



## INSTITUTIONAL LEGAL ENVIRONMENT AND PUBLIC PROCUREMENT PERFORMANCE IN TERTIARY INSTITUTIONS IN WEST NILE SUB REGION OF UGANDA

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### Abstract

The study aimed to establish how institutional legal environment affects performance in public procurement in tertiary institutions in West Nile sub region of Uganda. A cross-sectional study design was used. Both quantitative and qualitative approaches were adopted in the study. This study targeted a sample of 122 respondents. Simple random sampling technique was used to select sample amongst the user departments' staff. Purposive sampling technique was used to select the Accounting Officer and Contract Committee members. Quantitative data analysis mainly consisted of descriptive statistics (frequencies and percentages) and inferential statistics (Spearman Rank Order Correlation). Findings revealed an insignificantly very weak positive correlation ( $\rho = .065$ ) between institutional legal framework and procurement performance. Thus, it was concluded that institutional legal environment, measured in terms of procurement legislations and the Procurement regulations, significantly affected performance in public procurement in tertiary institutions in West Nile sub region of Uganda. It is recommended that tertiary institutions in West Nile sub region of Uganda should focus on other institutional dynamics like institutional human capacity, institutional culture, institutional politics and institutional ethical values, but not on institutional legal environment since the correlation was very weak, in order to improve performance in public procurement in tertiary institutions in the sub region.

**Key words:** *institutional legal environment, procurement performance, tertiary institutions.*

### Introduction

This study was about intra-institutional dynamics and public procurement performance in tertiary institutions in West Nile sub region of Uganda. Intra-institutional dynamics measured in terms of institutional legal environment, institutional human capacity, institutional culture, institutional politics, and institutional ethical values were the independent variables, while public procurement performance was the dependent variable.

Historically, in the United States, according to Page (1980) as cited in Scott (2008), government procurement at the municipal level predates that of state and federal governments. In the settlements and colonies, printing was one of a few services contracted out by government. However, there were no professional procurement officials, the practice of procurement being older than the discipline. Goods and services needed by government were supplied by commissioners or commissaries, who received a commission on what they bought for the militia or other administrative units. It was not until the late 1800s that state legislatures began to create boards or bureaus responsible for purchasing, but central purchasing was hardly a practice at that time. In 1810, Oklahoma was the first state government to create a board to procure centrally for all state departments and agencies (Page, 1980). Many local governments soon followed Oklahoma's example, according to Arthur Thomas (1919) as cited in Scott (2008).

Since then, centralized purchasing has gradually become common in state and local governments. However, the centralization trend has been challenged in recent years. Many practitioners and researchers have contended that purchasing authority, especially in government, must be decentralized in order to provide support that is more responsive to end users, eliminate bureaucratic obstacles to programme accomplishment, improve inter-departmental coordination, and empower service delivery managers to procure what they need without impediment by a centralized organization.

At the federal level, the first purchasing action occurred in 1778 when the Continental Congress approved the appointment of purchasing commissioners, whose purchasing work was compensated by two percent of the value of their disbursements in support of the Continental army. However, by the end of the year, the purchasing officers were placed on salary, as this arrangement led to excessive costs and possibilities of fraud. In 1792, the U.S. Congress passed a purchasing-related Act that authorized the departments of War and Treasury to make purchases in the name of the United States. The first significant procurement, made in 1794, was for a group of six large frigates for the new U.S. Navy. However, bad early experiences with this procurement procedure led to the 1795 passage of the first comprehensive procurement legislation, the Purveyor of Public Supplies Act, which became the

basis for military procurement. Misconduct and abuses in federal procurement again led to an Act Concerning Public Contracts of 1808, prohibiting members of Congress from benefiting from government contracts, and the Procurement Act of 1809, requiring competition in government procurement. Since then, a series of legislations and executive orders were passed or issued.

Currently, there are 50 states and over 83,000 local procurement entities; and as each governmental unit enjoys its autonomy -- though we are not able, due to space limitations, to document various procurement laws and regulations in this article. In 1975, in a pioneering effort, the Council of State Governments published a report tabulating purchasing statutes and regulations of all states, major counties and cities.

Despite many government procurement reform efforts, it seems that all the public procurement problems that emerged over eighty years ago are still prevalent today, and will persist. Managing procurements in the public sector has emerged as one of the most daunting challenges facing public managers today. Given the importance of public sector procurement, there is need for greater application of theoretical perspectives and empirical research of organizations at the operational level (Brown, Potowski & Van Slyke, 2006). This study takes a step in that direction by examining one of the institutional dynamics of public procurement through the lens of institutional theory (Scott, 2008).

Theoretically, as cited by Defee et al (2010), good research should be grounded in theory (Mentzer et al, 2008). This study is guided by the institutional theory to explain how institutional dynamics affect public procurement performance in tertiary institutions in the West Nile sub region in Uganda. Institutional theory attempts to describe the deeper and more resilient aspects of how institutions are created, maintained, changed and dissolved (Scott, 2005; Scott, 2008), and deals with the pervasive influence of institutions on human behaviour, including the processes by which structures such as rules, routines and norms guide social behaviour.

The institutional theory is the traditional approach that is used to examine elements of public procurement (Obanda, 2010). There is no single and universally agreed definition of “institution” or “institutional theory”. According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. Obanda explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as an enforcement mechanism, with expedience as the basis for compliance. The normative pillar refers to norms (how things should be done) and values (the preferred or desirable), which are the social obligations being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding).

Institutional theory highlights the importance of the wider institutional environment as the ground in which organizations are rooted (Scott, 2005). The key idea behind institutionalization is that much organizational action reflects a pattern of doing things that evolves over time and becomes legitimated within an organization and an environment (Pfeffer as cited in Eyaa & Oluka, 2011). Institutional theory (Scott, 2001) can be used to explain the problem of managing government procurement, conceptualized as the “smart buyer problem” by Kettl (1993). Kettl argued that while embracing the market-based promises of procurement, governments have failed to develop the capacity to address even the most fundamental procurement questions, such as what to buy, who to buy from and what has to be bought. He suggests that the problem is partly attributable to institutional barriers in government agencies that prevent them from becoming learning organizations. This study explores the proposition that institutional dynamics within procuring organizations may contribute to this problem. Government institutions do not behave as a single buyer with clearly defined buying objectives. Multiple organizations, each shaped by institutional factors, lay claim to processes relating to Kettl’s smart buyer questions. As key organizational participants become aligned with their own regulative, normative, and socio-cognitive institutional “pillars”, smart buying behaviour may become confounded by institutional factors and constraining organizational structures.

Conceptually, public procurement is the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995). It is the process by which government departments or agencies purchase goods and services from the private sector. Public procurement as a function of government includes decisions about the services that will be delivered to local authorities and the communities they serve (Hughes, 2005). It is utilized not only to secure goods and services required by public sector organizations for their missions and to support services provided to taxpayers, but it is also used to implement national policies and achieve social and other objectives (Thai, 2005). Depending on local laws, the relevant government officials follow a set system for procurement. This system could cover the way they advertise for suppliers, the grounds on which they choose a supplier, and the way in which they measure and enforce the requirements they put on the supplier. The usual aims of such a system will be to take advantage of competition between suppliers and reduce the risk of corruption.

Intra-institutional dynamics concern how procedural and behavioural patterns are formed, what their structure is and which processes are followed in their functioning. Thus, it is concerned with the interactions and forces operating within an institution (North, 1991). The institutional environment is shaped by the legal and administrative framework in which individuals, firms and governments operate to realize procurement goals. A sound and fair institutional framework is quintessential to good procurement. North (1991, p. 3) offers a definition of institutions as “the rules of the game in a society or, more formally, the humanly devised constraints that shape human interaction” thus structuring incentives in human exchange, whether political, social, or economic.

Institutional failures are failures resulting from problematically established or poorly functioning institutions. In particular, hard institutional failures refer to the formal institutions, for example, laws, industrial standards, regulations, that may hinder innovation; while soft institutional failures refer to the cultural, political and social value factors that may hinder innovation. In this study intra-institutional dynamics refer to the institutional legal environment, which forms its specific concern; though there are other intra-institutional dynamics like institutional human capacity, institutional culture, institutional politics and institutional ethical values that are extraneous variables. An institution, in this context is tertiary, if it is post-secondary and below university level.

The institutional legal environment refers to the code of conduct that defines the legal boundaries for business activity: the set of rules and regulations (Bixby, Beck-Dudley & Cihon, 2008). To understand these boundaries, it is essential to first have a basic understanding of the law and its effects on businesses and business practices. The nature of business spans over a number of legal realms, all of which are continuously influenced by the needs and demands of the business community, consumers, and the government; each has a distinct stake and voice in this vibrant legal environment. In this study, institutional legal environment means the current procurement legislations and regulations.

According to Van Weele (2006), procurement performance is considered the result of two elements: procurement effectiveness and procurement efficiency. Performance provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements. This means that procurement performance is not an end in itself but a means to effective and efficient control and monitoring of the procurement function (Lardenoije, Van Raaij & Van Weele, 2005). Procurement efficiency and procurement effectiveness represent different competences and capabilities for the procurement function. CIPS Australia (2005) presents the differences between efficiency and effectiveness. Efficiency reflects that the organization is “doing things right”, whereas effectiveness relates to the organization “doing the right thing”. This means an organization can be effective and fail to be efficient, the challenge being to balance between the two. In this study, procurement performance is measured using Van Weele’s (2006) definitions of procurement efficiency and procurement effectiveness.

Contextually, public procurement has always been a big part of the developing countries’ economies, accounting for an estimated 9-13% of the developing nations’ Gross Domestic Product (GDP). It is therefore an area that needs attention in the face of increasing non-compliance (Odhiambo & Kamau, 2003). Procurement managers and stakeholders in the Public Service serve institutions created and governed by a complex array of statutes, regulations, policies and directives. They operate in an environment of increasingly intense scrutiny and accelerated changes driven by technology, programme reviews, and public and political expectations for service improvements. When combined, these result into growing institutional complexity and risks. However, Ntayi (2009) observes that millions of dollars get wasted due to inefficient and ineffective procurement structures, policies and procedures as well as failure to impose sanctions for violation of procurement rules, thus resulting in poor service delivery. The level of compliance to procurement regulations can determine whether a public institution meets its goals and objectives or not.

This assertion is supported by the African Peer Review Mechanism Country Review (APRM) Report on Uganda (2009), which asserts that non-compliance with the regulations is so high in Uganda. The same report estimates that more than Shs. 30 Billion (US Dollars 184) is lost every year due to non-compliance. De Boer and Telgen (1998), as cited by Gelderman et al (2006), explain that compliance is a problem not only in the third world countries but also evident in the countries in the European Union. Gelderman et al (2006) further advance reasons for non-compliance as explained by the tendency to avoid red tape involved in the procurement process.

In Uganda, the need for procurement reforms became urgent because of internal and external pressure given the fact that the Government was losing huge sums of money in poorly managed procurement processes that cost the taxpayer a lot of money. The procurement reforms that were recommended in the Uganda Country Procurement Assessment Report in 2001 are: the abolition of the Central Tender Board; enactment of a Procurement Law (Public Procurement and Disposal of Assets Act); establishment of a policy regulation body, the Public Procurement and Disposal of Assets Authority; establishment of Contract Committees and Procurement Units in procuring entities; harmonization of central and local government regulations; incorporation of procurement plans in sector investment programmes; preparation of standard bidding documents; establishment of a procurement cadre in the civil service; and, restoration of professionalism in the procurement function. All procurements and disposals handled by public procuring and disposing entities (PDEs) are governed by the regulations in the PPDA Act (2003). These regulations specify procurement and disposal procedures that have to be followed by all persons involved in procurement and disposal processes in order to ensure fairness, transparency, competitiveness and non-discrimination to all potential providers of goods, services and works (PPDA Act, 2003). Local authorities and other government entities, such as parastatals, schools and universities, are by definition public entities. Currently, all procurements are undertaken by the public entities themselves, which has in turn created an extensive demand for high procurement performance in each public entity (Agaba & Shipman, 2006).

Uganda’s procurement regulations explicitly identify tertiary institutions as procurement entities. In these institutions, Accounting Officers are responsible for the procurement of goods, works and services. In the Ugandan

tertiary institutions, the Principal is the Accounting Officer responsible for the entity. Other players are the Contract Committee, the Evaluation Committee (ad-hoc), Negotiation Committees (ad-hoc), Procurements and Disposal Units (PDUs) and the User Departments. All these play their independent roles to see to it that whatever is required, as planned, is procured in accordance with the PPDA Act to ensure value for money.

Concerns, however, have been raised relating to procurement performance in public universities. For example, according to the Public Procurement and Disposal of Public Assets Authority, the procurement performance of Kyambogo University (KYU) for FY 2013/2014 declined. Of the 40 procurement files reviewed by value, 68.2% were rated as High Risk, 30.4% were Medium Risk, 1.4% were Low Risk and 0% Satisfactory. In comparison with the performance observed in the previous audit of 2012/13, the value of the high and medium risk cases increased from 91% in the previous audit to 98.6% in the current audit. A decrease was also registered in the low and satisfactory cases from 8.2% in the previous audit to 1.4% in the current audit. Furthermore, procurement is characterized by repeat purchases which hinder the Entity's bargaining power, ultimately leading to loss of value for money. It was noted that in 11 cases worth UGX 410,041,185, there were delays between initiation and confirmation of funding by the Accounting Officer. The audit also noted that, in 14 sampled procurements worth UGX 2,152,830,959, the Accounting Officer would confirm funding with only a signature but no name, and the same applied to the approval to procurement made by the University Bursar. It was therefore not possible to tell whether the signatures were those of the authorized officers. The audit noted that in six cases worth UGX 197,942,422, some firms that had not been pre-qualified by KYU under some of the categories of services/goods/works had been invited by the Entity to bid while leaving out other prequalified suppliers, contrary to Regulation 142 of the PPDA Regulations 2003. The audit noted that in 12 cases worth UGX 611,882,659, bidders were shortlisted but there was no evidence to prove that they received the invitation to bid. Furthermore, the audit noted instances where three or four service providers were shortlisted and only one or two responded. Without proof of receipt of invitation, the audit could not ascertain whether all bidders had been invited.

Despite the all efforts by Uganda government to improve performance of the procurement, public procurement in government institutions is still marred with poor procurement performance as seen in the case of UCC Pakwach and NTC Muni, as reported by the auditor general for the year ended 30<sup>th</sup> June 2014 (Auditor General, 2014). Hence, the reason for the study.

### **Statement of the Problem**

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, because of cost pressure and regulatory compliance, has forced the procurement function to focus on cost reduction and attainment of value for money. According to Victor (2012), procurement expenditure could be minimized through implementation of effective procurement practices. Enactment of the Public Procurement and Disposal Act PPDA and the Regulations as well as establishment of public procurement oversight authority were some of the reforms meant to promote efficient, effectiveness, good performance, transparency, fairness and accountability in public procurement.

The Procurement function usually takes large amounts of organizations' revenue; hence, it is becoming an expensive undertaking for many organizations (Chan & Lee, 2003); and if not properly done it can lead to significant regret. Cognizance is taken of the fact that despite all the efforts by the Uganda government to improve procurement performance, procurement in government tertiary institution is still marred by poor practices (Auditor General, 2015).

Failure to implement the recommended performance standards has resulted in unnecessarily high operation costs, uncoordinated business activities, thus, affecting the function's performance (PPDA, 2007). Hence, the reason, this study seeks to establish how institutional legal environment affect public procurement performance in tertiary institutions in West Nile sub region of Uganda.

### **Objective and Hypothesis of the Study**

The objective of the study was to examine the effect of institutional legal environment on procurement performance in tertiary institutions in West Nile sub region of Uganda. Thus, it was hypothesized that, "*There is a significant effect of institutional legal environment on the performance of procurement in tertiary institutions in West Nile sub region of Uganda*".

### **Scope of the Study**

The study was carried out in two tertiary institutions in West Nile sub region of Uganda, which included Uganda College of Commerce Pakwach and National Teachers' College, Muni, in Arua. These were selected because of complaints related to their procurement performance. The study concentrated on inter-institutional dynamics of institutional legal environment and their effect on procurement performance. Procurement performance was restricted to public procurement efficiency and effectiveness. The research focused on a period of five years, 2010 to 2015. This was in line with Amin's (2005) recommendation that any research should obtain information of not less than five years to be authentic.

## Literature Review

This section presents a review of literature related to Institutional Legal Framework and Public Procurement Performance .

### Institutional legal framework

Apart from public procurement regulations and rules, the legal environment refers to abroad legal framework that governs all business activities. Indeed, most aspects of contracts - public or private - such as contract requirements, disputes, and breach of contract are governed under the same contract law. In developing and particularly transitional countries, where legal systems are not comprehensive, government contracts may need detailed provisions (Akintoge, 2000).

In Uganda, the procurement exercise follows steps, according to the PPDA Act of 2003, as amended in 2014. These steps must be observed in order to ensure that all the stakeholders involved in the procurement exercise obtain fair treatment. The steps include: planning for the required procurement over a given period, usually one year, like the budget cycle, though it is revisable; identifying the source of the items; highlighting specifications/initiation of procurement; determination of procurement procedure; confirmation of availability of funds; sourcing (soliciting) offers; evaluation of offers; post qualification; commencement of contract; contract performance (delivery) and management; record keeping and accountability; payment and post-contract performance (PPDA Act, 2003). It is uncertain whether there is compliance to the PPDA Act and the Regulations by the tertiary institutions in the West Nile Sub region, hence, the need for investigation.

Many corporate board members in Africa, especially of state-owned companies, have limited understanding of their roles, and are usually open to manipulation by management, chairpersons, or principal shareholders. Some are outright incompetent. Non-executive directors in Africa need to play a meaningful role in ensuring compliance. However, many simply act as rubber stamps for decisions taken outside the board (Okeahalam & Oludele, 2003). In this perspective, compliance arises from a dynamic equilibrium between the various powers of the state and understanding what their roles are (Fisher, 2004). Similarly, it may be true that the different key players within the procurement entities do not play their roles, hence, poor procurement performance, hence the need to find out.

According to De Boer and Telgen (1998), as quoted by Gelderman et al (2006), one of the factors that cause non-compliance with procurement regulations is the level of familiarity with the regulations. De Boer and Telgen (1998) assert that during the early days of the inception of public procurement regulations in The Netherlands, many municipalities could not comply with the regulations because they were not familiar with them. Gelderman et al (2006) confirmed this position in a survey on compliance with EU procurement directives. This study was to confirm whether the reason for non-compliance was the same with that found out in Netherlands, which was non-familiarity with the laws and regulations, or otherwise.

Given that the procurement profession is still relatively new in Uganda, with the regulations having come into force in 2003, and amended in 2014, it is possible that the level of familiarity with the regulations is still low. On the other hand, it is possible that those who are familiar with the regulations know them so well that they know how to beat the loopholes to their advantage. It is worth noting that the ambiguity in the public procurement procedures may provide a chance for dubious acts, including opaque tendering and discriminate supplier selection, which may progress into poor compliance levels. Some theorists have noted that deficient familiarity with the procurement procedure by all the internal stakeholders may affect compliance.

Owuoth and Mwangangi (2015) established that procurement performance was positively and significantly correlated with quality sourcing at ( $r = 0.627^{**}$ ,  $P=0.000<0.01$ ). This implied that quality sourcing has positive effect on procurement performance in the public sector. These findings support the findings of Madara (2010) that procurement regulations influence the quality of goods procured and the testing of goods received for quality to ensure attainment of value for money. The findings indicated that dependent variable (procurement performance) positively and significantly correlated with independent variables (transparency, competitive bidding, professionalism and quality sourcing) at  $P=<0.05$ . Adjusted  $R^2$ , which is called the coefficient of determination, indicated how procurement performance varied with variation in effect of public procurement regulation on procurement performance in public sector - including transparency, competitive bidding, professionalism and quality sourcing. The value of Adjusted  $R^2$  was 0.572. This implied that there was a variation of 57.2% of the effect of public procurement regulation on procurement performance in the public sector at a confidence level of 95%. This clearly indicated that transparency, competitive bidding, professionalism and quality sourcing positively affected procurement performance. Based on the research findings, it was logical to conclude that lack of compliance with public procurement regulations in the public sector leads to poor procurement performance. It was logical to articulate that the phenomenon of poor procurement performance in the public sector can be reversed if the public procuring entities ensure that there is transparency in procurement procedures, application of competitive bidding in tendering process, use of professionals and quality sourcing. The procurement staff must also be willing to comply with public procurement regulations to improve procurement performance. This study was to confirm whether the findings in the tertiary institutions in the West Nile Sub region would be similar to those of Owuoth and Mwangangi (2015) which were not specific to the scope of this study.

The aim of the public procurement regulations is to promote fairness, transparency and non-discrimination in procurement in public institutions with the main aim of ensuring efficient use of public funds. However, studies reveal that even after the enactment of the regulations, there is loss of public funds that can be attributed to public procurement (Owuoth & Mwangangi, 2015). This is equally true in public institutions in Uganda as seen in Kyambogo University and Makerere University. No study has so far revealed the same with regard to tertiary institutions in the West Nile sub region of Uganda. Further, studies indicate dissatisfaction among stakeholders brought about by loopholes left by the regulations which may be used by dishonest people to make the process inefficient (Kenya et al, 2011). Most of previous studies have always looked at factors influencing compliance and non-compliance of public procurement procedures but do not establish the effect of procurement regulation compliance with procurement performance in public sector in Uganda. This study was to fill this gap through establishing the effect of public procurement regulation on procurement performance.

### **Public procurement performance**

During the last two decades public procurement has undergone profound changes. Policy makers, academics and practitioners alike share the broad view that public procurement has evolved from a clerical signoff-ridden set of activities to a strategic tool to enhance efficiency in public organizations, to regulate markets and promote sustainable development. Moreover, public procurement contracts represent a major share of any country's GDP and public expenditure budget. According to data published by the European Commission in its recent Evaluation Report (2011), public procurement in the EU accounted for EUR 2100 billion in 2009, or 19% of GDP. These levels of expenditure alone provide sound reasons for analyzing the performance of public procurement operations at all levels.

One definition of procurement is: the activity of assessing, buying and receiving goods, works and services. It is Public whenever this process is performed by public organizations or whenever it is performed on their behalf or again funded by public organizations. The process of procuring starts with the definition of what is to be procured (goods, services and/or works, quality), then is followed by how it should be procured. The overriding objective of a state's public procurement system is to deliver efficiency and "value for money" in the use of public funds, whilst adhering to public requirements and to national laws and policies. Performance measurement is, therefore, about seeking to answer the fundamental question of whether the procurement system and operations ultimately deliver in accordance with the main objectives set.

A theoretical analysis of Public Procurement Performance written by a practitioner of Public Procurement with a strong background in private procurement, focusing on one of the key performance indicators in procurement: Value for Money, proposes a new way to look at public procurement performance. Thus, public procurement, being all about value for money, brings in the critical debate that consumer and customer satisfaction cannot be achieved at any price. This is when Value for Money, cannot, but must come into the picture. Therefore, a critical question that should be asked is: What is value for money? Value for money: A concept associated with the economy, effectiveness and efficiency of a service, product or process, is a comparison of the input costs against the value of the outputs and a qualitative and quantitative judgement over the manner in which the resources involved have been utilized and managed. If the concept of Value can be captured through consumer and customer satisfaction, the concept of money can be captured in the price tag to achieving the latter satisfaction ratings. In terms of efficiency of public procurement, it boils down to how much a shilling of procurement is going to deliver with regard to increasing consumers' and customers' satisfaction.

It is therefore critical that the matter of public procurement represents a new challenge to consider; although private procurement would certainly gain a lot from some of the best practices applied in public procurement, the reverse certainly does hold true. The researcher finds that Public Procurement devotes significant resources and time to ensure the processes and the procedures are sound, transparent, shared and followed. This very attention to the latter in many instances dilutes the value for money of the items procured, while current public procurement practices are driven mainly by value. This study therefore, concern itself with the play between the institutional legal environment and procurement performance in the tertiary institutions in West Nile sub region of Uganda. It is expected that the study findings offer explanation for the predicaments and shortfalls surrounding procurements in these public institutions.

### **Methodology**

This section presents the methodology the researcher used to gain and analyze information on the research problem. It includes the research design, study population, sample size, sampling techniques, procedure, data collection methods and instruments, data analysis and measurement of variables.

### **Research Design**

A cross-sectional study design was used. This design was used because it enabled the researcher to target a large group of respondents to obtain information without making a follow-up of the respondents once information from them is obtained (Amin, 2005; Sekaran, 2003). Therefore, this design helped to save on time and resources during data collection. Both quantitative and qualitative approaches were adopted in the study. This was because the

quantitative approach allowed the researcher to solicit information that was quantified, while the qualitative approach allowed the researcher to solicit information that was in textual formant (Mugenda & Mugenda, 1999). Combining numerical and textual information helped the researcher enrich the interpretation of findings of the study as well as benefiting from triangulation.

### Study Population

Basing on Human Resource Department records in the tertiary institutions in West Nile sub region of Uganda, this study's population included The Accounting Officer, The Contracts Committee, The Procurement and Disposal Unit (PDU), and User departments. Thus, the population from which the sample was selected was 165.

### Sample size and selection

Using Krejcie & Morgan sample size (Table 1), the following sample size was used:

**Table 1: Sample size and techniques for collection**

Categories	UCC Pakwach	NTC	Target Pop	Sample size	Sample Technique
The Accounting Officer	1	1	2	2	Purposive sampling
The Contracts Committee	5	5	10	10	Purposive sampling
User department staff	59	94	153	110	Simple random sampling
<b>Total</b>	65	100	165	122	

*Source: Adopted Human Resource Department (2015) and guided by Krejcie and Morgan (1970) Sampling Method as cited in Amin (2005)*

The selected sample size covered three categories of respondents who participated in the study. These categories include the Accounting Officers, the Contracts Committee and User department staff respectively. This study targeted a sample of 122 respondents as computed in Table 1 above.

### Sampling techniques and procedure

A combination of sampling techniques - that is, both probabilistic and non-probabilistic sampling techniques -- was used. Probability sampling techniques involved selecting respondents from the user population by chance, and non-probability sampling techniques involved selecting respondents, the Accounting Officers and Contracts Committee members with the intention that they had to participate. The probability sampling technique was simple random sampling and the non-probability sampling technique was purposive sampling. Simple random sampling technique was used to select amongst the user department staff to give every user department staff an equal chance to participate in the study when drawing a sample from a large population of the users and helped avoid bias in the selection. It also minimized the time and cost involved in selecting. Purposive sampling was used to select the Accounting Officers. This method was used on this category of respondents because they were expected to be more knowledgeable about procurement issues in the tertiary institutions as they superintend over the entire procurement process.

### Data collection methods

A questionnaire survey was used to collect information from a selected group of user department staff members using standardized questionnaires (Amin, 2005). This method involved collecting information from the user department staff in a systematic way. Questionnaire survey was used for these category of respondents to save on time because their number was too big to interview.

Interviews were used to collect data from Accounting Officers and Contracts Committee members because, according to Mugenda and Mugenda (1999), they enabled the researcher to establish rapport with this category of respondents and therefore gained their cooperation. Besides, the respondents were few in number and yet most knowledgeable in procurement issues in the institutions. The method also allowed the researcher to clarify ambiguous answers and obtain in-depth information. Structured interviews were designed to collect data for this study.

### Data collection instruments

Two types of data collection instruments were used in the study. These included questionnaires and interview guides as briefly explained in the following subsection.

Self-administered questionnaires (SAQs) were used to collect quantitative data from the user department staff. Basing on Mugenda and Mugenda (1999), SAQs were used for this category of respondents to save on time because

their number was too big to interview and because they could read and write in English and thus filled in the questionnaires by themselves without any assistance.

Interview guides were used to collect qualitative data (Amin, 2005) from Accounting Officers and Contracts Committee members who were in position to provide in-depth information through probing during face-to-face interviews (DiCicco-Bloom & Crabtree, 2006). In this study, the probing interviewing tactic was used extensively to obtain a deeper explanation of the issue at hand from the respondents. This was largely due to the fact that the respondents often needed stimuli to expand or clarify their own answers and ideas more broadly, so that a broader understanding was more easily reached later on in the findings of this study. The researcher presented questions to the interviewees and proceeded to record their views. Data obtained during the interview supplemented those obtained through the questionnaire.

### Validity

For the instruments to yield relevant and correct data, they were given to two research experts conversant with the study area to comment on the ambiguity, difficulty and relevance of questions to ensure construct, content and face validity. To establish the content validity index (CVI) the following formula was used:

$$CVI = \frac{\text{Number of items declared valid}}{\text{Total number of judges}}$$

Findings are presented in the following Table 2:

**Table 2: Validity of questionnaire**

Raters	Items rated relevant	Items rated not relevant	Total
Rater 1	43	9	52
Rater 2	46	6	52
Total	89	15	104

Thus, applying the formula,  $CVI = \frac{89}{104} \approx .856$

The CVI was greater than the recommended .70 (Amin, 2005). Thus, the questionnaire was valid for data collection.

### Reliability

In order to ensure the degree to which questionnaires would produce consistent results if used under the same conditions, they were piloted on similar respondents in Public Tertiary institutions since they were similar in nature and the results subjected to Cronbach alpha reliability. Data collected from pilot test was analyzed using SPSS (Statistical Package for Social Sciences). Results are presented in Table 3.

**Table 3: Reliability of questionnaire**

Variables	Cronbach's Alpha	N of Items
Reliability for legal environment	.717	10
Reliability for procurement performance	.745	10

The Cronbach alpha coefficients for the variables in the questionnaire were above 0.7 which is recommended by Nunnally, as cited by Kent (2001). The questionnaire was hence considered reliable for collecting data.

### Data Analysis

Quantitative data analysis mainly consisted of descriptive statistics (frequencies and percentages) and inferential statistics (Spearman Rank Order Correlation). The frequencies and percentages were used to determine the respondents' views on institutional legal environment and procurement performance. Spearman correlation was used to test the hypotheses. The correlation coefficient (r) was used to determine the strength of the relationship between the variables. The sign of the correlation coefficient (+ or -) was used to determine the nature of relationship. The significance of the correlation coefficient (p) was used to determine the confidence in the findings. the coefficient of determination, which is a square of the correlation coefficient ( $rho^2$ ), was computed and expressed as a percentage to determine the variance in procurement performance due to institutional legal framework.

This involved content analysis, which was used to edit qualitative data and re-organize it into meaningful shorter sentences. A thematic approach was used to analyze qualitative data where themes, categories and patterns were identified. The recurrent themes, which emerged in relation to each guiding question from the interviews were presented in the results, with selected direct quotations from participants presented as illustrations.

### Measurement of Variables

The questionnaire was accompanied by an ordinal measurement, which categorized and ranked the variables. Thus, a Likert scale was used to collect opinion data on the study variables using five scales namely: 5 = strongly agree; 4 = agree; 3 = undecided; 2 = disagree; 1 = strongly disagree.

### Findings

This section presents, analyzes and interprets the results. It is divided into four major sections. The first sub-section presents results about the response rate. The second sub-section presents results about institutional legal framework and the third sub-section presents results on procurement performance in tertiary institutions in West Nile sub region of Uganda. The fourth sub-section presents inferential statistical (correlation) results about institutional legal environment and procurement performance in tertiary institutions in West Nile sub region of Uganda.

#### Response rate

Response rate (also known as completion rate or return rate) in survey research refers to the number of people who answered the survey divided by the number of people in the sample (Johnson & Owens, 2003). It is usually expressed in the form of percentage. A low response rate can give rise to sampling bias if the non-response is unequal among the participants regarding exposure and/or outcome. In this study, the sample was 122 respondents but the study managed to get 93 (76%) respondents. The breakdown is shown in Table 4.

**Table 4: Response rate**

Category of population	Target Population	Sampled size	Response Rate	Percentage (%)
The Accounting Officer	2	2	2	100
The Contracts Committee	10	10	10	100
User department staff	153	110	81	74
<b>Total</b>	<b>165</b>	<b>122</b>	<b>93</b>	<b>76</b>

*Source: Data from the field*

Table 4 shows response rate of 76% which was above the recommended 67% response rate (Amin, 2005; Mugenda & Mugenda, 1999). Therefore, the results were considered representative of what would have been obtained from the population.

#### Legal environment and procurement performance

Before establishing any link between institutional legal environment and procurement performance, there was need to first find out results on each of the variables separately by using descriptive statistics, which in study were frequencies and percentages, given that the type of data used was ordinal. Therefore, the following subsections present findings about institutional legal environment and procurement performance.

#### Descriptive results on institutional legal environment

User departmental staff members were requested to respond to nine items about institutional legal environment by indicating their agreement using a five-point Likert scale as shown in Table 5. The items are presented in the first column and the proportion of user departmental staff members to the responses on each of the items is presented in form of frequencies and percentages in columns 2 to 6. The last column presents the total percentage of user department staff members on each of the items. The keys are: SD = Strongly disagree, D = Disagree, N = Not sure, A = Agree, SA = Strongly agree. The analysis and interpretation of the findings about institutional legal environment follows the presentation of findings in Table 5.

**Table 5: Institutional legal environment descriptive statistics**

Institutional Legal Framework	SD	D	NS	A	SA	Total
1. In our Institution level of familiarity with procurement regulations is still low	5 (6%)	17 (21%)	7 (9%)	39 (48%)	13 (16%)	81 (100%)
2. In our Institution, those who are familiar with the regulations know it so well that they know how to beat the loopholes to their advantage	10 (12%)	13 (16%)	22 (27%)	21 (26%)	15 (19%)	81 (100%)
3. Ambiguity in the public procurement procedures provide a chance for dubious acts including opaque tendering	5 (6%)	6 (7%)	17 (21%)	30 (37%)	23 (28%)	81 (100%)
4. In our Institution, deficient familiarity of the procurement procedure by the internal stakeholders affect compliance	3 (4%)	8 (10%)	16 (20%)	39 (48%)	15 (19%)	81 (100%)

<b>5. In our Institution, there is poor quality sourcing with negative effect on procurement performance</b>	9 (11%)	14 (17%)	21 (26%)	21 (26%)	16 (20%)	81 (100%)
<b>6. In our Institution there is lack of transparency, competitive bidding, professionalism and quality sourcing</b>	12 (15%)	14 (17%)	8 (10%)	25 (31%)	22 (27%)	81 (100%)
<b>7. Lack of compliance to public procurement regulation in our Institution leads to poor procurement performance</b>	6 (7%)	11 (14%)	10 (12%)	36 (44%)	18 (22%)	81 (100%)
<b>8. The procurement staff do not comply with public procurement regulation to improve procurement performance</b>	6 (7%)	10 (12%)	18 (22%)	27 (33%)	20 (25%)	81 (100%)
<b>9. Loopholes left by the regulations are used by dishonest people in our Institution to make the procurement process inefficient</b>	9 (11%)	13 (16%)	17 (21%)	20 (25%)	22 (27%)	81 (100%)

Source: Data from the field

To analyze the findings, user departmental staff members who strongly disagreed and those who disagreed were combined into one category of those who “opposed” the items. In addition, user departmental staff members who strongly agreed and those who agreed were combined into another category of those who “concurred” with the items. After the computation, three categories of user department staff members were compared, which included “user departmental staff members who opposed the items”, “user departmental staff members not sure on the items” and “user departmental staff members who concurred with the items”. Interpretation was then drawn from the comparisons of the three categories as shown in the following paragraph.

Findings in Table 5 show that more user department staff concurred with the items about institutional legal environment (that is items 1 to 9) compared to those who opposed and were not sure. A comparison on these items shows that those that opposed ranged from 13% to 32% while those that were not sure ranged from 9% to 27% and those that concurred ranged from 45% to 67%. From these comparisons, it can be seen that the percentages that concurred with the items were higher compared to those who were not sure and those that opposed. From this analysis, the following is the interpretation. Findings show that most user department staff were of the view that in the tertiary institutions in West Nile sub region of Uganda, the level of familiarity with procurement regulations was still low, those who were familiar with the regulations knew it so well that they knew how to beat the loopholes to their advantage and ambiguity in the public procurement procedures provided a chance for dubious acts including opaque tendering. In addition, most user department staff members were of the view that deficient familiarity of the procurement procedure by the internal stakeholders negatively affected compliance; there was poor quality sourcing with negative effect on procurement performance; and, there was lack of transparency, competitive bidding, professionalism and quality sourcing. Most user department staff were of the view that lack of compliance to public procurement regulations led to poor procurement performance; the procurement employees did not comply with public procurement regulation to improve procurement performance; and, loopholes left by the regulations were used by dishonest people to make the procurement process inefficient. Thus, these findings show that the institutional legal environment in the tertiary institutions in West Nile sub region of Uganda was not conducive.

Interview findings shed more light on the nature of institutional legal environment. For example, relating to the level of familiarity with procurement regulations, the UCC Key Informant A revealed the following, “*Most user departments do not know the procurement regulations and law. The few who are familiar with the law have become unreliable since they connive with suppliers to get kickbacks (Interview with UCC Key Informant A, 8<sup>th</sup> May 2017).*” This view was similar to those of informants B, C, D, E and E, interviewed on different dates. Similarly, the NTC Key Informant W had this to say, “*Only a few individuals are well informed. In most cases the ones familiar to regulations tend to show that they are the only ones to handle anything concerning procurement (Interview with NTC Key Informant W, 9<sup>th</sup> May 2017).*” Thus, from the interviews it is shown that the level of familiarity with procurement regulations in tertiary institutions in West Nile Sub-region is low.

Interview findings also highlighted the issues relating to ambiguity in the public procurement procedures, compliance and quality sourcing as shown in the following extract from the UCC Key Informant B and NTC Key Informant X:

*Our procurement performance is rated low with forgeries of procurement files. The ever changing laws are not good. Accounting Officers use it for their own good to profit from them. Compliance is never adhered to as one uses a specific clause to benefit him or herself. Compliance is a dream. Its sugar coated. Sourcing is done to only companies they have interest in or they could be having shares or family business (Interview with UCC Key Informant B, 10<sup>th</sup> May 2017).*

*From time to time, the same tenders are used because of some reasons like bribe. Some people have exploited ambiguity in the public procurement to their advantage. Some individuals want to formalize the tendering. In addition, there is poor quality sourcing because the people that do the sourcing consider*

what the client will give back after tendering and sometimes it is based on the kind of friendship (Interview with NTC Key Informant X, 11<sup>th</sup> May 2017).

Thus, it is shown that the public procurement procedures in the tertiary institutions are ambiguous and characterized by non-compliance and poor quality sourcing. Procurement irregularities, lack of transparency and loopholes were established during interviews. In this regard, the UCC Key Informant C and NTC Key Informant Y were of the following view:

*In sarcasm, retorted, transparency is not very important so long as the goods and service are delivered and consumed. Accounting Officers and procurement department are dishonest and “keep on changing the law”. At one time, they use school and regulations and at another point, they use the PPDA Act (Interview with UCC Key Informant C, 12<sup>th</sup> May 2017).*

*In our institution, there is totally no transparency. Same bidders are considered all the time: others have even given up because they know their bids can never be considered. All purchases above one million, sourcing only to be done by one considered as procurement officer other than the user departments (Interview with NTC Key Informant Y, 13<sup>th</sup> May 2017).*

These findings show a lack of transparency and loopholes in the tertiary institutions’ procurement compliance to regulations. Having established the views of user department staff members on institutional legal environment, the following subsection presents their views on procurement performance.

### Descriptive results on procurement performance

User department staff members responded to 10 items about procurement performance in tertiary institutions in West Nile sub region of Uganda by indicating their agreement using a five-point Likert scale as shown in Table 6. The analysis and interpretation of the findings follows the presentation.

**Table 6: Procurement performance descriptive statistics**

Procurement Performance	SD	D	NS	A	SA	Total
1. Competitive prices are not paid for focus products.	5 (6%)	11 (14%)	31 (38%)	27 (33%)	7 (9%)	81 (100%)
2. Inefficient procurement mechanisms are being used.	8 (10%)	13 (16%)	18 (22%)	35 (43%)	7 (9%)	81 (100%)
3. Suppliers do not deliver the right goods at the right time.	6 (7%)	20 (25%)	17 (21%)	29 (36%)	9 (11%)	81 (100%)
4. There are delays in the procurement cycle.	1 (1%)	11 (14%)	21 (26%)	33 (41%)	15 (19%)	81 (100%)
5. There are delays in processing payments.	5 (6%)	6 (7%)	24 (30%)	28 (35%)	18 (22%)	81 (100%)
6. There are emergency orders frequently used to prevent stock-outs.	5 (6%)	11 (14%)	35 (43%)	23 (28%)	7 (9%)	81 (100%)
7. The procurement unit is operating inefficiently.	6 (7%)	19 (23%)	19 (23%)	28 (35%)	9 (11%)	81 (100%)
8. Funded operational training program is not in place to provide staff with appropriate training to maintain or upgrade their procurement skills.	11 (14%)	18 (22%)	18 (22%)	29 (36%)	5 (6%)	81 (100%)
9. Procurement prices are not available to the public.	10 (12%)	16 (20%)	31 (38%)	20 (25%)	4 (5%)	81 (100%)
10. Procurement methods being used do not promote competition.	8 (10%)	10 (12%)	17 (21%)	36 (44%)	10 (12%)	81 (100%)

*Source: Data from the field*

Findings show that most of the user department staff members concurred with eight items about procurement performance (that is items 1, 2, 3, 4, 5, 7, 8 and 10) compared to those who opposed and were not sure. A comparison on these items shows that those that opposed ranged from 13% to 36% while those that were not sure ranged from 21% to 38% and those that concurred ranged from 42% to 60%. From this comparison, it can be seen that the percentages that concurred with the items were higher compared to those that were not sure and those that opposed. From this analysis, the following is the interpretation. Findings show that most user department staff members were of the view that competitive prices were not paid for focus products; inefficient procurement mechanisms were used; suppliers did not deliver the right goods at the right time; and, there were delays in the procurement cycle and in processing payments. Furthermore, most user department staff members were of the view

that the procurement unit was operating inefficiently; funded operational training programme was not in place to provide staff with appropriate training to maintain or upgrade their procurement skills; and, procurement methods used did not promote competition.

On the other hand, findings show that most of the user department staff members were not sure regarding two items about procurement performance (that is items 6 and 9) compared to those who concurred and opposed. A comparison on these items shows that those that opposed ranged from 20% to 32% while those that were not sure ranged from 38% to 43%, and those that concurred ranged from 30% to 37%. From these comparisons, it can be seen that the percentages that were not sure with the items were higher compared to those who were opposed and concurred. From this analysis, the following is the interpretation. Findings show most user department staff members were of the view that they were not sure whether emergency orders were frequently used to prevent stock-outs; or procurement prices were not available to the public.

Therefore, these findings show poor procurement performance in tertiary institutions in West Nile sub region of Uganda. Having established the views of user department staff members on procurement performance, the following subsection presents findings linking institutional legal framework and procurement performance.

### Inferential statistical results

The hypothesis was tested, “*There is a significant effect of institutional legal environment on the performance of procurement in tertiary institutions in West Nile sub region of Uganda*”. Spearman rank order correlation coefficient ( $\rho$ ) was used to determine the strength of the relationship between institutional legal framework and procurement performance in tertiary institutions in West Nile sub region of Uganda. The coefficient of determination was used to determine the magnitude of variance in procurement performance accounted for by institutional legal framework. The significance of the coefficient ( $p$ ) was used to test the hypothesis by comparing  $p$  to the critical significance level at (.05). Table 7 presents the test results for the hypothesis.

**Table 7: Correlation and coefficient of determination on institutional legal framework and procurement performance**

	Institutional legal framework
Procurement performance	$\rho = .065$ $\rho^2 = .004$ $p = .561$ $n = 81$

*Source: Data from the field*

Findings show that there was a very weak positive correlation ( $\rho = .065$ ) between institutional legal framework and procurement performance in tertiary institutions in West Nile sub region of Uganda. Since the correlation does imply causal-effect as stated in the objective, the coefficient of determination, which is a square of the correlation coefficient ( $\rho^2 = .004$ ), was computed and expressed as a percentage to determine the variance in procurement performance due to institutional legal framework. Findings show that institutional legal framework accounted for 0.4% variance in procurement performance. These findings were subjected to a test of significance ( $p$ ) and it is shown that the significance of the correlation ( $p = .561$ ) is greater than the recommended critical significance at .05. Hence, hypothesis “*There is a significant effect of institutional legal environment on the performance of procurement in tertiary institutions in West Nile sub region of Uganda*” was rejected. Thus, it was concluded that the institutional legal environment did not significantly affect performance of procurement in the tertiary institutions in West Nile sub region of Uganda.

### Discussion

This study established that that the institutional legal environment did not significantly affect performance of procurement in tertiary institutions in West Nile sub region of Uganda. Thai (2001) stated that different from procurement regulations and rules, the legal environment refers to a broad legal framework that governs all business activities. Basing on this definition and the findings of this study, it is argued that this broad legal framework that governs all business activities significantly affect the performance of procurement in tertiary institutions in West Nile sub region of Uganda.

The reason for the results in the previous paragraph can be attributed to weak institutional legal environment. This is because Thai (2001) stated that a sound procurement system needs to have good procurement laws and regulations. In practice and theory, procurement laws and regulations have been considered as one of the most important pillars of a sound procurement system. Procurement laws and regulations lead to procurement effectiveness or inefficiency. There has always been a debate about a procurement legal framework that hinders or helps procurement discretion. Ideally, procurement laws and regulations should be clear, consistent, comprehensive and flexible (Thai, 2001). This is contrary to the findings of this study which revealed that the institutional legal environment in the tertiary institutions in West Nile sub region of Uganda was not conducive.

The institutional theory is relevant to the findings of this study and the theory is the traditional approach that is used to examine elements of procurement in an organization (Luhmann, 2010). Scott (cited in Owuoth & Mwangangi, 2015) identifies three pillars of institutions as regulatory, normative and cultural-cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as an enforcement mechanism, with expedience as the basis for compliance. According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources, give meaning to life. In Uganda, tertiary institution procurement is guided by regulations and guidelines which are from time to time issued by the tertiary institutional oversight body. Institutional theory states that there should be compliance with procurement regulations to ensure competitive bidding, transparency and professionalism in procurement process (Andrew, 2008).

In Uganda, the procurement exercise follows steps, according to the PPDA of 2003 as amended in 2014. These steps must be observed in order to ensure that all the stakeholders involved in the procurement exercise obtain fair treatment. The steps include: planning for the required procurement over a given period, usually a period of one year, like the budget cycle, though it is revisable; identifying the source of the items; highlighting specifications/initiation of procurement; determination of procurement procedure; confirmation of availability of funds; sourcing (soliciting) offers; evaluation of offers; post-qualification; commencement of contract; contract performance (delivery) and management; record keeping and accountability; payment and post-contract performance (PPDA, Act, 2003). Furthermore, the aim of the public procurement regulations is to promote fairness, transparency and non-discrimination in procurement in public institutions with the main aim of ensuring efficient use of public funds. However, studies reveal that even after the enactment of the regulations, there is loss of public funds that can be attributed to public procurement (Owuoth & Mwangangi, 2015). Findings, however, show that for most user department staff in the tertiary institutions in West Nile sub region of Uganda, the level of familiarity with procurement regulations was still low, those who were familiar with the regulations knew it so well that they knew how to beat the loopholes to their advantage, and ambiguity in the public procurement procedures provided a chance for dubious acts including opaque tendering. Similarly, most user department staff members opined that deficient familiarity of the procurement procedure by the internal stakeholders negatively affected compliance; there was poor quality sourcing with negative effect on procurement performance; and; there was lack of transparency, competitive bidding, professionalism and quality sourcing. Most user department staff revealed that lack of compliance with public procurement regulations led to poor procurement performance; the procurement employees did not comply with public procurement regulation to improve procurement performance; and, loopholes left by the regulations were used by dishonest people to make the procurement process inefficient. In the circumstances, fairness and value for money, which are the ultimate objectives of public procurement, can never be registered.

Owuoth and Mwangangi (2015) established that procurement performance was positively and significantly correlated with quality sourcing at ( $r = 0.627^{**}$ ,  $P=0.000<0.01$ ). This implied that quality sourcing has positive effect on procurement performance in the public sector. These findings support the findings of Madara (2010) that procurement regulations influence the quality of goods procured and testing of goods received for quality to ensure the attainment of value for money. This study, however, found that there was a very weak positive correlation ( $\rho = .065$ ) between institutional legal framework and procurement performance in tertiary institutions in West Nile sub region of Uganda. Findings show that institutional legal framework accounted for 0.4% variance in procurement performance. On subjecting findings to a test of significance ( $p$ ), it showed that the significance of the correlation ( $p = .561$ ) is greater than the recommended critical significance at .05. Hence, the hypothesis, “*There is a significant effect of institutional legal environment on the performance of procurement in tertiary institutions in West Nile sub region of Uganda*” was rejected. Thus it was concluded that the institutional legal environment did not significantly affect the performance of procurement in the tertiary institutions in West Nile sub region of Uganda. Therefore, this study came up with findings that were slightly different from those of Owuoth and Mwangangi (2015) and Madara (2010), especially regarding the significance of the effect of the institutional legal environment on procurement performance in the tertiary institutions in the West Nile sub region in Uganda. Thus the nature of the relationship in this study is the same as the findings of the studies carried out by Owuoth and Mwangangi (2015), and Madara (2010). It is plausible that the slight difference in the findings could be explained by the difference in milieu.

## Conclusion

The study focused on analyzing the effect of institutional legal environment on procurement performance. Based on the research findings, it is logical to conclude that effective implementation of procurement laws and regulations in tertiary institutions can be enhanced. Drawing on this research, lack of compliance with procurement laws and regulations in tertiary institutions leads to poor procurement performance. It is logical to articulate that the current phenomenon of poor procurement performance in tertiary institutions can be reversed if the procuring entities ensure that there is transparency in procurement procedures; application of competitive bidding in tendering process; use of professionals; and, ensuring quality sourcing. Procurement staff must also be willing to comply with procurement regulations to improve procurement performance.

## Recommendation

The study recommends that tertiary institutions should draft procurement policies that are compatible with procurement laws and regulations and all employees should be made aware of the formulated policies to ensure compliance. The study justifies that with transparency and openness in the procurement process, competitive bidding, use of professional procurement staff and quality sourcing can help improve procurement performance in tertiary institutions. The policy makers, suppliers and other stakeholders with interest in procurement performance should pay attention to measures that ensure proper implementation of procurement regulations in tertiary institutions. Specifically, the study recommends that tertiary institutions in West Nile sub region of Uganda should adopt a culture of transparency and fairness to reduce corruption and restore stakeholder confidence. The undertaking in all procurement practices should not be fraudulent, and a high level of transparency should be maintained to avoid procurement of unnecessary and low quality goods and services. The study recommends tertiary institutions' procuring entities to offer ethics education to tendering committee members in order to ensure they serve with utmost objectivity, accountability and non-discrimination in the tendering process.

## Areas for Further Study

This study sought to assess how the institutional legal environment affects performance in public procurement in tertiary institutions in West Nile sub region of Uganda. However, due to demographic and economic differences, the findings of this study (conducted in tertiary institutions in West Nile sub region of Uganda) cannot be generalized to other tertiary institutions in Uganda. This study therefore recommends further studies on intra-institutional dynamics affecting procurement performance in all tertiary institutions, especially public universities in Uganda.

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