

Enhancing Procurement Performance through Change Management in Nigeria

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Abstract

Managers, supervisors and other organisational leaders have been searching for approaches as well as methodologies that can enhance procurement performance in the organisation. Thus, to proffer a solution to management's challenge, this study investigates the effect of change management on procurement performance using a cross-sectional research design. Five road construction companies were surveyed with purposive sampling. The population of the study is 1800 workers from five road construction companies. A sample size of 123 was determined with Krejcie and Morgan (1970) formula. Thereafter, 123 questionnaires were distributed but 119 copies were returned and found valid for analysis. The questionnaire served as an instrument for data collection. Formulated research hypotheses were analysed with linear regression while respondents' demographic profiles were analysed with frequency distribution. Statistical Package for the Social Sciences (25.0) was used as statistical software. The results of the study revealed that change management predicted procurement performance. The research concludes that change management that is characterised by process change and attitude towards change enhances the procurement performance of selected road construction enterprises in Abakaliki, Ebonyi State, Nigeria. The study recommended that managers of construction firms should deploy process change and attitude towards change to effectively

implement change management which would increase procurement performance of the workplace.

Keywords: Procurement, Procurement Performance, Change Management, Nigeria

Introduction

Businesses across the globe are saddled with the challenge of procurement performance. Thus, managers and business practitioners have resorted to discovering ways through which performance procurement can be improved (Lam & Gale, 2018; Hamza et al., 2016). It is based on the above premise that this research advocates that through change management in the workplace, managers and other management executives can enhance procurement performance. Procurement performance is concerned with the expected results of purchasing and supply that are required to produce goods and services (Ogol & Moronge, 2017). One of the significances of procurement performance is that it engenders business sustainability and employee retention (Birara & Gatiso, 2022). Research has shown that for businesses to maintain leadership in their industries, effective procurement practices must be in place (Masemola et al., 2022). Zai (2021) argues that procurement performance increases the resilience capability of both service and production organisations. Scholars have also admitted that procurement performance is the foundation of

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every living business enterprise (Abbey & Ong'unya, 2019; Hamza et al., 2016). It was the above argument that motivated researchers to admonish managers and supervisors to have a functional procurement section that plans and monitors procurement activities in the organisation (Masindano et al., 2018). The survey has revealed that procurement performance that is anchored on procurement planning (PL) and procurement monitoring (PM) would improve organisational health (Karungani & Ochiri, 2017; Philly et al., 2017).

However, procurement performance cannot be effectively attained without having change management indicators such as process change (PC) and attitude towards change (ATC). This is the basis for which Sung and Kim (2021) argue that procurement performance may improve if managers put effective change management in place. Another study indicated that change management promotes procurement performance (Zondi & Mutambara, 2016). PC transforms procurement function (Sung & Kim, 2021; Edeh et al., 2020). ATC also increases procurement performance (Karaxha et al., 2018). Prior research on change management such as Sung and Kim (2021); Edeh and Onuba (2019); Karaxha et al. (2018) did not examine how change management can predict procurement performance. This has opened a huge research gap. It was this gap that stimulated the scholars to carry out this investigation by investigating the effect of change management on procurement performance in selected road construction companies in Nigeria.

Review of Literature

Change Management

Scholars have perceived change management as the process of facilitating change in the entire organisation (Saritha & Reddy, 2021). Adekunle et al. (2021) assert that change management comprises any activity taken by an organisation to alter the status quo systematically. Sung and Kim (2021) added that change management is an action that is carried out by an organisation to transform its processes for effectiveness and efficiency. Edeh and Onuba (2019) argued that change management also includes modifications of individual behaviour as well as other decisions that are necessary for higher performance. Change management has become very necessary in any

organisation due to technological instability. It was also affirmed that change management occurs when there is an introduction of new technology or new leadership (Olajide, 2014). Karaxha et al. (2018) stressed that change management takes place at different organisational levels; individual, group and organisational. Change management that focuses on the individual is targeted at a worker whose attitude or behaviour requires modification (Saritha & Reddy, 2021). In terms of group, change management targets group members. This implies that the infiltration of an individual into group formation can affect the objectives of a group. Organisational-level change management is a holistic approach that requires a systematic overhauling of the organisational processes including methodologies of operation (Zondi & Mutambara, 2016). Regarding the indicators of change management, Sung and Kim (2021) validated PC and ATC as indicators of change management. PC is defined as the procedures that managers use to implement change in the organisation (Zondi & Mutambara, 2016). ATC refers to individual (worker) behaviour towards accepting change in the organisation (Sung & Kim, 2021).

Procurement Performance

Procurement is the process of purchasing relevant materials that could be used to achieve organisational purposes at the specified time (Kubochi & Moronge, 2017; Kee et al., 2022). Procurement performance is an approach through which managers identify the extent to which the procurement function has attained its goal (Oromo & Wangangi, 2017). Procurement performance is also known as the degree to which procurement can meet the expectations of the organisation and stakeholders (Karanu & Njeru, 2014; Ani & Edeh, 2022). Hamza et al. (2016) contended that procurement that is not measured would not fulfill its objectives. In another view, Kiage (2013) stressed that procurement performance emphasises that the essence of procurement performance is to ascertain the effectiveness of procurement activities. In affirmation of the above, Kamoni et al. (2018) stated that the procurement performance of any organisation depends solely on PL and PM.

Theoretical Framework

The theory that best explains this research work is the

agency theory of relationship by Jensen and Meckling (1976). The theory affirms that the principal (manager or owner) makes major decisions that are carried out by the agents (employees or subordinates) to attain organisational goals. Thus, change management depends on the willingness of principals and agents to abide by the new transition (Ule & Edeh, 2019). Secondly, procurement performance can only be successful if the agent (employees) carry out their assignments effectively as instructed by the principal (manager or owner).

Empirical Review

Previous empirical examination regarding change management with enterprise performance as well as employee performance, firm innovation in both deposit money banks, manufacturing firms and ICT enterprises revealed that change management positively predicted firm performance (Adekunle et al., 2021; Sung & Kim, 2021; Saritha & Reddy, 2021; Olajide, 2014; Igwe et al., 2014). Most of the previous empirical studies outlined above examined change management with other variables but none of them investigated how change management could predict procurement performance. This has created a lot of vacuums that this research has filled. In addition, none of the previous studies carried out their study in Ebonyi State, Nigeria.

Research Objectives

The major objective of this research is to investigate the effect of change management on procurement performance in selected road construction firms in Abakaliki, Nigeria. Specifically, this study is to:

- Investigate the effect of PC on PL in selected road construction firms.
- Examine the effect of ATC on PM in selected road construction firms.

Research Hypotheses

Based on the above specific objectives, the following research hypotheses were formulated:

H01: process change has no significant effect on procurement planning in selected road construction firms

H02: Attitude towards change has no significant effect on procurement monitoring in selected road construction firms.

Methodology

The cross-sectional design was chosen because it encourages the use of a questionnaire to administer and retrieve data from the participants in the shortest possible time (Zikmund et al., 2013). A cross-sectional research survey is a type of research design that makes use of primary data (Saunders et al., 2009). Sources of data include primary and secondary (Zikmund et al., 2013). Primary data is made up of instruments such as structured questionnaires and interviews (Saunders et al., 2009). Secondary data in this study consists of related published articles, textbooks and other online sources. However, the study used a questionnaire for data collection. The population of the study is 180 workers drawn from five road construction companies in Abakaliki, Ebonyi State. A sample size of 123 was determined from the population with Krejcie and Morgan (1970). Thereafter, 123 copies of the questionnaire were distributed to the participants, but 119 questionnaires were retrieved and used for analysis while four (4) of the questionnaires were wrongly filled. Researchers adhered to ethical informed consent guidelines. Participants filled ethical consent agreeing to participate in the research without any coercion from their superior. The informed consent also assures the participants that none of their identities would be revealed in the study including the names of their respective companies. In addition, the participants were given assurance that their participation in the research would not be of any harm to their health. Purposive sampling was employed in the research because the study population is road construction companies. Purposive sampling is a nonprobability sampling where the researcher selects specific participants or organisations that can provide accurate information on the concept being investigated (Ule et al., 2022).

Face validity was used to determine the validity of the instrument. Reliability is the consistency of the instrument; hence Cronbach alpha was employed to ascertain the reliability of the study (Saunders et al., 2009). The reliability values of the instruments fall within 0.70–0.80 which is the acceptable benchmark in social and

management sciences research (Zikmund et al., 2013; Ule et al., 2022). Frequency was used to analyse respondents' demographic characteristics while the formulated research

propositions were analysed with linear regression. The statistical software used is SPSS version 25.

Results

Table 1: Gender of Participants

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Male	114	95.8	95.8	95.8
	Female	5	4.2	4.2	100.0
	Total	119	100.0	100.0	

Source: Field survey (2023).

The gender of the respondents shows that 114 were males while 5 were females. This revealed that male employees are more than female employees in the five selected road

construction companies as at the time the study was conducted.

Table 2: Age Bracket of Participants

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	41 years & above	46	38.7	38.7	38.7
	18-40 years	73	61.3	61.3	100.0
	Total	119	100.0	100.0	

Source: Field Survey (2023).

The age bracket of the respondents revealed that 46 are within 41 years and above while 73 fall within 18–40

years. This shows that majority of the respondents are matured enough to participate in the research.

Table 3: Work Experience of Participants

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	6 years & above	69	58.0	58.0	58.0
	1-5	50	42.0	42.0	100.0
	Total	119	100.0	100.0	

Source: Field Survey (2023).

Table 3 above shows that 69 participants have worked in the construction industry between 6 years and above while 50 participants have worked between 1 and 5 years. The above result indicated that the participants have adequate working experience regarding change management and procurement performance.

is that as PC increases, PL also increases. The model also indicated that the distinction between R^2 and adjusted R^2 is less than 5%, which revealed that there is no sampling error. Secondly, the R^2 of the model shows that 33% of the sum variation in PC can be explained by PL. Again, $F_{stat} (57.298) > (3.97)$ which affirms that null research propositions are rejected while alternate are accepted.

Test of Hypotheses

Hypothesis one result in Table 4 shows that PC has a significant positive effect on PL (.573^a). What this means

Hypothesis two results in Table 4 revealed that ATC has a significant positive effect on PM (.700^a). This implies that as employees' ATCs increases, PM increases simultaneously. The model revealed that the difference

between R^2 and adjusted R^2 is less than 5%, which implies no sample error. In addition, the R^2 of the model indicated that 49% of the overall variation in ATC is explained

by PM. $F_{stat} (112.362) > (3.97)$ which affirms that the null research hypothesis is rejected while the alternate is accepted.

Table 4: Hypotheses Results

	<i>R</i>	<i>R</i> ²	<i>Adjusted R</i> ²	<i>Std. Error</i>	<i>T. Stat.</i>	<i>F. Stat.</i>	<i>df</i>	<i>N</i>	<i>Sig.</i>
PC → PL	.573 ^a	.329	.323	.066	7.570	57.298	3.97	119	.000
ATC → PM	.700 ^a	.490	.486	.059	10.600	112.362	3.97	119	.000

Source: Authors computation (2023).

Discussion of Findings

The results of the research hypotheses revealed that change management has a significant positive effect on procurement performance. Specifically, PC was found to have a significant effect on PL. This finding is in line with Sung and Kim’s (2021) results which revealed that change management predicted innovative behaviour as well as firm innovation in South Korea. The result of hypothesis two also found that ATC predicted PM positively. This is in line with Adekunle et al. (2021) finding which shows that enterprise change significantly predicted employee performance in deposit money banks in Lagos State, Nigeria.

Summary of Findings

In line with the results of the study, the following summary of findings was drawn:

- PC significantly predicted PL positively.
- ATC significantly and positively predicted PM.

Conclusion and Limitations

This study concludes that change management that is measured with PC and ATC improves procurement performance in selected construction companies in Abakaliki, Ebonyi State, Nigeria. One of the limitations of the study is the geographical scope where it was conducted and the organisations that were invested. Thus, the findings of the study cannot be generalised until further investigations were carried out in other industries and countries. Secondly, the method of data collection is another limitation. Further studies should incorporate interview to fill the gap already created.

Managerial Recommendations

Based on the findings, the following recommendations were made:

- Managers of road construction companies should deploy PC to implement change management that would enhance PL in the organisation.
- Managers and other organisational leaders in the road construction companies should utilise ATCs to enhance PM in the workplace.

Contribution to Knowledge

This research has contributed positively to change management literature and empirical evidence which revealed its predictability on procurement performance.

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