

**ASSESSING THE IMPACT OF STRATEGIC PROCUREMENT
ON PUBLIC ORGANISATION'S PERFORMANCE
A CASE OF ARUSHA CITY COUNCIL**

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ON PUBLIC ORGANISATION'S PERFORMANCE
A CASE OF ARUSHA CITY COUNCIL**

By:

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**A dissertation submitted to Mzumbe University as a partial fulfillment of the
requirement for the award of Master Degree of Science in Procurement and
Supply Chain Management (MSc. PSCM) of Mzumbe University**

2019

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Assessing the impact of strategic procurement on public organization's performance: A case of Arusha City Council**, in partial fulfillment of the requirements for award of Master Degree of Science in Procurement and Supply Chain Management (MSc. PSCM) of Mzumbe University.

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Internal Examiner

Accepted for the board of School of business

DEAN/DIRECTOR, FACULTY/DIRECTORATE/SCHOOL/BOARD

DECLARATION AND COPYRIGHT

I, **ROBERT MWITANGO**, declare that this dissertation is my own original work and that it has not been presented anywhere or will not be presented to any other university for any degree award.

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DEDICATION

This dissertation is dedicated to my lovely mother, my lovely wife, my lovely son and all friends of mine for their kindly supportive materially and morally during the period of my study, you are the most beautiful gift from God to me. Your prayers have taken me this far.

LIST OF ABBREVIATIONS

ACC:	Arusha City Council
CEO:	Chief Executive Officer
ICT:	Information Communication Technology
LGA:	Local Government Authorities
MU:	Mzumbe University
PCA:	Principle Component Analysis
PE:	Purchasing execution
PMU:	Procurement Management Unit
POP:	Public Organization Performance
R&D:	Research and Development.
RBV:	Resource Based Theory.
SP:	Strategic Performance
SPSS:	Statistical Package for Social Science
SSB:	Strategic Supplier Base
SSS:	Strategic Supplier Selection
TB:	Tender Board
UD:	User Department
VFM:	Value for Money
VRIN:	Value, Rareness, Imitability, Non-substitutable
WWI:	World War I.

ABSTRACT

This research aimed at assessing the impact of strategic procurement on public organization performance using Arusha City Council (ACC) as a case study. The study had three specific objectives; the first was to examine the influence of strategic procurement on procurement execution, the second was to assess the influence of supplier base on organization performance, and the third objective was to examine the influence of supplier selection on organization performance. The researcher applied a case study research design, and samples were selected by using purposive sampling techniques, where by questionnaire were used as primary data collection method and documentary review and internet source were used as secondary data collection method. A sample of 79 respondents was purposively selected from different department and section at ACC. The analyzed data was then presented in tables and figures for interpretation. Factor analysis and multiple regression analysis were employed for data reduction and assessing relationship between independent and dependent variables. The study realized relationship between the procurement execution, strategic supplier base, and strategic supplier selection on public organization performance

The study findings revealed that the impact of strategic purchasing are contribute by the skilled workers, training and seminars to workers and suppliers, effective negotiation during materials purchasing, effective specification, strategically supplier selection, professionalism, and applicability of regulation in all the purchasing activities.

The study concluded that strategic procurement within an organization contributes as much to the success and performance of the organization operations. Researcher recommend that, seminars and training could be provided to the procurement personnel and users, online purchasing system should be established at ACC, effective negotiation should be well conducted during purchasing process, the kraljic approach could be used to specify the purchasing techniques, and all purchasing should be guided by the rules and regulation and should be free from any interference such as political interference.

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CHAPTER ONE

AN OVERVIEW OF THE STUDY

1.1 Introduction

This chapter briefly explains the background information of the topic and the developed statement of the problem, research objectives, research questions and the significance of the proposed research.

1.2 Background of the study

The global rivalry has driven organizations to reaction uncertainty more quickly. As a result, raising of the high global competitors in national wise and international wise the business creates requirement for organizations to restore their approach in order to stay competitive. Its known that the primary goal of an organizations community and functional strategy is to develop effective competitive advantage (Hitt et al. 2007).

At the same time, there is a planning of shifting in conservative way of thoughts for business managements to look on strategic purchasing as one of crucial fundamentals for an organization's competitive weapon (Guinipro et al. 2006). The purchasing has obtained recognition, and seen as one of the key value adding function that viewed as strategic to the organization's successful performance (Cousins 2005).

Thus, to the organizations it very difficult to avoid the potentiality of the purchasing function due to every business are motivated to minimize their cost of delivering service and unique product to their client and to protect the interest of their customers and stakeholders on present ambiguity of unstable business conditions (Monczka 2004). Most of researcher on purchasing function agreed that currently competition was focused on the organization effective and efficient of procurement strategies. Purchasing as a top contributor of the success of the organization process it creates the high value at the organization through purchasing activities such as inputs purchasing, service purchasing and purchasing of the facilities needed for production at the organization (Carter and Ellram 2003).

Therefore, unlikely organization to achieve its core competencies to its various resources and capabilities the organization might be incompetence compare to its competitors (Mol MJ, 2003). In addition, recognition of core competencies its essential to support organization's making decision. So, organization should make decision of outsourcing those activities which they don't have any competitive advantage (Levy et al. 2003).

The purchasing plays a great strategic role in an organization's growth and success which enhanced its shareholder. The purchasing strategies has been categorized into six parts such as negotiation, sourcing, developing and maintaining good relations with suppliers, developing suppliers, protecting the cost structure of the organization and minimizing costs (Janda and Seshadri 2001)

Furthermore, to ensure the successful implementation and execution of procurement strategies, it is important for organization to hire procurement professionals with high level of knowledge, abilities and skills which is vital to obtain organization goals and maintain its competitive advantage (Giunipero et al. 2006).

The organization management perceived purchasing as passive role in business organization as those who are one way or another undervaluing and ignoring the purchasing strategy involvement on its business and product strategy has been recognized as committing a mistake in the aspect of business management. Thus, world class purchasing organization has tremendously shifted its goal from conservative way of doing business whereby purchasing function which is merely viewed as the passive buyer of goods and services, now has been recognized as an active and major contributor to organization competitiveness (Bansal 2015).

The present study was interrelating the impact of purchasing strategies on the way to an organization performance. This was interface in excellence upgrading and followed by improvement in new product development in organization.

1.3 Statement of the problem

The current world economic development it has creates an ambiguity to the business situation where by it leads some of the analysis prediction that the world is an

entrance way of most horrible universal economic chaos which had gone throughout the era after WWI (Bansal et al. 2015). This brings a need to an organization to look for renovation and modernizing their sustain strategy of doing business for profitable ways while maintain being competitive in the business environment. The organizations are in incredible force of saving their business and at the same time maintaining and protecting the interest of their shareholders

To maintain the competitive advantage in the present business situation, was not simple pathway in the organization business, due to the obstacles faced by the organization with hard competition and difficulties in the market. The discovery on all likely avenues becomes an essential for an organization to survive, so the organization has been realized the cost of running being the primary fact for them to stay beneficial as well other fact such as supplier development, quality maintaining and unique product, organization should intend to realize their cost element by several time aiming to highlight their domestic cost element for the intention of sustainability in the organization performance.

The perfection toward development is likely by investing on Research and Development (R & D). This brings a clear direction to organization to focus on strategic purchasing as a lifetime for maintaining the business. Moreover, it cost a very minimum asset due to fact that its implementation rely on the skills of the purchasing human resource. Unlikely many organization they don't recognize the potentiality and input of the supply base management and purchasing which usually viewed as clerical stuff (Giunipero et al. 2006). Thus little concentration given into connecting purchasing and cooperate strategy. So, in order to conquer the challenges in the context of sustaining and developing an organization performance, there is a need for organization to discover and implement the successful procurement strategies. By focusing on purchasing strategies was providing the directive to value making path in organization performance for looking at purchasing as the key component in an organization.

1.4 Research objectives

The objectives at this study were categorized into two major parts, which is general objective and the specific objectives as shown hereunder:

1.4.1 General objective

Assessing the impact of strategic procurement on public organization's performance

1.4.2 Specific objectives

The specific objectives of the study were as follows:

- a) To examine the influence of strategic procurement on procurement execution
- b) To assess the influence of supplier base on organization performance.
- c) To examine the influence of supplier selection on organization performance

1.5 Research questions:

The research questions of this study were as itemized here under:

1.5.1 General research question

The general research question were what are the impacts of strategic procurement on public organization performance

1.5.2 Specific research questions

The specific research questions of this study are as follows:

- a) Does strategy procurement influence the best organization performance?
- b) Does organization performance influenced by the supplier base?
- c) Does supplier selection influencing the best organization performance?

1.6 Significance of the study

The study is publishing the facts regarding the impact of strategic procurement on public organization performance. And alerting all stakeholders to conduct their procurement strategically whenever the procurement activities to be done. But also adds the general knowledge concerning the effective use of purchasing strategic to achieve the organization goals. The study is very useful in the subsequent groups:

1.6.1 Local government authorities and government

The study helps the LGAs, policy makers and government of Tanzania to apply the suggested recommendations in order to increase performance especially by applying the strategic procurement in LGAs procurements. The study also improves understanding of the determinants of strategic procurement on public organization performance in Tanzania's LGAs based on the relationship management/collaboration and resource based theory.

1.6.2 Non-government organization's

The study provides the general understanding of the strategic procurement on organization performance, it is very useful to the decision makers especially by applying the kraljic approach in purchasing at the stakeholders in private sector as it enables to learn on how to analyze different risks during procurement process at the private institution, but also on how to purchase strategically for the institution's profit.

1.6.3 Academicians

This study is very important as it was enable users to use empirical knowledge in different matters concerning strategically procurement in broadening the knowledge of procurement to the academicians, researchers, scholar and other interested parties to become knowledgeable and to be used as reference material for academic endeavors. Also the study assists other scholars interesting in this field to carry out further researches in the same topic. Lastly the study was important for the researcher for the fulfillment of the requirement for the award of Masters of Science in Procurement and Supplies Chain Management as the requirement of Mzumbe University

1.7 Organization of the study

This dissertation has been organized into subsequent chapter: At chapter one presents an introduction which includes background of the study, statement of the problems, objectives of the study, research questions and significance of the study. At chapter two presents definition of key terms, literature review on factors relating to strategic purchasing which covers the aspects such as theoretical framework, empirical parts

and conceptual framework. Chapter three covers research methodology employed in the study, which includes area of the study, research design, sampling techniques, data collection procedures and the methods used for data analysis for the study. Chapter four covers the research findings and presentation. Chapter five covers the discussion of the findings and the last chapter covers the summary, conclusion and recommendation of the study.

1.8 Limitation of the study

The limitation of this study was the time framed to conduct the research which was too limited as the researcher expected to apply a case study, poor response from the respondents who was making difficulty in collection of data.

Also the confidentiality was among of the limitation during data collection, some respondents were hesitating to provide enough information for the sake of confidentiality. But also there was delaying to bring questionnaire to the researcher things which make some difficulties during data collection.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter includes the theoretical literature review, empirical literature review, and conceptual framework. Theoretical literature review covers various theories related to purchasing strategic and empirical literature review covers studies conducted by other scholars on the same topic while conceptual framework shows the associations between various variables of the study in order to capture ideas and arguments which guided the development of the study

2.2 Definition of concept and terms

2.2.1 Strategic

A strategy is scheduling formulated to allow the implementations of intended objectives and goals for connecting an organization to the surrounding situation as part of the long-term scheduling process. According to him, “an overall purchasing strategy is made up of sub -strategies, each of which is developed by using all available information in the formulation of a plan directed at the achievement of a specific purpose”. (Assiamah 2008)

2.2.2 Purchasing

Refer to the process of gaining of goods and services in monetary return or equivalent payments (Musau 2015). To procure goods and services for desired quantity and quality at minimum price and at reasonable time it require market searching. It is managerial action that goes further than an easy action of buying. It includes investigate, surveying and studying for the intention of getting right selection of materials and the right sources of acquiring materials, also for ensuring timely delivery of goods, insuring complete receiving of materials, but also for inspection to ensure both quantity and quality of delivered goods at store (Gadde and Wynstra 2018)

2.2.3 Procurement

Refer to the process of leasing, purchasing, buying, renting or otherwise acquisition of works, goods and services by a procurement entity and involves all functions that relate to the obtaining of works, goods and services which including narration of requirements, preparation, assortment and invitation of tenders, awarding and management of contract (URT 2016).

2.2.4 Procurement strategy

This refers to the intended cost effectiveness approach for long term plan of purchasing which an organization preferred in required supplies under consideration of several factors and elements such as procurement timeline, budget, project risk, funding and opportunities (Hesping 2015)

2.2.5 Strategy purchasing

Refer to the application of the whole selection of activities that helps to development and sustain a long term competitive advantage, ranging from what, when, and how much to purchase, the process of making sure that what is purchased is received on time in the right quantity and quality. For the organization to impart the need of the customers it should have the planning of targeting the customers for the intention of understanding and realize how they grading and priority the product of the organization together with their service, this will help to match with the customer organization's buying priorities. But also the organization it needs to be oriented strategically towards the achievements of the organization's overall goals and strategies. (Singh 2018)

2.2.5.1 Strategy purchasing development

Late 1994 the purchasing was focused to ensure the best practice transferring from the private sector and legal compliance. Up to 1995 the first development of purchasing strategy was made by using traditional strategic planning method. At that time a serious decision was made to align the strategy with the goals that was made.

During development of strategic purchasing the suggestions to make addition at the first development action plan was invited. In response it was suggested that the plan should include "ease of access to public procurement initiatives". Those suggestions

was adopted and led to evolving “open procurement” initiatives. Though at time being was still being drafted, and it was referred to the Action Plan and an inspirationally positioned as a role model. This promotion was used in endorsement of the purchasing strategy.

The strategic procurement was somewhat strange in that it truly spanned to two strategies, which is purchasing strategy and the environment strategy. The motive for this was that a strategic purchasing was essential; no compromise had been reached for the need of an environment strategy. The strategic purchasing also was made to the reference of interdependency with the environment strategy which goes through a similar with consultation process.

The strategy was successfully divided into two sections. Whereby the first section elaborate some foundations such as operational roles, responsibilities and relationships, and the second sections is more important to this study, it detailed the precise strategies to be pursued, that detailed content of the variety of the strategies adds little to the current study. Their objectives and section are shown in Table 2.1 below:

Table 2.1 Objective of the various procurement strategic

Strategic	Objective
Legal compliance	To make sure adherence of the rules and regulations internally and externally.
Value for money	To attain Value for money in all purchasing activities.
Supplier utilisation	To attain highest profit from utilisation the external resource (suppliers).
Environmental purchasing	To make sure the purchasing are conducted by following the environmental rules and regulation “environment policy”.
Purchasing skills development	To advance the efficiency of the staff in involving at the purchasing activities.
Information systems development	To make sure that information system are proper utilized for increasing the effectiveness, efficiency and economy in purchasing activities.
Purchasing ethics	To mould the profile of an organization as its objective for attaining the great ethical value in purchasing activities.

Source: (Gordon Murray 2001)

The following are the environmental strategy objectives as it's prepared: the first is to ensure that purchasing is conducted by following the environmental ethics. And the second is to ensure that environmental sustainability is contributed by purchasing.

Those of the strategic purchasing and objectives were supported by the detailed action plan (Gordon Murray 2001)

2.2.5.2 Strategic alignment

Strategic alignment is the procedure of connecting an organization's structure and its resources with strategies and commerce environment like regulatory and material. It enables higher performance by increasing the donations of process, people, and inputs to the awareness of computable objectives and thus, decreasing waste and resources to unintentional or undetermined purposes. In the current, universal business situation, strategic alignment have to be viewed widely as encompassing not only the human and other resources within any organization but also across organizations with complementary objectives. It helps organizations to direction to implementing the organization's purpose. Strategic alignment requires preparation, motivation to reconsider and make extensions often and a labour force that feels involved and responsible for the organization implementing its objectives (Singh, 2018)

2.2.6 Centralized and decentralized purchasing strategy

The organization formation in its growth of business it tends to grouping it purchasing activities in central or decentre to departments, sections and administrative unit like division, and this department are doing its own purchasing. In the LGA and central government the orders and requirement are imposed to the leading user department on behalf of the entire council (Assiamah 2008)

2.2.6.1 Centralized purchasing strategy

The establishment of the centralized purchasing office at the organization level it helps to use its resources effectively, at this system it require the central purchasing manager to report to the CEO. And those duties of the office which includes

research, planning, staffing and specialized purchasing which require to be consolidated together for making profit to be supervised by him, and also all contract are negotiated centrally according to their needs (Lysons and Farrington 2006)

The main argument for centralized purchasing pointed out by Lyson. (Lysons and Farrington 2006):

- i. Purchasing centralized it enhance to use resources effectively and rising bargain power to the organization.
- ii. Those suppliers who dealing with centralized organization they have motivation advantage due to the large proportion requirement at the organization.
- iii. The purchasing department and the total expenditure of the organization on supplier are controlled by the central budget.
- iv. It eliminates the competition of buying of the department within the organizations.
- v. It simplify the training to staff and its development because it conducted in a systematic basis
- vi. It's suitable to the supplier to deal with one central purchasing department than to deal with many plants or individuals.

Lyson argued that the user department are the best in making decision on where to buy and what to buy during purchasing decision, and also the time is minimized where user department communicating or dealing direct with supplier.

2.2.6.3 Decentralized purchasing strategy

The state where the purchasing of the organization are conducted individuals in the separated plants, in this nature the decentralization are motivated by the kind of materials to be bought, specified to the certain location where is near to the plant. The organization is making this decision of decentralization for the great purpose of reducing the cost of purchasing. The complete decentralization is facilitated by the following argument: (Lysons and Farrington 2006)

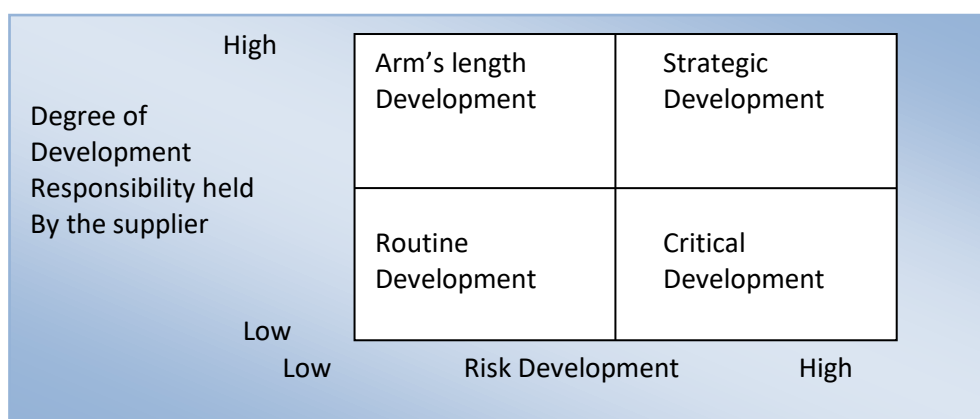
- i. The productivity normally are more influenced by the purchasing efficiently at the plant, the act which influencing the manager of each plant to control his spending.
- ii. The social reason such as local buying and location, the community including plant in its location where by the plant it can contribute the success of the locality.

The purchasing conducted decentralized it makes competition among plants to the specific location which may cause the loss of the group intention. This is demerit of decentralization as described by Lyson (2006).

2.2.7 Supplier Involvement Portfolio

For setting the priorities during designing and development a new product it is supported by the supplier involvement portfolio for the best capability of using money spending and time, it supporting the creation of the best possible use of supplier expert. The portfolio is differentiate the kind of supplier to be involved by relay on two variables where the first is degree of responsibility for product development for which this is contracted by the supplier and the second is the risk development (Krause et al, 2001). The figure below illustrated it clear.

Figure 2.1 The Supplier involvement portfolio



Risk Development: The significance, modernization and complication of the successful development of the part concerned, gives a sign of time and alert necessary for developing a specific part, the further development is needed, for the variables consideration, the four kinds of supplier involvement differentiated in the

Supplier Involvement Portfolio such as Arm's Length Development, Strategic Development, Routine Development and Critical Development as shown in figure 2.1.

2.2.7.1 Strategic Development

This is characterized by a high development risk against high degree of supplier responsibility for the development. The supplier from the Strategic management quadrant is the first one to be involved in the organization's development project, at this phase; the risks associated with the project are higher for both parties. The organization is confronted with a high development risk and as a result wants to be directly involved; at this stage the regular communication is highly needed so that both parties can describe to each other what is desirable and what is likely. (Wynstra, 2000)

2.2.7.2 Critical Development

The supplier involvement is shown by a high development risk against lower degree of supplier development responsibility. Regularly, this stage involves possible interaction, linking and transmission mechanisms. Since these products decide the further progress of the development project, here the organization desires information from the supplier at an early stage. (Wynstra and pierick, 2000)

2.2.7.3 Arm's Length Development

This is characterized by lower risk development than it was in the strategic development. The difference with Strategic Development in this stage is that the relationship is considerably less close and the need to exchange information is lower than in the situation of Strategic Development. It is at this stage where the organization experiences low levels of risk and uncertainty and thus does not need a strong advice to be directly involved (Wynstra and Pierick 2000)

2.2.7.4 Routine Development

This is shown by low development risk. The organization imposes technical specifications and co-ordinates and monitoring all changes to make sure that there is no any delayed. Additional, the relationship at this stage involve two parties by

keeping each other aware on any costs, changes and specifications. But also the communication needed here is minimal as shown in figure 2.1

2.2.8 Negotiation

Refers to the process of discussing something with someone in order to reach mutual agreement with them. Or is a formal discussion between two or more peoples who are trying to reach mutual agreement. (Dictionary 2008)

In order for any organization to grow strategically they should make sure the negotiation is conducted effectively that is because the negotiation it brings the good relationship between the buyer and the supplier due to the agreement reached each other. During negotiation the organization should prepare the environment of win-win situation, this will help each part to benefit from the conducted negotiation, but further more during negotiation there is element which they suppose to be given high attention such as design of product, the lead time, new technology, better price than your competitors and the delivery condition, this will help each parts to work together for minimum cost and for long run while creating the loyal situation in the business. Thus, effective negotiation strategy must lead an organization towards greater competitive priorities (Monczka 2004)

2.2.9 Negotiation strategy

Number of scholar tried to portray win-win situation as the best and preferable strategy to be used, among of scholar is as follows:

Many authors state that a win-win negotiation strategy is preferred to competitive strategy, among others).

According to the Cronin-Harris (2004) tried to presents the five steps to go through for ensuring a win-win negotiation strategy as preferred strategy:

1st step: He tried to show that before entering to the negotiation table you should realize your priorities for its potentiality; this will help to know what kinds demands can be sacrificed for others.

2nd step: The second steps tries to show that before entering to the negotiation table you must make sure that you know the priorities of your other side by putting yourself to the shoes of the other side in order to know clear what he/she want.

3rd steps: At this step you should make sure that you're not relaying too much in money factor because it may lead no win-win situation, the point to know here is that money represents other needs.

4th step: For this stage try to understand as much as you can the need of other side because by understand it, will help you to simplify the negotiation toward mutual agreement.

5th step: the last stage you should make sure that you investigated all monetary claims of other side in case both parts failed to agree upon, back upon those monetary claims by reflecting the objective fact, which is because money is usually hardest part during negotiation "Plan money moves based on objective principles".

2.2.10 Effective negotiation strategy

"If you want to success in business you have to learn how to negotiate", (Hazeldin et al. 2014). The organization desires to discover ways to collect its resources in achievement bargaining power with supplier as driver to successful competitive advantage.

To recognize the conditions of business and it customer it should focus on negotiation fundamental process. Numbers of business has been growing up through conducting the effective negotiation and communication as well. (Grimshaw et al. 2004).

There are two key approaches during negotiation process, such as follows:

The first approach is win-win situation: in this approach both part are prepared to enter into negotiation while believing in creating value through the kind of negotiation. Both parts assumes all aspects of their negotiation interest are well handed for maximizing their cooperative value and benefit (Grimshaw et al. 2004).

The second approach is competitive negotiation: This approach is said to be unfavorable due to fact that both parts are not compromising towards mutual understanding. The emphasize are more given to individual interest whereby every party trying to attempt to maximize self-gain through aggressive cost competition tactics such as lack of flexibility, enforce time pressure and threatening lost of business for gaining advantage against the other party.

For that reason, the win-win formula for negotiation are more emphasized to be used due to increase supplier loyalty and improve supplier relations on each other, and it creates both parts to be involved strongly believed, satisfied and agreed with mutual understanding and the common interest are well protected (Janda and Seshadri 2001)

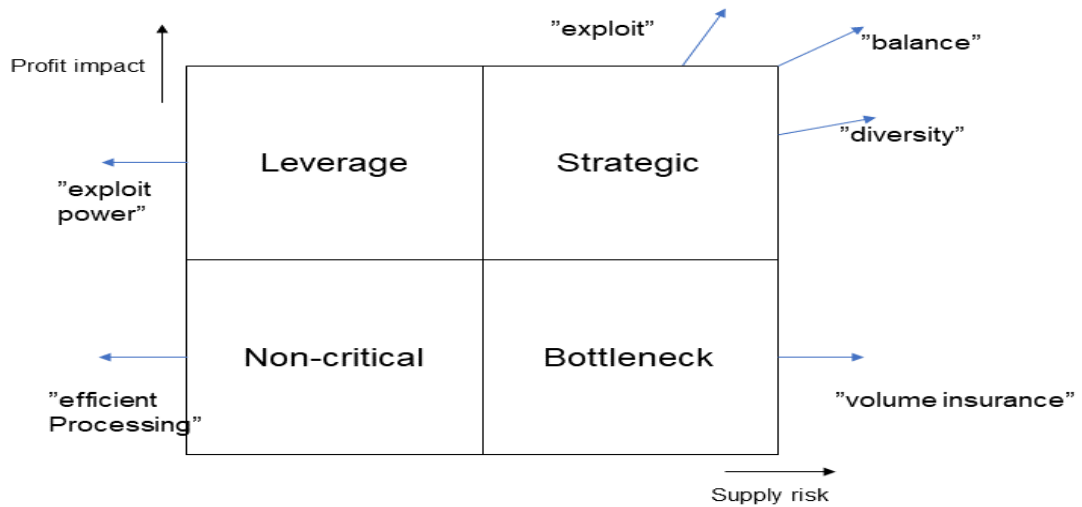
2.2.11 Purchasing decisions portfolio model

This is the models which helps the managers to make decision on how to organize different resources at different relationship, that is because in every supplier relationship has own ways to be treated with, the strategy which is very quite different from another. Kraljic (1983) matrix is the good example by grouping the supplier according to the supply risk and the impact of profit; it is grouped into four groups (see figure 2.2). This model helps to increase the professionalism in purchasing activities and has been thought to work well by practitioners (Gelderman and van Weele 2005)

From the figure below it categorized different basic item such as leverage items whereby the supply risk is very low while profit impact is very high. In these items the purchasing value is very high which gives the buyer an opportunity (Dubois and Pedersen 2002).

Strategic category whereby there is high profit impact and high supply risk, this items can only be purchased from one source only due to high supply risk, and normally at this stage partnership are most preferable because it believed that it can balance the power of relationship and also the mutual dependency is very high (Caniëls et al. 2010).

Figure 2.2 Categories and strategies in the Kraljic approach



Source: (Gelderman & Van W., 2005)

Non-critical category whereby the value is very low and also the risk is very low, at this category items like office consumables are follow to this category which has low consequence, the measures to be used in this category is to ensure the standardize of the product, inventory optimization and the volume order for optimization (Gelderman and van Weele 2005).

The last category is bottleneck category whereby the profit impact is very low and the supply risk is very high. At this stage it advised to keep extra stock and other contingency planning and also the only way to maintain supply is to keep closer relationship with supplier (Kraljic 1983), (Caniëls et al. 2010).

Basing on the Kraljic matrix, the items could be categorized by considering the profit impact which is might be done through purchased volume or product quality impact or business development. And also the supply risk can analysed by consideration of the number of supplier, risk of storage and substitute possibilities. Another step is market analysis; these items could be categorized by considering the relative bargaining power. After all of this the firm should prepare the action plan for realizing the strategic ideas (Kraljic 1983).

Through the portfolio approach another area which has been identified to be given high consideration is supplier relationship management. The relationship should move from tradition way of treating relationship where there was isolation from others to the modern style of interdependence and tradeoffs, this helps to use scarce resources more effectively and efficiently by employing the high level of professionalism in purchasing activities (Gelderman and van Weele 2005).

Regardless the strength shown by the model but also the weakness has been described as well; it is difficult to categorize every component correctly, at the model it shows that almost every purchasing has an impact to the organization's profit (Wagner and Johnson 2004).

It should be known that the model is not useful in every purchasing activity though it considered equally important and it can be difficult to make the cut. Other scholar has criticised the model that it does not captured the reality of the difficult and complexity relationship within the different factory and firm's network (Dubois and Pedersen 2002).

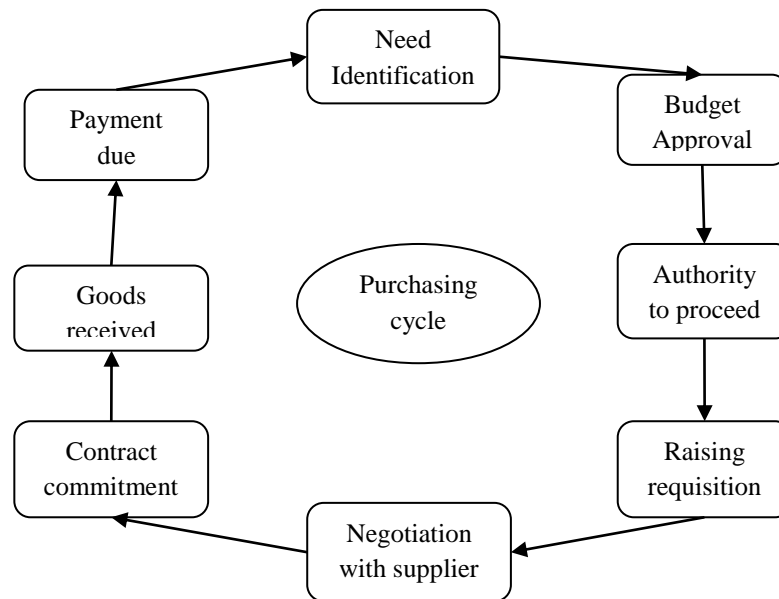
2.2.12 The purchasing cycle

This refers to the sequence or the frequency of which an inventory items are ordered. It's the steps taken to order and pay for products that a business requires, normally the purchasing cycle it determines the frequency that products are purchased (Hesping and Schiele 2015)

The purchasing cycle as the series of obtain goods or product at the right quality and quantity it involves some number of steps in order to acquire the product, such as determination the needed product or needed service. That is for goods, the cycle end when the goods has consumed or disposed by the organization. And for the services, the cycle end also when the final payment has been made (Nair et al. 2015)

According to (Baily et al. 2005) "the cycle starts with the identification of a need, moves through budget approval and then authority to proceed".

Figure 2.3 Purchasing cycle



Source: (Baily et al. 2005)

2.2.13 Purchasing function

The Purchasing function as a policy it used where the large quantity of materials arranged to be purchased, and leading to discounts, the necessity of buying in bulk it helps the organization to maintain the stock hence minimizing the risk of being out of stock and increase the efficient during transaction. Even though other variables were given high consideration such as quality and delivery, and aspect of price (Chopra 2003).

At purchasing function the purchasers and suppliers are used to have very competitive relationships which lead to winner-loser relationship in which both sides considered the other side as a competitor rather than a support. However the organizations are advised to have the access to a narrow choice of suppliers so that they didn't depend on a single supplier, this will help the organization to be flexible enough when need to make decision of purchase due to have several and many supplier they can shift from one supplier to another quickly for the time factor without any tremendous consequences (Cousins et al. 2008).

2.3 Theoretical literature review

The study was guided by the resource – base theory and the transaction cost theory. Those theories have been discussed in this study.

2.3.1 Resource - based theory

Resource-based theory stands as perhaps the most popular explanation of why some organizations prosper while others do not. The theory state that the possession of resources is valuable, difficult to imitate, rare, and cannot be substituted, the resource-based theory recommend that organizations have to look inside the organization to find the sources of competitive advantage through the use of their resources effectively. The competitive advantage brings an organization to have its competitors that allow it to generate sales or margins and/or retains more customers than its competition. An organization's competitive advantage evolves from the resources that the organization has to the resource-based theory model, the resources are considered as the major role of assisting organization in achieving higher organizational performance and competitive advantage the theory describe that an organizations should remain to its position strategically based on their resources and capabilities rather than their products and services, at this theory there is a key terms such as tangible resources, intangible resources, and capabilities. (Kraaijenbrink et al, 2010)

Basing on the theory, it makes RBV a crucial consideration in developing organization strategy and the key concept in business strategy, either researchers, theorized that when organization possess resources that are VRIN, they can achieve sustainable competitive advantage by implementing new value-creating strategies that are difficult for competing organization to duplicate. The RBV is still somewhat effective, and organization with VRIN resources still have competitive advantages for achieving strategic purchasing in public organizations (Wu 2010)

2.3.2 Transaction cost theory

This theory is widely used in several management disciplines. Its value for explaining organizational phenomena and managers' decisions, it is accepted and

recognized as useful theory in organizations. The theory state that in order to carry out a market transaction it is essential to discover who it is that one wishes to deal with, to conduct negotiations leading up to a bargain, to draw up the contract, to undertake the inspection needed to make sure that the terms of the contract are being observed. The more succinctly transaction costs are search and information costs, bargaining and decision costs, policing and enforcement costs (Hennart 2010). Thus, from the theory perspective the purchasing should be done wisely and strategically in the public organization

2.4 Empirical literature review

Empirical review shows the studies that have been done by other researchers and see their recommendations for further research or with the view to making adjustment and contribution to the researcher's topic of studies.

2.4.1 Foreign studies

The study by (Cousins et al. 2006) on strategic purchasing function, the author of this study tried to show the performance of the firm by basing in different section in purchasing function for which it establish the different stages of relationships due to categorization. The strategic development, skills of purchasing and purchasing function status it has been used for measurement of performance on an organization together with outcomes in terms of supplier integration, financial performance and the production (Cousins et al. 2006).

The planned strategic has measures the tactic approach of the organization on strategic procurement against long term plan as initialized. This is achieved by re-investigate the procurement plan for filling the gap toward organization strategy. The study revealed that those grouped section under procurement strategic has positive contribution toward the high performance on production level (Cousins et al. 2006)

Other research by (Carter 2005) on purchasing as social responsibility through mediating roles of organizational culture and supplier performance. The study revealed that supplier performance is highly contributed by developing the supplier for cost minimizing for performance of the organization (Carter 2005). The study portraying that the relationship found between performance of the organization and

the responsibility of social purchasing has effected by knowledge of managerial and performance of the supplier in terms of minimizing the cost of the organization, as obtained by (Giunipero and Percy 2000), as the advancement and development in the procurement arena especially in purchasing it needs the personnel of purchasing to acquire skills of negotiation, computer, management and analysis of mathematical which will help the organization development, strategic establishment for excellent organization performance (Giunipero and Percy 2000).

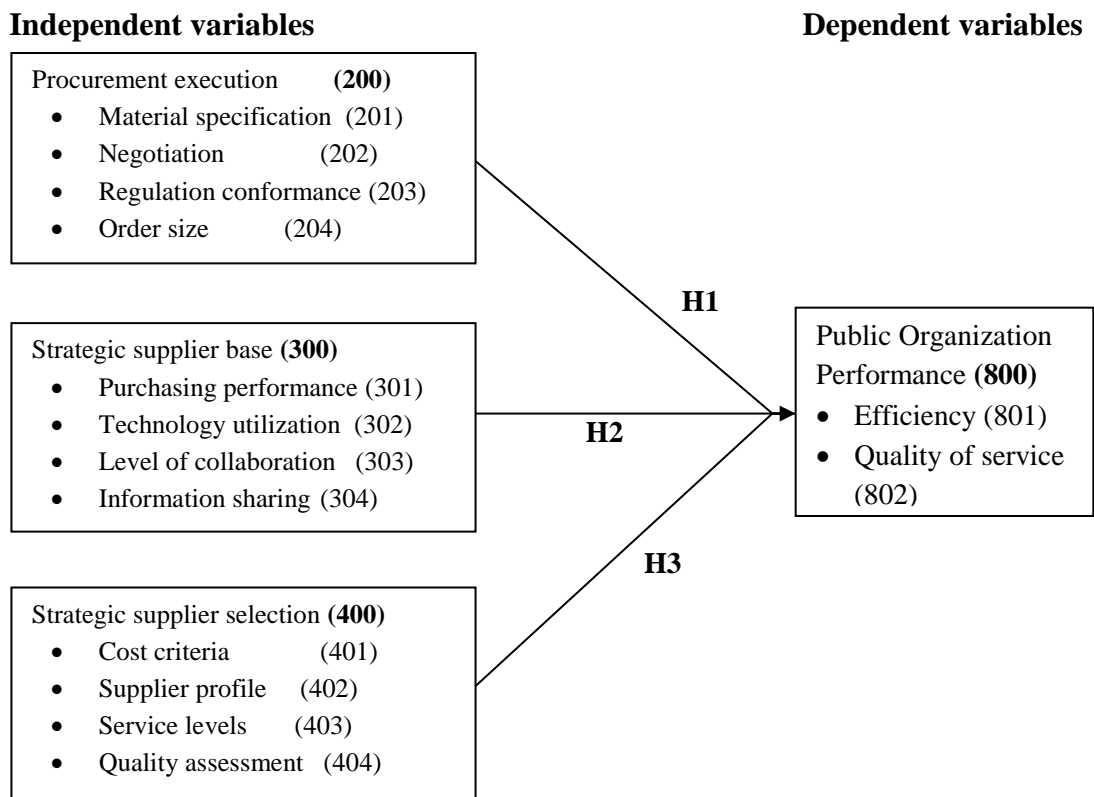
2.4.2 Local studies

The study by (Bakari 2017) from Mzumbe University on Contribution of Purchasing Function on the Public Services Delivery System highlighted that strategic procurement leads to important development of procurement function and ultimately reduced costs as part of organization's development. But also the results of assessment indicate an important contribution of the procurement function on the Tanzania public services delivery systems and on the national socio-economic development agenda together with nation development. The assessments show a positive marginal contribution of the strategic purchasing performance on the national economic development agenda by more than 70 percent.

2.5 Conceptual Framework

The Conceptual framework refers to the figure which trying to portray the concept of the researcher intention; it is an abstract idea for developing new concept or expressing the existing one. The conceptual framework trying to show the existing relationship between independent variables and dependent variables, the independent variable is the variable that is manipulated during an experiment, and it gets that name because it is independent of other factors. Thus, the researcher aims at assessing the relationship between the independent variables and the dependent variable in order to enhance the contribution of strategic procurement in public organization performance. (Mugenda 2003)

Figure 2.4 conceptual framework



Source: Researcher construction 2019.

The figure above describes the relationship between the variables of study accordingly; Procurement execution, strategic supplier base and strategic supplier selection serves as the independent variable while public organization performance is the dependent variable. For the purpose of this study, procurement execution variable include; material specification, negotiation, regulation conformance and order size, also strategic supplier base include; purchasing performance, technological performance, level of collaboration and information sharing, and also strategic supplier selection variable include; cost criteria, supplier profile, service levels and quality assessment.

These independent variables were studied in relation to public organization performance as the dependent variable with measures such as; purchasing cost saved, quality of service deliveries, timely delivery of goods, the customer service index (customer satisfaction) and finally effective communication.

2.6 Research hypotheses

The following hypothesis is stipulated for the purpose of achieving the stated objectives in this study:

H1: Procurement execution is likely to have a positively and directly relation with public organization performance.

H2: Strategic supplier base is likely to have a positively relation with public organization performance.

H3: Strategic supplier selection is likely to have a positively relation with public organization performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods used by the researcher to collect data and information on the study. This includes area of the study, research design, target population, sample size, sampling techniques, data collection methods and methods used for data analysis and presentation. The chapter also, presented binary logistic regression model employed in analyzing the factors influencing the strategic purchasing in a public organization performance.

3.2 Area of study

The study conducted at Arusha city council. The area is selected because it is among of the public organization which is active involvement in several procurement activities. But also the place is accessible by the researcher which enable researcher to obtain the relevant information with strategic purchasing, so the intended data were available and has obtained for reasonable expenses cost.

3.3 Research Design

In this study, the researcher were used a case study design since it involves intensive study about a particular unit and enable units to be analyzed easily and properly. It also enabled the fully understanding of the traits structure of the units of analysis because of studying a sample in a small area chosen, it helped in obtaining a real and enlightened record of personal experience people to adopt a certain pattern of behaviour. The design was also suitable for cost minimizations and time management as there was a limited time to a researcher in collecting data. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose (Mugenda 2003). The researcher's choice should base on the fulfillment of the research objectives, as research design is like a work plan and the purpose of the design is to help the researcher to answer the research questions in the study.

3.4 Population and sample size.

The section detailed the population of the study and the total number of targeted people in this study in which the researcher collected the data to meet the research objectives.

3.4.2 Targeted population

Target population refers to the particular group of people that is the research identified as intended recipient for generalizing a conclusion or the population where by the researcher used it for collecting data by using different methods. The term “target population” refers to the total number of items from which information is desired (Kothari 2004).

In this study, the target population for collecting data was made up of different department such as members of procurement management unit (PMU) and user departments which includes the following department (Finance departments, healthy department and economic department, agriculture department, education department and human resource department). They were used as key informants so as to get the important information and to ease the discussion of the variables in the study. It was also important to use knowledgeable respondents who were directly involved in procurement activities.

3.4.2 Sample size

This refers to the number of items to be selected from the universe to constitute a sample (Mugenda 2003). The size of the sample chosen was optimum to ensure characteristics of efficiency, representativeness, reliability and flexibility. The sample size was determining the number of respondents available in the Organization. This means in each unit the researcher was observing the number of respondents depend on how the Organization was categorized. A researcher used a total of 79(30%) as samples from the total population to represent the entire population which is (251 elements). A 30% of the population is said to be the minimum acceptable for sample size computation (Mugenda 2003). Table 3.1 below indicates on how sample size was drawn from each department or section.

Table 3.1 sample size

Category (department and sections)	Population	Sample size	%
PMU Section	11	4	30
Internal Auditing Unit Section	7	2	30
Legal Section	5	2	30
Finance & Trade department	27	8	30
Economics Department	9	5	30
Human resource & Administration Department	11	3	30
Primary Education Department	19	6	30
Secondary Education Department	25	8	30
Health Department	24	7	30
Other departments (Works, Environment and sanitation, livestock & fisheries, Agriculture irrigation & cooperative, Community development, Water resource, Urban planning).	99	30	30
Other Sections (Election & Complaints, ICT).	14	4	30
Total	251	79	

Source: Researcher construction (2019)

3.5 Sampling Techniques

This involves the decision to the type of sample and technique to be used in selecting the items for sample. (Mugenda 2003). The researcher used non- probability sampling techniques because not every element in the population had chances to be selected, under non-probability sampling both simple random and purposive sampling method was used. In simple random sampling approach was used to select members of user departments; this method was applicable for selecting individuals from different list of departments in the City.

In purposive sampling methods was used to select people who were resourceful to provision of vital information to address the research questions. Specifically, purposive sampling was used for key informants to be interviewed including the procurement management unit members, members of the tender board and other department as much as seen resourcefully. Non probability sampling procedure provided a range of options to the researcher to select samples based on researcher's subjective judgment (Kothari 2004).

3.6 Data collection methods and approach

There were two approach used in collection of data, which is primary data collection method and secondary data collection method. Researcher used both primary and secondary data collection methods. On account of using primary data, the researcher used interviews and questionnaires. On other hand, the researcher was obtained secondary data by investigating the office records, documents and literature reviews, publications obtained from respective offices, libraries, internet and previous conducted researches done by various researchers.

3.6.1 Primary methods

This was including data for original source that has not been processed. By using primary data collection methods, the researcher used two main techniques which are interview and questionnaires to get data and / or information as interpreted below;

3.6.1.1 Interview

This method is conducted through conversation and enables the researcher to get more information that could not have been obtained through questionnaires. The questions were helping the researcher to understand in depth study on the problem. In these methods staff members such as Procurement officers, tender board member and Chief accountant was interviewed. The information got in this interview was including the understanding the impact of strategic purchasing at Arusha city Council.

3.6.1.2 Questionnaire

A set of questions was supplied to respondent in which they requested to fill in answers and return to the researcher. The questionnaires consisted of both closed ended questions and open-ended questions. In open-ended questions the respondent required to fill in by giving their opinion while in close ended questionnaire was contain multiple choice questions.

3.6.2 Secondary methods

This method include processed data that was recorded from different documents like internal files such as tendering documents, purchasing document, research report and

annual report, other relevant sources are like journals, magazine, requisition to purchase, Local purchase order, Delivery note, Goods received note and other from the literature review. These sources helped the researcher to justify some supportive measures to be included in the research report and helping to meet the aim of the study.

3.7 Management and analysis of data

3.7.1 Data management

This means putting data into systematic form. After data collected the researcher was examine those data to detect errors and omission and unreliable information collected and edited to ensure that the data are accurate.

3.7.2 Data analysis

In this study, qualitative method was involved in analyzing data and corresponded with the quantitative method as the data summarized and presented in percentages after analysis the researcher links the data to obtain a collective meaning in answering the research questions.

3.8 Validity and reliability of data

Validity and reliability of data are measured through pre-test by using appropriate sample and sample size as well as analysis procedures. Pre-test of the questionnaires and interview guide was conducted to a small number of respondents that were determined to be valid and reliable.

3.8.1 Data Validity

Validity is the accuracy of the information generated. Refers to the extent to which a test measure what actually want to measure. In other words validity is the extent to which results obtained from the analysis of data actually represent the phenomenon under the study (Creswell 2003). Based on the descriptions above, the researcher used clearly worded questions (construct validity) as instruments of measuring answer of respondents with reference to research problem, research question, and the researcher avoided source of error by setting good sample, setting questions short, simple and straight. Also In order to achieve validity the researcher ensured the

measuring instrument provided adequate coverage of the topic by contained adequate representative sample of the council this means ensured validity by making sure that research objectives match with the results observed.

3.8.2 Data Reliability

Reliability refers to the extent to which data collection techniques or analysis procedures yield consistent findings (Saunders 2007). This study was descriptive with the aim of assessing the impact of strategic purchasing in a public procurement performance. To accomplish this objective a comprehensive review of records associated to strategic purchasing was done in conjunction with the unstructured interviews, observations and questionnaires. Purposive sampling method was used to select the data collection point. Therefore, the review of these records is relevant and they contain all information to meet the objective of the study.

According to Kothari (2004), reliability can be categorized into three forms; Test-retest reliability, Alternate-form reliability and internal consistency reliability. The researcher used of internal consistence to check the reliability of measurement. Internal consistency is applied to groups of items that are thought to measure different aspects of the same concept.

3.9 Ethical consideration

To ensure ethical conduct in the study, all respondents were informed about the confidentiality of the provided data in order to have willingness to corporate. The information provided by respondents was treated as confidential and for academic purposes only. By so doing was enabling respondents to corporate with minimum risk. Other ethical considerations that were used include to briefing the respondents as to the purpose of the research, their relevance in the research process and expectations from them. And also plagiarism, fabrication of data was highly taken carefully.

CHAPTER FOUR

RESEARCH FINDINGS AND PRESENTATIONS

4.1 Introduction

This chapter presents findings and analysis of the study. The study aimed at assessing the impact of the strategic purchasing in public organization's performance, the case study of Arusha City council. The chapter analyses and presents the gathered information, the main and specific information that have been covered.

The findings are presented by following the specific research question where presentation of the information is relied on questionnaire distributed to respondents. The chapter presents findings explained by the respondents in Arusha City Council, where the study focused to answer the following three questions: Does strategy purchasing influence the best organization performance?, Does organization performance influenced by the supplier base?, and Does supplier selection influencing the best organization performance?

4.2 Questionnaire Response rate

The study having 79 respondents as sample size from the 30% rule of representing entire population, where researcher distributed questionnaires to all seventy-nine (79) respondents who are the staff working at Arusha City Council, all seventy-nine (79) respondents filled the questionnaire and returned it to the researcher. This admirable response rate was attributed to the techniques of data collection procedure, where by the researcher personally administered questionnaires by waiting for respondents to fill in and then picking the questionnaires once completed filled. The response rate demonstrates a willingness of the respondents to participate in the study. As a result, response rate for the questionnaires were calculated as the ratio of number of people in the department to number of people who invited and completed the questionnaires, by using the rule of 30% of representative.

4.3 Demographic information of the respondents

The study dealt with five demographic variables which are Gender, Age, and level of education, working experience and marital status of the respondent at Arusha City

Council. To analyze those demographical variables was done with the help of Statistical Package for Social Science (SPSS – v.20), Frequency distribution was used to organize data, to give meaning to the response rates and facilitate insight.

4.3.1 Respondents by gender

The study sought out the gender of the respondents where the findings revealed that 43(54.4)% of the respondents were male while 36(45.6)% of the respondents indicated that they were female. This number implies that at ACC the number of male is higher than the number of female, whereby a higher percentage of the respondents was made up by male which comprises of 43(54.4)%. This means that the task can be performed by any practitioner’s provided in the organization and individual can deliver the intended expectations although male are many compared to female in the organization. The results are presented in the table 4.1.

Table 4.1 Gender distribution of the respondents

	Gender	Frequency	Percent
Valid	Male	43	54.4
	Female	36	45.6
	Total	79	100.0

Table 4.1 point out that the respondents from ACC were not much gender differences although men are many compare to the women. For the case of this study, it is crucial to understand that gender has a great effect on the organizations.

4.3.2 Respondents by Age

The study shows in Figure 4.2 the age distribution of the respondents at ACC composed of the following groups ranging between 15-25 making 16(20.2)%, followed by the group ranging between 26-45 who are the majority making 42(53.2)% of the total respondents, followed by the group ranging 46-55 making 18(22.8)% and the group of people aged from 56 and above which makes 3(3.8)%.

Table 4.2 Age group of the respondents

	Age group of the respondents	Frequency	Percent
	15-25	16	20.2
Valid	26-45	42	53.2
	46-55	18	22.8
	56- and Above	3	3.8
	Total	79	100.0

Source: Research Field Data (2019)

Figure 4.2 point out that, majority of staff at ACC fall under the age group between 26-45 constituting 42(53.2%) of all employees. This implying that at ACC employee composed of highly energetic workforce and the age between 26 – 45 years are an adult age that can deliver the intended service in effective and efficiency manner, Furthermore, this age structure is suitable for the researcher as the employees who have been studied here are adult enough that can deliver the wisdom in different matters in the organization.

4.3.3 Education level of the respondents

Table 4.3 indicates the educational level of respondents as this could enable determination of genuine answers from respondents. Education level widen up level of understanding, as well as strengthening self-confidence. However, some other characteristics shapes persons level of confidence. The study results discovered that 12(15.2%) of the respondents had acquired Certificates while 27(34.2%) of the respondents indicated that they had Diploma, 32(40.5%) had bachelor degree and 8(10.1%) indicated that they had a masters degree and above.

Table 4.3 Education level of the respondents

	Education level of respondents	Frequency	Percent
	Basic Certificates	12	15.2
Valid	Ordinary Diploma	27	34.2
	Bachelor Degree	32	40.5
	Masters and above	8	10.1
	Total	79	100.0

Source: Research Field Data (2019)

Thus, at ACC large group of employee had education of first degree and ordinary diploma level that is 32(40.5%) and 27(34.2%) respectively. This shows that majority of the officer's level of education is adequate. By the way the organization should encourage or develop its staff to grow academically and increase their capacity in working at the organization, however the good strategic performance in purchasing are contributed by the strong base of qualified staffs.

4.3.4 Working experiences of the respondents

Table 4.4 point out that respondents from ACC comprised of the following group ranging between 0-3 making 12(15.2%), followed by the group of working experience ranging between 4-6 making 27(34.2%), followed by the group of working experience ranging between 7-9 making 19(24.0%) followed by the group of working experience ranging between 10-12 making 11(13.9%) and the last group of respondents fall under group of working experience ranging from 13 and above making 10(12.7%), but most of the respondents at ACC has working experience ranging between 4-6 making 27(34.2%).

Thus, as shown on the table, the majority of employee has enough experience in the organization since they has experience more than three years in the organization, this period it is enough to provide enough skills and experience on those matter relating to strategic purchasing.

Table 4.4 working experience of the respondents

	Age of respondents	Frequency	Percent
	0 - 3	12	15.2
Valid	4 - 6	27	34.2
	7 - 9	19	24.0
	10 – 12	11	13.9
	13 – Above	10	12.7
	Total	79	100.0

Source: Research findings (2019)

This number of employee with long time of experience it's the benefits to the organization because they helping organization to improve in different matters especially those concerns strategies hence lead the organization to the efficiency and effective operations due to skills and experiences they obtained for such period of time.

4.3.5 Marital status of the respondents

Table 4.5 shows the marital status of the respondent as 31(39.2%) of the respondents are married, 22(27.8%) are single, 9(11.4%) are divorced, 7(8.9%) are widow and 10(12.7%) are separated. The study findings show that, at ACC Married respondents with 31(39.2%) are many compared with other category of marital status.

Therefore, at ACC the workforce are very stable together with discipline in works because the larger number of employee are married about 31(39.2%) of respondents.

Table 4.5 Marital status of the respondents

	Respondents	Frequency	Percent
Valid	Married	31	39.2
	Single	22	27.8
	Divorced	9	11.4
	Widow	7	8.9
	Separated	10	12.7
	Total	79	100.0

Source: Research findings (2019)

This might contribute to bring efficiency and effectiveness of the purchasing at the organization.

4.4 Data analysis for variables

The study was aimed to assess the impact of strategic procurement on public organization's performance where the researcher adopted staged analysis methodology in studying and providing the answers to the general research objectives. The data analysis test where carried out by using Statistical package for the Social sciences (SPSS V.20) and the main data analysis methods employed by

the researcher including; factor analysis, correlation and regression techniques. The hypotheses were grouped into three blocks, as indicated below;

H1: Procurement execution is likely to have a positively and directly relation with public organization performance.

H2: Strategic supplier base is likely to have a positively relation with public organization performance.

H3: Strategic supplier selection is likely to have a positively relation with public organization performance.

By using a likert scale of 5 points, the researcher opts to use “strongly disagree” as one (1) point while “strongly agree” as five (5) point scale in studying the sample responses. The respondents were asked to select the most appropriate number within the likert scale (Likert scale 1 - 5) that are suitable level of agreement against the statement provided. In factor analysis technique, the extraction of data was carried out using Principal Component Analysis (PCA) whereby the researcher adopted the Varimax as the rotation technique/method. The acceptable loading cut off point is normally +0.500 (Musabila, 2012).

The researcher opts to use 0.600 as a cut-off point in determining the loading factors throughout this study.

4.4.1 Factor analysis for dependent variables

Dependent variables in this study were determinants of strategic procurement on public organization performance. The performance can be measured using two attributes namely; efficiency and quality as indicated in appendix 1 (research questionnaire). In measuring the dependent variables, the researcher adopts confirmatory factor analysis to test the validity of the variables used in this study. The factor analysis was carried out in order to find out whether quality and efficiency are directly linked with the performance of an organization.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy was used to verify suitability of data used for factor analysis. The measurement result for the Kaiser-Meyer-Olkin (KMO) of sampling adequacy and Bartlett's Test was 0.809 which is highly

acceptable value as shown in Table 4.6 below. Therefore factor analysis is appropriate since Significance value (Sig. value $p = 0.000$).

Table 4.6 KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.809
	Approx. Chi-Square	132.806
Bartlett's Test of Sphericity	Df	13
	Sig.	0.000

Source: Research findings (2019)

Table 4.7 below presents the rotated factor matrix findings which show how the variables load in component 1 and 2 using Principal Component Analysis extraction method. The reliability was tested to determine the consistency of the findings of the study and finally the results shows that the value of the Cronbach's alpha are above 0.7 as presented in the Table 4.7 below

Table 4.7 Rotated Component Matrix^a

	Component		Cronbach's Alpha	Computation
	1	2		
801a – Specification	0.815			
801b - Negotiation	0.803		0.825	(801a+801b+801c)/3
801c – Communication	0.803			POP - Efficiency
802a - Delivery time		0.858		
802b - Quality goods		0.843	0.816	(802a+802b+803c+804d)/4
802c - Right source		0.833		POP - Quality
802d - Price cost		0.813		

Source: Research findings (2019)

As for the recommended limits for the Cronbach's Alpha measure, it is argued that the Cronbach's Alpha is unacceptable when it is below 0.60, and its moderate when it is above 0.60, acceptable when it is above 0.70 and very good when it is above 0.80 (Hair, 2006); (Musabila, 2012).

4.4.2 Factor analysis for independent variables

The independent variables on this study were procurement execution, strategic supplier base and strategic supplier selection as discussed and presented in Chapter two.

4.4.2.1 Impact of strategic procurement on public organization performance

The first independent variable was procurement execution as supported by four sub-variables namely; material specification, negotiation, regulation conformance and order size as discussed and presented in Chapter two. Using factor analysis method, the result of KMO and Bartlett's Test on measure of sampling adequacy was 0.773 which is considerable acceptable and Sig. value (p value = 0.000) which is significantly acceptable. As shown in Table 4.9 below Chi-square = 128.106 and Degree of Freedom (df) was 11 are appropriate for further analysis.

Table 4.8 KMO and Bartlett's test for procurement performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.773
	Approx. Chi-Square	128.106
Bartlett's Test of Sphericity	Df	11
	Sig.	0.000

Source: Research findings (2019)

The researcher uses 0.6 as a cut-off point in determining the loading factors. Using Principal Component Analysis as an extraction method and Rotation method, poor loaded factors were removed or dropped (201a, 201b, 201c and 202c) as indicated in Table 4.9 below; the Table also show the result of Cronbach's alpha which is above 0.700, hence coinciding with recommendation presented by Musabila (2012). The value of 0.830, 0.846 and 0.822 is very good fit for the study.

Table 4.9 Rotated Component Matrix^a

	Component			Cronbach's Alpha	Computation
	1	2	3		
202b – Negotiation conduct	0.802				(202b+202a)/2
202a – Effective Negotiation	0.798			0.830	PE - Negotiation
203a – PPR		0.813			(203a+203b+203c)/3
203b – PPA		0.828		0.846	PE - Regulation
203c – PPRA guidelines		0.821			
204a – Quick ordering			0.803		(204a+204b)/2
204b – goods in bulk			0.811	0.822	PE - Orders

Source: Research findings (2019)

4.4.2.2 The strategic supplier base

The second independent variable of this study was strategic supplier base and was supported by four sub-variables (attributes) namely; purchasing performance, technology utilization, level of collaboration and information sharing. Factor analysis on strategic supplier base was undertaken to prepare data for further analysis method. After running factor analysis the result of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) was 0.763 which is considerable acceptable value for further analysis. Chi-square = 168.316 and Degree of freedom (df) = 17 while the Significant level (p value) was 0.000 which is standard acceptable value as shown in Table 4.10 below.

Table 4.10 KMO and Bartlett's test for strategic supplier base

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.763
	Approx. Chi-Square	168.316
Bartlett's Test of Sphericity	Df	17
	Sig.	0.000

Source: Research findings (2019)

The research uses 0.6 as a cut-off point in determining the loading factors. Using Principal Component Analysis as an extraction method and Rotation method, poor loaded factors were dropped (303a, 303b, 303c, and 304b) as indicated in Table 4.11.

Table 4.11 Rotated Component Matrix^a

	Component			Cronbach's Alpha	Computation
	1	2	3		
301a – Supplier flexibility	0.864				(301a+301b+301c)/3
301b – purchasing procedure	0.833			0.841	SSB - Purchasing
301c – Inspection conduct	0.796				
302a – Skilled people		0.842			(302a+302b+302c)/3
302b – internet		0.817		0.830	SSB - Technology
302c – Online quotation		0.801			
304a – Online purchasing			0.767	0.798	(304a+304c)/2
304c – Bid advertisement			0.821		SSB – Info sharing

Source: Research findings (2019)

Table 4.11 indicate the result of Cronbach's alpha which is above 0.700 under purchasing, technology indicator and information sharing with a Cronbach's Alpha value of 0.841, 0.830 and 0.798. The results of Cronbach's alpha are acceptable as a good fit for this study hence coinciding with the study of Musabila (2012)

4.4.2.3 The strategic supplier selection

The third independent variable of this study was strategic supplier selection and was supported by four sub-variables (attributes) namely; cost criteria, supplier profile, service level and quality assessment. Factor analysis on strategic supplier selection was undertaken to prepare data for further analysis method. After running factor analysis the result of Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) was 0.796 which is considerable acceptable value for further analysis. Chi-square = 345.391 and Degree of freedom (df) = 26 while the Significant level (p value) was 0.000 which is standard acceptable value as shown in Table 4.12 below

Table 4.12 KMO and Bartlett's test for strategic supplier selection

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.796
	Approx. Chi-Square	345.391
Bartlett's Test of Sphericity	Df	26
	Sig.	0.000

Source: Research findings (2019)

The research uses 0.6 as a cut-off point in determining the loading factors. Using Principal Component Analysis as an extraction method and Rotation method, poor loaded factors were dropped (401a, 401b, 401c, and 404b) as indicated in Table 4.13

Table 4.13 Rotated Component Matrixa

	Component			Cronbach's Alpha	Computation
	1	2	3		
402a – Financial status	0.799				(402a+402b+402c)/3
402b – Historical conduct	0.813			0.804	SSS – Supplier profile
402c – Delivered condition	0.806				
403a – User satisfaction		0.812			
403b – electronic supplies		0.841		0.821	(403a+403b+403c+403d)/4
403c – On time delivery		0.811			SSS – service level
403d – Supplier performance		0.737			
404a – GPSA Registered			0.877		(404a+404c+404d)/3
404c – Office possession			0.812	0.835	SSS – Qlty Assessment
404d – Language awareness			0.791		

Source: Research findings (2019)

From the Table 4.13 above, the results shows that variable named 402 (Supplier profile), variable named 403 (Service level) and variable named 404 (Quality assessment) are automatically fit for this study since the value of Cronbach's Alpha are above 0.700. Variable named 402 had a Cronbach's Alpha of 0.804 which a good sign of fitness for the study while variable named 403 had Cronbach's Alpha of 0.821 and variable named 404 had Cronbach's Alpha of 0.835 which also show a good sign of good fit for the study

4.5 Regression Analysis

After Factor analysis technique, the researcher adopts simple and multiple regression analysis to test the relationships among independent and dependent variables of the study.

According to Pallant (2013), multiple regressions is a statistical technique used to predict scores on a dependent variables from scores of a number of independent variable The main purpose of adopting Regression analysis was to test and prove the hypotheses as was presented in chapter two in this study

4.5.1 Impact of procurement execution on public organization performance

The effect of procurement execution was discussed into four supportive attributes namely; material specification (201), negotiation (202), regulation conformance (203) and order size (204). The researcher opts to use multiple regressions to test the relationship among procurement execution attributes and performance of public organization. Using multiple regression analysis; the model summary describes the overall contribution of the predictors (POP Efficiency and POP Quality) to the dependent variable (Public Organization performance) as shown in table 4.14

Table 4.14 Modal summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.921 ^a	0.842	0.818	0.4062

Source: Research findings (2019)

Using the value of R Square (R^2), the results shows that Performance of public organization is directly influenced by the procurement execution by 84.2% and adjusted R-Squad of (0.818). Under this ground the fact the hypotheses as assumptions are positive relevant for further analytical concerns. The results in Table 4.16 below show the results that coinciding with the study of Bryson (2018) that procurement execution has the direct impact and influence towards the performance of public organization. Although the researcher was not surprised to see the insignificant result of procurement execution and performance of public organization as the results are coinciding with Bryson (2018).

Table 4.15 Multiple regression analysis

Model		Hypothesis	Un-standardized coefficients		Standardized coefficients	t	Sig.
			B	Std. Error	Beta		
1	Constant		0.141	0.194		0.739	0.428
	PE Negotiation	H _{1b}	0.897	0.067	0.876	14.354	0.000
	PE Regulation	H _{1c}	0.789	0.067	0.007	0.070	0.887
	PE Order size	H _{1d}	0.007	0.067	0.007	13.297	0.000

Source: Research findings (2019)

Table 4.15 above shows the results of the procurement execution as the Independent variables; indicate the fact that negotiation in purchasing and Order size in procurement has positive significant relationship with performance of public organization by Significant value of 0.000 both, while regulation shows insignificant relationship on performance of public organization due to the fact that it is above 0.05 (sig >0.05). The results above are coinciding with the study of McLaughlin et al., (2003). Finally, negotiation and order size has shown significant relationship with performance of public organization with a contribution on Beta value of ($\beta = 0.876$) and ($\beta = 0.833$).

4.5.2 Strategic supplier base in public organization performance

The researcher indicates strategic supplier base that are directly linked and has the impact on performance of public organization. Strategic supplier base were categorized into four namely attributes; purchasing performance (301), technology utilization (302), level of collaboration (303) and information sharing (304). The researcher uses multiple regressions to test the relationship among strategic supplier base attributes and performance in public organization. By using multiple regression analysis; the model summary describes the overall contribution of the predictors (purchasing performance, technology utilization and information sharing) to the dependent variable (Performance of public organization) as shown in Table 4.16

Table 4.16 Modal summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.981 ^a	0.921	0.920	0.14062

Source: Research findings (2019)

By using the value of R Square (R^2), the results shows that Performance of public organization is directly influenced by the strategic supplier base by 92.1% and adjusted R-Squad of (0.920). Under this ground the fact the hypotheses as assumptions are positive relevant for further analytical concerns. The results in Table 4.17 below show the results that coinciding with the study of Bryson (2018) that strategic supplier base has the direct impact and influence towards the performance of public organization. Although the researcher was not surprised to see the insignificant result of purchasing execution and performance of public organization as the results are coinciding with Bryson (2018), Katzenbach (2015).

Table 4.17 Multiple regression analysis

Model		Hypothesis	Un-standardized coefficients		Standardized coefficients	t	Sig.
			B	Std. Error	Beta		
1	Constant		0.121	0.104		0.309	0.821
	SSB Purchasing	H _{2a}	0.719	0.027	0.013	0.177	0.911
	SSB Technology	H _{2b}	0.029	0.017	0.799	10.070	0.000
	SSB Information	H _{2c}	0.007	0.029	0.811	47.187	0.000

Source: Research findings (2019)

Table 4.17 above shows the results of the strategic supplier base as the Independent variables; indicate the fact that technology utilization and information sharing has positive significant relationship with performance of public organization by Significant value of 0.000 both, while purchasing performance shows insignificant relationship on performance of public organization due to the fact that it is above 0.05 (sig >0.05). The results above are coinciding with the study of McLaughlin (2003). Finally, technology and information has shown significant relationship with performance of public organization with a contribution on Beta value of ($\beta = 0.799$) and ($\beta = 0.811$).

4.5.3 Strategic supplier selection in public organization performance

The researcher indicates strategic supplier selections that are directly linked and has the impact on performance of public organization. Strategic supplier selection were categorized into four namely attributes; cost criteria (401), supplier profile (402), service levels (403) and quality assessment (404). The researcher uses multiple regressions to test the relationship among strategic supplier selection attributes and performance in public organization. By using multiple regression analysis; the model summary describes the overall contribution of the predictors (supplier profile, service levels and quality assessment) to the dependent variable (Performance of public organization as shown in Table 4.18

Table 4.18 Modal summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.983 ^a	0.962	0.961	0.15011

Source: Research findings (2019)

The result in table 4.18 by using the value of R Square (R^2), it shows that the performance of public organization is directly influenced by the strategic supplier selection by 96.2% and adjusted R-Squad of (0.961). Under this ground the fact the hypotheses as assumptions are positive relevant for further analytical concerns. The results in Table 4.19 above show that strategic supplier selection has the direct impact and influence towards the performance of public organization.

Table 4.19 Multiple regression analysis

Model		Hypothesis	Un-standardized coefficients		Standardized coefficients	t	Sig.
			B	Std. Error	Beta		
1	Constant		0.009	0.089		-0.049	0.940
	SSS Supplier profile	H _{3b}	0.031	0.045	0.019	0.786	0.498
	SSS Service levels	H _{3c}	0.952	0.031	0.963	36.136	0.000
	SSS Quality	H _{3d}	0.899	0.069	0.911	24.290	0.000

Source: Research findings (2019)

Table 4.19 above indicates the results that the service level as the Independent variables has positive and significant relationship with Performance of public organization by Significant value of 0.000, and also the quality assessment as the independent variables has positive and significant relationship with Performance of

public organization by Significant value of 0.000, while supplier profile shows insignificant relationship on performance of public organization. The results above are coinciding with the study of Kanda and Abdel-basset (2018). Finally, service levels and quality assessment has shown significant relationship with performance in public organization with a contribution on Beta value of ($\beta = 0.963$) and ($\beta = 0.911$).

4.6 Correlation Analysis

Correlation analysis is a technique used to describe the direction and strength of the linear relationship between two variables (Pallant, 2010).

According to Pallant (2010), Correlation coefficient is a measure of linear relationship or association between two variables. Values of correlation coefficient always range between -1 and +1 (Musabila, 2012). A correlation coefficient of +1 value implies that variables are perfectly related in a positive linear sense while a correlation coefficient of -1 indicates that variables are perfectly related in a negative linear sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables (Ndeto, 2016).

4.6.1 Correlations between purchasing execution and POP

The correlation analysis was performed to determine the variables with the highest influence among all independent ones on dependent variable as shown in Table 4.20

Table 4.20 Correlation analysis between organization performance and PE

		Organization performance	Regulation conformance	Negotiation	Order size
Organization performance	Pearson correlation	1			
	Sig. (1-tailed)				
	N	79			
Regulation conformance	Pearson correlation	0.849**	1		
	Sig. (1-tailed)	0.000			
	N	79	79		
Negotiation	Pearson correlation	0.410**	0.283*	1	
	Sig. (1-tailed)	0.000	0.090		
	N	79	79	79	
Order size	Pearson correlation	0.220*	-0.236*	0.033*	1
	Sig. (1-tailed)	0.030	0.020	0.361	
	N	79	79	79	79

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

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

Source: Research findings (2019)

Table 4.20 shows values of correlation among all study variables that the highest correlation is on Regulation conformance with a Pearson's Correlation of ($r=0.849^{**}$) and p value of ($p=0.000$) on organization performance, followed by Negotiation with a Pearson's Correlation of ($r=0.410^{**}$) and p value of ($p=0.000$) on organization performance. This implies that regulation conformance and negotiation influence perfect the dependent variable with a strong positive relationship. Though the result indicates a negative relationship between the order size and regulation conformance by a Pearson's correlation of ($r=-0.236^*$) and p value of ($p=0.020$) this implies that the order size influence material specification negatively

4.6.2 Correlations between strategic supplier base and POP

Correlation analysis was performed to determine the variables with the highest and strength relationship among all independent ones on dependent variable as shown in Table 4.21

Table 4.21 Correlation analysis between organization performance and SSB

		Organization performance	Purchasing	Technology utilization	Information sharing
Organization performance	Pearson correlation	1			
	Sig. (1-tailed)				
	N	79			
Purchasing	Pearson correlation	0.811*	1		
	Sig. (1-tailed)	0.000			
	N	79	79		
Technology utilization	Pearson correlation	0.923**	0.417	1	
	Sig. (1-tailed)	0.000	0.090		
	N	79	79	79	
Information sharing	Pearson correlation	0.371**	-0.536*	0.229*	1
	Sig. (1-tailed)	0.002	0.070	0.019	
	N	79	79	79	79

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

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

Source: Research findings (2019)

Researcher needed to understand the relationship or association between organization performance and strategic supplier base. Results in Table 4.21 above show that, there is a positive relationship between organization performance and purchasing as shown by a Pearson correlation ($r= 0.811^{**}$) and a p-value of ($p= 0.000$). This implies that there is a strong and close relationship between organization performance and purchasing performance followed by the positive relations between organization performance and technology by a Pearson correlation of ($r=0.923^{**}$) and p-value of ($p=0.000$), followed by the positive relations between organization performance and information by a Pearson correlation of ($r=0.371^{**}$) and p-value of ($p=0.002$) In addition, the model with significance level less than 0.05 is considered to be a good fit for the data and hence it is appropriate in predicting the influence of independent variable on dependent variable (Ndeto, 2016).

Unfortunately the researcher was surprised with negative relationship between information sharing and purchasing. A negative relationship by Pearson correlation ($r= -0.536^{*}$) with no significant ($p= 0.070$) which is above the acceptable standard p-value; $p= 0.050$ (Pallant, 2013).

4.6.3 Correlations between strategic supplier selection and POP

Correlation analysis was performed to determine the strength of the relationships between the variables of the study; the results are shown in the Table 4.22

Table 4.22 Correlation analysis between organization performance and SSS

		Organization performance	Supplier profile	Service levels	Quality assessment
Organization performance	Pearson correlation Sig. (1-tailed) N	1 79			
Supplier profile	Pearson correlation Sig. (1-tailed) N	0.961** 0.000 79	1 79		
Service levels	Pearson correlation Sig. (1-tailed) N	0.729** 0.000 79	0.719** 0.000 79	1 79	
Quality assessment	Pearson correlation Sig. (1-tailed) N	0.646** 0.000 79	0.539* 0.010 79	0.499** 0.002 79	1 79

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

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

Source: Research findings (2019)

Researcher needed to understand the relationship between organization performance and strategic supplier selection. Results in Table 4.22 above show that, there is a positive relationship between organization performance and supplier profile as shown by a Pearson correlation ($r= 0.961^{**}$) and a p-value of ($p= 0.000$). This implies that there is a strong and close relationship between organization performance and supplier profile but also the result shows that there is positive relationship between organization performance and service levels by a Pearson correlation of ($r=0.729^{**}$) and p-value of ($p=0.000$), followed by the positive relations between organization performance and quality assessment by a Pearson correlation of ($r=0.646^{**}$) and p-value of ($p=0.000$), followed by the positive

relations between supplier profile and service levels by a Pearson correlation of ($r=0.919^{**}$) and p-value of ($p=0.000$), followed by the positive relations between service level and quality assessment by a Pearson correlation of ($r=0.499^{**}$) and p-value of ($p=0.002$) In addition, the model with significance level at the 0.05 is considered to be a good fit for the data and hence it is appropriate in predicting the influence of independent variable on dependent variable (Ndeto, 2016).

CHAPTER FIVE

DISCUSSION AND FINDINGS

5.1 Introduction

This chapter gives a comprehensive discussion of the study findings by connecting them to the research objectives, theories, and views from other researchers and the study hypotheses as was presented in chapter two. The study was based on three specific objectives as stated and explained here below

5.2 To examine the influence of strategic purchasing in procurement execution

The first objective of the study was to discover if strategic procurement has influence in procurement execution in the organization performance, whereby the procurement variable was supported by the four sub-variables named material specification (201), negotiation (202), regulation conformance (203) and order size (204). After running factor analysis for four attributes few items were dropped due to poor loading aspect. Multiple regression and correlation analysis was performed to determine the association relationship and its strength between the impact of procurement execution and public organization performance.

5.2.1 The impact of negotiation on POP

The researcher hypothesizes that there is a significance relationship between negotiations and public organization performance. The results indicate that negotiation found to have a positive and significant relationship to organization performance with t value of 14.354 at 0.000 level of significance during performed multiple regressions. Also the correlation analysis result indicates that the negotiation found with a Pearson's correlation coefficient of ($r=0.410^{**}$) which is the highest value or a perfect strong relationship on the organization performance. This implies that negotiation in public organization performance it has great impact in contribution achievement of the organization goals. The finding supports the study of Imai (2010) that a serious negotiation used in an organization facilitates the achievements of organization goal in various aspects especially in procurement process.

Furthermore, majority of the respondents agreed that effective negotiation facilitates the positive organization performance in public organization due to the fact that it help to avoid high cost of material purchased in the organizations, wrong interpretation of conditions posed by the other side which also result to the reduction of unnecessary costs hence positive performance of the public organization (Imai and Gelfand, 2010).

5.2.2 Impact of regulation conformance on POP

The researcher hypothesises that there is a significance relation between the regulation conformance and organization performance. However, findings of the study failed to establish the existing relationship between the regulation conformance and organization performance with t value of 0.70 at 0.887 level of significance by multiple regressions. Also a relationship between the regulation conformance and organization performance by Pearson's correlation coefficient of ($r=0.849^{**}$) as indicated in chapter four. This implies that the regulation conformance aspect should be emphasised for given high attention due to its potentiality during any purchasing in the organizations. The use or abiding of law/regulation its help to minimize of future conflict among people, so the proper use of regulation during purchasing process it help to prevent a lot of risks (Hansson, 2011).

Also as majority of the respondents agreed that the conformance of regulation increases efficiency in public organization performance. The results are coinciding with the most of the literatures (Baldi and Vannoni, 2017).

Therefore, the study results related with Transaction Cost Theory as discussed in chapter two that Transaction costs in procurement includes but not limited specification of the requirement, need identification and potential source identification (Coviello, 2018). This indicates that at ACC the purchasing of goods are done transparently due to the compliance of procurement regulations

5.2.3 Impact of order size on POP

The researcher hypothesises that there is a significance relation between the order size and organization performance. The result indicates that order size found positive and significant relationship on organization performance with t value of 13.297 at 0.000 level of significance by multiple regressions. Also positive relationship between the

order size and organization performance by Pearson's correlation coefficient of ($r=0.220^*$) at 0.20 level of significance as indicated in chapter four. This implies that organization purchasing performance is determined by the order size. Furthermore, proper consideration of order size during purchasing process it facilitates the achievements of organization goals hence perfect performance of the organization (Häkkinen, 2015)

5.3 To assess the influence of supplier base in organization performance

The second objective of the study was to discover if strategic supplier base has influence in organization performance, whereby the purchasing variable was supported by the four sub-variables named purchasing performance (301), technology utilization (302), level of collaboration (303) and information sharing (304). After running factor analysis for four attributes few items were dropped due to poor loading aspect. Multiple regression and correlation analysis was performed to determine the association relationship and its strength between the impact of supplier base and organization performance.

5.3.1 Impact of strategic supplier base in public organization performance

The researcher hypothesises that there is a significance relationship between purchasing and organization performance. The analysis at chapter four it indicates the existing relationship between purchasing and organization performance as was shown under multiple regression analysis. Also the study findings indicate a Pearson's correlation coefficient of ($r=0.811^*$) which implies that there is existing relationship between variables. This is due to the fact that majority of the respondents agreed that most of the organization are well performed due to the strategic purchasing.

The application of purchasing in organization faced with several challenges, among of the challenges faced the procurement are shortage of technical knowhow, shortage of technical support and insufficient funds (Copper, 2000).

Furthermore, the application purchasing in the organizations it needs skilled and knowledgeable personnel together with professional people this may help to empower the strategic purchasing in the organization

5.3.2 Impact of technology utilization in organization performance

The researcher hypothesises that, there is a significance relationship between the technology utilization and organization performance. The analysis indicates positive and highly significant between technology and organization performance on purchasing as the study predictor with t value of 10.070 at 0.000 level of significance under multiple regression analysis. Also correlation analysis indicates a Pearson's correlation coefficient of ($r=0.923^{**}$) which is the highest value close to 1. This implies that technology on purchasing activities it has great impact. The application of technology in purchasing activities it helps to reduces cost in purchasing (Baldi and Vannoni, 2017).

The application of Transaction Cost theory is relevant to the study as majority of the respondents strongly agreed to a large extent that the application of technology simplifies purchasing operations and reduces procurement costs. Furthermore, the Resource based theory is also relevant to the study as great number of respondent respondents agreed that the application of technology in purchasing activities simplifies procurement operations. This was due to the fact that the theory already specified that technology is one among the internal organization resources which facilitates organization performance (Agarwal, 2009).

5.3.3 Impact of information sharing in organization performance

The researcher hypothesises that there is a positive significant relationship between information sharing and organization performance. The analysis indicates that information sharing as sub independent variable has been found positive and significant relationship with organization performance on purchasing activities with t value of 47.187 at 0.000 level of significance under multiple regression analysis. Also a positive relationship with organization performance by a Pearson's correlation coefficient of ($r=0.371^{**}$) value which is the highest value close to 1. This implies

that there is a relationship between information sharing and organization performance in the purchasing activities (Melchar, 2010).

This implies that organization performance on purchasing activities is determined by the levels of information sharing. The perception is also acknowledged by Baldi, (2017) that the purchasing activities to be conducted well it should be smooth and effective information sharing across those who involved in purchasing activities in the organization, information is very important to be shared in the entire process and procedures of purchasing from the beginning to the end of transaction for performance outcomes and results (Prajogo, 2006).

5.4 To examine the influence of supplier selection in organization performance

The third objective of the study was to discover if strategic supplier selection has influence in organization performance, whereby the purchasing variable was supported by the four sub-variables named cost criteria (401), supplier profile (402), service level (403) and quality assessment (404). After running factor analysis for four attributes few items were dropped due to poor loading aspect. Multiple regression and correlation analysis was performed to determine the association relationship and its strength between the impact of supplier base and organization performance.

5.4.2 Supplier profile in organization performance

The researcher hypothesises that there is a positive significant relationship between supplier profile and organization performance. The analysis presents positive and statistically significant at 0.498 with t value of 0.786 on supplier profile of multiple regression analysis. Also a positive relationship of Pearson's correlation coefficient of ($r=0.961^{**}$) value. This implies that supplier profile has influence to purchasing in organization performance.

5.4.3 Impact of service levels in organization performance

The researcher hypothesises that there is a positive significant relationship between service levels and organization performance. The analysis under multiple regression shows that service levels as sub independent variable for the study indicates positive and significance statistically at 0.000 with t value of 36.136 on organization

performance in purchasing activities. Also the analysis indicates a Pearson's correlation coefficient of ($r=0.729^{**}$) value which also is the highest value. This implies that a service level in purchasing activities is vital in procurement arena.

The findings support those of Paarlberg (2010) who found that a service level has a positive relationship on the performance of organization. Also it has found that service levels commitment has a positive and significant relationship on the public organization performance. In addition of that, the service levels can influence other elements such as trust, respect, openness, adherence of rules and regulation and accountability hence ensures the efficiency and effectiveness in the organization performance (Kubeš and Rančák, 2018)

5.4.4 Impact of quality assessment in organization performance

The researcher hypothesises that there is a significant relationship between quality assessment and organization performance. The analysis indicates that quality assessment as sub independent variable found positive and statistically significant at .000 with t value of 24.290 on public organization performance in purchasing activities. Also indicates a Pearson's correlation coefficient of ($r=0.646^{**}$) value which is the highest value. This implies that quality assessment in public organization has influence to performing the purchasing activities in the organization.

Also majority of the respondents agreed that quality assessment in public purchasing activities bring benefits to both individual and organization performance. This variable reflects the view corresponds that quality assessment may serve important ensuring proper purchasing activities in organization performance (Singh, S.K 2018)

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter provides the summary, conclusions and recommendations on the study. Since the aim of this study was to assess the impact of strategic procurement in public organisation performance, therefore the researcher came out with conclusion and recommendations made after the results of the research findings and analysis in chapter four.

6.2 Summary

The summary considers the findings that have been observed and analyzed in chapter four and discussed in chapter five. In assessing the impact of the strategic procurement in public organization performance, the study revealed that the strategic procurement has a great effect in operation at public organization, so the study revealed several elements which contribute to effective implementation of the strategic procurement in organization performance which includes: experienced suppliers who are supplying goods at ACC, effective negotiation which normally are conducted during purchasing process, consideration and adherence of the procurement regulation, adherence of the technology tend at all stage of purchasing activities, flexibility of the supplier to cope with the changes due to the current technological trend in the world, ensuring the profile of all supplier who supplying materials at the organization, maintain the good relationship between supplier and users, ensure the service level provided to the customer for the betterment of the operation in the organization, top management to be involved in implementation of the strategic procurement effective, and lastly is the keeping the quality of the product supplied in the organization by making proper assessment on it.

In this study it was noted that there is also some several challenges that bring back the effort of implementing strategic procurement in an organization which is lowering the performance of the organization such as Lack of enough skilled people (workers) who are responsible to execute the purchasing activities in the organization, Lack of training in both workers and supplier for building the capability of practitioners, weak programme of online purchasing at the organization,

lack of fulfilling the delivery condition given by the user or purchasing entity, unreasonable cost upon the purchased materials, low follow up to deliver the goods after pressing an order, un-satisfaction of the management support in implementation the strategic procurement in an organization, lack of unit in the organization especially to the department which involving direct to the procurement activities like PMU, procurable items which not meet the specification imposed by the user, inadequate budget in the organization, lack of awareness in procedural procurement in the organization, those challenges needs to be tackled effectively for improving the procurement performance in the public organization.

6.3 Conclusions

The study can be concluded that, the strategic procurement function within an organization contributes as much to the success and performance of the organization as other functions in areas such as marketing, finance and accounting, engineering, and operations. At ACC the procurement department plays a great role in implementing strategic purchasing in the organization.

At this study various literatures was used together with support from different theories and concepts as discussed in previous chapters. After reading and reviewing various literatures, analyzing and discussing the findings, the study has tried to come up with the following conclusions as explain here below:

6.3.1 Impact of procurement execution on POP

Procurement execution variable was concluded that effective and procedural procurement in the organization which includes clear materials specification, effective negotiation, and regulation conformity are the attributes toward the public organization performance. It has been seen that procurement is directly connected with performance, the organization has to employ advanced system that support procedural procurement activities in the organization. For the case of ACC organization, procurement activities are well conducted by the procurement department due to the professional staff that has been employed at the department together with working spirit of the workers.

6.3.2 Impact of strategic supplier base on POP

Strategic supplier base are critical instruments in purchasing operation, since supplier and user are termed as potential attributes in performing purchasing in public organization performance. The study has revealed that supplier base together organization performance is likely to have the direct impact on purchasing.

6.3.3 Impact of strategic supplier selection on POP

Strategic supplier selection are critical instruments in purchasing operation, since supplier and user are termed as potential attributes in performing purchasing in public organization performance. The study has revealed that supplier selection together organization performance is likely to have the direct impact on purchasing

6.7 Contribution of the study

This study gives and provides new lights and insights to academicians and researchers in developing more concepts and model where little research has been done in Public organization at Arusha City Council. The researcher believes that this study will be helpful for practitioners in strategic procurement for evaluating their performance and take critical corrective measures and actions to improve the entire performance of the procurement arena.

6.8 Recommendations

This section seeks to address issues cropped up in the study. They are suggestions being brought up as means to improve the situation, as far as strategic procurement was concerned.

The strategic procurement adopted by an organization depends on the nature it belongs to, at ACC, the strategic approach employed to procurement it complies with its nature and well befits its activities. Thus, the profitability created by the impact of the strategic procurement approach of ACC extends beyond the monetary gain, and includes large discounts for bulk purchases, and competitiveness among suppliers leading to production of high quality products.

The researcher recommendations divided into four aspects namely policy maker, government, managerial and practitioners as follows:

6.8.1 To policy maker

Policy makers should put more emphasis on enforcing policies that improve performance of public organization by addressing the benefits and weakness experienced in the strategic purchasing

6.8.2 To government

The government through public organization and other public institutions should give priorities to the strategic purchasing rather than performing purchasing unstrategic. Moreover, the study recommends that the government should keep on being strict to make sure that procurement activities should not be interfered with politics because procurement are professionals with its ethical and code of conduct once interfered with politics it affect the whole procurement activities and its strategic, it should be known that if procurement will driven itself without any internal and external forces it will be easy to implement different strategic in the procurement arena

6.8.3 To management

The researcher recommends that because the public purchasing involves different steps such as need identification, budget approval, authority to proceed, raise requisition, negotiation with supplier, commit to contract, good received, and payment due. Because all this steps are important, the management should make sure that all the steps should be adhered to and administered appropriately in accordance with the law, regulations and guidelines for public procurement and in every step should employ strategic purchasing techniques concerned in order to achieve strategically for betterment of the organization performance.

The top management should support staff to attend training sessions on purchasing strategic, especially those officers who are involved in purchasing and procurement activities together with other stakeholders of the organisation specifically user department.

The organization's management should establish the system (online system) which will be used in purchasing process, and also should ensure that during the process of purchasing the effective and professional negotiation should be used to ensure

economic of scale in an organization. Furthermore the specification should be prepared professionally and with reflection on the user demand of the items to be purchased.

Furthermore, the researcher recommend that, Material specification, Negotiation style, Regulation conformance, Order size, Technology utilization, technological utilization, information sharing, Cost analysis, quality assessment and Communication should be given high consideration for effective achievement of the strategic purchasing in the organization.

6.8.4 To practitioners

Purchasing strategically are valuable techniques that posses advantageous position in today complex and competitive market. There is need for actors alongside procurement arena to have appropriate skills and knowledge that can possess potentiality, efficiency and effectiveness in purchasing so that it help in prosper the strategic purchasing in public and private institution.

6.9 Study implications

The findings of the study provide implications to other institutes and organizations, agencies, and supplier, alongside purchasing activities by providing knowledge base and professional contribution in improving strategic performance especially in procurement sector.

6.10 Area for Further Study

This study is not exhaustive and probably the researcher has not covered each and everything about impact of the strategic purchasing in public organization performance. This may be caused by various limitations that researcher experienced during undertaking this study.

The researcher has only assessed the impact of the strategic purchasing in only one public procuring entity in which the information collected cannot be generalized for whole public entities, In future this may attract other interested researchers in this field to go beyond what was done here in this study, and this study can be used as a point of reference.

Therefore further studies can be made in other organisation by using survey research design so as to generalize these findings and come up with the common solution to problem facing organisation in the implementation of the strategic purchasing.

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APPENDICES

APPENDIX I: Research Questionnaire

No:.....

Dear Respondent,

I'm **Mr. Robert Mwitango** currently am doing a research as partial fulfilment to the requirement for the award of Masters degree of procurement and supply chain management as a requirement by the Mzumbe University, with title "**Assessing the impact of strategic purchasing on public organization performance: A case study of Arusha City Council**". Therefore, humbly I need your maximum cooperation and assistance in answering the question as mention in this questionnaire. I promise that the information provided shall be kept confidential, and it will be used for academic purpose only.

Thank you.

Part I: Demographic information (100)

1. Put (v) where is appropriate in the box below to your chosen answer.

	Demographic particular	Status				
101	Respondent Gender	Male			Female	
102	Respondent age	15-25	26-45	46-55	56 and above	
103	Education level of the respondent	Master degree and above	Bachelor degree	Ordinal diploma	Basic certificate	
104	Working experience of the respondent	0 – 3	4 – 6	7 - 9	10 - 12	13 and above
105	Marital status of the respondent	Married	Single	Divorced	Widowed	Separated

Part II: (Tick where is appropriate in box of the Likert scales)

2. Does strategy purchasing influence the high level of organization's performance

	Purchasing execution (200)	Likert scale				
		1	2	3	4	5
201	Materials specification at ACC					
201a	Materials are bought according to the specification at ACC					
201b	Are specification prepared on time at ACC					
201c	Are professional people specifying the specification after been created					
202	Negotiation style at ACC					
202a	Effective negotiations are usually done during buying materials at ACC					
202b	Are negotiation conducted before buying contract made					
202c	Are negotiation considered are important aspect when buying materials					
203	Regulation conformance during purchasing					
203a	Procurement regulations are adhered accordingly at ACC					
203b	PPA are adhered during purchasing activities					
203c	Are PPRA guidelines used during purchasing activities					
204	Order size					
204a	There is a system establishment for quick ordering process at ACC					
204b	Are the purchasing in the council considered buying goods in bulk					
<p>Five point Likert scale: 1 = Strongly disagree, 2 = Somewhat disagree, 3 = Neutral, 4 = Somewhat agree, 5 = Strong agree</p>						

3. Does organization performance influenced by the supplier base at ACC

S/N	Strategic supplier base (300)	Likert scale				
		1	2	3	4	5
301	Purchasing performance					
301a	Flexibility of suppliers to make changes in their product at ACC					
301b	Are all purchasing procedures followed effectively at ACC					

301c	Are the inspection conducted during deliverance of materials at ACC					
302	Technological utilization					
302a	Availability of skilled people and facilities for complying the technological trend.					
302b	Are purchased conducted through internet at ACC					
302c	Are the quotation distributed to the supply online and be filled online					
303	Level of collaboration					
303a	Good relationship between suppliers and workers (staffs) at ACC					
303b	Training provided to the supplier on strategic purchasing					
303c	Are all workers at ACC working as team in different strategic issues					
304	Information sharing					
304a	Availability of online purchasing to facilitate effective information sharing					
304b	Are there good platform for information sharing between supplier and the ACC					
304c	All announcement concern bid and other project at the ACC is advertise in council website and through newspaper					
<p>Five point Likert scale: 1 = Strongly disagree, 2 = Somewhat disagree, 3 = Neutral, 4 = Somewhat agree, 5 = Strong agree</p>						

4. Does supplier selection influencing the best organization performance

	Strategic supplier selection (400)	Likert scale				
		1	2	3	4	5
401	Cost criteria					
401a	Are the cost of goods given high consideration during purchasing at ACC					
401b	Are the goods at ACC procured at minimal cost while maintaining the quality of goods					
401c	Are the supplier recognize the quality demanded by the Council					
402	Supplier profile					
402a	Are those supplier who supplying goods at the council good financially					
402b	Are those supplier who supplying goods at the council assessed previous history of conduct					
402c	Supplier fulfilment the delivery conditions					
403	Service level					
403a	Are user department satisfy with the goods supplied to them by the supplier					
403b	Availability of electronic supplies system at ACC					
403c	Are goods delivery on time to the council					
403d	Monitoring and control of the key supplier's					

	performance (failure, noncompliance and improvements)					
404	Quality assessment					
404a	Are those supplier registered at GPSA					
404b	Are supplier aware with all specification produced by the user department					
404c	All supplier posses their own office					
404d	Are those supplier aware with all language used at the council especially English					
Five point Likert scale: 1= Very great extent; 2=Great extent; 3=Moderate extent; 4= Low Extent and 5= Very Low Extent						

5. Are the public organization performance influenced by the strategic performance

	Public organization performance (800)	Likert scale				
		1	2	3	4	5
801	Efficiency					
801(a)	Does organization specification preparation improved					
801(b)	Does organization negotiation in procurement procedures improved					
801(c)	Does organization line of communication improved					
802	Quality of service					
802(a)	Does supplier deliverance of goods improved					
802(b)	Does purchasing quality goods improved					
802(c)	Does purchasing of goods at right source improved					
802(d)	Does purchasing price cost of goods improved					
Five point Likert scale: 1= Very great extent; 2=Great extent; 3=Moderate extent; 4= Low Extent and 5= Very Low Extent						

Part II: interview guide questions

a. What recommendations would you put forward toward insuring that strategic purchasing practice at ACC are made more purposeful and directed towards achieving organization goals.....

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b. What are the challenge do you think are hindering the contribution of the strategic purchasing toward achieving the organization goals at ACC.....

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