

**PROCUREMENT PLANNING AND BUDGETARY PERFORMANCE AT NATIONAL
SOCIAL SECURITY FUND (NSSF), UGANDA**

BY

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DECLARATION

I Carmello Joy Draga hereby declare that this dissertation is my original piece of work that has never been published or submitted for an award of any diploma or degree in any university or higher institution of learning. Due acknowledgement has been made for the work of others in this report, through quotation, citation and references.

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APPROVAL

This is to certify that this dissertation has been submitted for examination with our approval as supervisors;

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DEDICATION

I dedicate to my family Mrs. Draga Grace Ndaru, Feni Brian, Philoh, Michelle, Emmanuel, thank you for your prayers and encouragement, my gratitude to my late mother Magadellene Odiru and father Jarimano Ojoga without you I would not be what I am (May your souls rest in peace, Amen) God bless you All

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LIST OF ACRONYMS/ABBREVIATIONS

NSSF means National Social Security Fund

PPDA means Public Procurement and Disposal of Public Assets Authority

ABSTRACT

This study focused on procurement planning and budgetary performance at National Social Security Fund (NSSF). The study specifically examined the effect of budgeting procedures on budget performance at NSSF, the effect of needs assessment on budget performance at NSSF and the effect of procurement cost estimation on performance of NSSF. The study used cross sectional survey research design with both qualitative and quantitative approaches. The study population involved the Heads of Departments, Managers, Procurement Champions, User Departments, Officers and other staff based in Headquarters. Data collection utilized questionnaires and interviews. Data analyzed to obtain frequencies, mean, standard deviation, correlations and regression statistics to ascertain the significance of the variables. In the study, it was revealed that there is a positive significant relationship between procurement cost estimation and budgetary performance and this was in line with the Pearson's correlation coefficients, which presented a positive relationship. This was also supported by the descriptive statistics findings of mean and standard deviation, which showed that there is a relationship between the two variables. These findings are in agreement with previous scholars such as Jasko et al., (2017) who analyzed the cost efficiency of the public procurement process at the local level concluded that there is a positive relationship between cost estimation and perf

These findings show the importance of estimating costs and past scholars such as Yakovlev et al. (2010) who highlighted the importance of procurement costs estimation, using a large public entity as an example. The costs of administering public procurement, according to the estimates, accounted for 0.6% of the total volume of contracts. These costs were borne by the public entity in all cases, even if competitive procedures did not produce any savings from price reduction. Although Costantino et al. (2012) address the problem of measuring additional costs of purchasing; they focus mostly on measuring the costs associated with a larger number of procurement bidders, comparing these costs with possible benefits.

The researcher recommends that monitoring should be seriously being enforced at NSSF to ensure that all budgets are absorbed for the purpose they were set.

He further recommends that effective needs assessment should continuously be implemented before procurements are initiated to avoid wastage and corruption at NSSF since the findings showed that it is the most important element of procurement planning and the interviews revealed that most procurement is implemented without proper needs assessment.

It is recommended that in order for budgetary performance to improve at NSSF, the user departments at NSSF should continuously carry out a clear market survey in order to ascertain the market values of the items and make accurate estimates before carrying out the actual procurement since it has been revealed by the findings that it is a very crucial element of procurement planning

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problems, purpose of the study, objectives of the study, research questions, scope of the study and significance of the study, the conceptual framework and key definitions as may be used in the process of conducting research.

1.1 Background of the study

1.1.1 Historical background

The world of procurement is changing fast organizations aim at getting the best value product or service by encouraging openness, developing the relationships with potential suppliers, engaging with service users and marketing opportunities widely. The purchasing profession has been gaining recognition in developed countries faster than in the developing countries (Matechak, 2009).

Globally, public procurement can be traced to its nascent form of purchasing in the United States from 1792 when the Federal Government authorized departments of war and treasury to enter into contract on behalf of the nation (Callender & Matthews, 2000). Public purchasing progressed over the years and was for long viewed as merely a clerical function by many. The purchasing function evolved into procurement, a respectable function in 1990's in tandem with the electronic boom that led to the rise of electronic commerce and electronic business. The dynamics in the world demanded that public procurement professionals to focus majorly on the strategic aspects of procurement and less on routine transactions. It is further noted that while

unit cost focus is both historic and tactical, procurement planning is both strategic and leading (Matthews, 2005).

Procurement particularly in the public sector has been facing many challenges since times immemorial. Institutional and governmental purchasing departments are observed not to have been successful in enlisting the aid of the operating departments and personnel on planning and scheduling procurements. The foregoing has resulted in addressing urgent procurement needs through ad hoc procedures as opposed to standard procurement procedures. Ultimately, there is disruption to the operations of firms concerned (Mangesho, 2003).

Carr and Smeltzer, (1997) point out that in the 1970s and early 1980s purchasing took a supportive function. The literature indicates the movement toward integrating purchasing into the company's strategic planning process implemented during the 1990s (Cannon, 1968).

Recently, the notion of procurement has been discussed in many studies. The popularity of that topic could have emanated from many drivers, including trends in global sourcing, highlighting on time to market, product quality based competition, customer uncertainty and the requirement to develop bottom-line costs (Kalakota & Robinson, 2001).

There has been a sustained and rapid acceleration in recent years for procurement as a discipline to become a fully-fledged profession (Thai, 2011). Tertiary institutions now offer full academic programmes and procurement-related bodies have now been formed because of the expanded knowledge. As a result, the imperative for the development of professional code of ethics, standard terminologies, and best practices has developed in equal measure (Guth, 2010). As Narasimhan and Das (2001) suggest, there has been increased pressure for purchasing

integration. This is the integration of purchasing practices and goals with a firm's objectives. Purchasing integration has been found to link purchasing practices and organizational performance (Gattorna, 2003).

Regionally, a significant number of African countries have over the years adopted measures aimed at decentralization of government procurement together with development planning and administration and this fashion became popular in the 1980s(Livingstone & Charlton, 2001). By the late 1990s the failure of the existing procurement systems to cope with the expansion in government procurement requirements and to delivery of value for money had become generally accepted among government and donor partners (Agaba and Shipman, 2007). In Kenya, never before has there been a growing interest in the procurement planning as discovered by the researcher than it is today. Its management now appears on the agenda of researchers, academics, and policy makers (Partrick Kakwezi and Sonny Nyeko unpublished thesis).

Asare, et. al (2009) analyzed trends in public procurement on the continent of Africa and revealed that procurement in the public sector is subject to a number of fundamental processes, which are required to function seamlessly for effective results to be realized. Part of these processes includes needs assessment in order to figure out needs for goods and services that ought to be procured. The second process is budgeting while considering priority vote heads when it comes to resource allocation. Awarding, supervision and management of contracts in order to get the procured goods delivered. Lastly, the quality of the delivered goods and services is regulated with the object of enforcing contracts. It has further been revealed that the countries to the south of Sahara have consistently underperformed other countries in Africa in respect to the foregoing processes. The management of public procurement process is one of the functions

that have probably a wider implication in ensuring good governance because all government departments charged with providing services are dependent on this process. Reforming and strengthening systems of public procurement must be given a high priority in the efforts to improve systems of governance in the African Countries (Kabaj, 2003)

In East Africa, for example in Kenya, the Public Procurement Oversight Authority found out that the public procurement system has been undergoing transformation consistent with the global trend since the mid-1990s (RoK, 2010). Owegi and Aligula (2006) argued that prior to these reforms; the legal framework governing public procurement was very amorphous and was providing a conducive environment for the perpetration of various ill practices in public procurement, including the endemic corruption that characterized the system. Indeed, the Kenya Education Staff Institute (KESI) as reported by (RoK, 2011) states that procurement of goods and services in the public sector has been a very sensitive issue world over because procurement involves huge amounts of public money. As a result, several cases have been reported touching on irregularities and loss of public resources through procurement.

Karanu (2014) observed that, with the increase in allocation of public funds to procurement activities, governments in developing countries have fast-tracked structuring of procurement regulations aimed at shifting the procurement function from a clerical non-strategic unit to an effective socio-economic unit that is able to influence decisions and add value. He however concurs with RoK (2011), as in the previous paragraph, that although many countries have reformed their public procurement regulations, most of them, especially developing countries, are still facing a problem of rapid changes in procurement requirements.

Nationally, the procurement function has become increasingly important in Uganda over the past decades since procurement and supply has become a major determinant of corporate success. The enactment of the Public Procurement and Disposal Act PPDA (2003) and the Regulations of 2014 are some of the reforms that were meant to promote efficiency, effectiveness, accountability and value for money in public procurement. Many developing countries Uganda inclusive have not managed to advance the purchasing profession either because of lack of managers(Supervisors) to recognize the profession or because top management does not support and fully understand the required competences for effective development of the purchasing and supply chain function(Msimangira,2003).In the same regard, PPDA (2012) revealed that while Uganda has been a leader in Africa in the implementation of public procurement reforms which started in 1997 and led to the enactment of a procurement law in 2003 (PPDA Act of 2003), the Government still loses in excess of UGX 300 billion annually, in poorly managed procurement processes (Eyaa & Oluka, 2011).

1.1.2 Theoretical background

This study will be modeled on the Institutional theory; the theory acknowledges the role of external forces in shaping organizational activities and emphasizes the importance of legitimacy. A central tenet of institutional theory (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Scott, 1995) suggests that institutional pressures lead organizations to adopt similar structures, strategies, and processes. In order to reduce environmental uncertainty and conform to social expectations, companies imitate practices used by other organizations (DiMaggio and Powell, 1983). In turn, companies gain social support as legitimacy is endorsed by institutional actors (DiMaggio and Powell, 1983).

Contemporary institutional theory has captured the attention of a wide range of scholars across the social sciences and is employed to examine systems ranging from micro interpersonal interactions to macro global frameworks. Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas; rules, norms, and routines, become established as authoritative guidelines for social behavior. It inquires into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse (Scott 2004).

DiMaggio and Powell (2012) assert that the institutional environment strongly influences the development of formal structures in an organization, often more profoundly than market pressures. Innovative structures that improve technical efficiency in early-adopting organizations are legitimized in the environment for processes like procurement and finance. Ultimately these innovations reach a level of legitimization where failure to adopt them is seen as irrational and negligent. In the wake of the latter scenario, new and existing organizations adopt the structural form regardless of its contribution to organizational performance (Eyaa et al, 2011).

Under this theory, institutions are composed of cultural cognitive and regulative elements that, together with associated activities and resources give meaning to life. The theory states that the regulatory pillar emphasizes use of rules, laws and sanctions as enforcement mechanisms with expediency as a basis of compliance, the normative pillar refers to norms and values, social obligation being the basis of compliance while the cultural-cognitive pillar rests on shared understanding. In Uganda, public procurement is guided by the PPDA Act (2003), treasury circulars, guidelines, and PPDA regulations. This in essence facilitates the process of service delivery to Ugandans, whenever the services are needed, and fosters technical efficiency of personnel concerned with carrying out these functions. The theory provides for sanctions against

social malpractices. Corruption in procurement, which engenders bad choices, affects the efficiency of public spending and donors' resources, and creates waste of resources. Nevertheless, the designated bodies that set up these regulative mechanisms must ensure that the public servants are motivated, hold positive attitudes and willingness to effectively provide the public with good quality services.

1.1.3 Contextual background

On December 1, 1985, NSSF was established as an independent entity. This was after the Parliament repealed the Social Security Act No 21 of 1967 and the Social Security Amendment Decree No33 of 1972 and enacted the NSSF Act No 8 of 1985 of June 13, 1983. The enactment of that law was a significant step in the transformation of the Social Security Fund management, membership, social security Fund contribution rates as well as investment opportunities (Muhumuza, 2015). The Act also led to the establishment of the 10-member board of directors, which replaced the board of trustees and the advisory council. Also under the new legislation, the percentage of standard contributions were raised from 10 percent to 15 per cent whereby the employer paid 10 per cent while the employee paid 5 per cent. The key role of national social security fund in general is spurring economic growth of our country. Social security plays a very important role in the economic and social livelihood of every citizen. It ensures that workers live a comfortable life even after retirement. It also protects those in employment from other risks such as loss of income and livelihood that may result from uncertain events such as illness or accidents (Arimi, 2016)

The procurement department at NSSF was created in 2008, the year that saw the NSSF face its most severe management and public relations crisis. That the perception of a crisis-ridden

institution has largely faded away is testimony to the role played by the department since 2008. The head of risk reports to the Deputy Managing Director (Arimi, 2016)

According to Kyayonka, (2014) NSSF reported to have delivered good budget performance during the financial year 2013-14 and these results were attributable to the fund's strong position and continued focus on providing real returns and proper procurement planning.

According to Victor (2012), procurement expenditure could be minimized through proper implementation of procurement plans. One of the unprofessional constraints that Ugandan institutions face is unprofessional procurement planning which can be explained by the fact that focus on procurement in the public sector in Uganda, where it is regulated by the Public Procurement and Disposal of Public Assets Authority (PPDA). Ntayi and Eyaa (2010) studied the relationship between procurement practices, collaborative relationships and supply chain performance. It is estimated that in Uganda, 34% of the government expenditure takes place at the local government level (Agaba & Shipman, 2007).

1.1.4 Conceptual background

Procurement planning is the process used by companies or institutions to plan purchasing activities for a specific period of time, this is commonly completed during the budgeting process, and the primary concept of procurement planning is that advance planning will result in cost savings, more efficient business operations, and therefore increased profitability. Planning is a process that consists of many steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made today (Thai, 2004)

According to Nzau, (2014) there cannot be a good procurement budget without a plan, and there can be no procurement without a budget to fund it. Planning is a process that consists of many

steps and the bottom line is that planning is not concerned with future decisions but rather with the future impact of decisions made in order to improve the budget performance in an organization.

Musau, (2015) suggests that competitive advantage can be achieved through resources that are valuable, rare, inimitable, and cannot be substituted. Organizations with high levels of internal integration processes and resources are most likely adhering to the set procurement plans. The practice of procurement therefore influences the performance of an organization. This explains the huge disparities in the practice of standard procurement between the developing and the developed countries (Karanu, 2014). This position is further supported by Gelderman, *et al.*, (2006) who contend that compliance in public procurement plans is still a major issue and this affects the performance of an organization. Hui, *et al.*, (2011) while analyzing procurement issues in Malaysia established that procurement officers were blamed for malpractice and noncompliance to the procurement plans. However, as an organizational outcome, compliance has traditionally been understood as conformity or obedience to regulations and legislation (Lisa 2010).

Mamiro (2010), in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor planning and management of the procurement process which include needs that are not well identified and assessed, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. Similarly, Kakwezi and Nyeko (2010), argue that budget performance is not usually measured in most Public entities as compared with the human resource and finance functions.

1.2 Statement of the Problem

The ultimate goal of procurement planning is coordinated and integrated action to fulfil a need for goods, services or works in a timely manner and at a reasonable cost. Early and accurate planning is essential to avoid last minute, emergency or ill-planned procurement, which is contrary to open, efficient and effective and consequently transparent procurement (Chepkoech, 2013). Public procurement is increasingly recognized as essential in organizations (Basheka & Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. For instance, in Uganda it accounts for 70% of government expenditure (Gov, 2006)

To enhance procurement planning, the budget implementation exercise has to be effective since it enables the private entities to successfully execute the set tasks, activities and programmes and ultimate performance. Obani (2016) notes that successful budget implementation requires special focus on management, policies culture, staffing and the structural function. The budget performance of NSSF for the FY 2015-16 had mixed findings due to the various economic challenges the Ugandan economy faced. There were significant improvements in areas such as; compliance, contributions and fund size however, operating expenses increased and also the budget was not fully achieved (Byarugaba, 2016).

Obani, (2016) reveals that despite harmonization of the budgetary implementation process, perceived performance of the budgets in terms of budget realization and improved compliance is far below expectation. And as such, Katooro, (2017) reveals that there are still gaps in the implementation process of the budgets. Therefore, the discrepancy between the importance of procurement planning and the challenges cited by previous scholars regarding the performance in relation to procurement creates a gap which this study seeks to fill.

1.3 Purpose of the study

This study focused on procurement planning and budgetary performance of National Social Security Fund (NSSF)

1.4 Objectives

- a. To determine the effect of budgeting procedures on budgetary performance at NSSF
- b. To determine the effect of needs assessment on budgetary performance of NSSF
- c. To establish the effect of procurement cost estimation on performance of NSSF

1.5 Research questions

- a. How do budget procedures affect the budgetary performance of NSSF?
- b. What is the effect of needs assessment on the budgetary performance of NSSF?
- c. What is the effect of procurement cost estimation on the budgetary performance of NSSF?

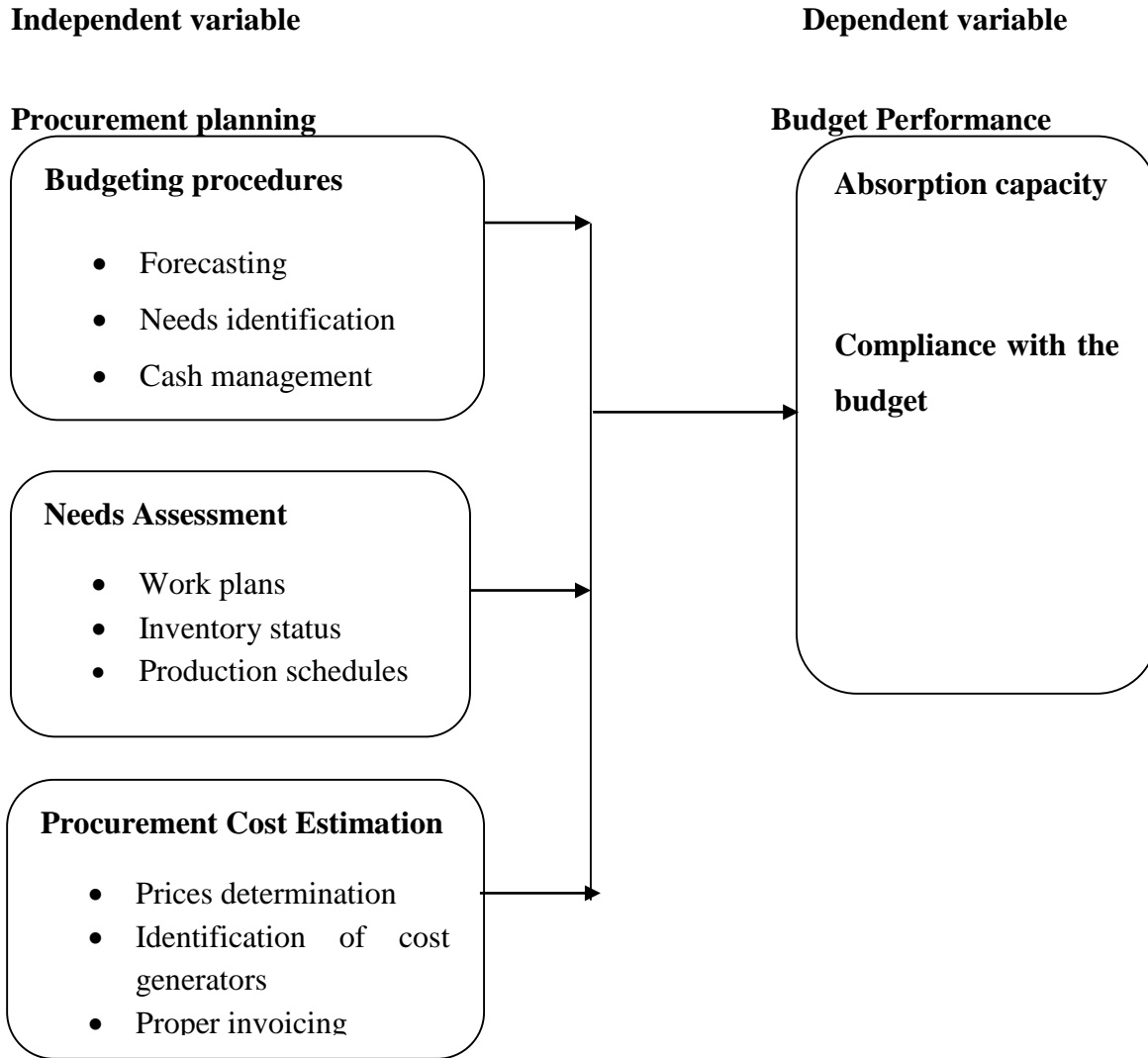
1.6 Research hypothesis

- a. Budget procedure does not affect the performance of NSSF.
- b. Needs assessment has no effect on performance of NSSF
- c. Procurement cost estimation has no effect on performance of NSSF.

1.7 Conceptual framework

The conceptual framework presents the two major variables of procurement planning and budgetary performance. Procurement planning is presented as the independent variable whereas budgetary performance is the dependent variable. The framework postulates that procurement planning in the aspects of budget procedures, proper needs assessment and procurement cost estimation directly influence performance.

Figure 1. 1: Conceptual Framework



Source: from the literature of Onyango, (2012)

1.8 Scope of the study

1.8.1 Content scope

In terms of content, study focused on procurement planning and fund performance of NSSF. The study focused on the three objectives of the study, which include, determining the effect of budgeting procedures on fund performance, establishing the relationship between contract

management and administration and fund performance and analyzing the relationship between professionalism and competencies of procurement staff and fund performance.

1.8.2 Geographical scope

NSSF is a provident fund (Pays out contributions in lump sum). It covers all employees in the private sector including Non-Governmental organizations that are not covered by the Government's pension scheme. It is a scheme instituted for the protection of employees against the uncertainties of social and economic life.

The study was limited to the employees at the National social security fund Headquarters that is located on plot 1, Pilkington Road, worker's House, has a total number of nineteen branches and about five hundred fifty staff.

1.8.3 Time scope

In terms of time, the study considered literature for the period between 2010 and 2017 because it is more recent and readily available.

1.9 Significance of the study

Due to the importance of public procurement in Uganda and the various challenges of corruption and mismanagement of public funds, the findings of the study will specifically help the NSSF to revisit its procurement planning process in terms of budget process, proper needs assessment and procurement cost estimation to improve on their performance.

To the policy makers and other interested stakeholders, the study will give incites on how to formulate laws and policies regarding procurement planning such as policies on needs assessment and cost estimation before actually going into the procurement process and this will improve the field of procurement.

To the procurement officers, the findings of this study will enrich them on how best to plan before implementing the process of procurement. The study will provide vital knowledge on how to budget, assess the needs of an organization and then to properly estimate the costs to improve the performance of an organization.

The study will also act as a reference for further research to future researchers in field of public procurement in Uganda and other countries since it will provide findings on the whole procurement planning process which includes effective needs assessment, budgeting procedure and the proper estimation of procurement costs.

1.10 Justification of the study

According to Basheka, (2004) poor procurement planning has been one of the major obstacles to the economic development of Uganda and Africa at large and it has been clear that a number of African countries have not paid adequate attention to the proper management of public resources. Various scholars have carried out studies in an attempt to solve the problem for instance, Wogube (2011), studied procurement planning and service delivery in Public Enterprises in Uganda, Ntayi and Eyaa (2010) studied the relationship between procurement practices, collaborative relationships and supply chain performance. However, all the studies above have not concentrated on procurement planning and this means that very little has been done in relation to procurement planning and specifically none in the aspects of budget procedure, needs assessment and cost estimation and none has been carried out at the National Social Security Fund (NSSF). This limitation in the previous studies creates a research gap and justifies the need for this study to be carried out to improve the department of procurement and performance of NSSF.

1.11 Operation definition of terms and concepts

Procurement

Procurement means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination.

Procurement planning

Procurement planning is the process used by companies or public institutions to plan purchasing activity for a specific period.

Performance

Performance refers to both the financial and non-financial status of the organization in terms of the profitability, asset base, efficiency and effectiveness.

NSSF

National Social Security Fund is the savings fund for employees in both private and public organizations but limited to that not in public service.

Budgeting procedures

This is the process of identifying the needs of an organization, forecasting them and the management of cash in relation to the forecasts before and during the procurement process.

Needs Assessment

Needs assessment involves drawing work plans and following them in relation to what should be purchased and at what time, checking the inventory status to see what is needed next and the production schedules to see the deficiencies and then make procurements.

Procurement Cost Estimation staff

Cost estimation is the process of determining the prices for the items to be procured, identification of cost generators and the proper invoicing of the prices that have been identified before procuring the items.

Financial Performance

Financial performance is defined as the financial status of an organization in terms of profitability, asset base and the returns on investment

Non-Financial Performance

Non-financial performance is the status of an organization in terms of its effectiveness, efficiency and the rate of employee turnover.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides an analysis of the salient issues on the existing literature regarding procurement planning and performance that have been explored and studied by other scholars both theoretically and practically. This includes the theoretical framework, definition of the variables and the thematic review of the literature.

2.1 Theoretical framework

According to Defee et. al., (2010) good research should be based on a theory. This study will be grounded on institutional theory. 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”.

2.1.1 Institutional theory

The institutional theory adopts a sociological perspective to explain organizational structures and behavior (Dunn, 2010). The theory draws attention to the social and cultural factors that influence organizational decision-making and in particular how rationalized activities are adopted by organizations (Scott, 2001). The institutional theory is the traditional approach that is used to examine elements of public procurement (Obanda, 2010). Scott (2004) identifies three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance.

Institutional theorists assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. At this point new and existing organizations will adopt the structural form even if the form doesn't improve efficiency (DiMaggio and Powell, 1983; Meyer and Rowan, 1977).

Meyer and Rowan (1977) argue that often these "institutional myths" are merely accepted ceremoniously in order for the organization to gain or maintain legitimacy in the institutional environment. Organizations adopt the "vocabularies of structure" prevalent in their environment such as specific job titles, procedures, and organizational roles (Meyer and Rowan, 1977).

DiMaggio and Powell (1983) conclude that the net effect of institutional pressures is to increase the homogeneity of organizational structures in an institutional environment. Firms will adopt similar structures as a result of three types of pressures (Rowan, et. al., 2002). Coercive pressures from legal mandates or influence from organizations they are dependent upon, mimetic pressures to copy successful forms arise during high uncertainty and normative pressures to homogeneity the similar attitudes and approaches of professional groups and associations brought through hiring practices (Rowan, et. al., 2002). They add that rate of institutional isomorphism is increased when firms are highly dependent on the institutional environment, exist under high uncertainty or ambiguous goals or rely extensively on professionals (Rowan, et. al., 2002). Tolbert and Zucker (2003) extended Rowan's findings by evaluating the rate of adoption of civil service organizations in the United States from 1880-1935. Their results strongly support the institutional theories outlined above. The theories above are useful in that when coercive pressures are high (e.g., under state mandate), organizations quickly adopt new structures. Under low coercive pressures the rate of adoption is much slower. However, increased adoption builds legitimacy in the institutional environment, accelerating the rate of adoption of the new structural

form. The theory is still relevant; construction agencies are laboring to adopt the new forms including right plan, contract and control to improve efficiency, and are adopting the structural forms to maintain legitimacy.

2.1.2 Implications of the institutional theory

Based on the notion that formal structure can signal organizations' commitment to rational, efficient standards of organizing, and thus provide general social accounts, Meyer's (2007) analysis specified three major implications of this notion. The first is that the adoption of formal structure can occur regardless of the existence of specific, immediate problems of coordination and control of members' activities that an organization may face. Organizations are driven to incorporate the practices and procedures defined by prevailing rationalized concepts of organizational work and institutionalized in society. Organizations that do so increase their legitimacy and their survival prospects, independent of the immediate efficacy of the acquired practices and procedures.

A second major implication pointed up in Meyer's (2007) analysis is that the social evaluation of organizations, and hence organizational survival, can rest on observation of formal structures that may or may not actually function, rather than on observed outcomes related to actual task performance. Thus, organizational success depends on factors other than efficient coordination and control of production activities. Independent of their productive efficiency, organizations which exist in highly elaborated institutional environments and succeed in becoming isomorphic with these environments gain the legitimacy and resources needed to survive.

Finally, the third major implication derived by Meyer (2007) was that the relationship between actual, everyday activities and behaviours of organizational members and formal structures may be negligible. Formal organizations are often loosely coupled, structural elements are only

loosely linked to each other and to activities, rules are often violated, decisions are often unimplemented, or if implemented have uncertain consequences, technologies are of problematic efficiency, and evaluation and inspection systems are subverted or rendered so vague as to provide little coordination.

2.1.3 Underlying weaknesses with the theory

Despite all the implications of institutional theory having been said, there are some obvious theoretical weaknesses highlighted. These arise because of the multiple understandings of what an institution is, and about the factors that shape behaviour within institutions vis-a-viz organizational performance. One central issue that arises here concerns the source of preferences, and the ways in which individuals and institutions interact in making decisions and forming judgments about good policies aimed at performance augmentation. On the one hand, March and Olsen (2010) argue vigorously that preferences are endogenous, based on the experiences of the technical people within the institution. At the other end of an implicit spectrum the rational choice approach argues that preferences are exogenous, and do not change appreciably because of involvement with an institution.

2.2 Budget procedure and performance of NSSF

According to Lysons and Farrington (2006), a procedure is a system of sequential steps or techniques for getting a task or job done. They are formal arrangements by means of which policies linking strategies are implemented. Procedural procurement will ensure orderliness and efficiency in any procurement department. Purchasing budgeting procedures involves various steps before the final budget is arrived at and this process must be followed to enhance effectiveness of procurement planning in secondary schools.

Kariuki, (2010), suggests that budgeting is a process of planning the financial operations of a business. Budgeting as a management tool helps to organize and formulize management's planning of activities. Budgeting as a financial tool is useful for both evaluation and control of organizations for the planning of future activities.

Patrick and Wallace (2016) analyzed Factors Affecting Procurement Planning in Public Secondary Schools in Kenya. Their study focused only on factors such as competency of staff, budgeting procedures and ethics in procurement process as factors that affect procurement planning in public secondary schools and revealed that there is a significantly positive relationship between the factors above especially budget procedures and procurement performance of secondary schools.

According to Tracy (2013), vague generalizations about what the future may hold for the organization are not good enough for assembling a budget. Firms' management must put their predictions into definite and concrete forecasts. Budgeting motivates managers and employees by providing useful yardsticks for evaluating performance. Budgets provide useful information for superiors to evaluate firm performance and inform financial allocation strategies across various components of a firm (Horngren, 2003).

Ndiritu (2007) carried out a study on the effectiveness of cash budgeting at Telkom Kenya which was a public institution. His study concluded that although cash budgeting as a management and control tool was in place in Telkom (K) limited, it was not effective in improving the management of cash and performance of the company.

Muthinji (2009) carried out a study on the challenges of budget implementation at the commission for higher education. His aim was to study the challenges of budget implementation and its effectiveness at the commission. He found out that budget was important for

communication and there is an increasing trend towards decentralization. Murrison (2001) did a survey on budgeting practices among the major British Non-Governmental organizations in Kenya. He focused on their budgeting practices and the extent to which budgets are used as a management control tool. The result showed that 100 percent of the Relief projects over estimated their income.

Budgeting process pushes managers to take time to create strategies, targets and goals before activity begins. Budget preparation helps management focus on the next month or the entire coming year. The budgeting process forces managers to assess current operating conditions and aids in forecasting and implementing needed changes (Anderson, 1996).

Weetman, (2006) points out that the efficient budget process should have been administrated effectively in terms of initial planning, final approval, and subsequent monitoring of implementation. There are several procedures for preparing a budget; some arise before implementing the budget (pre-stage), others during the budget period, and some after this implementation (post-stage).

Mawathe (2008) investigated the challenges of budget implementation in the commercial banks in Kenya, the researcher wanted to establish if budget were fully implemented in banking industry and factors that affected budget process. The population of study was from respondents who had experience in the area. The researcher concluded there were challenges in budget implementation in the banking sector and this was hindering the performance of the banking sector.

2.3 Proper needs assessment and performance

According to Harvey (2008), Needs Assessment is a systematic process for determining and addressing the needs, or gaps between current conditions and desired conditions or wants. This is

important in the procurement department because it is an effective tool to identify appropriate interventions or solutions by clearly identifying the problem to ensure that finite resources (Prior Budget appropriations) are directed towards developing and implementing a feasible and applicable solution for identified projects and also to ensure that the funds available are used accordingly.

According Schlosser, (2003), Procurement Planning starts with the identification of what needs are to be procured (which is the result of a Needs Assessment), how the counties' needs can best be met, the scope of the goods, works or services required, what procurement strategies or methods to be deployed, setting the time frames, and the accountability for the full procurement process.

The PPOA (2009) stipulates that the commencement of the counties procurement department process is identification and need realization of requirements. This comes as a result of the inventory status, work plans, production schedules, projects plan, capital or operational requirements budgets and the procurement plan. Establishment of the supplies is the foundation for conducting market survey to establish characteristics such as prices to funds available, new sources of supply, new products or alternative or substitute products, nature of competition and environmental aspects that may have an effect on the market supply.

According to Nyakundi et al., (2012), failure to effectively assess the needs and manage the procurement process and systems by the implementers of the procurement plans can lead to wasted effort and poor development results consequently increased poverty and deprivation of social and economic rights of the citizens.

Bianchi &Guidi (2010) pointed out that Poor procurement needs assessment has been one of the major stumbling blocks to the economic development of Africa and it has been clear that a

number of African countries have not paid adequate attention to the proper management of public resources as a result there is waste and corruption because procurements are made without proper needs assessment.

According to Agaba & Shipman, (2016), a well-functioning procurement system is built on certain benchmarks, which revolve around four pillars, legislative and regulatory framework, institutional framework and management capacity, procurement functions, market practices, and procurement planning in the form of needs assessment. They further argue that proper needs assessment leads to effective procurements, saving and improves the performance of an organization.

The PPOA Manual (2009), states that adequate planning and prioritization of needs by each procuring entity is an essential prerequisite to effective procurement for the following reasons: Funding for procurement is unlikely to be sufficient to meet all requirements, and scarce financial resources must be allocated to meet the priority public services before less essential needs; and publication of realistic annual procurement plans allows the private sector to respond more effectively to the requirements and specifications of government, through investment in staff and equipment, manufacture and importing of goods, and financial planning.

Need assessment is the determinant of the institution requirements and then budget developed for it for the institution at any given point guided by the availability of funds an organization can finance. Therefore, procurement planning depends on the cost or budget of the institution. The study findings reveal that respondents agreed that needs assessment affects performance in government parastatals (Sixbert et. al, 2018)

Ezeh, (2012) documents that needs assessment is not only a rigorous but also systemic process for identifying and addressing the needs, which are therefore the ultimate gaps between current situations and desired situations. This is therefore the most important issue in the procurement processes because it acts as conveyor belt to an effective mechanism to identify the most appropriate measures by evidently pinpointing the challenge to make certain that fixed assets (preceding Budget appropriations), are thus not only channeled towards developing but also executing a practicable and relevant resolution for known programs.

Karin et al. (2007) singled out non-adherence to procurement methods as a major impediment to public procurement development in Kenya. They however did not specify the stage of procurement where this happened. In as much as the above studies highlight the core role of proper need assessment as a foundation for an effective procurement, they fail in bringing to the fore the link between need assessment and institutional performance. Earlier theorists like Schlosser, (2003) also point to the importance of public administration as a moral and ethical concern and recognize that administrative action is permeated by moral choices and are therefore models of not only technical and professional competencies but also of moral behavior.

Mamiro (2010) in his study concluded that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process, which include needs that are not well identified, and estimated, unrealistic budgets and inadequacy of skills of procurement staff are responsible for procurement problems in an institution. Furthermore, regarding the extent to which need assessment affects procurement planning, the study established that there was a significant statistical relationship between needs assessment and procurement planning. Lack of good planning and establishment of departmental needs affect the procurement efficiency and organizational performance (Onyango, 2012).

2.4 Procurement Cost Estimation and Performance

According to Soeharto (2001), the cost estimation is the art to estimate the possibility of cost amount required for an activity based on the existing information at that time. Cost estimation plays an important role in the project implementation. On the first level is used to determine how much cost required to construct the project, then it has a function with extensive spectrum to plan and control the resources such as material, worker, and time.

According to Jasko et al., (2015), conducting the public procurement policy requires knowledge of these costs, and identifying the biggest generators of costs by each user department, in order to take measures aimed at reducing the costs and increasing the cost effectiveness of public procurement procedures. Experts argue, however, that such costs can be high, making some procurement procedures inefficient (especially for small purchases).

According to the PPDA Act (2007), purchases must be economical and efficient. This means that they should be based on accurate estimation of costs to generate saving. It also means that bad practices such as irresponsible procurement leading to wastage, wear and tear of stocks, over invoicing, unplanned expenditure, shortage of goods when needed, poor quality products and similar factors to be avoided. The PPOA prepares and updates a Market Price Index (MPI) to be used by the Procuring Entity (PE) on a periodic basis

The PPDA Act (2006) clearly stipulates that Proper estimation of costs must be integrated into the budgetary processes based on the indicative or approved budget. The budgets as well as the procurement plan are to be based on realistic cost estimates derived from the market research database, which is to be compiled and up-dated regularly by the procurement unit in line with

regulations, PPDA (2009). Costs are one of the factors that are concerned with the customer perspective but price is not seen as the only parameter for costs.

Waddle (2009) states that in the estimation process by the cost estimation engineer, the possibility of failure occurrence will be put into consideration so as to achieve the objectives of the estimation process. This can affect the accuracy of project cost estimation which is calculated in the bidding process. Inaccuracy of project cost estimation can allow overestimation of costs and underestimation of costs, so it can affect the bidding cost, either it is too high (overprice) which can decrease opportunity to win the bidding or it is too low (under price) which can lead to losses because it can reduce the profits expected and finally can impact the company bankruptcy.

Yakovlev et al. (2010) highlight the importance of measuring procurement costs estimation, using a large public entity as an example. The costs of administering public procurement, according to the estimates, accounted for 0.6% of the total volume of contracts. These costs were borne by the public entity in all cases, even if competitive procedures did not produce any savings from price reduction. Although Costantino et al. (2012) address the problem of measuring additional costs of purchasing; they focus mostly on measuring the costs associated with a larger number of procurement bidders, comparing these costs with possible benefits.

According to Groth, (2008), transaction costs currently include search costs, information costs, negotiation costs and monitoring and enforcement costs or the costs of researching suppliers, the costs of approving and drafting the contract, quality control costs and enforcement costs as pointed out by Costantino et al., (2006). Butter (2012) divides transaction costs into hard and soft costs: Hard transaction costs include observable costs such as transport costs, import duties and

customs tariffs. Proper estimation of these costs makes the whole procurement process easy and transparent and thus improving the performance of an organization.

A study conducted by Jasko et al., (2017) analyzed the cost efficiency of the public procurement process at the local level. Efficiency was measured in hours per public procurement on the basis of directly invested hours in public Serbian enterprises. However, the authors did not describe the methodology used for their quantitative estimates. (Costantino et al., 2012) have proposed a method for estimating additional costs at different stages of the procurement process. In this method, additional costs include ex ante costs and ex post costs. The ex-ante costs of purchasing consist of the following components: the costs of researching and contacting suppliers, negotiation costs and the costs of drafting and approving the contract with the supplier that proposed the best price. Ex post, costs are a function of quality control costs and enforcement costs. Balaeva & Yakovlev, (2015) have proposed a method for estimating the public procurement costs of a Russian public organization.

2.5 Research Gaps

The literature reviewed above shows that previous scholars exhausted sufficient effort to relate procurement planning and performance. They have gone ahead and studied procurement planning in details including; budget procedure, effective needs assessment and procurement cost estimation.

Scholars have carried out several studies in regard to budgeting as a process and have had many interesting and divergent views, some scholars have concentrated on the process of budgeting such as; Kariuki, (2010), others studied budget procedure as an evaluation tool for example, Tracy(2013) and Horngren, (2003), Ndiritu (2007) studied the effectiveness of budgeting procedures while others such as; Muthinji (2009),Morrison (2001) and Mawathe (2008) studied

the challenges and effectiveness of implementation of budgets. These differing opinions and findings create a literature gap hence necessitating this study.

The scholars who have studied effective needs assessment are also many and have interesting findings and conclusions, Karin et al.(2007) states that effective needs assessment is the foundation of effective procurement, Ezeh, (2012) concludes that it is a systematic process of identifying and addressing procurement needs, Sixbert et. al, (2018) concluded that effective needs assessment significantly affects performance and Nyakundi et al., (2012) points out that failure to properly assess the needs will lead to wasted efforts and poor development. These differences in opinions create a gap which this study seeks to fill.

In relation to cost estimation, there are a number of studies that have been carried out before and have come a number of findings with many differing opinions, some scholars such as Balaeva & Yakovlev, (2015), Jasko et al., (2017) and Costantino et al., (2012) have concentrated on the means of measuring and estimating procurement costs, others have concentrated on apportioning of cost and they include; Groth, (2008), Costantino et al., (2006) and Butter (2012) while Jasko et al., (2015) emphasized the knowledge of these costs and also identifying the biggest cost generators. All these studies above have not concentrated on how cost estimation affects the performance and this creates a gap in the literature and hence making this study relevant.

All these studies above have gaps in many aspects ranging from the theoretical perspective, conceptual perspective, contextual perspective and methodological perspectives. Theoretically, most of these scholars have used different theories such as;Resource based theory (RBT), Resource dependence theory (RDT), Information Theory, conceptually, the studies do not necessarily concentrate on budget procedure, cost estimation and effective needs assessment,

contextually, none of these studies above was carried out at NSSF and methodologically, most of the scholars above use case studies and descriptive designs among others and this differentiates this study from the above studies.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter provides a description of what was done to solve the research problem of this study. It presents the details of the methodology employed to collect the relevant data for the study. The chapter entails the research design, study population, sample size and selection, sampling techniques, data collection methods, instruments, quality control, reliability and validity, data collection procedures, data analysis and measurement of variables and Ethical considerations.

3.1 Research Design

According to Kothari, (2005), the research design constitutes the blue print for the collection, measurement and analysis of data, Kothari, (2005). According to De Vaus (2001), a research design is referred to the overall strategy that one employs to integrate the different components of the study in a coherent and logical way, thereby ensuring that you effectively address the research problem; it constitutes the blueprint for the collection, measurement and analysis of data. The study employed a Correlation research design. A correlation is a survey design that enables the researcher to find out the relationship between the variables under study (Sekaran, 2013). The study was also conducted using a Cross-sectional research design. This is a research design, which is used to collect data about a phenomenon at one particular point in time. The choice of this design was appropriate for this study because it utilizes a questionnaire as a tool for data collection and it is convenient and cheap in terms of time and resources. The study employed both qualitative and quantitative research approaches in data collection. Amin (2005) states that quantitative designs are plans for carrying out research oriented towards quantification and are applied in order to describe current conditions or to investigate relationships, including

cause and effect relationships. Quantitative approach was used because it is the most appropriate method to analyze primary data from the field using descriptive statistics, correlations and regression while qualitative methods shall be employed for in-depth probe, inquiry and application of subjectively and objectively interpreted data. According to Earl-Babbie (2013), qualitative researchers are focused to gather an in-depth familiarity of human behavior and the reasons that govern such behavior.

3.2 Study population

According to Kothari (2004), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated. The study focuses on the National Social Security Fund and the total population of the study entailed all the 190 employees of NSSF. This population was selected because they are involved in the procurement planning and process at the National Social Security Fund (NSSF). From this population, a target population of 95 respondents was selected basing on the information provided by the National Social Security Fund (NSSF). The target population comprised of the Heads of Departments, Procurement Champions, User Departments and Other Staff of NSSF.

3.3 Sample Size

The sampling frame describes the list of all population units from which the sample will be selected Cooper & Schindler (2003). The sample size was determined using Morgan and Krejcie table for determining sample size determination. Out of the 95, a sample of 76 respondents were selected using the table and distributed by the researcher according to his intuition depending on the size of the target group.

Table 3. 1: Sample distribution table

Category of respondents	Target Population	Sample size	Sampling technique
Heads of Departments	10	10	Purposive Sampling
Procurement Champions	20	15	Purposive Sampling
User Departments	20	15	Simple Random Sampling
Other staff of NSSF	45	36	Simple Random Sampling
Total	95	76	

Source: primary data with the guidance of Morgan and Krejcie table (1970)

3.4 Sampling Techniques

This study employed purposive sampling to select the samples from the population. According Neumann (2006), purposive sampling is when the researcher specifically targets certain people due to their knowledge about the research subject. Purposive sampling aims to ensure that the researcher finds and engages resourceful respondents to enrich the study (Berg, 2008). This technique was employed because according to Onen (2005), it enables the researcher to choose participants of his own interest based on education and experience. This was applicable mainly to the key respondents who shall entail; the heads of departments and procurement chairpersons. The researcher also used simple random sampling in order to get information from the non key respondents who include the user departments and other staff of NSSF because they are so many. It was also selected because it gives equal chance for any individual in the population to be picked to take part in a study (Sarantakos, 2005) and because it minimizes the bias on the side of the researcher while selecting respondents (Maxwell, 2005). According to Cooper and Schindler

(2008), random sampling frequently minimizes the sampling error in the population. This in turn increases the precision of any estimation methods used. Amin (2005), simple random sampling gives every member an equal chance of being recruited into the sample.

3.5 Data Collection Methods

Data collection methods are ways through which the researcher gets data needed from the respondents (Patten & Mildred, 2001). The study employed questionnaires and interview guides to collect the relevant data from the selected respondents. The research questions guided the designing of these tools, which were used to acquire responses concerning the research problem.

3.5.1 Questionnaire Method

Data was collected through questioning of respondents using self-administered questionnaires. According to Amin (2005), a questionnaire is a carefully designed instrument for gathering data in accordance with specifications of the research questions. According to Guppy & Gray (2008) successful surveys depend on carefully executed data collection method. The authors added that in case of questionnaire survey, the researcher must ensure that self-administered and guided questionnaires are easy to understand by the respondent and are not too long. In agreement, Nardi (2006) argues that questionnaires should be concise yet comprehensive. The researcher used questionnaires in order to gather quantitative data from the respondents because they are a convenient method since respondents give their responses independently and secretly and it helps in primary analysis of data and presentation in the form of tables, charts and graphs. Questionnaires also allow in-depth research, to gain firsthand information and more experience over a short period of time as stated by (Creswell, 2003). A Likert scale guided questions, where respondents are required to give their own rating on described statements depicting their level of

either agreement or disagreement on the stated aspects. The Likert scale ranged from Strongly Agree (SA) to Strongly Disagree (SDA)

3.5.2 Interview Method

The researcher also used face to face interviews. According to Brew and Lucas (2009) interviews involve the presentation of oral verbal stimuli and reply in terms of oral verbal responses. Wengraf (2001) reveals that interviewing is an essential and simple way of data collection. In agreement, Amin (2005) argues that the advantage of using interview is that, it allows on spot explanations, adjustments and variation could be introduced during the data collection process and through respondent's incidental comments, use of facial and body expressions, tone of voice, gestures, feelings and attitudes. An interview guide will be used to help the interviewer remain systematic and focused on relevant issues as pointed out by (Sarantakos, 2005). This method shall be used to collect data from the heads of department and the procurement chairpersons.

3.6 Data Collection Instruments

The Researcher used both qualitative and quantitative data collection tools like Interviews guide and questionnaires.

3.6.1 Questionnaire

Quantitative Data was collected through questioning of respondents using self-administered questionnaires. The questionnaires were invented by Sir Francis Galton according to Kombo and Tromp (2006). According to Guppy & Gray (2008) successful surveys depend on carefully executed data collection method. The authors added that in case of questionnaire survey, the researcher must ensure that self-administered and guided questionnaires are easy to understand by the respondent and are not too long. Questionnaires were employed to collect data from the user departments and other NSSF staff since they are many. Questionnaires were preferred in

this study because they are convenient since respondents give their responses independently and secretly, it helps in preliminary analysis of data and presentation in the form of tables, charts and graphs and it is cost effective and less time consuming. Questionnaire survey as a method increases the degree of reliability as well enhances the chances of getting valid data, (Amin, 2005). Questions were guided by a Likert scale, where respondents are required to give their own rating on described statements depicting their level of either agreement or disagreement on the stated aspects. The Likert scale ranges from Strongly Agree (SA) to Strongly Disagree (SDA)

3.6.2 Interview guide

An interview guide is a set of questions that the researcher asks during the interview (McNamara, 2009). In the same vein, Osborne (2008) states that an interview guide is list of thematic areas or issues that the research focuses on while engaging respondents during an interview. Interview guides were used to collect qualitative data from the respondents. The researcher designed an interview guide to facilitate interviews with the heads of departments and the procurement chairpersons. The researcher posed questions intended to lead the respondents towards giving data to meet the study objectives and probe the respondents in order to seek clarification about responses provided. Interviews are chosen because they are regarded as a tool that collects in-depth data about a particular research phenomenon. Mugenda & Mugenda (2003), argue that interviews are beneficial because they provide in depth information which is not possible to obtain by using quantitative tools.

3.7 Quality control

Good planning and development of research instruments is essential but not sufficient. The only way to know if something is going to work is to give it a try (O'Leary, 2014). To ensure that the instruments were reliable and valid, the researcher designed research instruments and these

instruments were piloted and pretested and modified to improve their validity and reliability. Elements with validity and reliability coefficients of at least 0.70 are accepted as valid and reliable in research (Kathuri&Pals, 1993). Mugenda and Mugenda (2003) recommends that a sample of 10% of the proposed sample size is adequate for piloting.

3.7.1 Validity

Validity is the extent to which any measuring instrument measures what it is intended to measure (Thatcher, 2010, p.125). It is possible for a measurement to be reliable but invalid; however, if a measurement is unreliable, then it cannot be valid (Thatcher, 2010). Duggirala et al. (2008) defined content validity as the assessment of the correspondence between the individual items and concept. This study addressed content validity through the review of literature and adapting instruments used in previous research as indicated by the different researchers depicted in the conceptual framework. This study used content validity because it measures the degree to which the sample of the items represents the content that the test is designed to measure.

To ensure validity of the instruments drawn as per the study objectives were first pretested by asking the same questions about the study to different respondents and the researcher also sought expert opinion in the field of study especially from the researcher's supervisor and lecturers in the faculty who scrutinized and advised on them before data is collected. Before processing the data, the questionnaires were checked for completeness and consistency.

The instruments that yielded a CVI above 0.7 were within the accepted ranges.

3.7.2 Reliability

Reliability refers to the consistency, stability and repeatability of results i.e. the result of a research are considered reliable if consistent results have. Hair et al. (2011) mentioned that the rationale for internal consistency is that the individual items or indicators of the scale should all

be measuring the same construct and thus be highly inter-correlated and as it is the items in this study are. Fujun et al. (2007) pointed out that the Cronbach alpha with acceptable cutoff point 0.70 demonstrates that all attributes are internally consistent, and as a rule of thumb for describing internal consistency using Cronbach's alpha is acceptable among many researchers like, (Cronbach, 1951; Zinbarg et al., 2006).

To achieve reliability of quantitative data, the Cronbach's Alpha Reliability Coefficient for Likert scales test was performed. In statistics, Cronbach's alpha is a coefficient of reliability (Russell, 2011). It is commonly used as a measure of the internal consistency of the score for a sample of examinees. The instruments were also subjected to a pilot where some respondents from the population, were used to test the reliability of the questionnaire.

The Cronbach Alpha Coefficient with a measure of equal or greater than 0.70, was taken as an acceptable for the instrument after the pilot study.

3.8 Procedure for data collection

The researcher wrote a proposal which was submitted for approval and defended, after which questionnaires were developed for use in the study. The researcher obtained an introductory letter from the faculty which introduced him to the respondents. The questionnaires were then pre-tested to explore the wording and grammatical content, this was done to establish its validity and reliability to improve the quality of the data collected. The appropriate number of copies of the research instrument were printed and made available to the respondents and after which the data collected was coded and summarized for analysis.

3.9 Data Analysis

Analysis of data is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making (Gorard, 2003). After collecting the questionnaires from the respondents, they were coded and entered into Statistical Program for Social Scientists (SPSS) data editor and analyzed using SPSS version 23. Descriptive statistics such as mean and standard deviation were employed as well as relational statistics such as correlation coefficient to establish the strength of the relationship between variable. Qualitative data analysis is the range of processes and procedures from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people and situations under investigation (Amin, 2005). Qualitative data analysis is usually based on an interpretative approach (Neuendorf, 2002). The analysis was done manually and responses summarized in a narrative form of presentation of the major findings of the study.

3.10 Measurement of Variables

The variables were measured using nominal and ordinal types of measurements. Respondents' questionnaires will be measured on a five-interval Likert Scale, the level of agreement was ranked as strongly agree (5), agree (4), neutral (3), disagree (2) and strongly disagree (1). Ordinal Scale as measurement of variables does not only categorize the elements being measured but also ranks them into some order.

Therefore, the numbers in the ordinal scale represent relative position or order among the variables (Amin, 2005). In nominal measurement of variables, numbers are assigned only for the purposes of identification but are not allowed for comparison of the variables to be measured. On the other hand, interval scales of measurement are used to capture personal data of respondents.

3.11 Ethical considerations

Confidentiality, each respondent was informed of the intention of the study and the researcher shall promise and guarantee maximum confidentiality in all matters discussed. The researcher first interacted with the respondents and gave assurance that the purpose of the study is purely academic and shall only be used for that purpose and only by the researcher.

Consent, the researcher ensured that the respondents' consent is first sought as a pre-request for interview in order to avoid resistance and harassment by the respondents during the research process. The researcher presented an introductory letter from the university and also discussed the content of the research questions so that the respondent fully understands what the discussion shall be about.

The researcher also ensured that he refrains from all forms of plagiarism like owning someone else' work, presenting a report that has ever been submitted before by another student among other forms. This was done through citing all the work from other scholars, reading and rephrasing the sentences and extensively reading so as to present more divergent views.

3.12 Limitations of the study

The study carried out faced a number of limitations and below are some them;

1. Finance, of course this is always a challenge to the most of the researcher since to carry out any study, money is needed for many reasons for example printing and photocopying, transport and many other expenses incurred during the research process.

2. Lack of cooperation by some respondents, some of the respondents were not willing to provide the required information and some wanted to be paid before revealing the information and this definitely limits the researcher's effectiveness.
3. Some of the respondents were not willing to return questionnaires, some of the respondents decided to hide the questionnaires and refused to return them to the researcher and some tore or destroyed them and this became a big stumbling block to the research process.
4. Failure to answer all the questions by the respondents who considered the process to be time consuming for them and not fully understanding all the questions. The researcher also faced a challenge of respondents who gave wrong answers.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter presents the data that was collected by the researcher from different respondents, that is, the owners and employees of the businesses. Data is presented as per the responses on specific objectives. The data collected from questionnaires is presented in statistical tables and graphs. First, section 4.1 below presents response rate.

4.1 Response rate

80 tools were designed and 60 of them were questionnaires and 20 were interview guides and they were administered to the respondents within NSSF Headquarters of Uganda. All the questionnaires administered were filled whereas only 12 interviews were conducted representing 90% response rate. This response rate was sufficient and representative and conforms to Mugenda and Mugenda (2003) who stipulated that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good while a response rate of 70% and over is excellent. The high response rate was attributed to the fact that the questionnaires were administered by the researcher in person who explained the rationale of the respondents to participate in the study

Table 4. 1: Showing the response rate

Response rate	Frequency	Percentage (%)
Responded	72	90
Not responded	08	10
Total	80	100

Source: primary data 2018

4.2 Demographic characteristics of respondents

This study involved four main categories of respondents. These categories reveal the return rate of the instruments. The characteristics of these respondents by gender in Tables and Figures below;

Table 4. 2: Sex of respondents

	Frequency	Percent
Valid Male	37	61.7
Female	23	38.3
Total	60	100.0

Source: primary data 2018

From the findings in the table above, the researcher wanted to ascertain the gender of the respondents and it is revealed that the majority 61.7% of the respondents were male, while 38.3% of the respondents were female and of the females, most of them were wives to the owner. This indicates that there are fewer females working with NSSF as compared to the males.

Table 4. 3: Age of the respondents

	Frequency	Percent
Valid 25-35	42	70.0
35-45	13	21.7
45 and above	5	8.3
Total	60	100.0

Source: primary data 2018

From the table above, majority of the respondents in this industry were youthful as depicted with 70% of the respondents being between 25 and 35 years of age, these were followed by 35 to 45 years who were 21.7% whereas only 8.3% of the respondents 14.1% were 45 years of age and

above. This is explained by the nature of the organization being a government entity means that above the age of 55 employees are expected to retire.

Table 4. 4: Education of the respondents

	Frequency	Percent
Valid Certificates	2	3.3
Diploma	3	5.0
Degree	37	61.7
Post graduate diploma	11	18.3
Master's Degree	7	11.7
Total	60	100.0

Source: primary data 2018

The table above shows the level of education of the respondents. The researcher deemed it necessary to also look at the level of education of the respondents and it was interesting to find out that majority of the respondents (61.7%) have attained degree level education, 18.3% have attained at least a postgraduate diploma, 11.7% of the respondents have attained master's degree level of education, 5.0% of the respondents have attained diploma education while 3.3% are certificate holders.

Table 4. 5: Responses on position of respondents

	Frequency	Percent
Valid HOD	3	5.0
Officer	34	56.7
Financial officer	23	38.3
Total	60	100.0

Source: primary data 2018

From the findings in the table above, it was revealed that majority of the respondents that responded to the survey 56.7% were at level of officers within NSSF, followed by the financial officers who accounted for 38.3% whereas the Heads of Departments (HOD) constituted only 5.0% of the respondents.

Table 4. 6: Experience of respondents

	Frequency	Percent
Valid 1-3years	26	43.3
3-5years	12	20.0
5-7years	10	16.7
7-10years	11	18.3
Above 10years	1	1.7
Total	60	100.0

Source: primary data 2018

From the table above, it was revealed that majority of the respondents 43.3% have only been with NSSF between 1 and 3 years, 20.0% have been with NSSF for between 3 and 5 years, those who have been there between 7 and 10 years constituted 18.3% of the respondents, the respondents

who have been there for 5 to 7 years were 16.7% while those who have been there for 10 years and above accounted for a mere 1.7% of the respondents.

4.2.1: Empirical findings as by objectives

The survey instruments had a list of items that measured Procurement Planning and Budget Performance at NSSF. The initial conceptualization of Procurement Planning had the dimensions Budget procedure, Effective Needs Assessment and Cost Estimation as independent variable while Budget performance had dimensions like Absorption Capacity and Compliance with the budget.

In this section, the researcher explores the extent to which Procurement Planning influences Budget Performance at NSSF.

The dependent Variable, which is budget performance, was measured using Absorption Capacity and Compliance with the budget. The results were further explained using correlation coefficients and regression models in order to show the extent to which the variables were related. The results from the interviews were used to back up the quantitative data findings

4.2.2 Showing responses on budgetary performance

This section was showing responses on budgetary performance. The table comprises of questions posed to respondents with answers obtained in terms of response rates and are categorized on how the respondents strongly agree, (SA), agree (A), neutral (NS), disagree (D) and strongly disagree (SD).

Table 4. 7: Showing statements on budgetary performance

Statements on budget performance	SDA %	DA %	U%		A%	SA%	MEA N	SD
Budget performance is the implementation of procurement activities within the budget	1.7	6.7	16.7		55.0	20.0	3.85	0.880
Budget performance shows how the budget is absorbed	1.7	5.0	10.0		51.7	31.7	4.07	0.880
Budget performance reflects work plans of the entity	-	13.3	8.3		53.3	25.0	3.90	0.933
Budget performance is linked to needs assessment	-	1.7	21.7		53.3	23.3	3.98	0.725
Budget performance is an indicator of financial discipline of an organization	1.7	1.7	6.7		48.3	41.7	4.27	0.800
Budget performance is a mandate of the finance department staff	10.0	23.3	18.3		21.7	26.7	3.32	1.359
Budgeting is a prerequisite for service delivery	1.7	3.3	15.0		38.3	41.7	4.15	0.917

Source: primary data 2018

From the findings in the table above, majority of the respondents who were asked about the meaning of budget performance disagreed that it is not the implementation of procurement activities within the budget as depicted by 55% of the respondents who agreed and 20% who strongly agreed. However, those who disagreed accounted for 6.7% and 1.7% for those who strongly disagreed, 16.7% were not sure of the meaning of budget performance. A higher mean of 3.85 and a lower standard deviation of 0.88 means that budget performance is indeed the implementation of procurement activities within the budget.

When asked about whether budget performance shows how the budget is absorbed, majority of the respondents agreed that indeed budget performance shows how the budget is absorbed as showed by 51.7% who agreed and 31.7% who strongly agreed, however, 10% were unsure whereas those who disagreed constituted 5% who disagreed and 1.7% who strongly disagreed. The mean was 4.07 and standard deviation was 0.88, which means that budget performance surely shows how the budget is absorbed.

On whether budget performance reflects work plans of the entity, it was revealed by majority of the respondents 53.3% who agreed and 25% who strongly agreed, that it reflects work plans while those who disagreed had 13.3% while 8.3% were uncertain as to whether it reflects or not and this was supported by a higher mean of 3.90 and a lower mean of 0.93

The question on whether budget performance is linked to needs assessment; it was revealed by majority of the respondents that indeed it is linked as presented by 53.3% who agreed and 23.3% who strongly agreed. Those who disagreed were represented by only 1.7% while a good number of 21.7% of the respondents were uncertain. This is in line with a high mean of 3.98 and a lower standard deviation of 0.72.

The respondents were also asked whether budget performance is an indicator of financial discipline of an organization, majority of the respondents as depicted by 48.3% of them who agreed and 41.7% of them who strongly agreed that truly it's an indicator of financial discipline. Those who disagreed were 1.7% and 1.7% strongly disagreed while 6.7% were uncertain. This agreement is also supported by the high mean of 4.27 and a lower standard deviation of 0.80.

The findings on whether budget performance is a mandate of the finance department revealed that a slight majority believed that indeed it was as reflected by 21.7% who agreed and 26.7% who strongly agreed while those who disagreed were represented by 10% who strongly

disagreed and 23.3% who disagreed. The respondents who were uncertain accounted for 18.3% meaning that surely budget performance is mandate of the finance department as reflected by a mean of 3.32 and a standard deviation of 1.359.

On whether budgeting is a prerequisite for service delivery, majority of the respondents agreed as shown by 38.3% and 41.7% who strongly agreed whereas those who disagreed accounted for 3.35% and 1.7% of the respondents strongly disagreed. Those who were uncertain were 15.0% and this means that for sure budgeting is a prerequisite for service delivery as further presented by a higher mean of 4.15 and a lower standard deviation of 0.917.

4.3 Showing responses on budgetary procedures and budgetary performance at NSSF

The first objective of the study was to examine the relationship between budgeting procedures and budgetary performance. The findings were presented, analyzed and interpreted using a number of indicators as shown below. The table comprises of questions posed to respondents about the data collected with answers obtained in terms of response rates and frequencies and are categorized on how the respondents strongly agree, (SA), agree (A), neutral (NS), disagree (D) and strongly disagree (SD).

Table 4. 8: Showing responses on budget procedure and budgetary performance

Statements on budget procedure and budgetary performance	SDA %	DA %	U%	A%	SA %	MEAN	SD
Procurement planning in organization entails consulting key service stakeholders	1.7	1.7	8.3	40.0	48.3	4.32	0.833
Procurement planning helps budgetary proposals that seek approval for service delivery.	1.7	-	18.3	55.0	25.0	4.02	0.770
Budgetary procedures identifies sources of funding for an organization	-	6.7	16.7	40.0	36.7	4.07	0.899

Budgetary procedure establishes effective procedures to control wasteful spending in procurement of goods/services.	1.7	1.7	8.3	55.0	33.3	4.17	0.785
Budgetary procedure ensures Management and staff adhere to the procurement system and improving performance	1.7	3.3	15.0	55.0	25.0	3.98	0.833
Budgetary procedures help improve the compliance with the set budget		1.7	13.3	50.0	35.0	4.18	0.725
Budget procedures can ensure proper and absolute absorption of the items procured	1.7	3.3	10.0	63.3	21.7	4.00	0.781

Source: primary data 2018

The findings on whether procurement planning entails consulting key stakeholders revealed that overwhelmingly that it does as reflected by majority of the respondents who agreed 40.0% and those who strongly agreed 48.3%. Those who disagreed were 1.7% and those who strongly disagreed were 1.7% whereas those who were uncertain constituted 8.3%. The mean was higher at 4.32, standard deviation was lower at 0,833, and this means that the responses are in unison with the statement above. *This was in line with the findings from the interview guide, which even stressed that consulting key stakeholders is a very important aspect of budget procedures.*

The respondents were also asked whether Procurement planning helps budgetary proposals that seek approval for service delivery and it was discovered that the respondents unanimously approved the statement as depicted by 55.0% who agreed and 25.0% who strongly agreed. This was opposed by a smaller group who disapproved the statement end were represented by a mere 1.7% where as those who were not sure accounted for 18.3%. This proves that the respondents agreed with the statement as it was reflected by the higher mean of 4.02 and a lower standard

deviation of 0.770. *The findings from the interviews show that budgetary procedures help identify sources of funding of the organization, helps in effective and efficient allocation of funds.*

The researcher was also interested in knowing whether budgetary procedures identify sources of funding for an organization, the respondents gave their views and majority of them agreed as showed by 40.0% who agreed and 36.7% who strongly agreed. However, only 1.7% of the respondents disagreed with the statement while 16.7% of the respondents were not certain. The mean was 4.07 and standard deviation was 0.899

On whether Budgetary procedure establishes effective procedures to control wasteful spending in procurement of goods/services, the respondents overwhelmingly agreed that indeed it establishes effective procedures as shown by 55.0% of the respondents who agreed and 33.3% who strongly agreed whereas those who disagreed were only 1.7% and those who strongly disagreed were also 1.7%. The mean was 4.17 and the standard deviation was 0.785 meaning that budgetary procedure established effective procedures to control wasteful spending in procurement of good/services. *Similar, the interviews also revealed that indeed budget procedures establish effective procedures to control wasteful spending because it enhances effectiveness and efficiency, which leads to improved service delivery.*

The respondents who were asked whether Budgetary procedure ensures Management and staff adherence to the procurement system and improving performance, it was revealed by majority of them 55.0% agreed and 25.0% strongly agreed while those who disagreed accounted for 1.7% and those who strongly disagreed were 3.3% . The mean was 3.98 while the standard deviation was 0.833, meaning that budgetary procedure truly ensures that management adhere to the procurement systems. *The interviews also revealed that Budgetary procedures help improve the*

compliance with the set budgets and ethical procedures, ensures proper and absolute absorption of the procured items, it adheres to the rules of budgets

The findings on whether budgetary procedures help improve the compliance with the set budget, the respondents unanimously concurred with the statement as depicted by the 50.0% who agreed and 35.0% who strongly agreed, a mere 1.7% disagreed whereas 13.3% were not sure of the statement. The higher mean of 4.18 and a lower standard deviation of 0.725 means that the respondents were in line with the statement. *The findings from the interviews were in agreement with the questionnaires as they revealed that budget procedures help in observance of the principles and guidelines of procurement.*

When asked whether Budget procedures can ensure proper and absolute absorption of the items procured, majority of the respondents confirmed that budget procedures can ensure proper and absolute absorption of items procured as presented by 63.3% of the respondents who agreed and 21.7% who strongly agreed, those who disagreed were 3.3% and 1.7% strongly disagreed, those who were uncertain constituted 10.0% of the total respondents. The mean was 4.00 while the standard deviation was 0.781; this means that indeed Budget procedures ensure proper and absolute absorption of the items procured. *The findings from the interviews also revealed that Budget procedures establish effective procedures to control wasteful spending in procurement of goods and services.*

4.4 Correlation Analysis between budget procedures and performance

Table 4. 9: Showing the correlation coefficients for budget procedures and budgetary performance

Correlations			
		Budgetary performance	Budget procedures
Budgetary performance	Pearson Correlation	1	.497**
	Sig. (2-tailed)		.000
	N	60	60
Budget procedures	Pearson Correlation	.497**	1
	Sig. (2-tailed)	.000	
	N	60	60
** . Correlation is significant at the 0.01 level (2-tailed).			

The results in table 4.9 shows a positive relationship at $r = .497^{**}$ between budget procedure and budgetary performance. The coefficient of determination shows that budget procedures accounted for 49.7% improve in budgetary performance. These findings were also subjected to the test of significance (p) and it was revealed that significance of the correlation (.000) is less than the recommended critical significance at 0.01. Thus the relationship was significant and the hypothesis “budget procedure has a positive significant influence on budgetary performance” was therefore accepted.

4.5 Regression results for budgetary procedure and performance.

To establish the perspective strength of budget procedure on budgetary performance in NSSF, a simple regression analysis was conducted of which the ANOVA statistics of Adjusted R² and significance (p) were used and findings are presented in table 4.10 below.

Table 4. 10: Showing the regression model of budgetary procedure and budgetary performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.497 ^a	.247	.234	.803	18.997	.000 ^b

a. Predictors: (Constant), Budget procedures

Findings in Table 4.10 show a moderate linear relationship (Multiple R=.497) between budget procedures and budgetary performance. The adjusted R square shows that budget procedures account for 23.4% in improving budgetary performance. These findings were subjected to an ANOVA test, which showed that the significance (Sig = .000) was less than the critical significance at .01 level and this was summarized in a fishers ratio (F=18.997), hence the findings were accepted.

4.6 Showing responses on needs assessment and budgetary performance at NSSF

This objective was examining the relationship between Needs Assessment and budgetary performance. The findings were presented, analyzed and interpreted using a number of indicators as shown below. The table comprises of questions posed to respondents about the data collected with answers obtained in terms of response rates and frequencies and are categorized on how the respondents strongly agree, (SA), agree (A), neutral (NS), disagree (D) and strongly disagree (SD).

Table 4. 11: Showing responses on needs assessment and budgetary performance

Statements on effective needs assessment and performance	SDA	DA	U	A	SA	MEAN	SD
Effective needs assessment involves the identification of the inventory status and work plans of the user departments	1.7	-	20.0	51.7	26.7	4.02	0.972
Effective need assessment is done by the user departments during the procurement planning process.	-	1.7	15.0	53.3	30.0	4.12	0.715
Effectively following work plans and considering the inventory status helps improve the absorption capacity of a firm	1.7		23.3	46.7	28.3	4.00	0.823
Needs assessment is not properly done prior to procurement within the Institution	10.0	26.7	23.3	23.3	16.7	3.10	1.258
Procurement is implemented only on consultation of the user departments about the current needs of the institution	1.7	5.0	20.0	51.7	21.7	3.87	0.873
Procurements are only made following the work plans already in place so as to avoid wastage	1.7	10.0	18.3	48.3	21.7	3.78	0.958
Effective needs assessment influences the performance of the budget of the institution	-	5.0	11.7	56.7	26.7	4.05	0.769

Source: primary data 2018

The responses on whether effective needs assessment involves the identification of the inventory status and work plans of the user departments, most of the respondents stated that indeed effective needs assessment involves the identification of inventory status as reflected by the respondents who agreed accounting for 51.7% and those who strongly agreed were 26.7% where as those who strongly disagreed were 1.7% while 20.0% were uncertain of the statement. The

mean was 4.02 and standard deviation was 0.972 and this means that majority of the respondents are in unison with the statement put before them.

The respondents were also asked whether Effective need assessment is done by the user departments during the procurement planning process, it was revealed by majority of the respondents 53.3% who agreed and 30.0% who strongly agreed that indeed effective needs assessment is done by user departments during procurement planning while those who disagreed constituted 1.7%, the respondents who were uncertain accounted for a bigger 15.0%. The mean was a high 4.12 and a lower standard deviation of 0.715 which means that effective needs assessment is done by user departments. *From the interviews, it was discovered that effective needs assessment is based on the work plan, budgets and market value through stakeholder involvement. However it was interesting to realize that some of the respondents insisted that effective needs assessment is not properly done prior to the procurement process within the National Social Security Fund.*

On whether effectively following work plans and considering the inventory status helps improve the absorption capacity of a firm, the researcher discovered that majority of the respondents agreed as reflected by 46.7% and those who strongly agreed were 28.3% whereas those who disagreed were 1.7%, however, the respondents who were uncertain amounted to 23.35. This was also supported by a higher mean of 4.00 and a lower standard deviation of 0.823. *The interviews were in line with other findings as they showed that needs assessment identifies what, where, how to buy and the effect of utilization of funds for right use.*

The researcher was also interested in finding out whether Needs assessment is not properly done prior to procurement within the Institution and it was discovered that a slight majority of the

respondents 23.3% agreed and 16.7% strongly agreed, those who disagreed were 26.7% and 10.0% strongly disagreed while a good number 23.3% were not sure of the statement. The mean was 3.10 and standard deviation was 1.258 meaning that there is a slight agreement by the respondents that needs assessment is not properly done prior to procurement within the institution. *However, mixed findings were discovered from the interviews as some of the respondents agreed that needs assessment is properly done at NSSF whereas other respondents say needs assessment is not done and these are more than those who say yes.*

The findings on whether Procurement is implemented only on consultation of the user departments about the current needs of the institution revealed that 51.7% of the respondents agreed with the statement, 21.7% strongly agreed whereas those who disagreed were only 1.7% and 5.0%, those who were uncertain were 20%. The mean was 3.87 and standard deviation was 0.873, which means that the respondents were in agreement with the statement. *The interviews also revealed that user departments in relation to work plans, procurement plans, initiate procurements and approved budgets.*

On whether Procurements are only initiated following the work plans already in place to avoid wastage, the respondents revealed that indeed it as reflected by 48.3% who agreed and 21.7% who strongly agreed, those who disagreed were 10.0% and those who strongly disagreed were 1.7%, however those who were uncertain were 18.3%. The mean was 3.78 while the standard deviation was 0.958 meaning that surely procurements are only done following the work plans already in place to avoid wastage. *This view was shared by the results from the interviews that showed that when needs are appropriately assessed; the right funds will be used for the right needs.*

From the findings on whether Effective needs assessment influences the performance of the budget of the institution, majority of the respondents 56.7% agreed and 26.7% strongly agreed whereas only 5.0% disagreed, those who were uncertain were 11.7%. The mean was 4.05 and standard deviation was 0.769, which means that surely effective needs assessment influences budget performance. *The interviews were in agreement with the questionnaires as they presented that needs assessment influences budgetary allocation of funds and utilization hence influencing budget performance.*

4.7 Correlation Analysis between Needs assessment and budgetary performance at NSSF.

Table 4. 12: Showing Correlation Analysis between Needs assessment and budgetary performance

Correlations			
		Budgetary performance	Effective needs assessment
Budgetary performance	Pearson Correlation	1	.542**
	Sig. (2-tailed)		.000
	N	60	60
Effective needs assessment	Pearson Correlation	.542**	1
	Sig. (2-tailed)	.000	
	N	60	60

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

The results in table 4.12 shows a positive relationship at $r=.542^{**}$ between effective needs assessment and budgetary performance. The coefficient of determination shows that effective needs assessment accounted for 54.2% improve in budgetary performance. These findings were also subjected to the test of significance (p) and it was revealed that significance of the

correlation (.000) is less than the recommended critical significance at 0.01. Thus the relationship was significant and the hypothesis “effective needs assessment has a positive significant influence on budgetary performance” was therefore accepted.

4.8 Regression results for effective needs assessment and budgetary performance at NSSF.

Table 4. 13: Showing the Regression results for effective needs assessment and budgetary performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.542 ^a	.294	.282	.777	24.139	.000 ^b

a. Predictors: (Constant), Effective needs assessment

The findings in Table 4.13 show a moderate linear relationship (Multiple R=54.2) between effective needs assessment and budgetary performance. The adjusted R square shows that effective needs assessment account for 28.2% in improving budgetary performance. These findings were subjected to an ANOVA test, which showed that the significance (Sig = .000) was less than the critical significance at .01 level and this was summarized in a fishers ratio (F=24.139), hence the findings were accepted.

4.9 Showing responses on procurement cost estimation and budgetary performance at NSSF

This objective was to determine the relationship between cost estimation and budgetary performance. The table comprises of questions posed to respondents about the data collected with answers obtained in terms of response rates and frequencies and are categorized on how the respondents strongly agree, (SA), agree (A), neutral (NS), disagree (D) and strongly disagree (SD).

Table 4. 14: Showing responses on procurement cost estimation and budgetary performance

Statements on procurement cost estimation and performance	SDA	DA	U	A	SA	MEAN	SD
cost estimation involves the determination of prices of the items to be procured and identification of the major cost generators of the institution	-	1.7	10.0	70.0	18.3	4.05	0.594
Proper identification of the major cost generators within an organization improves the budget performance of an organization	-	3.3	11.7	48.3	36.7	4.18	0.770
Proper invoicing leads to an improvement in the adherence to the set budgets		6.7	18.3	53.3	21.7	3.90	0.817
Procurement costs are accurately estimated for each item to be procured.	3.3	18.3	18.3	38.3	21.7	3.57	1.125
Proper cost estimation leads to effective procurements and saves the institution large sums of money	-	1.7	13.3	53.3	31.7	4.15	0.709
Most of the procurements made are over exaggerated by the procurement officers.	10.0	15.0	31.7	33.3	10.0	3.18	1.127

Source: primary data 2018

From above, the findings on whether cost estimation involves the determination of prices of the items to be procured and identification of the major cost generators of the institution, it was discovered by majority of the respondents 70.0% who agreed and 18.3% who strongly agreed that indeed cost estimation involves the determination of prices of items to be procured and identification of major cost generators. Those who disagreed were few and accounted for only 1.7% while 10.0% were not certain of the statement. This was further supported by a higher mean of 4.05 and a lower standard deviation of 0.594.yes

The researcher was also interested in knowing whether Proper identification of the major cost generators within an organization improves the budget performance of an organization and majority respondents 48.3% agreed revealed it and 36.7% strongly agreed, those who disagreed were 3.3% where as those who were uncertain contributed 11.7%. The mean was 4.18 and a standard deviation of 0.770 meaning that for sure proper identification of major cost generators within an organization improves budget performance. *From the interviews, the respondents revealed that when cost generators are identified, proper allocation of funds is ensured, it leads to improved performance, which is in line with the questionnaires.*

The findings on whether Proper invoicing leads to an improvement in the adherence to the set budgets, majority of the respondents 53.3% agreed and 21.7% strongly agreed that indeed proper invoicing leads to improvements in adherence to the set budgets whereas those who disagreed accounted for only 6.7%. The respondents who were not sure constituted 18.3% and the mean was higher at 3.90 than the standard deviation 0.817 meaning that surely proper invoicing leads to improvement in adherence to set budgets. *From the interviews with the Managers at NSSF it was proved that indeed invoicing at the National Social Security Fund is based on the approved budgets and orders (LPOs)*

The responses on whether Procurement costs are accurately estimated for each item to be procured indicated that surely they are accurately estimated as depicted by a slight majority of 38.3% who agreed and 21.7% who strongly agreed, however, those who disagreed were 18.3% while those who strongly disagreed were 3.3% and those who were uncertain accounted for 18.3%. The mean score was 3.57 and the standard deviation was 1.125 meaning that the responses were in agreement with the statement above. *The results from the interviews did not*

also differ from the questionnaires as they revealed that the user departments and PDU carry out a market assessment and market value of the items before procurement.

On whether Proper cost estimation leads to effective procurements and saves the institution large sums of money, the respondents unanimously agreed that truly proper cost estimation leads to effective procurements as reflected by a majority of 53.3% who agreed and 31.7% who strongly agreed. Those who disagreed accounted for only 1.7% whereas the uncertain respondents constituted 13.3% of the response however, the higher mean of 4.15 and a lower standard deviation of 0.709 indicate that for sure proper cost estimation leads to effective procurement. *This was in line with the findings from the interviews that revealed that Proper cost estimation based on market rates enhances proper allocation of funds hence reducing wastage.*

From the findings on whether Most of the procurements made are over exaggerated by the procurement officers, a slight majority of the respondents 33.3% agreed with the statement, 10.0% strongly agreed while those who disagreed were 15.0% and those who strongly disagreed amounted to 10%. A big number of the respondents seemed to be uncertain as presented by a whole 31.7% response. The mean was 3.18 and the standard deviation was 1.127 meaning that the respondents were not fully convinced that most procurements made are over exaggerated by procurement officers. *From the interviews, varying and interesting views were revealed as some respondents stated that some items are indeed procured exceeding approved budgets because needs assessment is conducted over a long period while others stated that it is done due to economic factors.*

4.10 Correlation Analysis between procurement cost estimation and performance.

Table 4. 15: Showing Correlation Analysis between procurement cost estimation and performance

		Correlations	
		Budgetary performance	procurement cost estimation
Budgetary performance	Pearson Correlation	1	.564**
	Sig. (2-tailed)		.000
	N	60	60
procurement cost estimation	Pearson Correlation	.564**	1
	Sig. (2-tailed)	.000	
	N	60	60

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

The results in table 4.15 shows a positive relationship at $r=.564^{**}$ between procurement cost estimation and budgetary performance. The coefficient of determination shows that procurement cost estimation accounted for 56.4% improvement in budgetary performance. These findings were also subjected to the test of significance (p) and it was revealed that significance of the correlation (.000) is less than the recommended critical significance at 0.01. Thus the relationship was significant and the hypothesis “procurement cost estimation has a positive significant influence on budgetary performance” was therefore accepted.

4.11 Regression results for effective needs assessment and performance.

Table 4. 16: Showing Regression results for effective needs assessment and performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.564 ^a	.318	.307	.764	27.094	.000 ^b

a. Predictors: (Constant), procurement cost estimation

Findings in Table 4.16 show a moderate linear relationship (Multiple R=56.4) between procurement cost estimation and budgetary performance. The adjusted R square shows that budget procedures account for 30.7% in improving budgetary performance. These findings were subjected to an ANOVA test, which showed that the significance (Sig = .000) was less than the critical significance at .01 level and this was summarized in a fishers ratio (F=27.094), hence the findings were accepted.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion, conclusion and recommendations drawn from the study findings of chapter four. In the chapter the study objectives are discussed, conclusions and recommendations are made. Areas for further study are also suggested.

5.1 Summary of the findings

This study focused on procurement planning and budgetary performance of National Social Security Fund (NSSF). The study was mainly guided by three objectives; the first one was to establish a relationship between budgetary procedure and the budgetary performance, the second one was to document how effective needs assessment affect the budgetary performance at NSSF and the third one was to find out how procurement cost estimation relates to budgetary performance at NSSF. This chapter presents the summary, discussion, conclusions and recommendations arising out of the study findings according to the objectives.

5.1.1 Summary of the findings on budget procedures and budgetary performance

From the findings above, budget procedure has a strong positive influence on budgetary performance at the National Social Security Fund as there was positive relationship according to correlation results ($r = .497^{**}$, $p = .000$). This relationship is statistically significant as $p = .000$ is less than 0.01 level. Descriptive statistics also revealed that majority of the respondents unanimously recognized that budget procedure influences budgetary performance as it is depicted with a higher mean 4.10 and lower standard deviation of 0.803, meaning that when budget procedures are well-implemented, budgetary performance is improved.

5.1.2 Summary of the findings on effective needs assessment and budgetary performance

Basing on the findings above, it was revealed that majority of the respondents unanimously concurred that effective needs assessment influences budgetary performance as it is depicted with a higher mean 3.84 and lower standard deviation of 0.909 meaning that when effective needs assessment as a procurement planning component is done, budgetary performance is improved. The results from linear regression statistics also indicated positive significance as adjusted R square showed that effective needs assessment accounts for 28.2% in improving budgetary performance and these were in line with ANOVA test results, which revealed that the significance (Sig = .000) was less than the critical significance at .01 level as it was summarized in a fishers ratio (F=24.139).

5.1.3 Summary of the findings on procurement cost estimation and budgetary performance

The regression analysis results revealed by the adjusted R square show that procurement cost estimation accounts for 30.7% in improving budgetary performance at the National Social Security Fund. The ANOVA findings also revealed that the significance (Sig = .000) was less than the critical significance at .01 level and this was summarized in a fishers ratio (F=27.094) meaning that procurement cost estimation has a positive significance on budgetary performance. Descriptive statistics also revealed that majority of the respondents unanimously appreciated that procurement cost estimation influences budgetary performance as it is clearly presented with a higher mean 3.83 and lower standard deviation of 0.85 meaning that when procurement cost estimation as procurement planning stage is done, budgetary performance is improved.

5.2 Discussion of Findings

This section presents the discussion of findings from the study per specific objective that guided this research.

5.2.1 Discussions on budget procedures and budgetary performance at the National Social Security Fund.

According to the findings on this objective, many data was collected and analyzed and it was revealed that budget procedure significantly influences budgetary performance at the National Social Security Fund as depicted by the descriptive statistics findings, Pearson's correlation coefficients and the linear regression results. These findings were in agreement with some previous scholars such as; Tracy (2013), who stated that Budgeting motivates managers and employees by providing useful yardsticks for evaluating performance. Horngren, (2003), concluded that budgets provide useful information for superiors to evaluate firm performance and inform financial allocation strategies across various components of a firm. Muthinji (2009) carried out a study on the challenges of budget implementation at the commission for higher education. He found out that budget was important for communication and there is an increasing trend towards decentralization.

However, the study was not in agreement with some of the previous scholars like; Ndiritu (2007) who carried out a study on the effectiveness of cash budgeting at Telkom Kenya, which was a public institution. His study concluded that although cash budgeting as a management and control tool was in place in Telkom (K) limited, it was not effective in improving the management of cash and performance of the company. Mawathe (2008) investigated the challenges of budget implementation in the commercial banks in Kenya, also concluded there were challenges in budget implementation in the banking sector and this was hindering the performance of the banking sector.

5.2.2 Discussion of the findings on effective needs assessment and budgetary performance at NSSF

The findings on this objective revealed that effective needs assessment positively influences budgetary performance at the National Social Security Fund. These findings were consistently revealed by the descriptive statistics results, Pearson's correlation coefficient results and the linear regression results, which showed a positive significant relationship between the variables. These findings were in consistency with, Mamiro (2010) who in his study concluded that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated. Onyango, (2012) concluded that the absence of good planning and assessment of departmental needs affect the procurement efficiency and performance. The findings by Sixbert et. al, (2018) revealed that respondents agreed that needs assessment affects performance in government parastatals.

The findings from the interviews did not also differ from the questionnaires as they presented a positive relationship between effective needs assessment and performance which was in agreement with previous scholars like; Agaba & Shipman, (2016), who argued that proper needs assessment leads to effective procurements, saving and improves the performance of an organization. They were also in line with Nyakundi et al., (2012), who contend that failure to effectively assess the needs and manage the procurement process and systems by the implementers of the procurement plans can lead to wasted effort and poor development results consequently increased poverty and deprivation of social and economic rights of the citizens. *However, it was interesting to realize that some of the respondents insisted that effective needs assessment is not properly done prior to the procurement process within the National Social Security Fund and these were many respondents.*

5.2.3 Discussion of the findings on procurement cost estimation and budgetary performance at NSSF

From the findings on this objective, it was revealed by the regression results that there is a positive significant relationship between procurement cost estimation and budgetary performance and this was in line with the Pearson's correlation coefficients, which presented a positive relationship. This was also supported by the descriptive statistics findings of mean and standard deviation, which showed that there is a relationship between the two variables. These findings are in agreement with previous scholars such as Jasko et al., (2017) who analyzed the cost efficiency of the public procurement process at the local level concluded that there is a positive relationship between cost estimation and performance.

These findings show the importance of estimating costs and past scholars such as Yakovlev et al. (2010) who highlighted the importance of procurement costs estimation, using a large public entity as an example. The costs of administering public procurement, according to the estimates, accounted for 0.6% of the total volume of contracts. These costs were borne by the public entity in all cases, even if competitive procedures did not produce any savings from price reduction. Although Costantino et al. (2012) address the problem of measuring additional costs of purchasing; they focus mostly on measuring the costs associated with a larger number of procurement bidders, comparing these costs with possible benefits.

5.3 Conclusions

Conclusions were drawn basing on the specific research objectives that guided this study as shown below.

5.3.1 Conclusion on budget procedures and budgetary performance at the National Social Security Fund

From the discussion of the findings above, the researcher can conclude that all the dimensions used to measure budgeting procedure significantly influence the budgetary performance of the National Social Security Fund as revealed by the descriptive statistics, correlation coefficients and the regression results.

The researcher can also conclude that at NSSF, budget procedure is well engaged in the procurement planning process as depicted by the quantitative findings and this is in agreement with the findings from the interviews.

5.3.2 Conclusion on effective needs assessment and budgetary performance at the National Social Security Fund

From the findings discussed above on effective needs assessment and budgetary performance, it can be concluded that effective needs assessment has a significant positive relationship with budgetary performance at the National Social Security Fund as presented by the descriptive statistics, correlation coefficients and regression results. *However the results from the qualitative data revealed something interesting and contrary to the quantitative findings as some of the respondents insisted that effective needs assessment is not properly done prior to the procurement process within the National Social Security Fund.*

The researcher can also conclude that most of the employees at NSSF do not fully understand effective needs assessment and therefore find it hard to effectively implement it during the procurement planning process.

5.3.3 Conclusion on procurement cost estimation and budgetary performance at the National Social Security Fund

In regard to procurement cost estimation and budgetary performance, the researcher can conclude that procurement cost estimation has a significant positive influence on the budgetary performance at the National Social Security Fund depicted by the descriptive statistics, the correlation coefficients and the regression results.

The researcher can also conclude that at NSSF, the staff thoroughly do market surveys and ascertain the market value of the items and properly estimate the costs of the items before the procurement process.

5.4 Recommendations of the study

In light of the findings, discussions and the conclusions, the following recommendations are hereby stated by the researcher;

5.4.1 Recommendations on budget procedures and budgetary performance at NSSF

From the findings of this study, in order for budgetary performance to improve in NSSF, the researcher recommends following;

That NSSF should continuously implement budget procedures because it has been found to be very important for the institution.

That monitoring should be seriously be enforced at NSSF to ensure that all budgets are absorbed for the purpose they were set.

5.4.2 Recommendations on effective needs assessment and budgetary performance of NSSF

From the findings of this study, in order for budgetary performance to improve in NSSF, the researcher recommends that effective needs assessment be continuously implemented before procurement is made so as to avoid wastage and corruption at NSSF since the findings showed that it is the most important element of procurement planning and the interviews revealed that most procurement is implemented without proper needs assessment.

5.4.3 Recommendations on procurement cost estimation and budgetary performance of NSSF

From the findings of this study, it can be recommended that in order for budgetary performance to improve in NSSF, the researcher recommends that the user departments at NSSF should continuously carry out a clear market survey in order to ascertain the market value of the items and make accurate estimates before carrying out the actual procurement since it has been revealed by the findings that it is a very crucial element of procurement planning.

5.5 Areas for Further Research.

Wholesomely the study tried to meet and achieve the set objectives as shown in the write-up, however in the process the researcher has observed certain areas that require further research and these include:

- Another study should be carried out to establish the challenges faced while carrying out procurement process of supplies in the private and public institutions
- Equally, further research should be carried out in other Public entities to ascertain whether these findings are universal and research on procurement performance measurement should be carried out, as this was not the objective of this study.

- The researcher also recommends a future research on other procurement practices; like contract management, monitoring, controls and supplier selection process and how they influence performance.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR RESPONDENTS

Dear Respondent,

I am Carmello Joy Draga, a Masters' Student of Public Administration at Uganda Management Institute Undertaking Research on Procurement Planning and Budgetary Performance at National Social Security Fund.

The purpose of this questionnaire is to gather information on Procurement Planning (Budgeting procedures, Effective Needs Assessment and Procurement Cost Estimation) and Budgetary Performance (Absorption capacity and Compliance with the budget) at National Social Security Fund. Therefore, you have been identified as a potential respondent to the study and kindly requested to complete this questionnaire as instituted in each question. The information gathered will be treated with the highest level of confidentiality.

I sincerely take this great chance to thank you in advance for sparing your valuable time in contributing towards this Research study. May God reward you most deservedly!

Section A: Back ground information of the respondent

Please tick the most appropriate answer in the corresponding box

1. Gender : 1.1 Male 2.1 Female
2. Age: 2.1 25-35 years 2.2 35-45 years 2.3 45+ years and above
3. What is your highest level of education?
3.1 Certificate 3.2 Diploma Level 3.3 Degree Level
3.5 Post Graduate Diploma 3.4 Master's Degree 3.5 Doctorate
4. What is your position in NSSF?
4.1 HOD 4.2 Officer 4.3 Financial officers
5. How long have you been in NSSF?
5.1 1-3 years 5.2 3-5 years 5.3 5-7 years 5.4 7-10 years

This questionnaire is designed according to the objectives of the study.

Please indicate your level of agreement to each of the following statements specifically with respect to NATIONAL SOCIAL SECURITY FUND (using 1 =Strongly Disagree, (SDA); 2= Disagree (DA); 3 =Uncertain (UN); 4 =Agree (A); 5 = Strongly Agree (S.D). Please tick **ONLY ONE BOX** in each case as appropriate.

SECTION B

BUDGETARY PERFORMANCE IN NATIONAL SOCIAL SECURITY FUND

This section contains statements assessing budgetary performance at National social security fund. Please tick as appropriate in the boxes using a tick (v) or cross mark (x) the statement that describes your agreement or disagreement with each of the statements.

Statements on Budgetary Performance	SDA	DA	UN	A	SA
Budgetary performance is implementation of procurement activities with in the budget.					
Budget performance shows how the budget is absorbed					
Budget Performance reflects work plans of the entity.					
Budgetary performance is linked to needs assessment					
Budgetary Performance is an indicator of financial discipline of the organization					
Budgetary Performance is a mandate of finance department staff					
Budgetary is a prerequisite for service delivery					

SECTION C

Statements on Budgeting Procedures on performance	SDA	DA	UN	A	SA
Procurement planning in organization entails consulting key service stakeholders					
Procurement planning helps budgetary proposals that seek to approval service delivery.					
Budgetary procedures identify sources of funding for an organization.					
Budgetary procedure establishes effective procedures to control wasteful spending in procurement of goods/services.					
Budgetary procedure ensures Management and staff adhere to the procurement system and improving performance					
Budgetary procedures help improve the compliance with the set budget					
Budget procedures can ensure proper and absolute absorption of the items procured					

BUDGETING PROCEDURES AND BUDGETARY PERFORMANCE

This section contains statements assessing the effects of Budgeting procedures on budgetary performance at National Social Security Fund. Please tick as appropriate in the boxes using a tick (v) or cross mark (x) the statement that describes your agreement or disagreement with each of the statements.

SECTION D

EFFECTIVE NEEDS ASSESSMENT AND BUDGETARY PERFORMANCE

This section contains statements assessing the effects of Effective Needs Assessment on budgetary performance at National Social Security Fund. Please tick as appropriate in the boxes using a tick (v) or cross mark (x) the statement that describes your agreement or disagreement with each of the statements.

Statements on Effective Need Assessment on performance	SDA	DA	UN	A	SA
Effective needs assessment involves the identification of the inventory status and work plans of the user departments					
Effective need assessment is done by the user departments during the procurement planning process.					
Effectively following work plans and considering the inventory status helps improve the absorption capacity of a firm					
Needs assessment is not properly done prior to procurement within the Institution					
Procurement is implemented only on consultation of the user departments about the current needs of the institution					
Procurements are only made following the work plans already in place so as to avoid wastage					
Effective needs assessment influences the performance of the budget of the institution					

SECTION E

PROCUREMENT COST ESTIMATION AND BUDGETARY PERFORMANCE

This section contains statements assessing the effects of Procurement Cost Estimation on budgetary performance at National Social Security Fund. Please tick as appropriate in the boxes using a tick (v) or cross mark (x) the statement that describes your agreement or disagreement with each of the statements.

Statements on Procurement Cost Estimation on performance	SDA	DA	UN	A	SA
Cost estimation involves the determination of prices of the items to be procured and identification of the major cost generators of the institution					
Proper identification of the major cost generators within an organization improves the budget performance of an organization					
Proper invoicing leads to an improvement in the adherence to the set budgets					
Procurement costs are accurately estimated for each item to be procured.					
Proper cost estimation leads to effective procurements and saves the institution large sums of money					
Most of the procurements made are over exaggerated by the procurement officers.					

Thank you so very much for your participation.

Appendix II: Interview Guide

The interview Guide that will be used to collect data from the Heads of Departments and Procurement champions at National social security fund

SECTION A

Budgetary Procedures and Budgetary Performance National Social Security Fund

1. Does procurement planning entail consulting key service stakeholders?
2. How does Procurement planning help budgetary proposals that seek to approval service delivery?
3. Does budgetary procedures identify sources of funding for an organization?
4. Does budgetary procedure control wasteful spending in procurement of goods/services?
5. How does budgetary procedure ensure Management and staff adherence to procurement system?
6. How does budgetary procedures help improve the compliance with in the set budget?
7. How does Budget procedures ensure proper and absolute absorption of the items procured?

SECTION B

Effective Needs Assessment and Budgetary Performance National Social Security Fund

1. Does effective needs assessment involve identification of the inventory status and work plans of the user departments?
2. How is effective need assessment in NSSF?
3. How does effective assessment ensure the absorption capacity of NSSF?
4. Is needs assessment done prior to procurement within NSSF? Why?

5. How are Procurement initiations done at NSSF?
6. How does effective needs assessment ensure compliance with the budget at NSSF?
7. How does effective needs assessment influence budgetary performance of NSSF?

SECTION B

Effective Needs Assessment and Budgetary Performance National Social Security Fund

1. Does Cost estimation involve determination of prices of the items to be procured at NSSF?
2. How does proper identification of the major cost generators improve budgetary performance at NSSF?
3. How proper invoicing lead to adherence to the set budgets at NSSF?
4. How are procurement costs estimated for each item to be procured at NSSF?
5. How does proper cost estimation lead to cost saving?
6. Why are some items acquired exceed approved budget at NSSF?