



PROCUREMENT PERFORMANCE EXPECTATIONS GAP IN PUBLIC WORKS CONTRACTS IN UGANDA'S DISTRICT LOCAL GOVERNMENTS

Presentation of PhD Project

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What is the initial problem?

- PPDA Procurement Audit reports have reported glaring levels of:
 - procurement performance inefficiencies in the roads sector (performance deficiency),
 - Ineffectiveness and sustainability of procurement outputs (deficient standards and quality),
 - stakeholders' rejecting completed roadworks projects to the extent of refusing to commission them (performance unreasonableness)
 - Inappropriate conduct of procurement officers while performing their activities (interdiction)
 - Improper application of general procurement rules during execution of works
 - high level of shoddy works; low citizens' participation
- These deficiencies are not matching with performance expectations of stakeholders!!!
- The variations in stakeholder performance expectations have become an ongoing concern for stakeholders, policy makers, politicians and funders and academicians in the attainment of public procurement outcomes despite call for increasing performance effectiveness and efficiency of public procurement systems (Basheka, 2009; Ntayi, Eyaa, & Ngoma, 2010; Patrucco, Luzzini, & Ronchi, 2016; Sibanda, 2012).



Implication of the problem

- These cause variations, with different implications based on the way the roadworks projects are presented to the community
- Stakeholders have different expectations and if these are not addressed timely, projects will continue stalling and in the worst case scenario donor financing will be withdrawn



Empirical gap

- Research addressing performance expectations gap in public procurement is sparse and incomplete; yet its an important aspect
- Research on expectations gap has been widely studied in auditing and marketing fields (Adams & Evans, 2004; Brennan, 2006; Humphrey, Moizer, & Turley, 1993), In which shareholder expectations have fallen short of auditors performance, using an interpretive approach
- Previous research mainly focused on procurement performance, emphasizing how an efficient and effective procurement process can contribute to better procurement performance (see Busch, 2015; Byaruhanga & Basheka, 2017; Eyaa & Ntayi, 2010; Kakwezi & Nyeko, 2010; Sabiiti, Muhumuza, & Basheka, 2010; Vaidya, Callender, Sajeev, & Gao, 2004)
- ***We see certain aspects covered in Auditing that resemble what is occurring in public procurement today:*** study is using derivative constructs of procurement performance



Theoretical Gap

- Previous studies have not used theoretical approaches in explaining the qualitative aspects of the expectations gap: Study used a theoretical approach to explain this complex phenomenon using a combination of theories
- The study combines theories to develop a model that can explain variations in Procurement performance expectations among DLGs in Uganda



Answering research questions ?

- Understanding reality: What's is the nature of PPEG?
 - How PPEG is perceived by the stakeholders and their different interests?
 - Is there an overlap?
 - How do they differ despite chasing a common goal?
 - Understanding of PPEG by the different stakeholder groups?
 - How is the understanding of PPEG linked to the independent variables?



Philosophical Foundation

- **Philosophical Dimension:** Positivism and interpretivism philosophy (Knight & Cross, 2012; Sayer, 2000; Collier, 1994; Bhaskar, 1975).
- **Ontology:** phenomena under study has many realities which are both structured and unstructured
 - Structured: exists independent of the researcher
 - Unstructured: reality constructed through interaction between researcher & researched (interpretable) in nature (Knight & Cross, 2012; Neuman, 2007, Creswell & Plano Clark, 2007)
- **Epistemology:** the deductive/Explanatory testing and exploratory approaches respectively guided the study methodology (Knight & Cross, 2012; Ahiauzu, 2011).



Research Design:

- Mixed method approach:
 - with A Sequential Exploratory method - employed for qualitative data and
 - later a sequential explanatory approach followed, using a cross-sectional survey design
 - Methodological triangulation of data at end

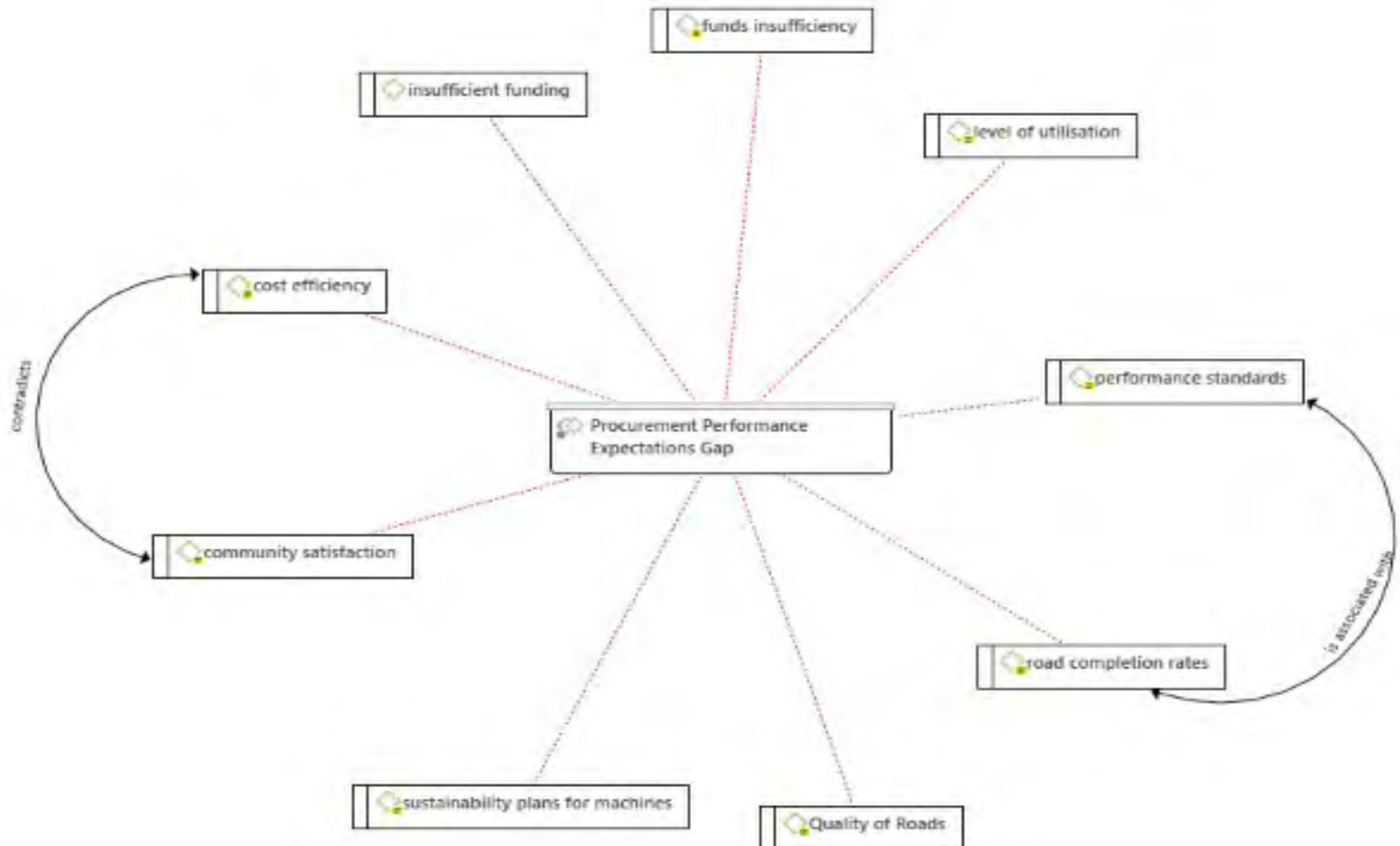


Results: What does the perceived PPEG look like to you?

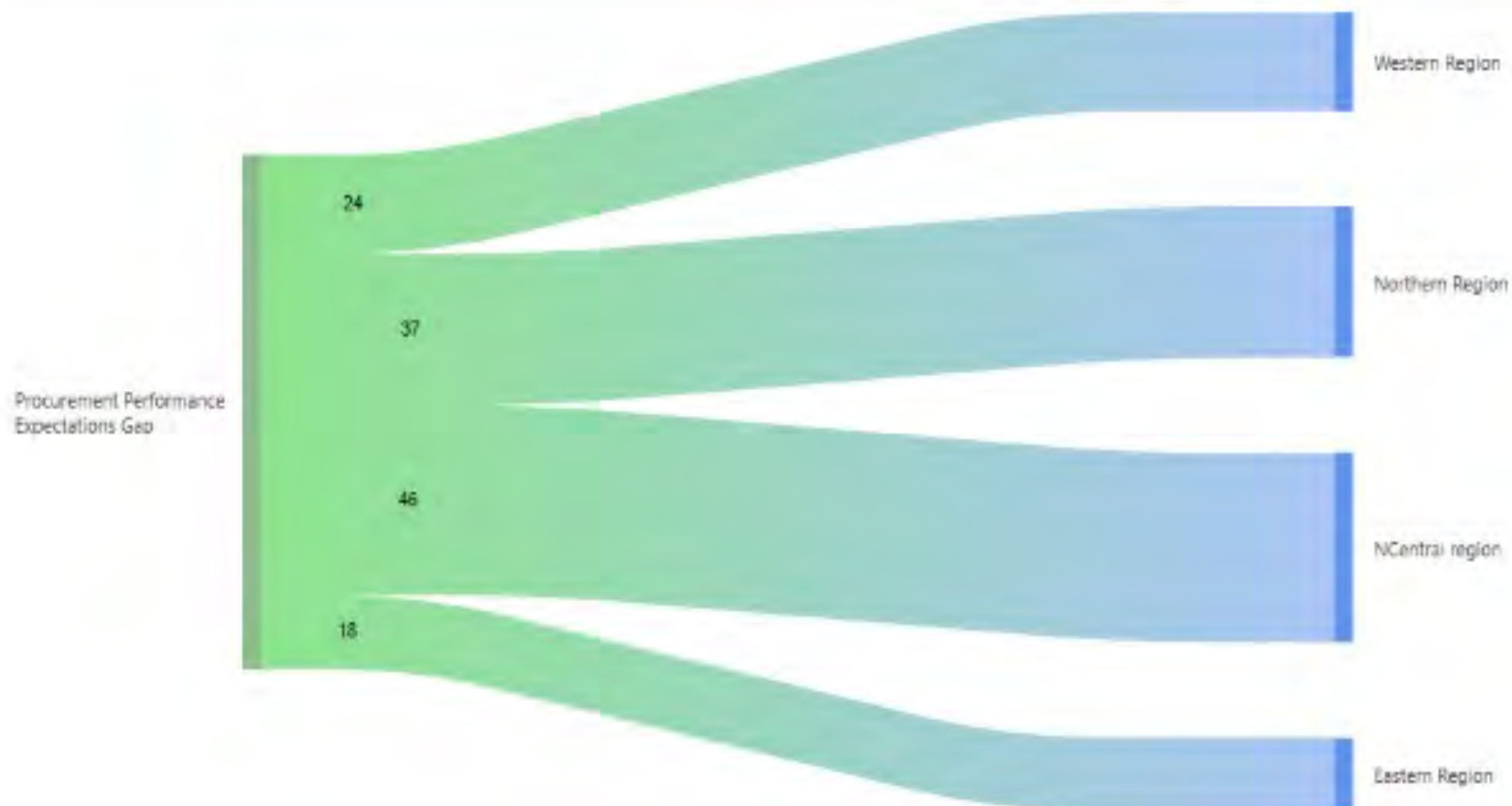
- general lapse of procurement performance failure punctuated with
 - growing levels of performance dissatisfaction,
 - narrowness of the community access roads,
 - delayed completion of road network and
 - inconsistency in the quality of completed works from their own perspective



Radar diagram for PPEG



	Eastern Region 6 41	NCentral region 18 119	Northern Region 11 80	Western Region 8 66	Totals
Procurement Performance Expectations Gap 13 187	18 100.00%	46 100.00%	37 100.00%	24 100.00%	125 100.00%
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Performance Expectations Gap Index (PEGI)

$$|\text{PEGI}| = 1 - |(\sum_{i=1}^n Gi)|$$

- PEGI = PPEG, expressed in % terms
- G_i is the respective Gap arising from the mean paired differences; is such that: $0 \leq G_i \leq 1$
- n denotes the number of times the gap is considered



Index Range	Interpretation	Implication and recommendation
between 0.6 to 0.9	indicates a wide performance gap	Requires management intervention
Between 0.4 to 0.59	Indicates an average performance gap	Improve on weaknesses in both efficiency and effectiveness
Between 0.2 to 0.39	Indicates a small performance gap	Work on operational efficiency
Between 0 to 0.19	Indicates a very narrow performance gap	Improve feedback to match expectations
Exact 0	No gap exists (performance matches expectations)	Performance should be maintained

$$|\sum_{i=1}^n Gi)| = \sum_{i=1}^3(-0.1592 - 0.2913 - 0.2002); = - 0.6507$$

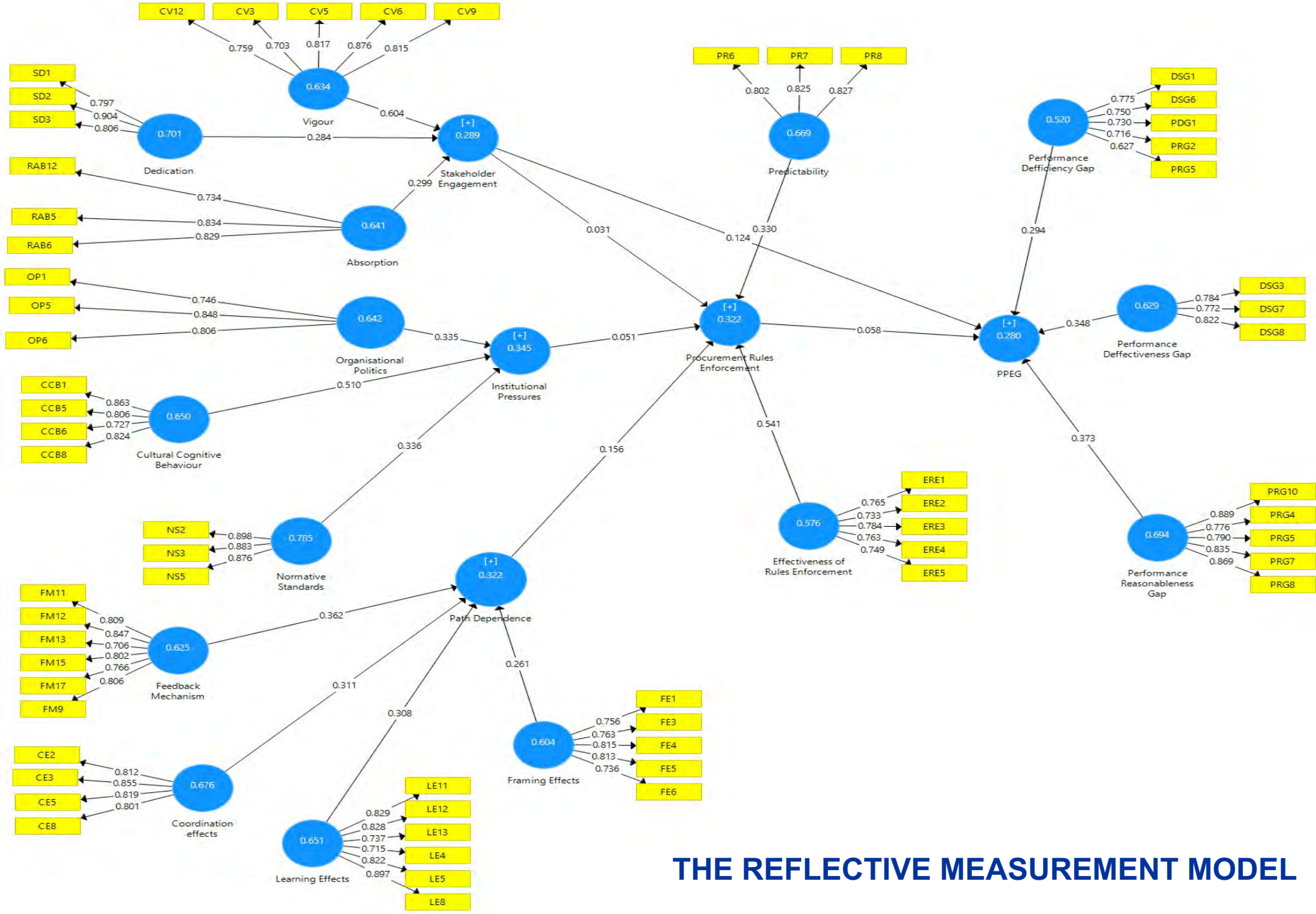
$$\text{Thus } |\text{PEGI}| = 1 - 0.6507; = 0.3493 \text{ (or 35 \%)}.$$

We conclude that the level of performance of roadworks attained by technical staff is 65%, creating a performance gap of 35%, in the perspective of road users.



DATA ANALYSIS TECHNIQUES-Quantitative

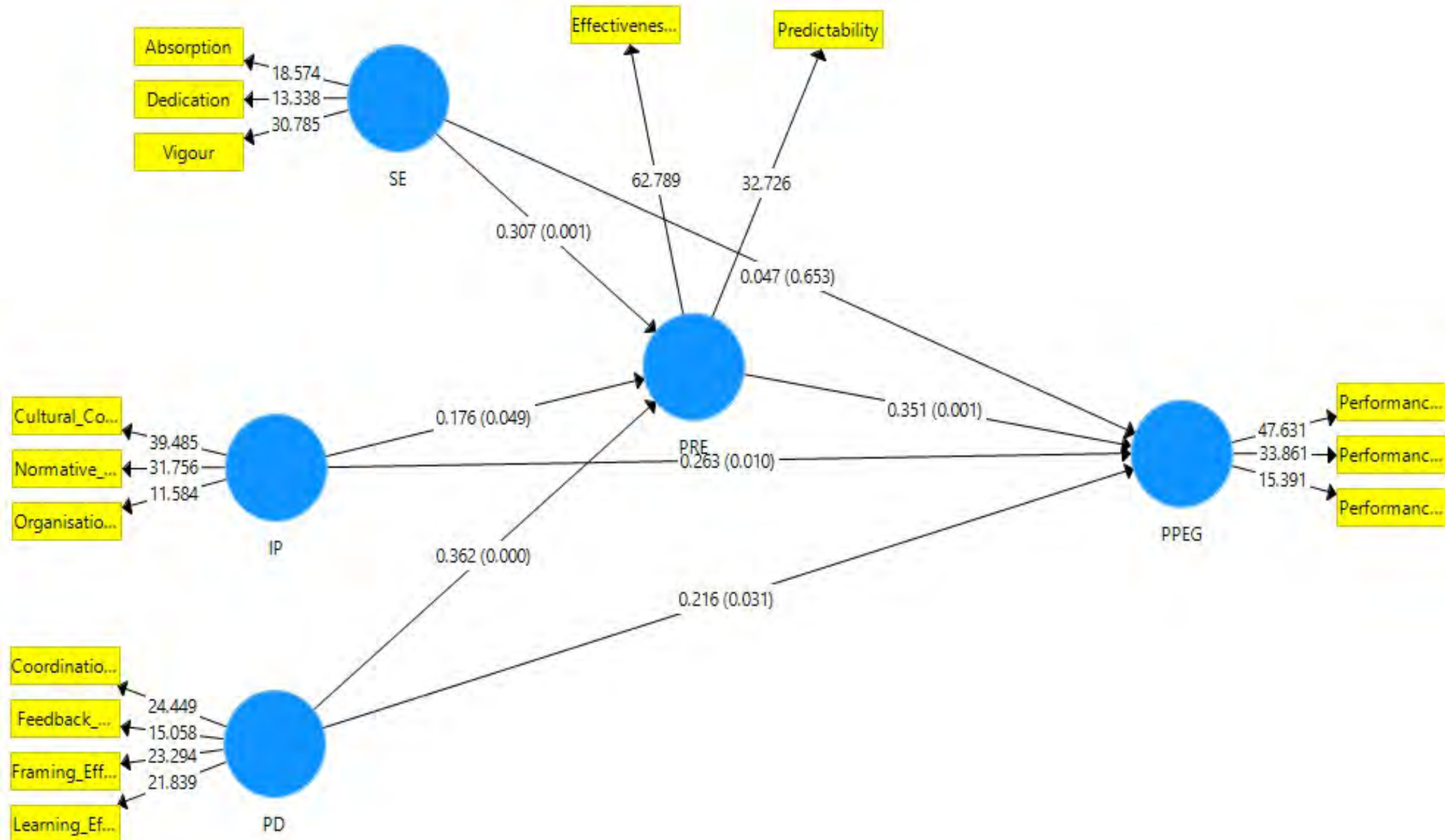
- **Smart- PLS Structural equation modeling: complies with the predictive oriented objective of this study (J. F. Hair, Hult, Ringle, & Sarstedt, 2017) for Reliability, Validity & competing model Fit**
- **Bootstrapping approach - Testing for mediation**
- **Summary of findings-Tested 10 hypotheses- 8 supported and 2 not supported [SC](#) & [summary of Hypothesis](#)**



THE REFLECTIVE MEASUREMENT MODEL



The structural model: Surprising Results





SUMMARY: TOTAL , DIRECT AND INDIRECT EFFECTS

Hypotheses	Relationship	std Beta (Sample Mean)	t-value (t > 1.645)	P Values	Supported
H2	Institutional Pressures -> PPPEG	0.275	2.585**	0.001	Supported
H5b	Institutional Pressures -> Procurement Rules Enforcement	0.194	1.977**	0.049	Supported
H3	Path Dependence -> PPPEG	0.210	2.158**	0.031	Supported
H5c	Path Dependence -> Procurement Rules Enforcement	0.351	3.671**	0	Supported
H4	Procurement Rules Enforcement -> PPPEG	0.346	3.501**	0.001	Supported
H1	Stakeholder Engagement -> PPPEG	0.049	0.450*	0.653	Not Supported
H5a	Stakeholder Engagement -> Procurement Rules Enforcement	0.306	3.287**	0.001	Supported
H6b	Institutional Pressures -> Procurement Rules Enforcement -> PPPEG	0.066	1.721*	0.086	Not Supported
H6c	Path Dependence -> Procurement Rules Enforcement -> PPPEG	0.123	2.426**	0.016	Supported
H6a	Stakeholder Engagement -> Procurement Rules Enforcement -> PPPEG	0.105	2.423**	0.016	Supported

** t values are significant and greater than 1.645; * t values are not significant and less than 1.645, ** Hypothesis is significant at the 0.01 level (2-tailed).



Study implications

- **Theoretical:** combination of theories to explain a complex phenomena
- **Methodological:** Multiple triangulations with: Methods; Data; Respondents
- **Philosophical:** Positivism & Interpretivism philosophies
- **Managerial:**
 - DLG management & and implementation of force account mechanism
 - Bringing stakeholders on board while taking management decisions during organizational decision making process
- **Policy implications:**
 - Implementation of Force accounting procurement mechanism
 - Measuring the magnitude of the performance expectations gap



Preliminary Conclusions Drawn from the results & Potential impact of research for Africa

- Study presented PPEG as an extended form of the broader Expectations gap research
 - Replicability of the concept to Public Procurement field
- Qualitative results guided the formulation of comprehensive quantitative research instrument
- Research findings have not only explored the qualification but also attempted on:
 - Exploring the quantification of the Performance expectations gap
 - Has introduced the concept of the Performance Gap Index in measuring the magnitude of the expectations gap
- Offered multiple triangulation
 - Theories
 - Methods
 - Data
 - Respondents



THANK YOU FOR LISTENING;

