

RESEARCH PROPOSAL

ABSTRACT

an effective public procurement performance measurement system is crucial for local government authorities (LGAs) to ensure the efficient and effective use of limited resources and to achieve the goals of devolved governance. The performance of LGAs cannot be effectively evaluated if the long-term, strategic impact of public procurement processes and projects is not captured. This study determines the predictors of strategic procurement performance metrics adoption in the public procurement performance measurement system of LGAs. This study adopted the institutional theory and case study research design. Data will be collected through census from 115 respondents working in procurement, finance, and stores departments of the Umoja district government. Questionnaires and key informant interviews will be used in collecting data, and analyze them by using the ordinal logistic regression model. The proposed study will contribute to the body of knowledge on public procurement performance measurement systems in LGAs.

1. Introduction

Bwana Robofainali is a certified procurement expert in Baraka country. He is also working as a consultant specializing in the field of procurement and supply chain management. Currently, Mr. Robofainali is preparing a research proposal on strategic procurement performance metrics. He started the introductory part by describing the performance measurement system (PMS) as an integral role in assessing the effectiveness and efficiency of various governance strategies and policies. To him, it is practically impossible to drive continuous improvement in the governance process without an effective PMS. Bwana Robofainali also propound that, although input and output metrics are commonly used in performance measurement, these metrics cannot be used to capture the long-term impact of public procurement. To him, this is because public procurement processes and projects exude long-term socioeconomic and political effects. He then asks a question, Can public procurement make society better? Robofainali argued that public procurement can alleviate the inequitable distribution of resources and climate change through socially and environmentally responsible procurement. Furthermore, he pointed out that public procurement processes and projects affect real household income, new job opportunities, industrialization, political stability, foreign direct investment, quality of life, and crime rate. It is through public procurement that the confidence and trust of the public in government

increases, promoting political stability. Thus, strategic procurement performance metrics (SPPM) are required to measure this ripple effect of public procurement.

Furthermore, Robofainali argues that the majority of performance metrics utilized in public procurement in African countries focus on activities rather than outcomes. The use of activity-based performance metrics has concealed poor performance in Baraka's public procurement system. That is why power outages, shortage of essential medicine and supplies in public hospitals, and high rate of unemployment among youths are never linked to a poor public procurement system. In Baraka, governments take more than five years to clear their bills with suppliers, some of whom have very constrained working capital like SMEs. Robofainali estimated that 62.1 percent of all public infrastructural projects such as roads, markets, health facilities, and bridges experience time overruns. These are projects which can spur economic development and improve the quality of life at the county government level if completed on time. Corruption in public procurement is feral, and it adds 10-20% to total contract cost, yet none of this is linked to political unrest experienced every electioneering year. To unravel all the inadequacies of public procurement systems, activity-based metrics must be complemented with strategic procurement performance metrics.

Robofainali highlighted several initiatives that have been used to address this problem by way of developing guidelines on monitoring and evaluation. These include the government performance management framework, the 2020 Integrated Monitoring and Evaluation System (CIMES), Public Finance Management Act, and Local Government Act. While several studies have been done around performance measurement, many of them focused on general performance measurement in local government without a particular focus on public procurement. Thus a study by Robofainali determines the predictors of strategic procurement performance metrics adoption in public procurement performance measurement systems of in LGAs.

2. Theoretical Review and Hypotheses Development

Robofainali used the institutional theory to explain why organizations operating under similar environments tend to look the same in terms of organizational structures, facilitates, and products among others. One of the major reasons postulated by the theory for the adoption of certain practices is coercive isomorphism. Robofainali suggests that the proponents of institutional theory define coercive isomorphism as the unsolicited external pressure organization encounters in its operational environment to operate in a certain manner. To

him, such external pressure when meted to all organizations in the same industry or sector will cause them to adopt similar structures, which make them look the same (iso). He also added that it may be important for the organization to yield to such pressure since it may affect its legitimacy.

LGAs operate in an environment where they are always under external pressure to do things in a certain way. Such pressure emanates from electorates, national government, regulatory framework, donors, and other international partners. Studies in other countries have shown that national government and legal framework affect performance measurement and reporting in subnational governments. As such, this study anchored on institutional theory attempted to explain the effect of national government support and legal framework on the adoption of SPPM in LGAs in Baraka country. It is from this theoretical background, Robofainali hypothesized that:

H₁: The existence of a law on public procurement PMS affects the adoption of SPPM in county governments.

H₂: Noncompliance sanctions with public procurement PMS affects the adoption of SPPM in LGAs.

H₃: Explicit strategic performance metrics in the legal framework affects the adoption of SPPM in LGAs.

H₃: Capacity-building efforts by the national governments towards performance measurement in county governments affects the adoption of SPPM in LGAs.

H₄: The development of a nationwide database for performance measurement benchmarking among county governments affects the adoption of SPPM in LGAs.

3. Methodology

3.1 Research Design

The proposed study will adopt a case study design to aid in examining the adoption of SPPM in its contextual conditions. A case study design will also be preferred because the study establishes coercive isomorphism on a single organization at a time. The target population of the study is 215 employees working in procurement, stores, and finance departments of Umoja LGAs (HRD, 2020). Umoja was specifically chosen because it is among the earliest adopters of the LGAs Performance Management Framework which requires the utilization of outcome and impact metrics. Data will be collected through the use of a questionnaire, semi-

structured interview guide, and documentary review checklists. A census approach will be adopted due to a manageable number of the target population and to increase the response rate.

3.2 Measures

Bwana Robofainali will use the Likert scale to measure the perceptions of respondents on the effect of independent variables on the dependent variable is a common approach in research. The perceptions are rated from 1-5 representing strongly disagree to strongly agree in ascending order. Respondents will be asked to indicate their level of agreement or disagreement with statements by checking boxes to show whether they strongly disagreed (1), disagreed (2), were not sure (3), agreed (4), and strongly agreed (5). The mean score index ranging from 1.0 to 5.0, with higher scores indicating greater agreement with the statement will be used. The mean index score of 1.0 to 2.5 will be interpreted as indicating not agreed, a score of 2.6 to 3.4 will be interpreted as indicating neutrality, and a score of 3.5 to 5.0 will be interpreted as indicating agreed upon. The sub-variables are identified through a review of the existing literature and will guide the development of research questions and the selection of appropriate measures. These sub-variables include compulsory performance measurement, capacity building, nationwide database, the existence of law, non-compliance sanctions, and explicit metrics.

3.3 Data Analysis

Descriptive statistics such as mean and standard deviation will be used to summarize and describe the main features of a set of raw data. In inferential analysis, correlation coefficients such as Pearson's correlation coefficient and Spearman's rank-order correlation coefficient will be used to establish the degree of association between variables. Then, the Ordinal logistic regression (see equation 1) will be used to model the relationship between predictor variables and an ordinal dependent variable.

$$Y = \alpha + \beta_1 CPMPperf + \beta_2 CBg + \beta_3 NWDb + \epsilon \dots \dots \dots \text{Equation (1)}$$

- Y= Dependent variable (in this case SPPM to adopt or not to adopt)
- CMPerf = Compulsory Performance Measurement,
- CBg= Capacity building,

NWDb= Nationwide database,

$\beta_1-\beta_n$ =Regression coefficients

α = Intercept

ε_i = Error term

3.4 Reliability Test

Robofainali will use the Cronbach Alpha coefficient to test the reliability of the survey questionnaire. The rule of thumb is an Alpha coefficient of more than 0.8 which is highly acceptable, and a value of 0.7 is acceptable while below 0.6 calls for a thorough review of the instrument.

3.5 Content Validity

The questionnaire and the interview questions will be subjected to content validity tests using the Content validity index (CVI). This will ensure that the data collection instruments have enough items that represented the item under measurement. All the questions in the questionnaire will be developed based on the study objectives.