

Factors Militating Against Efficient Procurement Processes in Small and Medium Enterprises

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Abstract:

Procurement process is regarded as one of the critical factors in a successful supply chain management of an organization. It is one of the series of activities perform by an organization to promote the effective utilization of her scare resources in the supply chain and indeed the hallmark of an organizational success. Efficiently following the procurement processes and promoting strong adherence to the principles in an organization has been identified in the literature review as a way of successfully manage the organizational scare resource and increase the overall profit. While the processes of procurement in some of the sampled enterprises for this research were clearly highlighted for staff to follow, the extent of compliance is significantly low.

Therefore, this study looks at how some of the independent variables, procurement procedures and planning, staff competence, organizational structure, information technology and allocation of resource impact the efficient procurement process which is the dependent variable. Secondary data was mainly used in this research and 97 employees representing the sample frame of 125 staff handling procurement processes in the 25 selected enterprises were used for evaluation. A systematic review of the literature was also carried out to distinguish the factors that accelerate or impede procurement processes along the supply chain of the selected small and medium businesses in Launceston, Australia and these identified factors was evaluated to provide implications for the managers and procurement team.

Keywords: supply chain; Small and Medium businesses; procurement process; procurement efficiency.

JEL Classification: L26; M21.

Introduction

The present competitive business world where organizations are faced with challenges of managing their scares resources has put continuous pressure on businesses to seek all opportunities that enhances the management of available capabilities (Berisha and Pula 2015). For organization to excel in their service deliveries to customers and surpasses their competitors, a high quality of product, at lowest price and made available in a minimum time is desirable (Barsemoi, Mwangagi, and Asienyo 2014). Therefore, the supply chain of such organization needed to be well-managed and has capability to reduce cost while enhancing customer service with a good quality of product at a low price (Fawcett, Ellram and Ogden 2007).

Procurement is one of the segments of supply chain and it is one of the processes that enhance efficient management of the supply chain of an organization (Cheptora, Osoro, and Musau 2018a). According to Damas (2013), procurement processes are a series of activities executed by an organization to enhance effectiveness in the process of managing her supply chain capabilities, it is therefore the basis of any small business owners. Efficiently managing the procurement processes leads to viable purchases and receiving of superior materials when properly implemented (Kakwezi and Nyeko 2019). Procurement goals have gone beyond quality, technical risk reduction and cost reduction, but also into collaboration with suppliers in providing technical expertise that enhances the business (Sanderson, Lonsdale, Mannion, and Matharu 2015). Several factors such as the level of professionalism, staff competency, budget resources, the structure of the organization (centralized or decentralized) internal control policies, procurement ethics and regulation are some of the factors that have impact on procurement performance in small and medium enterprises (Wanyonyi and Muturi 2015). Procurement is the hallmark of an organization, and its approaches would determine the success or otherwise of any business entity (Fawcett *et al.* 2007). According to Omanji and Moronge (2018), the inefficient procurement process has been attributed to incompetent staff, traditional procurement processes, unwillingness to accept e-procurement, lack of proper regulation and quality assurance policies and corruption sometime may occur in procurement processes.

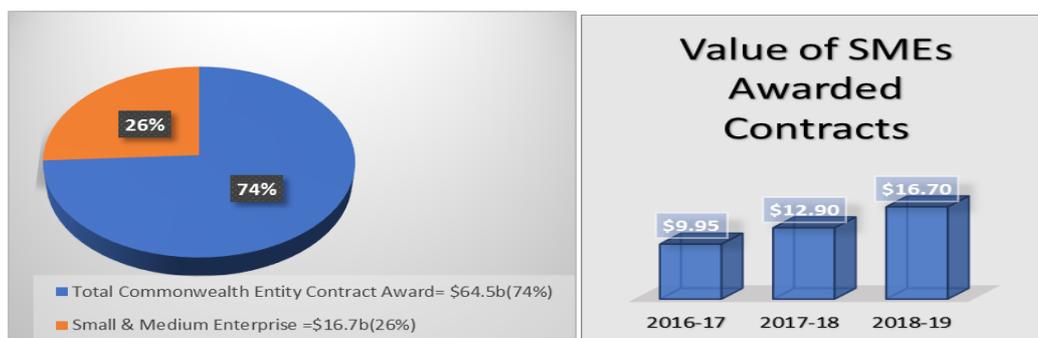
The Small and Medium Enterprises Participation and Procurement Processes in Australia

Small and medium-sized enterprises play a significant role in Australia economic growth and job creation (Acs and Audretsch 1988). Bhattacharya and Bloch (2004) and Rosenbusch, Brinckmann and Bausch (2011) investigate determinants of innovation for SMEs in Australia companies using data from Business Longitudinal survey and researched by the Australia Bureau of Statistic (ABS), the studies revealed that firm size, international trade and procurement, research and development enhance the contribution to the economy from the SMEs. In spite of the development in ecommerce business technologies, research conducted indicates that the e-commerce is not being adopted as readily by the SMEs in the procurement processes as it would have been expected (Ballantine, Galliers and Stray 1996). The fast-evolving nature of e-business and technological development are new to many SMEs, hence challenges such as managing the increase flow of information, security, high cost of acquiring the skill are prevalent among the small businesses (Ballantine, Levy and Powell 1996).

However, Small-to-Medium Enterprises participation in economic growth of Australia are encourage by given consideration to market that reduce the burden and time for SMEs to participate (Waldersee 2012), encourage innovative response and allow SMEs to compete with larger entrepreneurs. SMEs are also encouraged to be open to joint ventures or consortia to enable partnership with other players. The use of suitable procurement process, keeping contract document simple and in plain English and ensure the contract terms and insurance requirements are reasonable and the risk are proportionately addressed are some of the procurement procedures in the SMEs (Treasury 2006). SMEs are considered an origin of immense innovative practices and contribute greatly to the development of the entrepreneurship (Vasilescu 2008)

The Australia Government is committed to supporting SMEs in overcoming any of her challenges through government procurement processes and procedures and by adhered to the Commonwealth Procurement Rules (CPRs) which includes at least 10% by value of all procurement from SMEs (Murray 2011). For instance, and as an indication of the government commitment, 35% of contract valued up to \$20 Million came from SMEs in 2018 (Gourdon and Messent 2019). There exist a range of policies and frameworks to support SMEs in the Government procurement and bidding processes, including *the indigenous Procurement Policy* which is a mandatory procurement-connected policy that mandated firms to contract with indigenous businesses, predominately SMEs. *The Australian Industry Participation* is another mandatory procurement connected policy that allows full and fair opportunity for Australia SMEs to compete for contract while *the supplier pay on time Policy* focuses on facilitating timely payment to suppliers.

Figure 1. The total value of contract awarded to SMEs Increased from \$12.9 billion in 2017 to \$16.7 billion in 2018-19. representing a 29.1% increment



Source: Statistics on Australian Government Procurement Contracts, 2019, Australia Government, Department of Finance, accessed 25 January, 2020.

1. Literature Review

According to Giunipero *et al.* (2006), Hines (2006), and Porter (1998), procurement is defined as the acquisition of services, goods, knowledge and capabilities that are required by businesses from the right source, at the right time, in the right quality, at the right quantity and at the appropriate time to manage and maintain the company's immediate and strategic activities. In the same vain, Mangan *et al.* (2008) defined procurement as the process involved in recognizing and obtaining goods and services, it includes sourcing and identify potential suppliers to deliver an item as specified. The search was conducted in academic database of google scholar and the following terms were used for the search; Procurement processes in SMEs, purchasing procedures in SMEs and Buying processes in SMEs and the potential paper were identified based on the relevance to the research.

1.1. The Procurement Procedures and Planning

Firms need standard procurement processes which cover every aspect of procurement cycle including supplier selection, negotiation of contract, placement of order and payment (Kariuki and Kwasira 2014) and procedural process of procurement ensures efficiency and orderliness in any procurement department (Hamza, Gerbi and Ali 2017). Kuloba (2016) affirm that every firm is expected to develop procedure to enable its personnel implement plans and policies designed to meet the organizational objectives. Procurement planning and procedures are critical and form the major function that enhances successive procurement activities (Berisha and Pula 2015). There is need to help SMEs companies to improve on their competitive advantage and further contribute to the economy, and to discover the benefits of SMEs and their achievements, numerous quality improvement strategies have been implemented in recent past (Danis and Kilonzo 2014). However, procurement is yet to receive the required attention from SMEs and experiences indicate that SMEs need a change in procurement planning and procedures but not really on investment in capital resources (Fee, Erridge and Hennigan 2002). An appropriate procurement plans and procedures should describe the process in detail (Kihara and Ngugi 2013) hence, it is an opportunity for all stakeholders to meet and design an appropriate operations processes.

1.2. The Staff Competency

According to Armstrong and Baron (1995), competency is the application of skills and knowledge as well as the required behavior in getting things properly done by following the right rules, policies and procedures, competency shows adequacy of the required knowledge and skills which enable someone to act in a particular role (Novack and Simco 1991). According to Russell (2004), in adequate procurement skills and knowledge is a disservice to an organization and consequently lead to decline in the financial health. Many organizations do not employ the right and competent staff to oversee the procurement process and this resulted to additional investment incurred in development and training (Sultana 2012), and qualifications are essential for value-based management (Johnson, Klassen, Leenders and Fearon 2002). Some of the data from the literature reveal that the greater the competitive pressure from business atmosphere, the more strategic measure to develop purchasing process (Ellegaard 2006). Krajic (1983) suggested a contingency strategy in which procurement strategy is aligned with the complexity of the procurement situation. For instance, when the complexities of procurement in an organization is high, it should be reflected in the strategy and position of the procurement in such organization structure, and thus require competent staff to handle (Olsen and Ellram 1997). Today's procurement processes are characterized by employee who does not have any certification or tertiary training in procurement processes and have not been adequately sensitized on the critically of their function (Sanderson *et al.* 2015).

1.3. Organization Structure

According to study conducted by Chandan (2006), procurement operating procedures, rules and regulations for performance standard are set for staff to make them understand the expectations from them. The procurement department in an organization often reflects the organizational structure of the business, communication patterns, the size of the department and the extent of centralization impact the underlying structure (Kiage 2013) and the function is critical to the long-term success and efficiencies of an organization (Kihara and Ngugi 2013). For a small business, the procurement process generally has flat informal organizational structures (Mor, Bhardwaj, Singh, and Nema 2019), and a department with only a few employees would have no formal hierarchy, everyone takes responsibility for procurement decisions and executes procurement duties (Ndolo and Njagi 2014). Typical procurement department evolves in a less flat with a relatively simple organization where the procurement department has a manager with the employees and shows a high degree of centralized procurement and information flow from the top to the employee (Stake 2017). However, a highly emergence procurement department adopts a network of organizational structure where procurement standard, policies and operating procedure flow from the head office to each departmental location (Perkins and Gunasekaran 1998).

1.4. Information Communication and Technology

The introduction of information technology into the procurement process was meant to ease some of the difficult aspect of the process, track data, reduce common problems and generally make procurement activities function efficiently (Castorena, Enríquez and Adame 2014). ICT plays a prominent role in fostering SMEs procurement process in this present technological age, and its importance has been a central of discussion in business especially to mitigate risk of financial performance in SMEs (Cheptora, Osoro and Musau 2018b). However, several studies show that this important technology has not been fully utilized in SMEs enterprises to gain the inherent potential in the use of ICT especially in the manufacturing area of the economy (Vachani 2005). Small business procurement

activities evolved from the manual order system to nowadays e-procurement thereby ease the management of the multitude of data in procurement processes (Yalamalle and Suresh 2013), activities such as inventories, orders, contracts, finance and so on are tracked and updated in real time (Olusegun and Akinbode 2016). Less time and space are now needed to manage the crucial procurement process, information that could fill a room when kept in hardcopies are now available on computer (Nzau and Njeru 2014), staying up to date and prompt decision making is assured with technology (Janda and Seshadri 2001). According to Rusek (2006), digital information and the advance of the internet have improved the efficiency of the procurement activities in the small and medium sector of the economy and the advent of technology has also streamline the procurement processes by making the process faster with more accuracy.

1.5. Allocation of Resource

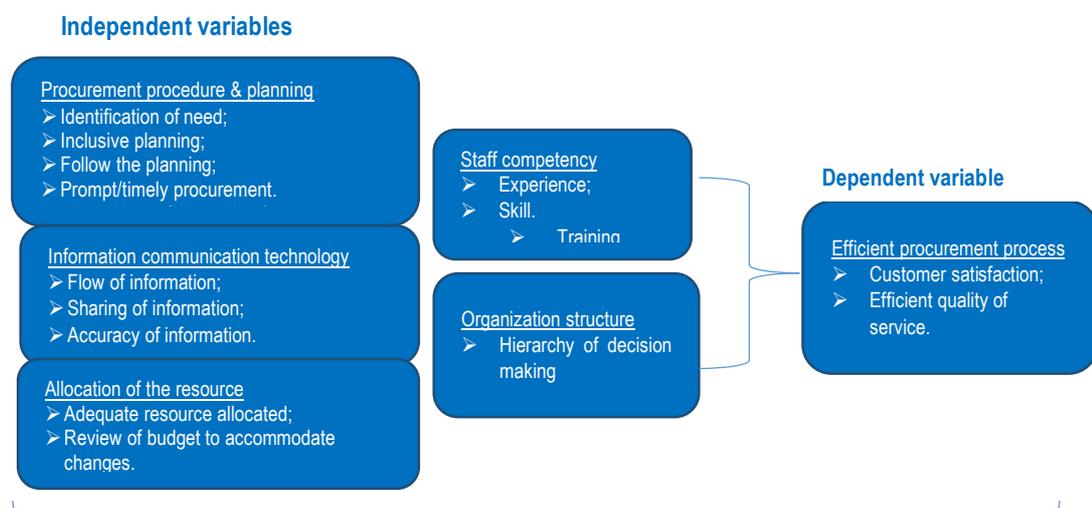
Allocation of resource is the procedure and strategy used by the organization to determine where scarce resources should be used in the production of goods or service delivery. The allocation of the available resource or asset in the best way possible to execute a given task or project is vital in any organization either small or big businesses. Organization allocates available asset and resources in such a matter that would minimize cost and maximize profit margin using strategic planning and operational policies and procedures that make the business achieve the set objectives (Maréchal and Morand 2012). Allocation of resource and asset of an organization is the startup of the strategic approach to formulate goals and vision for the future. The growth in the SMEs sector of the economy depend on the potential of investment and innovation (Islam 2016) and investment requires capital and access to finance. The consistently complaint of lack of fund from SMEs sector is a constraint that often endangers the economic growth of countries (Nzau and Njeru 2014). Financial access is not only critical, but the efficient allocation is also important for SMEs growth and development (Vachani 2005) The early emergence of SMEs revealed that the sector rely on internal source of finance, savings from owners, funds from sales of assets and retained earnings which presently cannot cope with the trend of the economic growth (Wanyonyi and Muturi 2015)

2. Research Methodology

The conceptual framework shown below explains the relationship between the variables in this research. The efficient procurement process is a dependent variable and can only occur when all the independent variables (Allocation of resource, information and communication technology, organization structure, staff competency and procurement procedure and planning) are properly and adequately harness, therefore if all these factors are aligned in the procurement process it will make the process efficient (Mufutau 2013). Investment in staff to enhance their competency may likely create competitive advantage for an organization and consequently increase the quality of services delivery. Hence, the efficient procurement process which is dependent of other factors could be defined as the task accomplished by the employee and resulted in customer satisfaction through diligent procurement processes. Therefore, this research seeks to ascertain the effect of the above factors on the efficient procurement process in the SMEs in Launceston city of Tasmania, Australia.

2.1. The Conceptual Framework

Figure 2. Conceptual framework



Source: Author's design

2.2. Data Collection Method

The study adopted a descriptive research design. The descriptive approach centered on describing, analyzing and interpreting the condition that existed using balanced research design (Dulock 1993). The target population for this research was 25 selected small-to-medium business enterprises operating within Launceston with each haven minimum of 5 employee handling the procurement processes, and this make the selected population to be 125 employees.

The study mainly concentrated on using secondary data because of the cost effectiveness advantage offer by it (Shultz, Hoffman and Reiter-Palmon 2005). The sample frame was taken from the selected population of 125 staff handling the procurement processes in 25 selected business enterprises. According to Morgan (1970), for 125 population, sample size 97 is required for the study. Therefore, 97 employees from these selected enterprises represent the sample size. Data for the sample size were collected from written material which includes relevant websites, books, e-journal and relevant past studies on SMEs. A closed-ended questionnaire and Likert scale was used to measure the responses from the respondents.

2.3. Method of Data analysis and Presentation

Descriptive and inferential statistics were used for data analysis. Statistical Package for Social Sciences (SPSS Version 20) was utilized as the main descriptive statistical tool to analyze the data and determine the extent of relationships between the independent and dependent variables. Inferential statistics (correlations and multiple regression analysis) were used to give a measure of the relationships between two or more variables and establish if there was any relationship or there exist a cause-effect relationship between the variables.

3. Empirical Findings

Many research models have been formulated to analyze and explain performance measurement and various modalities that organizations can adopt to enhance performance at strategic and functional level (Adomako-Ansah 2012). This research plays a vital role on the evaluation of factors militating against procurement performance measurement initiative. Hence, this study centered on the concept of performance of organisational resources, internal control theory and resource-based concept. This study therefore sought to access factors militating against performance measurement in SMEs in Launceston city of Tasmania, Australia. The first approach was to investigate the extent to which procurement procedure and planning affect performance measurement and then extend the investigation to other factors to determine the extent of their influence on efficient procurement processes in the SMEs of the city being investigated.

3.1. Preliminary Analysis

Table 4.1 represents the summary statistics of the series of Eff.P (efficient procurement), the dependent variable, followed by dependent variables, SC (staff competency), ICT (information communication technology) and RA, (resource allocation) in local SMEs in Launceston. The mean for indicators indexes of Efficient Procurement (the dependent variable), followed by independent variables, SC Staff Competency, ICT information communication technology and RA, the Resource Allocation are: 15.98969, 16.36082, 40.92 and 16.36082 respectively for SMEs in Launceston. The standard deviation for dependent variable (Efficient Procurement) and independent variables (SC - Staff Competency, ICT - information communication technology and RA - Resource allocation) are 2.796929, 3.159594, 6.154049 and 3.159594 respectively for the sample. The result also indicates that the data are normally distributed since the values for skewness and kurtosis are within the normality range ± 3.00 and ± 10.00 for skewness and kurtosis Kline (1998). In addition, the result of group normality test presented in the Table 1 indicates that the data are normally distributed.

Table 1. Results of descriptive statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max	Skewness	Kurtosis
Eff. P	97	15.98969	2.796929	9	20	-0.879	1.204
SC	97	16.36082	3.159594	6	20	-0.174	-0.773
ICT	97	40.92000	6.154049	23	50	-1.360	2.171
RA	97	16.36082	3.159594	6	20	-0.174	-0.773

Note: Mean values presented first and standard deviation, Minimum, Maximum, Variance, Skewness, Kurtosis and Observation, ***, ** and * indicate significance at the 1%, 5% and 10% levels, respectively.

Source: Author's estimations.

3.2. Multiple Regression Analysis

The relationship between SC - staff competency, ICT - information communication technology and RA - Resource allocation and Eff.P - efficient procurement has been acknowledged by both theories and research literature in many countries of the world. However, the result from the Table 2 confirmed the existence of correlation among the independent variables. Meanwhile, low correlation enables us to predict the absence of multicollinearity problem and the independent variables. In other words, the study found the evidence of no collinearity problem between the explanatory variables since none of the bivariate correlation exceeds 0.7 therefore there is no multicollinearity problem.

Table 2. Results of correlation analysis

Variables	Eff.P	SC	ICT	AR
Eff. P	1.0000			
SC	0.0120	1.0000		
ICT	0.1517	0.9437	1.0000	
RA	0.7165	0.0906	0.0808	1.0000

Note: Eff.P is the efficient procurement (the dependent variable), followed by dependent variables, SC - staff competency, ICT - information communication technology and RA – resource allocation. The correlation matrix is used to measure the strength and direction of the linear relationship between the two and more variables. In the practical method, the correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, while +1 indicating a perfect positive correlation, and 0 indicating no correlation at all.

Source: Author's estimations.

3.3. Collinearity Statistics

It is extremely recommended that the test of Multicollinearity is examined on the variables before the testing of the proposed model (Hair, Black, Babin, and Anderson 2013, Tabachnick, Fidell and Ullman 2007). This indicates the existence of relapse in the correlation matrix where the independent variable is high and significantly correlated with another independent variable. Also, multicollinearity is the extent to which a variable can be explained by the other variables in the analysis (Tabachnick *et al.* 2007). Because of collinearity, it is difficult to ascertain the effect of any single variable. This study included the use of Variance Inflation Factors (VIF) to examine multicollinearity, and VIF value greater than 5 indicates multicollinearity. In this study, the VIF values were below the standard criteria, indicating no multicollinearity issue while heteroskedasticity-consistent standard error was used to correct the heteroskedasticity problem. Autocorrelation was corrected using the white diagonal method. The Table 3 shows the evident of no heteroscedasticity and auto-correlation.

Table 3. Multicollinearity Test for Exogenous Latent Constructs

Items	VIF
Eff. P	2.537
SC	2.347
ICT	2.763
RA	3.096

Note: Eff.P is the efficient procurement (the dependent variable), followed by dependent variables, SC - staff competency, ICT - information communication technology and RA – resource allocation.

Source: Author's estimations.

3.4. Coefficient of Estimation

Having examined the significance and relevance of the path coefficients, the explanatory power of the structural model was determined by the coefficient of determination R-square values (Hair, Sarstedt, Pieper, and Ringle 2012). Another essential criterion for measuring structural model in the PLS-SEM is the use of R-squared values or the coefficient of determination (Hair Jr, Sarstedt, Hopkins and Kuppelwieser 2014, also Hair, Hollingsworth, Randolph and Chong 2017, Hair *et al.* 2012). According to literature, R-square is the indicator that shows the amount of variance examined in the endogenous variable by its exogenous variable. (Chin 2010) the quality of the variables included in the model (Hair *et al.* 2012). However, many criteria can be employed as guidelines for assessing the level of R-square. For example, Cohen (1988) criterion opines that R-square value which equals to 0.26 or more is considered to be substantial, 0.13 moderate, and 0.02 weak. Meanwhile, Chin (1998) criterion states that R-square value which equals to or more than 0.67 is substantial, 0.33 moderate, and 0.19 weak.

Table 4 depicts the R-squared values of the endogenous (staff competency, information communication technology and resource allocation) latent variables on its impact sum together on efficient procurement in SMEs of the city being investigated.

Table 4. Dependent Variable (Eff.P)

Variables	B	Std. Error	Beta	Lower Bound	Upper Bound	Tolerance
(Constant)	3.284	2.433		-1.551	8.118	
SC	0.609	0.165	0.436	0.282	0.936	0.394
ICT	0.083	0.081	0.136	-0.079	0.244	0.307
RA	0.065	0.177	0.048	-0.286	0.417	0.323

Note: Eff.P is the efficient procurement (the dependent variable), followed by dependent variables, SC - staff competency, ICT - information communication technology and RA – resource allocation.

Source: Author's estimations.

Table 5. Main Effect on Dependent Variable (Eff.P)

R	R Square	Adj R Sq	Std. Error	F Change	Sig. F Change	Durbin-Watson
0.712a	0.607	0.580	2.72426	19.642	0.000	1.668

Source: Author's estimations.

Table 5 depicts that Staff competency positively influence efficiency procurement to a significant extent, which confirms the Hypothesis of the study as the majority of the procurement efficiency index are positive. The coefficient of R square is 0.607 which indicates 50% influence of Staff Competency, information communication technology and the Resource allocation on efficiency procurement. Additionally, F-statistics (19.64, $p < 0.001$) shows that the model is significant. This confirmed the significance of all the three dimensions on efficient procurement of SMEs in the city of Launceston. Furthermore, with regards to the individual significance of determinant of efficient procurement, the coefficients of SC - staff competency, ICT - information communication technology and RA - resource allocation are positively related to students' loyalty in UAE's private local higher institution (Alhadhrami 2013). This result indicates that SC, ICT and RA summed together induced Eff.P for SMEs in Launceston. This indicates that SC, ICT and RA induced efficiency procurement by 0.609, 0.083 and 0.065 respectively. The findings indicate that SC, ICT and RA are good variables for decision making among SMEs in Launceston.

Table 6. Summary of hypotheses tested for the model

S/No	Variables	Hypothesis	Predicted Sign	Actual Sign	Statistical Sign.
1	SC	H1	+	+	Support
2	ICT	H2	+	+	Support
3	RA	H3	+	-	Support

Note: Eff.P is the Efficient Procurement (the dependent variable), followed by dependent variables, SC - staff competency, ICT - information communication technology and RA – resource allocation.

Source: Author's estimation.

Conclusion, Implications and Recommendation

The aim of this research was to determine factors militating against efficient procurement processes in small-to-medium scale enterprises in Launceston city of Tasmania. The study established that staff competency has the greatest impact on the procurement performance measured in terms of efficient service delivery in the selected SMEs as compared to procurement procedure and planning, ICT, allocation of resource and organizational structure with ICT being the least factor affecting the efficient performance of procurement activities in those selected SMEs.

The implication is that inadequate training, low level of education as well as insufficient understanding of procurement ethics have the tendency of undermine the other identified factors and could make SMEs not able to achieve the set goals. Information and communication technology, resource allocation, procurement procedure and planning cannot efficiently influence procurement process without a competent staff (Mor *et al.* 2019).

In view of this, the selected SMEs required the competent hands to properly manage all her procurement activities to harness all capabilities.

Limitation and Future Research Direction

It is very important that some of the limitations of this research are mentioned to further assist in the future studies as well as providing future direction in this area. First in the constraints encountered was limited time available to

complete this work which does not provide enough room to further go deeper in the study. The second limitation was the sample size from twenty-five organizations which is quite small and may reduce generalization, hence limiting the use of the results for significant relationship. For future direction, the current study investigated five independent variables (procurement procedure and planning, staff competency, allocation of resource, Information and communication technology (ICT) and organization structure) which according to this research are part of the variables that determine efficient procurement process. Future research is recommended to examine other factors (e.g. supplier collaboration) that may impact procurement processes in SMEs. Also, this study investigated the impact of these five variables on efficient procurement processes on SMEs in Launceston area of Australia, further research in this area is recommended to establish whether these results would be similar to other SMEs in other locations.

Recommendation

In spite of the constraints and limitation faced by this research, the study could still be adapted and referenced, hence the following recommendations are proposed.

- Awareness of staff through training is imperative to achieve excellent competencies in the procurement process in Launceston SMEs.
- Appropriate and competent procurement staff should be involved at the earlier stage of procurement planning, participatory procurement annual plan and frequent review where necessary to align with the current market trend are recommended.
- Adequately equipped and sensitized staff are paramount for procurement process efficiency; therefore, Launceston SMEs stand to benefit if resources are allocated for procurement department to encourage training that will improve the skill of the procurement staff.
- It is also recommended that procurement processes and procedure be adequately followed at all level of management by all these SMEs in other to enhance the efficient performance.
- The study recommend that the use of ICT should further harness as an inter-linked to procurement function to make the process more efficient.

Conclusion

The study concluded that staff competence and resource allocation were the factors that mostly impact the efficiency of the procurement processes in the selected SMEs. Some of the elements that were used to measure the competencies of the staff handling procurement processes in the selected SMEs are the negotiation skill, creativity, analytical skill, training, motivation and deployment of the right employee based on skill set, understanding of procurement procedure. The resource allocation was investigated in relation to the adequateness, flexibility of the budget to absorb economic variability, awarded of tender base on availability of resource and the appointment of competent staff to man the resource allocation. The research indicated that a unit increase in the staff competence resulted to an increase in the efficiency of the procurement process likewise a unit increase in the allocation of resources raise the level of the procurement efficiency.

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