corporate planning strategy. It was therefore necessary to measure the extent of procurement activities using appropriate scales. Therefore, the items used to measure it were adopted from existing instruments and measured using a 5-Point Likert Scale with 1=Strongly Disagree 3=Neutral and 5=Strongly Agree. The descriptive table below shows the mean responses, standard deviation (SD) as well as minimum and maximum values per each scale used to measure strategic planning. Table 4.2 summarizes the responses.

Table 4.2: Procurement Activities in a corporate planning strategy

Procurement Activities	Min	Max	Mean	Std. Dev
1. In order not to run out of stock for my “procured-items”, the purchasing department within 'my organization' purchases from appropriate suppliers.	3	5	4.30	.596
2. In 'my organization', the price of my “procured-items” is considered as an explicit purchasing function.	3	5	4.50	.630
3. In 'my organization', quality of my “procured-items” is considered an explicit purchasing function.	2	5	4.37	.765
4. The procurement department in my organization aims for standardization of processes and “procured-items” in order to leverage the full potential of procurement.	1	5	4.20	.997
5. Procurement vision, strategy and policy for my procured in my organization are evaluated periodically.	1	5	3.97	1.033
6. The purchasing department makes procurement decisions for the user department/unit from a context of their impact on 'my organization' as a whole.	1	5	3.80	1.270
7. 'My organization' sees the relationship with suppliers of “procured-items” as a strategic asset.	1	5	4.03	1.098
8. 'My organization' intensively cooperates with suppliers of “procured-items” through mutual knowledge sharing.	1	5	4.37	.928

Variables: 1 – *strongly disagree* 2 – *disagree* 3 – *indifferent* 4 – *agree* 5 – *strongly agree*

Source: Field Data, 2023

Given a mid-point value of 3.00, which indicates “indifferent in a respondent’s perception on the issues being evaluated, the results produced in Table 4.2 concerning the procurement activities of Public Limited Liability Companies in the Sekondi-Takoradi metropolis, it implies that the extent of procurement activities is high of Public Limited Liability Companies in the Sekondi-Takoradi metropolis.

This is because the mean values for all the eight items were more than 3.0. For the eight items measuring “procurement activities”, the least mean score was obtained on the sixth item: “*The purchasing department makes procurement decisions for the user department/unit from a context of their impact on 'my organization' as a whole*” (M=3.83; SD=1.270; N=6) while the highest mean score was obtained on the first item: “*In 'my organization', the **price** of my “procured-items” is considered as an explicit purchasing function*” (M=4.50; SD.630).

4.5 Compliance level of Procurement in a Corporate Planning Strategy

The second objective of the study was to assess the level of compliance level of procurement in a corporate planning strategy. The study therefore sought to gather relevant data concerning the perception of staff on level of compliance of procurement in a corporate planning strategy. Therefore, a 5-Point Likert Scale was used to pose some questions to respondents. The results are presented in Table 4.3.

Table 4.3: Compliance level of Procurement in a Corporate Planning Strategy

Compliance Activities	Min	Max	Mean	Std. Dev
1. Suppliers provide us with our procured-items (prompt 1 5 4.30 .952 delivery).				
2. Purchase requisitions (draft purchase orders) can be 3 5 4.33 .547 transferred to purchase orders and purchase contracts for the procurement of relevant goods/services.				
3. My organization maintains a supplier-base for the 3 5 4.40 .675 procurement of relevant goods/services.				
4. Our purchasing department ensures that there is sufficient 2 5 4.37 .765 availability of procured-items.				
5. By constantly reviewing the internal procurement business 2 5 4.20 .847 function, purchasing efficiency for the procurement of relevant goods/services is improved.				
6. In my organization, cross-functional teams share existing 3 5 4.33 .547 approaches and create new ideas for procurement of items.				
7. My relationships with suppliers of our procured-items are 3 5 4.12 .263 based on the idea that suppliers are part of my organization's resources.				
8. Key suppliers are involved as joint problem-solvers and we 2 5 4.09 .792 focus on sourcing our procured-items through partnerships.				
9. We have process schemes that support the integration of our 2 5 4.11 .368 procurement functions with those of our main suppliers.				
10. Suppliers of our procured-items are an integrated part of our 3 5 4.08 .756 product development.				

Responses: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree Source: Field Data, 2023

Given a mid-point value of 3.00, which indicates “Neutral” in a respondent’s perception on the issues being evaluated, the results produced in Table 4.3 concerning the level of compliance of procurement activities to corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis, it implies that the Public Limited Liability Companies in the Sekondi-Takoradi metropolis often complies with the institution’s corporate planning strategy through procurement activities. This is because the mean values for

all the 10 items were more than 3.0. For the six items measuring “level of compliance”, the highest mean score was obtained on the last item: Your company has high productivity growth?” (M=4.57; SD=.504; N=9) while the least mean score was obtained on the fifth item: “Your company has low product costs?” (M=4.20; SD=.847; N=7).

4.6 The Effects of Procurement on Corporate Planning Strategy

The main dependent variable for the research model was corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis. It was therefore necessary to measure this variable using appropriate scales. Therefore, the items used to measure it were adopted from existing instruments and measured using a 7-Point Likert Scale with 1=Strongly Disagree, 3=Neutral and 5=Strongly Agree. The descriptive table below shows the mean responses, standard deviation (SD) as well as minimum and maximum values per each scale used to measure corporate planning strategy. Table 4.5 summarizes the responses.

Table 4.5: Corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis

Corporate Planning Strategy Activities	Min	Max	Mean	SD
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1. In our organization, the authorization of purchases of procured-items is clearly settled.	2	5	4.53	.605
2. My procurement function is expected to minimize costs against the purchase budget for my procured items.	2	5	4.46	.604
3. We apply non-standard terms and conditions in our suppliers' contracts for our procured-items.	3	5	4.43	.602
4. In my organization, the purchase department always looks for competitive bids from multiple suppliers of my procured-items.	3	5	4.48	.548
5. My purchase department has implemented a supplier bonus system (or equivalent financial system) to stimulate the supplier performance.	3	5	4.51	.606
6. In my organization's markets, products and suppliers are continuously monitored and analysed in relation to the procurement of goods/services of interest.	3	5	4.38	.608
7. Suppliers of our procured-items are classified based on financial added value and risk.	3	5	4.28	.716
8. Performance of suppliers of procured-items is directly communicated by using key performance indicators.	3	5	4.50	.564
9. To improve monitoring and control of the procurement process of procured-items, we apply value chain integration.	2	5	4.16	.577
10. My organization defines corporate planning strategy measures against world class standards in a joint effort with the suppliers of our procured items and our customers.	3	5	4.29	.495

Responses: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree Source: Field Data, 2023

Given a mid-point value of 3.00, which indicates “Neutral” in a respondent’s perception on the issues being evaluated, the results produced in Table 4.5 concerning the corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis, it implies that the Public Limited Liability Companies in the Sekondi-Takoradi metropolis as an institution has good strategic corporate plans regarding their procurement activities. This is because the mean values for all the 10 items were more than 4.0, implying agreement. For the 10 items measuring “corporate planning strategy”, the highest mean score was obtained

on the first item: “In our organization, the authorization of purchases of procured-items is clearly settled” (M=4.53; SD.605) while the least mean score was obtained on the ninth item: “To

improve monitoring and control of the procurement process of procured-items, we apply value chain integration” (M=4.90; SD=.577). All other mean values were more than 4.0 implying agreement.

4.7 Measurement Model Analysis

Prior to estimating the theoretical framework developed for the study, it became necessary to assess the suitability of the items used in measuring the constructs. In doing this, reliability test using Cronbach’s Alpha was adopted. In all, three constructs were assessed.

4.7.1 Reliability of the Measures

In checking for reliability of the measures, Cronbach alpha was used to verify the internal consistency among the measures (Pallant, 2007). This was performed in SPSS version IBM 20. The results shown in table 4.6 indicate alpha values ranging from .728 to .871. This implies that the items used in measuring Order Process Management failed. Apart from that, all items for the seven other constructs passed the initial test of reliability as they were far above the recommended threshold of .70 (Nunnally, 1978). The summary of results could be seen from Table 4.6.

Table 4.6: Reliability Test Results

Construct	Number of items	Alpha value
1. Procurement Practices	8	.850

2. Compliance Level	10	.728
3. Corporate planning strategy	10	.871

Source: Field study (2018)

In establishing the influence of supplier relationship management on corporate planning strategy, correlation and regression analysis were employed.

4.7.2 Correlation and Regression Analysis

The main predictor variable was procurement practices (P), whereas the dependent variable was corporate planning strategy (S). The moderating variable was compliance level of procurement in corporate planning strategy (C).

The regression estimates were given as:

$$S = b_0 + b_1P + b_2C + b_3PC + \epsilon$$

Where, b_0 = constant of proportionality b_1 = coefficient of procurement practices Independent Variable b_2 = coefficient of compliance level Independent Variable b_3 = coefficient of P*C Moderating Variable

ϵ = error term

S = Corporate planning strategy [Outcome]

Table 4.7: Correlations of Variables and Descriptive Statistics

Constructs	1	2	3
1. Procurement Practices (P)	1		
2. Compliance Level (C)	.046	1	
3. Corporate planning strategy (S)	.245**	.124	.181*
Mean	4.27	4.12	4.63
Standard Deviation	.359	.963	.037

Note:

1. ** Correlation is significant at the 0.01 level (1-tailed). 2.

* Correlation is significant at the 0.05 level (1-tailed).

Source: Field Study, 2023

The correlation results shown in Table 4.7 above generally revealed that staff of the limited liability companies partly attribute their corporate planning strategy to their procurement practices. However, the relationships were not strong as all of the coefficients (r) are less than 0.5.

4.6.3 Model Assessment

The model estimation process began with creating composite variables and interaction term and then examining relevant assumptions underlying the method of estimation employed in the study. Arithmetic mean was used to create the composite variables. The procurement practices were treated as a composite variable by averaging their respective items. Same was done with the corporate planning strategy variable. Also, items used to measure compliance level of procurement practices to corporate planning strategy were composited to form a single variable. The researcher used ordinary least square regression analysis to estimate the study's model. The main outcome variable was corporate planning strategy and the main predictor variable was procurement practices with compliance level of procurement practices to corporate planning strategy as a moderating variable.

In the model, all paths in the theoretical framework were estimated. That is, the paths from procurement practices (P) to corporate planning strategy (S), then from compliance level (C)

to corporate planning strategy (S) and then the moderating variable (P*C) to corporate planning strategy (S).

Table 4.8: Ordinary Least Square Regression Estimates

Variables:	Standard Estimates	
	Corporate Planning Strategy	
	Model 1	Model 2
Hypothesized		
<i>Direct Effect</i>		
Procurement Practices (P)	.126(2.753)*	.035(2.963)*
Compliance Level (C)	.268(2.126)*	.258(2.857)*
<i>Moderating Effect:</i>	P×C	.498(3.289)**
FIT INDICES χ^2		
(df)	16.137 (2)	23.664(3)
χ^2/df	3.227	2.366
F-Statistics	5.840	4.948
R ²	.123	.316

Notes:

1. t-values are in the parenthesis
2. * & ** represent significant path at 5% (1-tailed test: 1.645) and 1% (1-tailed test: 2.33) respectively

Source: Field Survey, 2023

From the regression results, model 1 shows the direct effect of procurement practices on corporate planning strategy as well as compliance level effect on corporate planning strategy. It could be seen that both had a positive effect on corporate planning strategy and both were statistically significant at $p < 0.05$. The path from procurement practices to corporate planning strategy generated results of $\beta = .126$, $t = 2.753$ whereas the path from compliance level to corporate planning strategy also generated results of $\beta = .268$, $t = 2.126$. The R-square of **.123** implies that about 12.3 % changes in corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis can be explained by procurement practices.

This implies that procurement practices to some extent contribute to corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis.

On the other hand, when the moderating variable ($P \times C$) was introduced, it improved the results. It could be seen that direct effect of procurement practices on corporate planning strategy as well as compliance level effect on corporate planning strategy. It could be seen that both had a positive effect on corporate planning strategy and both were statistically significant at $p < 0.05$. Similarly, the moderating effect of compliance level on the relationship between procurement practices and corporate planning strategy was also positive and significant.

The path from procurement practices to corporate planning strategy in Model 2 generated results of $\beta = .035$, $t = 2.963$ whereas the path from compliance level to corporate planning strategy also generated results of $\beta = .258$, $t = 2.857$. Finally, the moderating effect of compliance level on the relationship between procurement practices and corporate planning strategy yielded the results of $\beta = .498$, $t = 3.289$. The R-square of **.316** implies that about 31.6% changes in corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis can be explained by procurement practices been moderated by level of compliance level of procurement in a corporate planning strategy. This implies that procurement practices been moderated by level of compliance level of procurement in a corporate planning strategy to a great extent contribute to corporate planning strategy of public limited liability companies in the Sekondi-Takoradi metropolis.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes all findings reported in Chapter Four according to the study's objectives and in line with the research model. The chapter also includes the conclusions and recommendations suggested for the Public Limited Liability Companies in the Sekondi-Takoradi metropolis in the area of procurement practices, corporate planning strategy and level of compliance level of procurement in a corporate planning strategy to help future researchers on the study of this subject matter.

5.2 Summary of Findings

This section presents the summary of findings of the study in line with the objectives of the study. They have been divided into sub-sections to give a meaningful summary and presentation.

5.2.1 Demographics of Respondents

From the perspective of respondents, 58% were males with the remaining 42% been females. This implies that there is a slight edge of males over female at the Public Limited Liability Companies in the Sekondi-Takoradi metropolis. Again, concerning their level of education, it could be seen that majority were Tertiary, followed by those who were having Postgraduate qualifications and the rest were having other secondary qualification. They were asked about their level of work experience, it was realized that most of them have been in Public Limited Liability Companies in the Sekondi-Takoradi metropolis with majority who had been there between 1 – 5 years, followed by the next group who had worked there for 6-10 years, followed by those who have worked for less than a year and finally those who had worked for 10 years and above. Finally, they were asked about their job status, it was realized that most of them were junior staff which represent, followed by the senior staff, followed by others representing and then by the senior member and casual staff. The demographic information of the staff and

management information of the respondents of the study indicates that they have the requisite knowledge and understanding of the study that was conducted on them because they are educationally sound, have the work experiences to know the procurement function of the Public Limited Liability Companies in the Sekondi-Takoradi metropolis and how it affects the corporate planning strategy.

5.2.2 Procurement Activities in a Corporate Planning Strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis

The first objective of the study was to examine the procurement activities in a corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis. It was therefore necessary to measure the extent of procurement activities using appropriate scales. Therefore, the items used to measure it were adopted from existing instruments and measured using a 5-Point Likert Scale with 1=Strongly Disagree 3=Neutral and 5=Strongly Agree. The extent of procurement activities is high of Public Limited Liability Companies in the Sekondi-Takoradi metropolis. This is because the mean values for all the eight items measuring procurement activities were more than 3.0 which was the mid-point (neutral).

5.2.3 Compliance level of Procurement in a Corporate Planning Strategy

The second objective of the study was to assess the level of compliance level of procurement in a corporate planning strategy. The study therefore sought to gather relevant data concerning the perception of staff on level of compliance of procurement in a corporate planning strategy using a 5-Point Likert Scale. The findings revealed that the Public Limited Liability Companies in the Sekondi-Takoradi metropolis often complies with the institution's corporate planning strategy through procurement activities. This is because the mean values for all the 10 items were more than 3.0.

5.2.4 The Effects of Procurement on Corporate Planning Strategy

The main dependent variable for the research model was corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis. It was therefore necessary to measure this variable using appropriate scales. Therefore, the items used to measure it were adopted from existing instruments and measured using a 7-Point Likert Scale with 1=Strongly Disagree, 3=Neutral and 5=Strongly Agree. The findings revealed that the Public Limited Liability Companies in the Sekondi-Takoradi metropolis as an institution has good strategic corporate plans regarding their procurement activities. This is because the mean values for all the 10 items were more than 4.0, implying agreement.

The correlation results revealed that staff of limited liability companies partly attribute their corporate planning strategy to their procurement practices. However, the relationships were not strong as all of the coefficients (r) were less than 0.5.

The researcher used ordinary least square regression analysis to estimate the study's model. It could be seen that direct effect of procurement practices on corporate planning strategy as well as compliance level effect on corporate planning strategy. It could be seen that both had a positive effect on corporate planning strategy and both were statistically significant at $p < 0.05$. Similarly, the moderating effect of compliance level on the relationship between procurement practices and corporate planning strategy was also positive and significant.

The R-square of .316 implies that about 31.6% changes in corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis can be explained by procurement practices being moderated by level of compliance level of procurement in a corporate planning strategy. This implies that procurement practices being moderated by level of compliance level of procurement in a corporate planning strategy to a great extent contribute to corporate planning strategy of Public Limited Liability Companies in the Sekondi-Takoradi metropolis.

5.3 Conclusion

A study to assess procurement and its effect on corporate planning strategy cannot be overestimated. Especially with emphasis on limited liability companies, it is necessary to ascertain how the moderating role compliance level of procurement in corporate planning strategy on the relationship between procurement activities and strategic corporate planning. As such, the study used a questionnaire as data collection instrument to collect data from various categories of staff of the various professionals of public Limited Liability Companies in the Sekondi-Takoradi metropolis.

The study concludes that there is high extent of procurement practices being in place at the limited liability companies. Also, procurement practices of the various professionals of public Limited Liability Companies in the Sekondi-Takoradi metropolis are highly moderated by compliance level of procurement to strategic corporate planning to influence strategic corporate planning. Generally the study gathered that procurement function of the various professionals of public Limited Liability Companies in the Sekondi-Takoradi metropolis can be used to achieve strategic corporate planning if both procurement officials and stakeholders comply with the relevant procurement laws and processes leading to the achievement of value for money in all procurement practices.

This study provides more evidence of the procurement function and how it contributes to strategic corporate planning. It supports the alignment of the procurement activities to the corporate planning strategy in order to improve business performance. Moreover, it also supports that the implementation of certain practices to encourage procurement activities to contribute to corporate planning strategy.

However, this study is against the generalization of these practices. It is also against the search of strategic corporate planning at any situation. This study asserts that organisation can obtain most benefits of the procurement function in the organisation's strategic corporate planning. It

is the most secure way to guarantee that strategic corporate planning can be achieved and consequently to improve organisational performance.

5.4 Recommendations

In the light of the findings from the study, the following recommendations are logical:

5.4.1 Compliance with Procurement Laws and Corporate Strategic Plans

The study uncovered the fact that lack the level of compliance of procurement strategic corporate planning moderates the relationship between procurement practices and corporate planning strategy. It is hereby recommended that periodic training and sessions are organized for both procurement officers within the limited liability companies and all officers to comply with all guidelines of the procurement law and the institution's strategic corporate planning.

5.4.2 Establishment of Procurement Structures

This study recommends that the various professionals of public limited liability companies in the Sekondi-Takoradi metropolis should establish a procurement structure and reforms which should be managed by qualified procurement experts to ensure that procurement process are done according to the Public Procurement Act, 2003 and in line with strategic corporate planning.

5.4.3 Engagement of Procurement Professionals

The various professionals of public limited liability companies in the Sekondi-Takoradi metropolis needs to recruit eligible staff who have the requisite knowhow, and are familiar with the procurement processes with their job descriptions clearly defined in their respective designations. Measures should put in place to retain and motivate them and also to avoid staff-turn-over.

5.4.4 Staff Training

Budget should be allotted for the training of staff and the focus should be on the procurement practitioners and they must be given continuous practical training specifically in the area of procurement planning, awards of contract, procurement methods, procedures and tender evaluation procedures as well as adherence to strategic corporate planning.

5.4.5 Reducing Procurement Challenges in the Public Limited Liability Companies

Every procurement entity faces challenges with regards to executing procurement activities. Therefore, it is recommended that there should be guidelines for procurement practitioners, suppliers and the buyers in their procurement activities. These guidelines are able to assist in the daily execution of responsibilities.

5.3.6 Need for Electronically Based Procurement System

The various professionals of public limited liability companies in the Sekondi-Takoradi metropolis should create a procurement menu and system in the institution's website and encourage the public to get advertisement on tender from there, and also send contract awards there.

5.3.7 Enforcing Accountability to Reducing Corruption in Procurement

Lastly, in order to uproot corruption in public procurement process and ensure enhancement in the level of compliance of procurement to strategic corporate planning, the procurement law should be reinforced and deal vigorous with bidders who will violate procurement law, if possible a jail term should be given to the defaulters in order to serve as deterrent to others.

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Appendix

SURVEY QUESTIONNAIRE

I am a graduate student of Kwame Nkrumah University of Science and Technology. As part of the requirements for the award of Master of Science in Logistics and Supply Chain Management, I am undertaking a research work on the topic: “*Assessment of Procurement Function and Corporate Planning Strategy among Public Sector Institutions in Ghana*”. This work is purely for academic purposes and the data collected and the results will not be used in any way to jeopardize the interest of your unit and your business as a whole. I guarantee your anonymity and complete confidentiality.

Please tick/circle an answer that suit your choice.

PART A BACKGROUND INFORMATION

1. Sex: Male ☐ Female ☐
2. What is your highest level of education?
☐ JHS/Middle School ☐ Secondary ☐ HND ☐ Degree ☐ Masters
☐ Other, please specify:
3. Please indicate your age bracket.
☐ Less than 20 years ☐ 21 – 30 years ☐ 31 – 40 years ☐ 41 – 50 years
☐ 51 years and above
4. How many years have you worked with any company/institution in Ghana?
☐ Less than 1 year ☐ 1 – 5 years ☐ 6 – 10 years ☐ 11 – 15 years ☐ Above 15 years

PART B PROCUREMENT FUNCTION/PRACTICES

5. Please to what extent do you agree with the following as reality on ground with regards to your institutions procurement practices? Please circle the number that best represents your opinion.

Strongly Disagree **Disagree** **Indifferent** **Agree** **Strongly Agree**
1 2 3 4 5

PRACTICES

RESPONSE

1. In order not to run out of stock for my “procured-items”, the purchasing department within 'my organization' purchases from appropriate	1	2	3	4
5 suppliers.				
2. In 'my organization', the price of my “procured-items” is considered as	1	2	3	4
5 an explicit purchasing function.				
3. In 'my organization', quality of my “procured-items” is considered an	1	2	3	4
5 explicit purchasing function.				
4. The procurement department in my organization aims for				
standardization of processes and “procured-items” in order to leverage	1	2	3	
4 5 the full potential of procurement.				
5. Procurement vision, strategy and policy for my procured in my	1	2	3	4
5 organization are evaluated periodically.				
6. The purchasing department makes procurement decisions for the user department/unit from a context of their impact on 'my organization' as a 1 2 3 4 5 whole.				
7. 'My organization' sees the relationship with suppliers of “procured-	1	2	3	4
5 items” as a strategic asset.				
8. 'My organization' intensively cooperates with suppliers of “procured-	1	2	3	4
5 items” through mutual knowledge sharing.				

PART C COMPLIANCE LEVEL OF PROCUREMENT IN CORPORATE PLANNING STRATEGY

6. Please to what extent do you agree with the following as reality on ground with regards to compliance level of procurement in corporate planning strategy in your organization? Please circle the number that best represents your opinion.

<u>Strongly Disagree</u> 1	<u>Disagree</u> 2	<u>Indifferent</u> 3	<u>Agree</u> 4	<u>Strongly Agree</u> 5
Measures	RESPONSE			
1. Suppliers provide us with our procured-items (prompt delivery). 5	1	2	3	4
2. Purchase requisitions (draft purchase orders) can be transferred to purchase orders and purchase contracts for the procurement of relevant goods/services.	1	2	3	4
3. My organization maintains a supplier-base for the procurement of 5 relevant goods/services.	1	2	3	4
4. Our purchasing department ensures that there is sufficient availability 5 of procured-items.	1	2	3	4
5. By constantly reviewing the internal procurement business function, procurement of relevant goods/services is improved.	1	2	3	4
6. In my organization, cross-functional teams share existing approaches 5 and create new ideas for procurement of items.	1	2	3	4
7. My relationships with suppliers of our procured-items are based on 5 the idea that suppliers are part of my organization's resources.	1	2	3	4
8. Key suppliers are involved as joint problem-solvers and we focus on 5 sourcing our procured-items through partnerships.	1	2	3	4
9. We have process schemes that support the integration of our 5 procurement functions with those of our main suppliers.	1	2	3	4
10. Suppliers of our procured-items are an integrated part of our product 5 development.	1	2	3	4

PART D EFFECTS OF PROCUREMENT IN CORPORATE PLANNING STRATEGY

7. Please to what extent do you agree with the following as reality on ground with regards to the effects of Procurement in corporate planning strategy? Please circle the number that best represents your opinion.

<u>Strongly Disagree</u> 1	<u>Disagree</u> 2	<u>Indifferent</u> 3	<u>Agree</u> 4	<u>Strongly Agree</u> 5
Measures	RESPONSE			
1. In our organization, the authorization of purchases of procured-items is 5 clearly settled.	1	2	3	4
2. My procurement function is expected to minimize costs against the 5 purchase budget for my procured-items.	1	2	3	4
3. We apply non-standard terms and conditions in our suppliers' contracts 5 for our procured-items.	1	2	3	4
4. In my organization, the purchase department always looks for				

- 5 competitive bids from multiple suppliers of my procured-items.
5. My purchase department has implemented a supplier bonus system (or
- 5
- equivalent financial system)
- to stimulate the supplier performance.

6. In my organization's markets, products and suppliers are continuously monitored and analysed in relation to the procurement of goods/services of interest.	1	2	3	4	5
7. Suppliers of our procured-items are classified based on financial added value and risk.	1	2	3	4	5
8. Performance of suppliers of procured-items is directly communicated by using key performance indicators.	1	2	3	4	5
9. To improve monitoring and control of the procurement process of procured-items, we apply value chain integration.	1	2	3	4	5
10. My organization defines procurement performance measures against world class standards in a joint effort with the suppliers of our procured items and our customers.	1	2	3	4	5

8. Briefly enumerate key challenges faced in your procurement function in your organisation in contributing to corporate planning strategy.

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9. Please, could you suggest some strategies that should be adopted to ensure that the procurement function contributes positively on your corporate planning strategy?

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Thank you for being part of the research.