Procurement planning and organisational conflicts in Kampala capital city authority-Uganda: implications for service delivery using a case of central division

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Abstract: This paper examines the extent to which the prevalence of organisational conflicts in the Central Division of Kampala Capital City Authority in Uganda is a function of procurement planning variables. The results were obtained from a triangulated case-study design, which used both quantitative and qualitative approaches. The sample size of 186 respondents used in this study comprised the technical staff, councillors, private construction contractors, and service providers within Kampala City. The survey instrument had an overall coefficient of reliability (Cronbach alpha) of 0.883, which was an indicator of high reliability. We analysed the quantitative data using descriptive statistics, principal component factor analysis, correlation and multiple regression statistical techniques; while the qualitative data was analysed using thematic and content analysis. The results obtained confirm our hypothesis that procurement planning is a significant predictor of organisational conflicts in the Central Division of Kampala Capital City Authority. The study recommends policy and managerial improvements in sector planning and needs-identification, as well as the prevailing staff deficiencies that are responsible for the prevailing poor procurement planning practises.

Keywords: procurement planning; organisational conflict; service delivery; local governments; Uganda.

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1 Introduction

Over the recent years, the critical role that procurement plays in good governance and service delivery both at the local and Central Government levels seems to have attracted the attention of policy makers from all over the world. Procurement management is now globally perceived as an important function of government for a number of reasons. Public procurement has been utilised as an important tool for achieving economic, social and other objectives, by enabling governments to implement selected national policies [Arrowsmith (1998) and Thai (2001) as quoted by Thai (2005, p.1)]. Public procurement has also attracted increasing public scrutiny and attention, as it is perceived as an area of waste and corruption. It is a field which is no longer perceived as a mere 'clerical routine' but a function requiring practitioners to get involved in more complex aspects of management such as strategic planning, coordination and control. In both developed and developing countries, disregarding their economic, social, and political environment, a sound procurement system has to accomplish two sets of requirements namely:

1 management (quality, timeliness, cost, minimising financial and technical risks), maximising competition, and maintaining integrity)

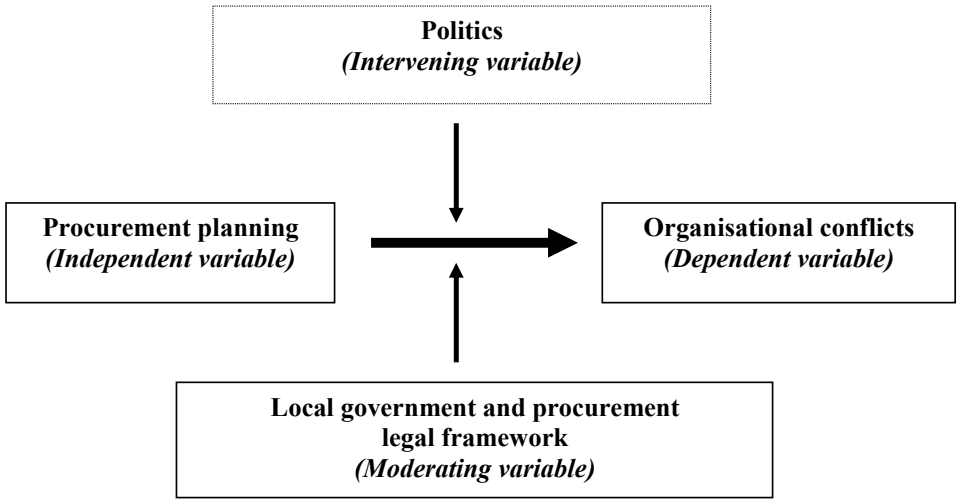
2 policy requirements [economic goals, e.g., preference of domestic or local firms, environmental protection (or 'green procurement'), social goals, and international trade agreements] [Thai, (2005), p.3].

Given this realisation, many countries around the world have been compelled to institute reforms in their procurement systems so as to counteract the new challenges that have been created by recent improvements and growing importance of procurement in the global economy. Decentralisation of public procurement has been one of such reforms.

In the face of shrinking budgets and the need to fight corruption, governments are realising that significant savings can be gained through a well-organised procurement system, in addition to its contribution to good-governance. In Uganda, a functional administrative system at the local level has been established over the last ten years, with 75% of the public service workforce comprised of Local Government employees. Furthermore, substantial progress has been made in implementing fiscal decentralisation, with an estimated 38% of the national budget being spent through the Local Government system (Okidi and Guloba, 2006). Although decentralisation has taken a foothold as a system, fostered participatory planning, created improved service delivery, and heightened a sense of local ownership and improved accountability, Local Government systems continue to face a number of challenges. These include structural conflicts, capacity constraints, accountability problems, political interests, and rampant corruption (Okidi and Guloba, 2006).

Public procurement takes place within the framework of five main elements: policy making and management, authorisations and appropriations, procurement functions/operations, procurement regulations, and continuous feedback [Thai, (2005), p.4]. Basheka (2009, p.206), contends that procurement planning is a function that takes place in complex political, economic, cultural, religious, environmental, technological and ethical environments. Perhaps due to the increasing role it plays in the global economy, poor procurement management is now believed to be a major source of conflicts in many local governments around the world (Odhiambo and Kamau, 2003; Thai, 2005). However, very limited empirical evidence exists about the contribution of procurement planning to prevalence of organisational conflicts in local governments. The main purpose of this study was to help fill this knowledge gap.

Figure 1 The conceptual framework of the study illustrating major variables of the study



1.1 The conceptual framework of the study

Procurement planning forms the foundation for the subsequent procurement processes (Basheka, 2008a). Procurement planning is a process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entity's operations are met as required in an efficient way. This study was premised on the assumption that organisational conflicts in local governments could be predicted by procurement planning variables. It was also hypothesised that the relationship between procurement planning and organisational conflicts was moderated by the legal framework for public procurement and Local Governments in Uganda. The intervening variable was presumed to be the political environment within which Local Governments in Uganda operate. The conceptual framework that guided the study is illustrated in Figure 1.

Each of the four main variables in the conceptual framework was defined in terms of other sub-variables, on which the research instrument was based. The independent variable, *procurement planning* was defined by four sub-variables namely:

1 needs identification

2 scheduling of requirements

3 determination of procurement methods

4 solicitation planning.

Organisational conflicts are grouped under two broad categories namely: *behavioural conflicts* and *structural conflicts* [Chandan, (1987), p.283]. Behavioural conflicts arise from personal and interpersonal relations, and are due to differences in goals (goal-conflicts), separation of roles (role-conflicts), handling of issues (issue conflicts) and mere physical interaction between individuals (interaction conflicts). Structural conflicts emanate from the structural design of the organisation as a whole, as well as its sub-units. The key elements of structural conflicts include: line-staff conflicts, hierarchical conflicts, and functional conflicts. *The Legal Framework* for procurement activities in local governments in Uganda (the moderating variable) comprises of three main laws:

1 Local Government Act 1997 and Amendments thereof

2 the Public Procurement and Disposal of Public Assets (PPDA) Act, 2003, and Regulations 2003

3 Local Governments procurement guidelines, 2008.

Lastly, *political intervention* in local governments involves politicians at three main levels:

1 local Councillors at the municipal or division level

2 local Councillors at the district level

3 area Members of Parliament, Government Ministers, etc. (National level).

The above respective sub-variables of each main variable in the conceptual framework were used as a measure of the respective variables in the research instrument.

1.2 Problem statement

Although tremendous success has been achieved through the decentralisation policy in Uganda since 1997, decentralisation has also come with a heavy price as the process has faced a number of challenges ranging from rampant corruption, capacity constraints, accountability problems, political interests, and structural conflicts (Okidi and Guloba, 2006). Kampala Capital City Authority (formerly known as Kampala City Council) is one of the local governments that have faced such challenges over the last decade. Kampala Capital City Authority operates through five decentralised lower local governments known locally as 'Divisions'. Each of the five Divisions is a semi-autonomous entity with a fully-fledged political and technical structure similar to the one at the City or District level. There has been a long-standing power struggle between the political leadership of the Divisions and that at the District with regard to the question of whether to decentralise the procurement function from the District to each of the five Divisions or not. The City has also been afflicted by perennial wrangles between major service providers such as

a the violent riots that hit the transportation industry in the late 1990s and early 2000 over the management of taxis and bus transport contracts, a problem that has again popped-up in 2011

b sporadic riots arising from management problems in markets in the city between 2006 and 2007

c the street-parking management saga of 2003 which ended-up in legal challenges (Tumwesigye, 2003; Public Procurement and Disposal of Public Assets Authority, 2007).

1.3 Research objective, research question and hypothesis

The main objective of this study was to assess how procurement planning contributes to organisational conflicts in Kampala City. From this objective the following research question (RQ) and Null Hypothesis (H_o) were developed to guide the study:

RQ To what extent does procurement planning contribute to organisational conflicts in Kampala Capital City Authority?

H_o Procurement planning significantly contributes to organisational conflicts in the Central Division of Kampala Capital City Authority.

2 Background

2.1 Historical background

Within the last two decades there has been a wave of decentralisation of state functions in many countries around the world. The phenomenon of global decentralisation is believed to have been driven by a number of factors depending on the political, economic and social history of a given country [Devas, (2005), p.1]. The global push for decentralisation of local governance has been largely due to three major factors namely: local and national political elites, political realities at the centre and by external pressures

such as international donor agencies. However, according to Coulson (1995), as quoted by Devas (2005), decentralisation in countries such as in Latin America, Central and Eastern Europe in the 1990s was driven largely by real demand from the local level for local democratic control and autonomy, following decades of failed centralised states. In other parts of the world, decentralisation has not been driven so much by local demands but has rather been attributed to response to actual or potential conflicts (including ethnic divisions) such as was the case in Russia, Nigeria, Ethiopia, Sudan, Sri-Lanka, Philippines, and Indonesia (Devas, 2005). In other countries, decentralisation has been perceived as a way of reconstructing states afflicted by conflict, especially where that conflict arises from ethnic diversity such as the post-apartheid restructuring in South Africa, post-conflict reconstruction of Sierra-Leone, and the ongoing re-construction of Iraq. On the African continent, alongside the familiar economic and democratic-electoral reforms that have occurred in many African countries since 1980, another significant reform, if less visible and less celebrated, has been the progressive decentralisation of the state.

Uganda has historically gone through three distinct phases of decentralisation [Okidi and Guloba, (2006), p.2]. In the first phase (*1955 to 1964*) a strong local administration system was created in the context of a weak centre. The second phase (*1964–1985*) featured a re-centralisation of power and severe weakening of local administration. The third phase (*1987 to to-date*) has been characterised by significant devolution of power to local authorities. The post-1986 decentralisation policy was aimed at empowerment of local populations via democratisation, accountability, responsibility, efficiency and effectiveness in delivery of services, all of which were intended to lead to political, economic and managerial empowerment of Ugandans (Nsibambi, 1998). Kampala City is one of the 80 decentralised local governments of Uganda. Like most urban Authorities around the world, Kampala City faces familiar urban challenges such as rural-urban population influx, inadequate housing, poor drainage and sanitation, traffic congestion, infrastructure management, etc. However, in the last decade another challenge that gained prominence was prevalence of organisational conflicts.

2.2 Theoretical background

Two management theories were used to explain the dynamics between management and organisational behaviour namely: the *systems* and *contingency* theories. The two theories are believed to have originated from the contributions to management thought by prominent writers and practitioners such as Frederick Herzberg, Harold Koontz, Douglas McGregor, Abraham H. Maslow, and Peter F. Drucker. The two theories were found to be of significant relevance to this study in a number of ways:

a The *systems theory* postulates that a system is an integrated whole of various sub-systems (or sub-units) which interact with each other, and through such interaction create new patterns of behaviour that are separate from, but related to, the patterns specified by the original system [Jain and Saakshi, (2008), p.79]. The systems approach views the organisation as a whole and involves the study of the organisation in terms of the relationship between the *technical* and *social* variables within the system [Mullins, (2007), p.56]. The concept of the *socio-technical* system recognises the interaction between the psychological and social factors and the needs

and demands of the human part of the organisation, and its structural and technological requirements.

b The *contingency approach* is believed to be an extension of the *systems approach*. The *contingency approach* implies that organisational theory should not seek to suggest one best way to structure or manage organisations but should provide insights into the situational and contextual factors which influence management decisions. The contingency approach is therefore viewed as a form of an '*if-then*' matrix relationship [Mullins, (2007), p.604]. In other words, if certain situational factors exist, then certain variables in organisational structure and systems of management are most appropriate. Situational factors that influence management systems include the nature of organisation, power and control within the organisation, history of the organisation, personnel characteristics (skills, experiences, needs, etc.), leadership style, organisational culture, size, technology and environment.

This study thus builds on the complex 'if-then' inter-relationship between procurement planning and organisational conflicts in Kampala Capital City Authority, against the background of political and legal environment.

2.3 Conceptual background

The study hinges on two main concepts namely: *procurement planning* and *organisational conflicts*. Planning is a process that involves selecting missions, objectives and the course of action to achieve them. It implies looking ahead and deciding in advance *what* is to be done *when* and *where* it is to be done, *how* and by *whom* it is to be done [Koontz and Weihrich, (2004), p.25; Saleemi and Bogonko, (1997), p.25]. Planning is a difficult undertaking, which requires a tremendous amount of creativity, calls for a great deal of rational and analytical capabilities, and is time-consuming [Thai, (2004), p.103]. The process of planning touches three major areas namely:

1 the entity involved in procurement

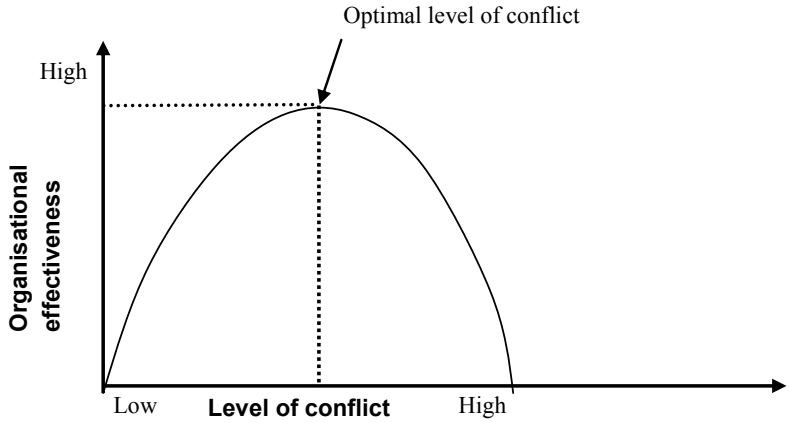
2 the providers of the various goods, services and works needed by an entity

3 the legal provisions on the conduct of procurement [Basheka, (2008a), p.6].

On the other hand, organisational conflict is attributed to various causes. According to Jones (2004, p.433) the main sources of organisational conflict are: interdependence, differences in goals and priorities, bureaucratic factors, incompatible performance criteria, and competition for resources. Because organisational conflict can rapidly escalate and cripple organisational performance, managing conflict should be an important priority for any organisation. There are three major perspectives that are used to explain conflict namely: the *traditional perspective*, the *radical perspective*, and the *interactionist perspective* (Mullins, 2007). Of the three perspectives the *interactionist perspective* (believed to be the current perspective) was used to explain conflict as part and parcel of any organisation. The *interactionist perspective* believes that conflict is a positive force and necessary for effective performance. Advocates of the interactionist perspective encourage a minimum level of conflict within the group in order to encourage self-criticism, change and innovation (Mullins, 2007; Ghosh, 2000). In other words, some conflict is good for an organisation and can improve organisational effectiveness.

However, beyond a certain point extreme conflict can hurt organisational performance, leading to decline, as illustrated in Figure 2.

Figure 2 Conflict and organisational effectiveness



Source: Adapted from Jones (2004)

3 Research methodology

The study was a *case-study* design that involved triangulation. The case study design was preferred due to its ability to locate the factors that account for the behaviour-patterns of a given unit as an integrated totality, as Kothari (2004) contends. The respondents who participated in this study comprised of technical personnel, local councillors, contractors, service providers, as well as the business community drawn from the Central Division of Kampala City. It was established during the study that 70.1% of the respondents were male while 29.9% were female, majority of whom (95%) were aged 30 years and above. Over 60% had a working experience of six to ten years in Kampala City, and were thus deemed to be conversant with the dynamics of conflicts in the City.

Purposive stratification was used to obtain the accessible (or sampled) population from the larger population of Central Division. Five sub-groups or strata were purposively identified on the basis of two main criteria, namely:

a respondents' role in procurement activities

b respondents' experience in conflicts in Central Division.

The sub-groups and the composition of the accessible population for this study are further detailed in the Appendix. The sample size was determined through non-probability means, using the *Krejcie & Morgan sample size table (1970)*, as in Sarantakos (2005, p.173). The sample size for this study was determined as 186 out of the accessible population of 208. Collection of qualitative data was executed through interviews with a total of eight informants. A total of 107 respondents out of the sample size of 186 returned the questionnaires, representing a response rate of 57%. The questionnaire had an overall reliability (Cronbach's alpha) of 0.883, which was an indicator of very high reliability. But on the specific variables that measured procurement planning, the

reliability results were as follows: needs identification (α = 0.625), scheduling of requirements (α = 0.707), procurement methods (α = 0.758), solicitation planning (α = 0.566), which were all within acceptable range (Mugenda and Mugenda, 1999). The validity of the research instruments was checked using *content* and *face* validity approaches. The questionnaire used both *nominal* and *ordinal* scales of measurement. The *nominal scale* was used in the first part of the questionnaire on demographical characteristics while the *ordinal scale* was used on the rest of the items where a five-point *Likert scale* was employed. The following response continuum was used: 1 = *strongly agree (SA)*, 2 = *agree (A)*, 3 = *undecided (U)*, 4 = *disagree (DA)*, and 5 = *strongly disagree (SDA)*.

Data analysis was done using descriptive, relational, and inferential statistics. Principal component factor analysis was employed for purposes of data-reduction, followed by tests for correlations between the independent variable and the dependent variable. Finally, inferential analysis was used to draw inferences from the sample to the population.

4 Results and interpretation

Procurement planning in Local Governments of Uganda comprises of the following main processes:

a participatory identification of needs by all stakeholders in the Local Government

b scheduling of requirements

c determination of appropriate procurement methods

d solicitation planning.

The results of the study are presented, analysed and interpreted on the basis of the four key elements of procurement planning, as well the key elements of organisational conflicts, legal framework and political environment.

4.1 Needs identification

The process of needs identification in Local Government systems of Uganda requires a participatory bottom-up planning approach to ensure that the priorities of communities are addressed, and for these communities to own and sustain the plans, budgets, and investments [Katono, (2007), p.76; Kukkiriza (2007), p.118]. Based on the above argument, factor analysis was used to determine the critical indicators of needs identification that are likely to influence organisational conflicts in Local Government systems of Uganda. The five items that were used to measure needs identification in the research instrument were subjected to principal component analysis (PCA) and rotated using varimax rotation method and the Kaiser Normalisation technique. At a Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy of 0.726 and a significant Bartlett's test of sphericity (102.326; p = 0.000), two components or factors were generated from the five items that were used to measure needs identification, as presented in Table 1:

Table 1 Rotated component matrix for needs identification

Questionnaire items	*Components*	
	Prioritisation of needs	*Bottom-up needs identification*
Needs identification is according to national priorities	.835	
Needs identification-staff and councillors participate	.774	
Needs identification is according to Council objectives	.673	
Needs identification-all LLGs catered for		.904
Needs identification-all needs included in proc plan		.554
Eigenvalues	*2.333*	*1.025*
% of variance	*46.652*	*20.508*

Notes: Extraction method: PCA. Rotation method: varimax with Kaiser normalisation.

Source: Primary data

The resulting components were labelled as:

1 prioritisation of needs (three items retained)

2 bottom-up needs identification (two items retained).

Altogether, the two factors accounted for 67.16% of the variance in measures of needs identification. The results also revealed that the first component (prioritisation of needs) accounts for 46.7% of the variance in needs identification measures, with an Eigenvalue of 2.333; whereas the second component (bottom-up needs identification) accounts for 20.51%, with an Eigenvalue of 1.025. The results show that with regard to the first principal component, the most important item was identified by the respondents as needs identification according to national priorities (loading = 0.835), followed by participatory needs identification by staff and councillors (loading = 0.774). With regard to the second principal component, the most important item was identified as inclusion of needs for all LLGs (loading = 0.904).

4.2 Scheduling of requirements

When the ten items that were used to measure scheduling of requirements were subjected to PCA with varimax rotation and the Kaiser Normalisation technique, three principal components were generated, as Table 2 shows.

The results were significant at a KMO measure of sampling adequacy of 0.723 and a significant Bartlett's test of sphericity (260.201; p = 0.000). The three new components obtained were labelled

1 consolidated procurement planning (four items retained)

2 budgeting and planning (three items retained)

3 sector planning (three items retained).

The three factors accounted for 59.93% of the variance in measures of scheduling of requirements. The findings show that consolidated procurement planning accounts for the highest variance of 33.14% with an Eigenvalue of 3.314; followed by budgeting and

planning with 15.78% variance, and an Eigenvalue of 1.578; followed by sector planning with 11.013% variance and Eigenvalue of 1.101. The findings show that the most important element of the first principal component was that the plan must show clear dates for all planned procurements (loading = 0.788). The most critical item under budgeting and planning was identified as preparation of the annual budget (loading = 0.801), while implementation according to the procurement plan (loading = 0.861) was indicated as the most important item with regard to sector planning.

Table 2 Rotated component matrix for scheduling of requirements

Questionnaire items	*Components*		
	Consolidated procurement planning	*Budgeting and planning*	*Sector planning*
Procurement plan shows key dates	.788		
Procurement plan shows funds available	.737		
Procurement plan indicates procurement method	.614		
Procurement plan shows responsibility centres	.547		
KCD prepares annual budget		.801	
KCD prepares annual proc plan		.773	
Procurement plan linked to budget		.619	
Implementation is according to procurement plan			.861
Procurement plan prepared in time			.780
Most staff participate in procurement planning			.513
Eigenvalues	*3.314*	*1.578*	*1.101*
% of variance	*33.141*	*15.777*	*11.013*

Notes: Extraction method: PCA. Rotation method: varimax with Kaiser normalisation.

Source: Primary data

4.3 Procurement methods

Uganda's principal procurement law, the PPDA Act (2003), Sections 80–87, prescribes the following procurement methods:

1 open domestic bidding

2 open international bidding

3 restricted domestic bidding

4 restricted international bidding

5 quotations and proposals

6 direct procurement or disposal

7 micro procurement or disposal and other methods (subject to the approval of the PPDA).

Section 79(2) of the PPDA Act (2003) stipulates that the choice of a procurement or disposal method shall first be approved by the Contracts Committee. However, Section 51 places emphasis on the open-bidding method as the preferred method of procurement and disposal (as it offers wide publicity and is thus perceived to be more transparent than other methods). Using principal component factor analysis, the critical measures of procurement methods in common use in Kampala City were determined. The six items that were used to measure procurement methods were subjected to PCA using varimax rotation with the Kaiser Normalisation technique. The results are presented in Table 3.

Table 3 Rotated component matrix for procurement methods

Questionnaire items	*Components*	
	Tender documentation	*Bidding methods*
Standard procurement documents are used	.840	
Contracts committee approves methods before bidding	.833	
Determined according to legal thresholds	.621	
Minimum bidding period is observed		.740
Open bidding is the most frequent		.730
Local bidders are given preference		.711
Eigenvalues	*2.292*	*1.201*
% of variance	*38.198*	*20.021*

Notes: Extraction method: PCA. Rotation method: varimax with Kaiser normalisation

Source: Primary data

Only two principal components were obtained and labelled as:

1 tender documentation

2 bidding methods.

The results were obtained with a KMO of 0.69, and a significant Bartlett's test of sphericity (99.914; p = 0.000). The two component factors accounted for 58.22% of the variance in measures of procurement methods. The findings showed that tender documentation which accounts for the highest variance of 38.2% with an Eigenvalue of 2.292, is the most important measure of procurement methods, followed by bidding methods with 20.02% variance, and Eigenvalue of 1.201. Meanwhile, the most critical item of tender documentation was identified as use of standard procurement documents (loading = 0.840). With regard to bidding methods, the most important item was identified as ensuring that the minimum bidding period is observed (loading = 0.740).

4.4 Solicitation planning

Planning and budgeting are two inter-related functions that Local Governments are mandated to comprehensively undertake. Effective planning and budgeting in Local Governments in Uganda requires a highly participatory and bottom-up approach at all levels of Local Governments, and necessitates development and linkage of programmes and priorities, starting from lower Local Governments to municipalities and districts, and

taking into consideration national policies and local objectives. A total of 13 items were used to measure the element of solicitation planning using the questionnaire. Through factors analysis, the 13 items were subjected to PCA and the varimax rotation method, with Kaiser Normalisation technique. This resulted into five components as Table 4 shows.

Table 4 Rotated component matrix for solicitation planning

Questionnaire items	*Planning processes*	*PDU functionality*	*Bidding procedures*	*Publicity of suppliers' list*	*Functionality of TPC*
Consolidated procurement plan is approved by council	.765				
KCD uses standard PPDA bid documents	.647				
Bid notices are published in nation-wide newspapers	.645				
TPC prepares a consolidated procurement plan	.527				
SORs submitted to PDU in time		.751			
Bid documents are prepared in time		.751			
TEC is appointed prior to bid opening		.606			
Bid-opening is open to the public			.751		
Pre-qualification list is displayed on notice boards			.720		
Pre-qualification is openly advertised			.636		
Prequalification list is published in media				.836	
KCD has a TPC					.790
Eigenvalues	*3.047*	*1.613*	*1.441*	*1.207*	*1.065*
% of variance	*23.440*	*12.408*	*11.083*	*9.287*	*8.189*

Notes: Extraction method: PCA. Rotation method: varimax with Kaiser normalisation

Source: Primary data

The five components that were obtained were labelled as:

a planning processes (four items retained)

b PDU functionality (three items retained)

c bidding procedures (three items)

d publicity of suppliers' list (one item)

e functionality of TPC (one item).

The results were obtained with a KMO of 0.656, and a significant Bartlett's test of sphericity (256.889; p = 0.000). The five component factors together accounted for 64.41% of the variance in measures of procurement methods. Table 4 indicates that the component of planning processes, with an Eigenvalue of 3.047, accounts for 23.44% of the variance in solicitation planning; PDU functionality accounts for 12.41%, with an

Eigenvalue of 1.613; bidding procedures accounts for 11.08% (Eigenvalue, 1.441); publicity of suppliers' list and functionality of TPC follow with variances and Eigenvalues of (9.29%; 1.207) and (8.19%; 1.065) respectively. The results revealed that the most important item in planning processes was identified by the respondents as approval of the procurement plan by Council (loading = 0.765). With regard to PDU functionality the most important item was considered to be timely submission of statements of requirements (SORs) to the PDU (loading = 0.751), which enables the plan to be prepared in time. The most critical item under bidding procedures was identified as public bid-opening (loading = 0.751), while publication of the pre-qualifaction list in the media (loading = 0.836) was considered as a critical measure of the component for publicity of suppliers' list. Lastly, existence of a Technical Planning Committee (loading = 0.790) was regarded by the respondents as the most critical measure of the component of TPC functionality.

4.5 Organisational conflicts

The same procedure was followed to generate the underlying factors of organisational conflict from a total of 31 items that were used to measure the variable. Five items were used in the questionnaire to measure behavioural conflicts. Using factor analysis, the five items were reduced to only 1 factor (accounting for 54.61% of the variance in measures of behavioural conflicts) as Table 5 indicates.

Table 5 Component matrix: behavioural conflicts

Questionnaire items	*Component*
Role conflicts among co-workers exist in KCD	.857
Role conflicts between subordinates and superiors exist	.834
Staff performance is hampered by interference from fellow staff	.739
Staff performance is hampered by interference from politicians	.662
Eigenvalues	*2.731*
% of variance	*54.614*

Notes: Extraction method: PCA; 1 component extracted

Source: Primary data

Since all the four items retained were reduced to one factor, the solution could not be rotated by the varimax rotation technique. The resulting single factor was ignored in further analysis, as it could not, on its own, be used to sufficiently measure the original variable. The result implies that behavioural conflicts are not prevalent in the organisation. With regard to structural conflicts, the questionnaire had a total of 26 items which were grouped as follows:

1 conflicts between key stakeholders (13 items)

2 other factors of conflict (13 items).

The latter was imbedded in the questionnaire to enable the researchers to directly obtain the respondents' opinions about other possible factors that could be responsible for prevalence of organisational conflicts, other than the primary suspect (procurement planning). In the case of category (1) conflicts, factor analysis of the 13 questionnaire

items measuring conflicts between key stakeholders in Local Governments yielded four components which were labelled as:

a functional conflicts (four items retained)

b performance conflicts (four items retained)

c political conflicts (three items retained)

d perception conflicts (two items retained), as Table 6 shows.

Table 6 Rotated component matrix: structural conflicts (key players)

Questionnaire items	*Functional conflicts*	*Performance conflicts*	*Political conflicts*	*Perception conflicts*
Conflict most common between Division TC and Councillors	.754			
Conflict most common between Division TC and technical staff	.727			
Conflict most common between LC III Chairman and Division TC	.615			
Conflict is due to in-fighting among staff	.541			
Conflict is most common between beneficiaries and contractors		.800		
Conflict most common between beneficiaries and service providers		.778		
Conflict is most common amongst service providers		.716		
Conflict most common amongst contractors		.701		
Conflict most common between CG Ministers and LC III Chairman			.785	
Conflict most common between Mayor and LCIII Chairman			.716	
Conflict most common between RDC and LCIII Chairman			.645	
Conflict is due to in-fighting among politicians				.897
Conflict is most common between councillors and staff				.475
Eigenvalues	*4.713*	*2.063*	*1.158*	*1.021*
% of variance	*36.257*	*15.873*	*8.909*	*7.853*

Notes: Extraction method: PCA. Rotation method: varimax with Kaiser normalisation

Source: Primary data

The four components were seen to be responsible for 68.89% of the variance in measures of structural conflicts, and the results were obtained at a significant Bartlett's test of sphericity (641.250; p = 0.000) and KMO of 0.717. The results revealed that at 99% confidence level, functional conflicts was the most important factor in structural conflicts, accounting for 36.26% of the total variance; followed by performance conflicts

at 15.87% of the variance; followed by political conflicts (8.91%); and perception conflicts which is the least contributor at 7.85% variance. The most critical items of the respective principal components were identified as follows: prevalence of conflicts between the Division Town Clerk and Local Councillors (loading = 0.754) was considered to be the most critical for functional conflicts; prevalence of conflicts between beneficiaries and contractors (loading = 0.800) was identified as the most important with regard to performance conflicts; conflict between Central Government ministers and the Local Council III Chairman (loading = 0.785) was seen as the most critical item of political conflicts; and perception conflicts are most characterised by in-fighting among politicians (loading = 0.897).

4.6 Legal framework

Public procurement in Uganda takes place within a legal framework that comprises of a multiplicity of laws namely: the Constitution of the Republic of Uganda (1995); the Local Governments Act (1997), as amended; the Public Procurement and Disposal of Assets (PPDA) Act (2003), the PPDA Regulations (2003), the Local Government (PPDA) Regulations (2006); the Local Government (PPDA) Guidelines (2008); the Local Governments Financial and Accounting Regulations (1998); and other international procurement laws such as the World Bank Procurement Guidelines (Basheka, 2008b). A strong and well-functioning procurement system is one that is governed by a clear legal framework establishing the rules for transparency, efficiency and mechanisms of enforcement, coupled with an institutional arrangement that ensures consistency in overall policy formulation and implementation (Hunja, 2003). Guided by the above background, the researcher used ten items in the questionnaire to measure the role of procurement legal framework in organisational conflicts in Kampala Central Division. Through factor analysis, the ten items were reduced to three principal components namely:

a knowledge of legal framework (four items retained)

b flouting of procurement laws (three items)

c influence of legal framework (three items).

Table 7 displays the results, which were obtained at significant Bartlett's test of sphericity (352.681; p = 0.000) and KMO of 0.582.

The results show that that at 99% confidence level, knowledge of the legal framework (Eigenvalue = 2.569) is the most important measure of how the legal framework contributes to organisational conflicts, followed closely by flouting of procurement laws (Eigenvalue = 2.422), followed in turn by the influence of legal framework on conflicts (Eigenvalue = 1.308). The most important item under the component of knowledge of legal framework was identified as staff and councillors' understanding of the PPDA Act, 2003 (loading = 0.910). With regard to flouting of procurement laws, the most important item was considered to be technocrats ignoring procurement laws for personnel interests (loading = 0.824). The most critical item for the third component (influence of legal framework) was identified as the PPDA Act (2003) being responsible for conflicts in Kampala Central Division (loading = 0.824).

Table 7 Rotated component matrix-legal framework

Questionnaire items	*Knowledge of legal framework*	*Flouting of procurement laws*	*Influence of legal framework*
Staff and councillors are familiar with PPDA Act, 2003	.910		
Staff and councillors are familiar with PPDA Regulations, 2003	.835		
Staff and councillors are familiar with LG Act 1997	.721		
Conflicts were more frequent before abolition of DTBs	.439		
Legal Framework-Technocrats ignore laws for personnel interests		.824	
Technocrats are forced side-step proc laws by politicians		.823	
Technocrats are influenced by contractors to flout proc laws		.641	
PPDA Act and Regulations, 2003 responsible for conflicts in KCD			.824
LG Act has an influence on conflicts in KCD			.767
Former DTBs were more efficient than the current Contracts			.610
Eigenvalues	2.569	2.422	1.308
% of Variance	25.688	24.220	13.076

Notes: Extraction method: PCA. Rotation method: varimax with Kaiser normalisation

Source: Primary data

In summarising, factor analysis of the items that were used to measure the independent variable (procurement planning) yielded 12 factors namely:

1 prioritisation of needs
2 bottom-up needs identification
3 consolidated procurement planning
4 budgeting and planning
5 sector planning
6 tender documentation
7 bidding methods
8 planning processes
9 PDU functionality
10 bidding procedures
11 publicity of suppliers' list
12 TPC functionality.

On the other hand factor analysis of the dependent variable (organisational conflicts) yielded four factors namely:

1 functional conflicts
2 performance conflicts
3 political conflicts
4 perception conflicts.

Table 8 Correlation between procurement planning and organisational conflicts

		1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*	*13*	*14*	*15*	*16*
Prioritisation of needs	Corr.	1.000	.051	.187	.269**	.315**	.314**	.183	.173	.320**	.134	−.008	−.044	−.042	.203*	.028	−.073
Bottom-up needs identification	Corr.		1.000	−.017	.215*	.224*	.167	.288**	.041	.034	.204*	−.092	.175	−.085	−.266**	−.103	−.070
Consolidated procurement planning	Corr.			1.000	−.017	−.007	.205*	.091	.279**	.335**	.148	−.149	−.200*	.072	.196*	.093	−.229*
Budgeting and planning	Corr.				1.000	−.001	.314**	.062	.185	.161	.206*	−.163	.177	−.078	−.029	.037	.161
Sector planning	Corr.					1.000	.237*	.326**	.061	.393**	.223*	−.102	−.022	−.296**	−.214*	−.125	−.173
Tender documentation	Corr.						1.000	−.009	.422**	.220*	.375**	−.144	−.158	.190	−.022	.122	−.052
Bidding methods	Corr.							1.000	−.045	.285**	.322**	−.064	.168	.055	−.126	−.095	.032
Planning processes	Corr.								1.000	.035	.074	−.046	.013	.001	.062	.153	−.048
PDU functionality	Corr.									1.000	.087	−.124	−.040	−.230*	.054	−.014	−.131
Bidding procedures	Corr.										1.000	−.023	−.009	.324**	−.103	−.107	−.107
Publicity of pre-qualification list	Corr.											1.000	−.013	−.071	.168	−.186	−.213*
TPC functionality	Corr.												1.000	−.066	−.186	.114	.117
Functionality conflicts	Corr.													1.000	.055	.113	.032
Performance conflicts	Corr.														1.000	.058	−.030
Political conflicts	Corr.															1.000	−.055
Perception conflicts	Corr.																1.000

Notes: **Correlation is significant at the 0.01 level (two-tailed)
*Correlation is significant at the 0.05 level (two-tailed)

Source: Primary data

Correlation analysis was then carried between the 12 factors of the procurement planning and the four factors of organisational conflicts. The correlation test was bivariate and two-tailed, and the Spearman's rank correlation coefficients were specified and calculated. The resulting coefficients are displayed in Table 8.

The correlation results indicate that the component of prioritisation of needs was significantly and positively related to performance conflicts ($r = 0.203^{*}$; $p = 0.036$). The second finding was that at the 99% confidence level, there was a significant but negative relationship between bottom-up needs identification and performance conflicts ($r = –0.266^{**}$; $p = 0.006$). The results show that there was a highly significant but negative relationship between the components of sector planning and functional conflicts ($r = –0.296^{**}$; $p = 0.002$). In addition, there was significant but negative correlation between sector planning and performance conflicts ($r = –0.214^{*}$; $p = 0.027$). The results have also shown that there was a significant but negative relationship between the component of consolidated procurement planning and perception conflicts ($r = –0.229^{**}$; $p = 0.017$). Under solicitation planning, only one component, bidding procedures, was found to be significantly and positively related to functional conflicts ($r = 0.324^{**}$; $p = 0.001$). However, no significant relationship was found between the components of needs identification and the other three components of organisational conflicts (functional conflicts, political conflicts and perception conflicts) and no significant correlation was found between procurement methods and organisational conflicts.

5 Qualitative data: findings and analysis

In addition to quantitative data, qualitative data was concurrently collected. An un-structured interview schedule comprising of a total of 15 questions was administered, covering all the primary variables viz: procurement planning (three questions); procurement organisation (four questions); procurement control (four questions); procurement legal framework (one question) and organisational conflicts (three questions). The interviewees were drawn from KCCA Headquarters, Central Division, and the private sector (contractors and consultants). The interviewees were asked three questions centred on key elements of procurement planning namely:

1 integrated planning

2 participatory needs identification

3 adherence to the procurement plan during implementation.

The findings from the interviews are presented, analysed and discussed in the next paragraphs.

Majority of the interviewees reported that though the entity prepares an annual integrated procurement plan, there were delays in preparatory process, which were attributed to the lengthy procedures and the large number of stakeholders involved in the planning cycle. The implication of delayed preparation of the procurement plan is that implementation of planned projects is not realised. Literature shows that because the planning process in Local Governments in Uganda emphasises a bottom-up approach, a lot of expectations are created within the local population which, if not fulfilled, often leads to frustration, as argued by Kukkiriza (2007, p.120). On the basis of this argument, the researcher concluded that the frustration created by unrealised dreams due to delayed

preparation of the District Integrated Procurement Plan could be one of the causes of conflicts in the Central Division of Kampala Capital City Authority.

With regard to a bottom-up participatory planning process, majority of the respondents reported that the process of needs identification is done at 3 basic levels of lower local governments namely:

a the Parish level, where consultations are made with the Parish Development Committee (PDC)

b the Division level comprising of technical staff, and councillors

c the District level, also comprising of technical staff, and councillors at a higher level.

The views obtained from the interview process suggest that the process of needs identification is generally bottom-up, and follows the prescribed legal procedures. However it appears that some of the mandatory activities in Local Governments such as development planning, and annual Budget Framework Conferences are driven more by the need to fulfil requirements for accessing Central Government and donor funding rather than a genuine drive for building local capacity, and fostering ownership of the plans, budgets and investments.

The third and final question on procurement planning was aimed at establishing whether KCCA has the financial capacity to not only implement the procurement plan but also sustain the investments already implemented. Most respondents reported that KCCA annually experiences budget shortfalls, which impacts negatively on service delivery. Budget shortfalls are not easily comprehended by the ordinary person, more so where there is no prior communication. Even where communication is made, politicians tend to have suspicions of diversion and misappropriation of funds by the technocrats.

6 Discussions, conclusions and implications of the study

The study set out to asses how procurement planning contributes to organisational conflicts in the Central Division of Kampala Capital City Authority. Based on the results and analysis just presented, this study has established two unprecedented findings namely:

1 weakness in procurement planning in local government departments or sectors has a significant negative impact on functional conflicts

2 prioritisation of needs during needs assessment has a significant positive impact on performance conflicts.

The inference of these findings is that prevalence of weaknesses in sector planning and needs identification in the procurement planning processes is likely to impact on implementation of activities and delivery of services to the population. Additionally, delayed service delivery is perceived as an indicator of inefficiency and corruption, which breeds public dissatisfaction, dissent, and conflicts. Secondly, in a participatory, bottom-up planning system, setting too many priorities often creates many expectations which are not always fulfilled during implementation due to inherent weaknesses of Local Governments such as inadequate funding and capacity gaps, as argued by Kukkiriza (2007). This is exacerbated by the fact that in a situation where most Local

Governments continue to heavily depend on conditional grants from Central Government and donors, community participation remains troubled because the grants do not necessarily correspond to community priorities, as Nkalubo (2007) has argued.

The above findings could have wide-ranging implications to policy makers, technocrats, local and central Government leaders, and the business community with respect to effective service delivery, economic stability, and security in urban local governments. The findings have without any doubt underscored the critical role that inefficiencies in procurement planning can play in fanning unrest, economic insecurity and poor service delivery in urban local governments. Based on this landmark realisation, the study recommends that local governments should, as a matter of policy, place the procurement planning function in its rightful place, i.e., in the hands of procurement professionals, rather than leaving it to mainstream traditional technocrats to avoid the short-comings that have been witnessed in Kampala's experience. Furthermore, the study recommends that a continuous feed-back mechanism needs to be institutionalised between Local Governments and project beneficiaries, from the planning stage to implementation to forestall inevitable shortcomings due to inherent limitations of Local Governments such as unpredictable revenue collections and over-dependency on external funding from the Central Government and/or donors, abrupt changes in budgetary allocations, plans, and priorities, which all impact on project implementation.

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Notes

1 This study was conducted in the Central Division of the then Kampala City Council. Kampala City Council changed names to Kampala Capital City Authority on 1st March 2011 but the Central Division is still structurally the same.

Appendix

Accessible population and sample size

No	*Group/sub-group*	*Accessible population*	*Sample size**	*Basis for selection*
1	Kampala District Officials			
	i) LC-V Executive	5	5	Top policy-making committee in the District.
	ii) KCC Top Management	6	6	Technically spear-heads implementation of all Council decisions.
	iii) PDU and Contracts Committee	7	7	Coordination and regulation of all procurements in the LG.
2	Central Division Officials			
	i) LC-III Executive	5	5	Top policy making committee with a lot of influence in the Division.
	ii) Sectoral committee members	25	24	Critical role in needs identification and monitoring performance
	iii) Technical staff	35	30	Technically responsible for implementation of all Council activities.
3	Nakasero Market Executive	2	2	Market was involved in riots (2006–2007).
4	Service Providers	49	44	Key procurement stakeholders
5	Construction Contractors	76	63	Key procurement stakeholders
	TOTAL	*208*	*186*	

Note: *Sample size for each stratum was obtained using the Krejcie & Morgan sample size table.