



FACTORS INFLUENCING THE SUCCESS OF PROCUREMENT IN UNIVERSITY PROJECTS A CASE STUDY IN UVA WELLISSA UNIVERSITY

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INTRODUCTION

Procurement is the process of finding and agreeing to terms and acquiring goods, services or works from an external source via a tendering or competitive bidding process. Generally, procurement refers to making buying decisions under the condition of scarcity. Procurement is a crucial function for both public and private sector organizations. In the private sector, procurement is viewed as a strategic function which helps to improve organizational profitability. In the public sector, the goal of procurement is to award cost-effective contracts to qualified suppliers, contractors and service providers to support national and local efforts in accordance with established public procurement rules. The procurement function has become increasingly important over the past decades since purchasing and supply has become a major determinant of corporate success. Significant business pressure as a result of globalization, innovations, technological changes, cost pressure, and regulatory compliance has forced the procurement function to focus on cost reduction and attaining more value for money (Otjes, 2016). The procurement function usually takes large amounts of organizations' resources. Hence it is becoming an expensive undertaking for many organizations and if not properly done it can lead to significant regret (Arifin & Hartadi, 2020). Therefore, procurement is something which contributes to national development. Almost all the government and semi-governmental organizations are using the procurement process to acquire the goods, works and services that need to function in their organizations. However, Rameezdeen & De Silva (2002) showed that there are some drawbacks of public procurement and it shows less progress. But it was able to observe that the progress in the procurement process in Uva Wellassa University (UWU) was always being appreciated in the third-party verifications. In this context, this study has been conducted to identify the factors affecting the well-functioning and the progress of the procurement process at Uva Wellassa University. Having identified the factors of procurement activities at Uva Wellassa University, as per the sub objective, this study will provide recommendations to enhance the progress of the procurement activities.

LITERATURE REVIEW

Procurement is referred to as acquisition of goods, services, capabilities and knowledge required by businesses to maintain and manage a company's primary activities (Giunipero et al. 2006; Hines, 2006; Porter 1998; Triantafillou, 2007, Van, 2000) According to Mangan et al., (2008), procurement as a process of identifying and obtaining goods and services including sourcing, purchasing and all activities from identifying potential suppliers to delivery to the beneficiary. Therefore, procurement can be defined simply as making the correct buying decisions under the constraint of scarcity.

Jones and George (2009) noted that bureaucratic mechanisms are controlled by a comprehensive system of formal rules and operating procedures that shapes and regulates the behavior of divisions, functions and individuals. Banda (2009) stated that many organizations lack competent staff with the proper knowledge for good procurement process management. He further noted that authorities should give greater emphasis for developing competence to adopt best practice more widely. Smith and Conway (1993) identified seven



key success factors influencing procurement, namely: a clear procurement strategy, effective management information and control systems, development of expertise, a role in corporate management, entrepreneurial and proactive approach, coordination and focused efforts. Regarding Staff Competency in the Procurement Process, Armstrong and Baron (1995) explain that competency is the application of knowledge and skills, performance delivery, and the behavior required to get things done very well. Besides competency indicates adequacy of knowledge and skills that enable someone to act in various situations (Aketch & Karanja, 2013). According to Russell (2004), absence of adequate knowledge in procurement matters, end up with serious consequences including breaches of codes of conduct. Evaluation of suppliers before selecting them can significantly improve the performance of the procurement function in carrying out its mandate (Martin, 2004).

METHODOLOGY

This study is mainly based on the primary data which has been collected through in-depth observation during three months' time period at Uva Wellassa University. It has only been considered the performance of development projects less than three years within UWU. Naturalistic observation method has been used as the methodology of this study. Accordingly, the behaviors of participants have been studied in natural surroundings. There are typically no predetermined behavioral codes. Instead, the researcher has taken rigorous notes and coded the data later.

The behaviors of all the procurement officers, administrative officers related to the procurement in the university, project coordinators and activity coordinators, project assistants and other officers related to the projects which are going on within the Uva Wellassa university have been deeply observed to gather data for this research. Total number of staff members observed was 38. The qualitative approach has been followed to conduct this study and the data gathered through observations have been analyzed descriptively.

RESULTS/ANALYSIS AND DISCUSSION

According to this study, the following factors could be identified as the factors that caused the well-functioning performance of the procurement process in UWU.

Availability of resources was the very first factor observed by the researchers. Here, the 'resources' indicate a proper place to stay, office equipment such as printer, scanner, computer, telephone and fax facilities and stationary. Uva Wellassa University (UWU) mostly engages in development projects within the faculties. Some projects are related to research activities as well. The procurement process is there for purchasing goods for the faculty premises, refurbishments, carpeting, various minor constructions, and consultancy services. It was observed that almost all the project assistants have a separate cubicle to work with high independence. Further, they have been provided all the necessary resources to function well. All the assistant lecturers, demonstrators and non-academics working at the department also stay in separate and it enhances their concentration on the work. This situation enables them to work efficiently and satisfactorily. In UWU, enough resources have been allocated and frequently reviewed to adjust to the changing environment in order to make the procurement performance more effective and efficient.



Another reason for higher performance of procurement activities at UWU is the sufficient knowledge regarding the government procurement process within the occupied cadre. There are lots of guidelines and procedures to follow related to government procurement. It was observed that the majority of the officers even at operational level have specialized in these guidelines at UWU.

Another reason observed for the effective functioning of the procurement process in UWU is the appreciation and rewarding culture. This nature was observed within the top management and the administrative officers. They always appreciate the good work and the commitment extended by the project officers by communicating the plus points among the project team. It encourages employees to work more energetically and employees are motivated while the other employees can learn from them.

The flexible nature of the work in UWU was observed. Being flexible with procedures rather than strict rules and regulations has increased the satisfaction of employees towards the work, reduced delays and increased efficiency. Bureaucracy has a possibility to cause less progress in procurement. The term Bureaucracy is an administrative terminology and it indicates the structure and set of rules that control the activities of people that work for large organizations and government. It is characterized by standardized procedure, formal division of responsibility, hierarchy, and impersonal relationships. It is good to be strict to observe the rules and regulations because it may reduce malpractices and corruption within the system. But being overly strict to the rules may also reduce the performance. As an example, if a certain officer at top level is on leave for a whole week, the work is stuck until the certain officer reports to work and follows through on the related action. But the practice UWU in such an instance is getting the digital signature and proceeding with the procurement in a very transparent manner rather than waiting, taking no action.

An appreciating and rewarding culture was also observed as a good practice that caused the effectiveness of the procurement activities at UWU. The procurement officers have a good mutual understanding among themselves and they always function smoothly without complaining. There are more appreciations and bonds in the procurement practices at UWU, and there is a friendly culture there to assist any new employee to adapt to the work very quickly.

Having a strong monitoring mechanism for timely and properly monitoring of the procurement activities has also helped to improve the efficiency of the procurement process in UWU. As a fundamental function of the management process, monitoring is vital to ensure that the project activities meet the project objectives on time, as well as quality and the budget targets. Generally, key procurement monitoring activities may include performance reporting and review, audits, record management systems and payment systems. Almost all these things are practiced by UWU, they are more pro-active rather than just outcome oriented. They are really working effectively and being strategic all the time. It was observed that the Google sheets is the most common method they use to track each and every procurement for which access has been provided for any related officers.

Possessing the adequate cadre was identified as another crucial factor for the high performing nature of the procurement process at UWU. As observed by the research team, the available cadre is very satisfied with the workload which has been assigned to them. They never seemed to be over-tired due to the heavy workload. In some government organizations in Sri Lanka, a single employee has to perform multiple jobs which have necessarily been performed by separate individuals. This situation may lead to over-tiring the same employees



while emotionally exhausting them. Additionally, none of the other tasks will be properly managed due to such reasons. Eliminating such deficiencies UWU has helped the staff to manage their career very well.

Hamza, Gerby and Ali (2016), have discussed in their research that the most influential factors in procurement success are personnel skills and relevant resource allocation. Moreover, the factors such as staff skills were assessed on the basis of training, motivation, procurement negotiation skills, creativity, interpersonal skills and analytical skills etc. They also recommend instructing the Procurement Department to conduct surveys so that information can be shared with the relevant departments to help formulate a procurement plan based on the prevailing situation. Hamza, Gerby and Ali (2016), further describe that the relevant staff can be get involved in the planning process for the procurement, and participants are regularly reviewed to formulate annual planning to improve performance.

FINDINGS AND CONCLUSION

As the main findings of this study, it was revealed that the key factors affecting the well-functioning of the procurement process in Uva Wellassa University are the. availability of resources, possession of sufficient knowledge regarding the government procurement process, availability of adequate staff, efficient coordination, continuous monitoring, appreciation and rewarding culture, flexibility in procurement procedures and the strong monitoring mechanism. As there are some limitations to the study. It may be challenging to conduct this type of study on a wide scale. Therefore, generalizing the findings may be questionable. As the data has been observed by only two researchers, it may have missed some critical behavioral data. This study can be conducted in a wide setting using a different methodology. However, the current study will contribute to further improve the performance of projects in UWU.

RECOMMENDATIONS

To further improve the success of procurement at UWU the following recommendations by researchers is suggested. It is necessary to arrange required resources and facilitate work before recruiting the cadre as practiced by UWU. It is worthwhile that the staff be adequately trained in order to boost the skills and competency levels required by staff involved in the procurement process. Recruiting more staff and allocating one employee to handle only one or two faculty's procurements will be more effective. Giving proper training to the project coordinators and activity coordinators will also help to increase the performance of the procurement process at any government organization. Appreciation and rewarding systems will encourage employees to work, and employees will be motivated while the inefficient employees can learn from them. Being flexible with procedures rather than being too strict to abide by rules and regulations will increase employee satisfaction towards the work, reduce delays and increase efficiency. Having a strong monitoring mechanism for timely and proper monitoring the procurement activities will also improve the efficiency of the procurement process. Regarding employee competency, it will be beneficial to develop a retention mechanism for existing qualified employees and a mechanism to attract qualified employees. The study recommends that higher public institutions should make their systems automated. Public institutions should embrace information and communication technology as much as possible for the purpose of enhancing efficiency, effectiveness and transparency in their procurement activities.



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