

**PROCUREMENT PROFESSIONALISM AND ORGANIZATIONAL  
REPUTATION IN PUBLIC PRIVATE SECTORS:  
A CASE OF UMEME (U) LTD**

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**ABSTRACT**

The study purpose was to find the relationship between procurement professionalism and organizational reputation at Umeme. Research objectives were analyzed using descriptive, Pearson rank correlation and regression designs of analysis. Convenience sampling technique was used for the selection of the 151 respondents used during this study. On the findings, it was established that there is a high level of procurement professionalism at Umeme, a high level of organizational reputation and a weak positive relationship between the variables under study. The null hypothesis was rejected and the alternative hypothesis accepted. Procurement professionalism at Umeme only explains 13.2% of organization reputation at Umeme which is not that great. This research recommended that, a research on this very topic should be carried out in village settings where most of the public outcries are vigilant not like Wandegeya that is in a town setting. The research finally, concluded that there exists a relationship between the procurement professionalism and organizational reputation at Umeme.

**Keywords:** Procurement Professionalism, Public Private Sectors, Organizational Reputation

## **INTRODUCTION**

In recent years, public sector performance and its capacity to delivery services has received a renewed focus given the declining morals and increasing levels of corruption. There is hardly any country in the world that has escaped the incidence of corruption in Public procurement (Arrowsmith, Linarelli & Wallace (2005); a reality that generated a wave of reforms driven by the imperative to improve the performance and cost effectiveness of the public sector (Self, 2009). Scholars (Brown, 2006; Rindova, 2005) refer to Reputation as the stakeholders' collective knowledge about and regards for the firm in its organizational field.

In Kenya, ever since the implementation of the Procurement acts, compliance has been an issue. In a study conducted by the PPOA (2007), it was noted that although procedures supporting systematic procurement planning had been established, the research showed that there was a low level of compliance with the law and regulations in the sense that a low share of procurements were done through open tendering. In another study by KPMG International after the introduction of the Regulations, it was still found that public procurement still suffers from fraud and misconduct (KPMG, 2008). A study by the Kenya Anti-Corruption Commission in 2009 also noted that misconduct exists whereby public officials distort the regulations to restrict the participation of interested firms in procurement or still direct the outcome of others (KACC, National Enterprise Survey on Corruption (2009). In a review of Kenya Ports Authority (KPA) by KACC, according to external Audit Report and the PPOA (2009), it was found out that there were deviations by the said entity in terms of general and specific areas of procurement. PPOA concluded that KPA's compliance level is low in major areas of the Act and Regulations.

One of the key recommendations coming from the reforms of the Uganda Procurement Assessment Report (2005), was to establish a procurement cadre in the civil service and restoring professionalism in the procurement function. Net Journal of Business Management (2014) established that, since then, public procurement has undergone a series of reforms in most developing countries including Uganda which has shaped the professional way of handling the purchasing activity from merely being

operational in nature to becoming a strategic function. The recognition that procurement is a truly professional function that requires trained and qualified staff that constitutes a professional procurement cadre started being embraced in Uganda ever since the reforms were embraced. In that regard, avenues for professional career advancement for ethical practices in the procurement field started being provided by a number of training institutions of higher learning in Uganda, so as to enable the procurement system to attract and retain ethically responsible procurement personnel. The environment in which procurement professionals operate today has thus undergone rapid and dramatic change over the past few years.

Despite the procurement professionalism practices being in place and followed such as professional integrity, honesty, transparency and accountability; Africa Institute for Energy Governance (2014), blames inconsistent power supply that has caused general public outcry on transformer breakdowns with low response with excuses of inadequate stock and delayed purchases, metre shortages, rotten electricity poles that fall anytime and no immediate replacements made, lightening and poor quality cracking insulators, poor service delivery in terms of poor earth wiring, load shedding, estimation of bills, low voltage in some areas, low power supply due to low generation and electric poles breaking down due to getting rotten has brought about customer complaints to the distribution company (Umeme Ltd). Ssemogerere (2015), further established that, the slow response to customer complaints and low satisfaction by Umeme Ltd has led to customers resorting to other service providers that are introducing other products like solar energy and thermal energy. Solar energy is mostly being used in rural areas because it's cheaper compared to hydro power since there are no monthly charges associated with it once installed. This has negatively affected Umeme's reputation, revenues and therefore, financial performance in general. Therefore, this study intends to establish the relationship between procurement professionalism and organizational reputation in Umeme (U) Limited. From this main objective, specific goals were elucidated as follows:

1. To find out the level of procurement professionalism at Umeme Ltd.
2. To establish the level of organizational reputation at Umeme Ltd.
3. To examine the relationship between organizational reputation and procurement professionalism at Umeme Ltd.

4. To find out the extent to which procurement professionalism leads to organizational reputation at Umeme Ltd.

## **REVIEW OF RELEVANT EMPIRICAL STUDIES**

Brown et al., (2006); Rindova et al., (2005), refer to Reputation as the stakeholders' collective knowledge about and regards for the firm in its organizational field. However, they note that different stakeholders groups (external and internal) may have different reputations about the same company. These stakeholders include workers, suppliers, customers, etc. A firm's reputation is strongest when it's both prominent in its organizational field and positively evaluated by stakeholders (Rindova & Petkova, 2005 while Rindova et al., 2005, Fombrun & Van (2005), describes reputation as something that attracts people to an organization. They go ahead to indicate that an organization with a good reputation attracts people to engage with it, either through purchasing, investing, working, etc. Also by combining Fombrun & Van (2005) views with Fill (2006), reputation may be defined as consistency in images stakeholders have over time, about an organization. One of the challenges is that the time for which images pile up to be termed reputation, is not defined whether it's in months or years, or weeks. In addition, the term 'reputation' is defined in Encyclopedia Britannica (2009) as the "overall quality or character as seen or judged by people in general" and as the "recognition by other people of some characteristic or ability". Reputation refers to general beliefs or impressions of something, or to its evaluation (Bromley, 2008). People and other entities have reputations that are important and valued. The extent and the subject of a reputation vary. People can have reputations for many things, or of being or doing something. There are many kinds of reputations and all of them can be manipulated (Bromley, 2008).

According to Howsam (2005), some of the indicators of professionalism include skills based on theoretical knowledge, existence of a professional association, extensive period of education, testing of competence, and institutional training. Other indicators include licensed practitioners, work autonomy, code of professional ethics, self-regulation, legal recognition, control of pay, high status and rewards, mobility of professionals, and legitimacy. The researcher on the other side is skeptical about these

and wants to find out about other indicators of professionalism such as transparency, accountability, honesty and even professional integrity.

### **HYPOTHESIS OF THE STUDY**

There is no significant relationship between procurement professionalism and organizational reputation at Umeme (U) Ltd.

### **MATERIALS AND METHODS**

The study was cross-sectional, in that data collection was done as a one stop event; information was gathered from the respondents at once. Also the data gathered on the dependent variable was correlated with the independent variable so as to establish existing relationship and this was done on the correlation design. The study used descriptive design with both qualitative and quantitative approaches. The researcher employed convenience and stratified sampling techniques. Primary data was obtained through the use of self-administered questionnaire.

### **RESULTS AND DISCUSSIONS**

Summary of descriptive statistics results for all variables as used in the study is presented in tables 1 and 2 below:

*Table 1: Likert scale of interpretation for analysis of objectives one and two*

4.20 - 5.00	3.40 - 4.19	2.60 - 3.39	1.80 - 2.59	1.00 - 1.79
Very High Level	High Level	Moderate Level	Low Level	Very Low Level

Table 1 above is meant to interpret the mean ranges of the findings for objective one and two.

*Table 2: Level of procurement professionalism at Umeme Co Ltd*

Procurement professionalism	Mean	Standard deviation	Interpretation
Professional integrity	4.15	0.91	High level
Transparency and accountability	3.68	0.98	High level
Honesty	4.04	0.89	High level
<b>Grand mean</b>	<b>3.96</b>	<b>0.71</b>	<b>High level</b>

*Source; primary data (2022)*

Basing on the findings on table 2, under the independent variables; professional integrity, transparency and accountability and honesty, a grand mean of 3.96 was established with a standard deviation of 0.71 which was described by the researcher as a high level of procurement professionalism in relation to table 4 of interpretation as to which these procurement professionalism is employed at Umeme.

### THE LEVEL OF ORGANIZATIONAL REPUTATION AT UMEME CO LTD

Findings of this study were presented in the table 3 below in which the results from the study indicated that the level of organizational reputation at Umeme is high.

*Table 3: Level of Organizational Reputation at Umeme Co Ltd*

Organizational reputation	Mean	S t a n d a r d Deviation	Interpretation
Public trust and good will	3.79	1.16	High level
Emotional appeal	3.56	1.08	High level
Loyalty	3.56	1.46	High level
Workplace environment	3.60	1.16	High level
Financial performance	3.29	1.11	Moderate level
<b>Grand mean</b>	<b>3.56</b>	<b>0.93</b>	<b>High level</b>

*Source: Primary data (2022)*

The researcher analyzed the variables on organizational reputation by using the mean range where it was revealed that there was an aggregate mean of 3.56 and a standard deviation of 0.93 which was established to signify that Umeme portrayed a high level of organizational reputation, where by the standard deviation indicated that the responses deviated by 0.93 from the mean towards achieving organizational reputation at Umeme (Table 3).

## RELATIONSHIP BETWEEN PROCUREMENT PROFESSIONALISM AND ORGANIZATIONAL REPUTATION AT UMEME

Table 4: Showing Relationship between the Variables under study

Item	
Pearson Correlation r	0.363**
P-Value	0.000
Coefficient of determination	0.1049
N	274

\*\**. Correlation is significant at the 0.01 level (2-tailed).*

*Source: Primary data (2022)*

The Pearson Correlation moment to determine the relationship was found to be a weak positive relationship due to the fact that the Pearson's coefficient of correlation  $r = .363^{**}$ . (Table 4). This means that, there was a weak positive relationship between procurement professionalism and organizational reputation in Umeme.

### TESTING HYPOTHESIS

The hypothesis that there is no significant relationship between procurement professionalism and organizational reputation in Umeme was rejected and the alternative hypothesis accepted meaning that there existed a relationship between the two variables as indicated by the researchers in the conceptual frame work. This was because the researcher established a P-value of 0.000 which was less than the alpha or the level of significance value of 0.01.

### THE CONTRIBUTION OF PROCUREMENT PROFESSIONALISM LEADS TO ORGANIZATIONAL REPUTATION

Table 6: Regression analysis

R	R Square	Percentage %	
.363a		.132	13.2%

*Source: Primary data (2022)*

Table 6 indicates the regression analysis for finding the extent to which the independent variable leads to the dependent variable. An r value of

0.363 was found; squared  $r$  became 0.132 and a percentage of 13.2% were found. This implied that procurement professionalism at Umeme only explains 13.2% of organization reputation at Umeme.

## **CONCLUSION AND RECOMMENDATIONS**

The researcher concludes that there exists a relationship between the procurement professionalism and organizational reputation at Umeme though minimal. The researcher also concludes that there is a high level of both the procurement professionalism and organizational reputation at Umeme as confirmed by table four and five respectively. Due to the fact that organizational reputation at Umeme is only explained by 13.2% of procurement professionalism; the researcher would recommend that the company should try to embrace some of the other factors not in this study but, in one way or the other may affect reputation.

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