Influence of End Users Involvement in Procurement Decision Making on Purchasing Performance at Kenya Police College, Kiganjo

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Abstract: This study was intended to establish the influence of user involvement in procurement decisions making on purchasing performance in Kenya Police College, Kiganjo. The study was a survey as primary data was collected for the purpose of the study. The target population for the study included all employees in Kenya Police College, Kiganjo. All the employees were involved in the study making this a census study. The study was guided by Consumer Involvement Theory and Principal-Agency Theory. Data was collected through structured questionnaires that were issued through drop and pick technique. Collected data were coded and analyzed through SPSS and presented through tables accompanied by relevant discussions. The research variables were studied through descriptive statistics (mean and standard deviation) while the influence of end user involvement on purchasing performance was studied through inferential statistics (correlation and regression analysis). F-test was used to test research hypotheses. A multiple regression model was developed to guide the study. The findings revealed a statistically significant influence of user involvement on specification development, purchasing planning and tender evaluation on performance of purchasing activities. The study recommends that management of Kenya Police College, Kiganjo as well as other public organizations should consider involving users in specification development and purchasing planning while the procurement function should provide guidance during the process. Tender evaluation should be conducted by well constituted and well informed committee. Further studies should be conducted to establish the role of end users in development of organizational procurement policies such as e-procurement, procure to pay etc. Similarly, study should be conducted to establish factor hindering end user involvement in purchasing activities especially in public organizations.

Keywords: End User Involvement, Procurement Decision Making, Purchasing Performance

1. Introduction

Purchasing as an organizational activity has a long history and can be traced back to 1890s. Initially, purchasing was a tactical contributor to the organization, focusing on transactional relationships and low price. However, over time with market development and changes in user needs and requirements, the role of the purchaser, and the purchasing department, has changed significantly. Consequently, the function of purchasing has become strategic to organizational competitiveness. In 1980s, purchasing was not regarded as strategic business activity and did not have a separate department.

It was majorly considered clerical work until World War I and II when purchasing function increased in importance due to the importance of obtaining raw materials, services, and supplies to keep the mines and factories running. Since then, purchasing has continued to gain stature with its processes becoming more refined and responsibilities given to more trained professionals. In late 1990s, purchasing evolved into strategic sourcing with purchasing contracts being more long term and supplier relationship building and supplier relationship management getting attention. Currently, purchasing has become one of the core business functions aligned to the overall purpose for existence of the organization [37].
1.1. Statement of the Problem

Until recently, ‘academic interest in purchasing was very manufacturing oriented with an emphasis on production buying’. The interest on the initiatives to meet user requirements and user involvement in purchasing in particular is just developing among researchers. Past studies show that in the past and even currently in most organizations, the purchasing department on behalf of the users makes purchasing decisions that are directed to meeting users' requirements; the purchasing departments is directly involved in internal consulting and advising on purchasing activities, cross functional communication relating to purchasing decisions and the actual procurement of products. While the purchasing department is still largely involved in making purchasing decisions on behalf of the users, research showed that the process is subject to horizontal resistance and vertical ignorance that makes it not reliable when it comes to purchasing of products that meet user requirements. Because of the mentioned inefficiencies, some organizations are currently involving the users themselves as opposed to just the user department. While user involvement is not a very new concept in purchasing, limited studies have been conducted to relate it with other aspects of the organization such as user satisfaction and procurement performance. This implied that knowledge gap exists that needs to be satisfied through research. This study intended to bridge the knowledge gap by making the decision. The second force is related to the degree of emotion or reason, feelings or logic or influence a purchase decision. According user involvement theory, there are scenarios where the concept of consumer involvement works. Similarly, there are scenarios where the concept may not work.

There are possibly four scenarios, involving expensive business purchases such as; technological infrastructure, office location and lease, company health insurance plan etc.

1.2. Objective of the Study

i. To determine the influence of end user involvement in specification development on performance of purchasing activities at Kenya Police College, Kigano.

ii. To establish the influence of end user involvement in procurement planning on performance of purchasing activities at Kenya Police College, Kigano.

iii. To determine the influence of end user involvement in Tender Evaluation and Selection on performance of purchasing activities at Kenya Police College, Kigano.

1.3. Research Hypothesis

End user involvement in specification development does not have significant influence on performance of purchasing activities at Kenya Police College, Kigano.

H0: End user involvement in procurement planning does not have significant influence on performance of purchasing activities at Kenya Police College, Kigano.

H0: End user involvement in Tender Evaluation and Selection does not have significant influence on performance of purchasing activities at Kenya Police College, Kigano.

1.4. Conceptual Framework

![Conceptual Framework](image)

Figure 1. Conceptual Framework.

2. Literature Review

2.1. Theoretical Review

2.1.1. Consumer Involvement Theory

According to consumer involvement theory, there are two main forces that drive most purchase decisions in every purchase environment. The first force is looked at in terms of time and energy an individual/group of people devotes to the influence of end user involvement in procurement decision making on purchasing performance at Kenya Police College, Kigano.
The second category is high user involvement/emotional scenario that involve materials with emotional attachment such as jewelry, weddings, and holiday travel plans.

The third category is high user involvement/rational scenario involving buy out of habit, without much thought while the last category is low user involvement/emotional and low user involvement/rational scenario where products purchased are emotional or sensual such as restaurant for a special occasion [22].

In well managed procurement function, users are involved in strategic planning decisions of procurement activities, development of procurement strategy and execution of the proposed strategies throughout the life cycle of the procurement exercise backed with implementation, review and corrective actions. On delivery of materials, users are involved in providing technical expertise and input to support the bid assessment processes. They prepare the technical recommendation in any bid assessment report and approve key review stages throughout the procurement process [35].

For services, service user involvement may lead to a number of benefits. The first set of benefits is to the service users. End user involvement for services leads to increased confidence and self-esteem. In addition, user involvement in service selection may lead to greater satisfaction among the users, and improved quality of work, enhanced user friendliness and health responsiveness especially for people with disabilities who have had greater control in purchasing decisions when they are involved in purchasing decisions. Lastly, involvement of service users in service selection process may also help create a stronger sense of community. The other set of benefits are associated with the organization. These include; enhanced planning of procurement and purchasing activities, enhanced achievement of procurement and purchasing goals in relation to demand requirements and enhanced monitoring and evaluation of purchasing activities.

User involvement maintains product user’s welfare and motivates staff in their work. It promotes and facilitates day to day purchasing decisions enhancing the chances of purchasing the right products and services. User involvement may facilitate individual centered support planning to set and achieve short and long term purchasing goals of the organization. Lastly, user involvement in purchasing may create and maintain relationships suppliers enhancing partnership between the organization and its suppliers [4].

Paper presented by [12] in the 10th International Annual IPSERA Conference in 2001 revealed that user involvement requires top management commitment and communication. If top management does not clearly communicate the different possibilities for professional purchasing involvement, effective involvement of product users will remain

2.2. Empirical Review

Users are the start and end points of the procurement process. They are directly involved in a number of activities and decisions. The first decision relates to adequate definition of the user’s requirements/needs relating to materials to be purchased. Such need include; estimated requirements/quantities, specifications, identifying minimum and desirable elements and ensuring that there is adequate in consultation with users and their representative bodies etc [35].

The second decision relates to ensuring that the procurement of requirement takes account of the organization’s policy requirements, including its corporate social responsibility/sustainability policies. The last decision relates to ensuring that procurement is aligned against organizational objectives, legal obligations relating to the goods, services or works to be purchased and environmental/health and safety legislation [18].
problematic. Lack of clear communication may lead to internal customers refraining from involving the internal department because they believe the purchasing department has little value to offer. Similarly, the management has to put into place clear structure user involvement in purchasing. Lack of such structures may negatively impact on credibility regarding future policies on purchasing. Some organizations do not involve internal purchasing department due to four reasons; ‘political considerations on behalf of the internal customer which have not so much to do with the purchasing department, gradual development within the internal customer’s organization of those purchasing skills which the purchasing department provided, internal user involvement tender evaluation and selection and 0.788 for end user involvement in specification development, 0.809 for end user involvement in procurement planning, 0.789 for end user involvement tender evaluation and selection and 0.788 for performance of purchasing activities. Since the values were greater than 0.7 for all the research items, the research items were considered reliable.

3.3. Research Instruments

Primary data was collected regarding end user involvement and purchasing performance. The respondents were employees from the respective departments through which questionnaires were given to the respondents. The questionnaire items (questions) were developed to represent each variable in the research. Content validity test was conducted on the research items to ensure they adequately measure the research indicators. In addition, expertise opinions were also sought from lecturers to improve the data collection instruments. Cronbach alpha coefficient was computed using SPSS. The value; 0.928 were obtained for collaborative manner [33].

3.2. Target Population

The study looked at the influence of end users involvement in procurement decision making on purchasing performance of Kenya Police College, Kiganjo. Kenya Police College, Kiganjo used as a case for the study. Primary data was collected for the purpose of the study making this a survey. In addition, all respondents were involved in the study making the study a census survey.

3.4. Data Collection and Analysis

The questionnaires were self-administered by the researcher through drop and pick technique. The data collected was coded, and analyzed through SPSS (statistical package for social sciences) version 21. Descriptive statistics such as mean and standard deviation were used to describe and explain the individual indicators of end user involvement and procurement performance. A multiple regression analysis was used to determine the influence of end users involvement in procurement decision making on purchasing performance. ANOVA test was used to determine the level of significance of the influence of end users involvement in procurement decision making on purchasing performance. F-test was conducted to test hypotheses. Value more than 0.05 indicated statistically insignificant effect while value less than 0.05 indicated statistically significant influence.

2.3. Purchasing Performance Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Performance Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Variance</td>
<td>Percentage price variance between contract unit price and international unit price for focus products</td>
<td>Cost</td>
</tr>
<tr>
<td>Contract Utilization</td>
<td>Percentage by value of purchases made under simple purchase orders, annual contracts, and multi-year contracts</td>
<td>Cost</td>
</tr>
<tr>
<td>Expiration Management</td>
<td>Percentage number of expired products</td>
<td>Quantity</td>
</tr>
<tr>
<td>Supplier Performance</td>
<td>Percentage of orders in compliance with contract criteria and Percentage of orders delivered on time</td>
<td>Timeliness</td>
</tr>
<tr>
<td>Procurement Cycle Time</td>
<td>Percentage of procurements completed (placed) within standard time guidelines</td>
<td>Timeliness</td>
</tr>
<tr>
<td>Payment Processing Time</td>
<td>Percentage of supplier payments made within the payment period called for in the contract</td>
<td>Timeliness</td>
</tr>
<tr>
<td>Procurement Cost</td>
<td>Ratio of annual procurement unit cost-to-value of annual purchases</td>
<td>Systems Productivity</td>
</tr>
<tr>
<td>Staff Training</td>
<td>Key training program components in place and number of staff who receive training annually</td>
<td>Quantity</td>
</tr>
</tbody>
</table>

2.3. Purchasing Performance Indicators

Table 1. Purchasing Performance Indicators.
4. Findings and Recommendations

4.1. Correlation Analysis

Correlation analysis was conducted to establish the relationship between user involvement in specification development, purchasing planning and tender evaluation and performance of purchasing activities. The findings were as presented in table 2.

Table 2. Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Purchasing Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specification</td>
<td>Pearson Correlation .615**</td>
</tr>
<tr>
<td>Development</td>
<td>Sig. (2-tailed) .000</td>
</tr>
<tr>
<td></td>
<td>N 72</td>
</tr>
<tr>
<td>Purchasing Planning</td>
<td>Pearson Correlation .589**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
</tr>
<tr>
<td></td>
<td>N 72</td>
</tr>
<tr>
<td>Tender Evaluation</td>
<td>Pearson Correlation .670**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .000</td>
</tr>
<tr>
<td></td>
<td>N 72</td>
</tr>
</tbody>
</table>

From table 2, r=0.615; p=0.000 (<0.05) indicates a positive and significant relationship between user involvement in specification development and performance of purchasing activities. These findings concur with findings of [9] that end use involvement in specification development facilitates day to day purchasing decisions enhancing the chances of purchasing the right products and services. It may also facilitate individual centered support planning to set and achieve short and long term purchasing goals of the organization. Lastly, user involvement in purchasing may create and maintain relationships suppliers enhancing partnership between the organization and its suppliers.

The values; r=0.589; p=0.000 (<0.05) indicates a positive and significant relationship between purchasing planning and performance of purchasing activities. According to [3], end user involvement in purchasing planning provides detailed planning to collaboratively market, evaluate offers and identify preferred supplier, ensure the best supplier is selected for right reasons and at a price that represents value-for-money over the life of the contract. It also assigns roles and responsibilities in the cross-functional areas of the organization and set a realistic timeline for procurement activities [14].

Lastly, r=0.670; p=0.000 (<0.05) indicates significant positive relationship between tender evaluation and performance of purchasing activities. Involvement of end users in tender evaluation ensures selection of tenders and awarding of contracts for the product that gives value for the organization [16]. It also acts as check list for the users in terms of the ability of the products to meet their needs [7].

4.2. Hypothesis Testing

The researcher used t-test to test the research hypothesis at 0.05 significance level. Significance values less than 0.05 indicated significant influence and informed rejection of the null hypotheses. The findings were as presented in table 3.

Table 3. Hypothesis Testing

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig. (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>2.508</td>
<td>1</td>
<td>2.508</td>
<td>3.179</td>
<td>.009</td>
</tr>
<tr>
<td></td>
<td>1.039</td>
<td>1</td>
<td>1.039</td>
<td>1.283</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>.324</td>
<td>1</td>
<td>.324</td>
<td>.396</td>
<td>.021</td>
</tr>
</tbody>
</table>

4.2.1. End User Involvement in Specification Development and Performance of Purchasing Activities

The first hypothesis was; H0: End user involvement in specification development does not have significant influence on performance of purchasing activities at Kenya Police College, Kiganjo. F=3.179; p=0.009 (<0.05) indicated significant influence of user involvement in specification development on performance of purchasing activities. The first hypothesis was therefore rejected and it was concluded that end user involvement in specification development has significant influence on performance of purchasing activities at Kenya Police College, Kiganjo.

4.2.2. End User Involvement in Procurement Planning and Performance of Purchasing Activities

The second hypothesis of the study was; H0: End user involvement in procurement planning does not have significant influence on performance of purchasing activities at Kenya Police College, Kiganjo. F=1.039; p=0.001 (<0.05) indicated statistically significant influence of procurement planning on performance of purchasing activities. The second objective was therefore rejected and conclusion made that end user involvement in procurement planning has significant influence on performance of purchasing activities at Kenya Police College, Kiganjo.

4.2.3. End User Involvement in Tender Evaluation and Selection and Performance of Purchasing Activities

The last hypothesis was; H0: End user involvement in Tender Evaluation and Selection does not have significant influence on performance of purchasing activities at Kenya Police College, Kiganjo. F=0.396; p=0.021 (<0.01) indicated significant influence of tender evaluation and selection on performance of purchasing activities. The last hypothesis was equally rejected and it was concluded that user involvement in tender evaluation and selection have significant influence on performance of purchasing activities at Kenya Police College, Kiganjo.

4.3. Regression Analysis

Multiple regression analysis was conducted to determine the overall influence of user involvement in specification development, purchasing planning and tender evaluation on performance of purchasing activities. R-square presents the magnitude of performance of purchasing activities influenced by user involvement in specification development, purchasing planning and tender evaluation.
From table 4, the value of R-square=0.179 indicates that specification development, purchasing planning and tender evaluation explain up to 17.9 of the changes in performance of purchasing activities. According to [21], purchasing department involves end users in purchasing to deliver products and services that meet the user needs. Involvement of end users in purchasing helps in preparation of technical recommendation and facilitates assessment and approval of key review stages throughout the procurement process [22].

ANOVA test was conducted to establish the statistical significance of the influence of user involvement in specification development, purchasing planning and tender evaluation on performance of purchasing activities. The findings were as presented in table 5.

The value; p=0.004 explains the statistical significance of the combined influence of end user involvement on specification development, purchasing planning and tender evaluation on performance of purchasing activities. Since the value is less than 0.05, it is concluded that specification development, purchasing planning and tender evaluation have significant influence on performance of purchasing activities.

From table 6, the positive coefficients; 0.630, 0.289, 0.268 indicate the individual influence of specification development, purchasing planning and tender evaluation on performance of purchasing activities holding other factors constant. The constant 4.270 indicates the level of performance achieved without user involvement in specification development, purchasing planning and tender evaluation on performance. The significance values; 0.001, 0.042 and 0.047 indicate the influence of the three factors is statistically significant. From the values, the following regression model is developed;

\[ Y = 4.270 + 0.630X_1 + 0.289X_2 + 0.268X_3 \]

Where; \( Y \) - Purchasing Performance

X1 - Involvement in Specification Development
X2 - Involvement in Procurement Planning
X3 – Tender Evaluation and Selection

5. Conclusions

It was concluded that end user involvement in specification development has significant influence on performance of purchasing activities at Kenya Police College, Kiganjo. Second conclusion was made that end user involvement in procurement planning has significant influence on performance of purchasing activities at Kenya Police College, Kiganjo. Lastly, it was concluded that user involvement in tender evaluation and selection have significant influence on performance of purchasing activities at Kenya Police College, Kiganjo.

Management of Kenya Police College, Kiganjo as well as other public organizations should consider involving users in specification development during purchasing. The users should be trained on various specification methods and the importance of their involvement in purchasing process. Management of Kenya Police College, Kiganjo as well as other public organizations should start all purchasing processes with planning. End users should be involved in purchasing planning while the procurement function should provide guidance during the process. Procurement planning should be a well-structured process and must be documented. Lastly, tender evaluation should be conducted by well constituted and well informed committee. There is need to involve users in tender evaluation, especially in purchase of technical products and works.

Further studies should be conducted to establish the role of end users in development of organizational procurement policies such as e-procurement, procure to pay etc. Further studies should also be conducted to establish factors hindering end user involvement in purchasing activities especially in public organizations. Lastly, study should be conducted to determine how the adoption of current trends in public procurement can be influenced by end user involvement.

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