

**The effects of e-procurement adoption on organizational performance of online retail  
stores in Uganda: A case study of Jumia Uganda**

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**IS19B00/031**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A BACHELOR'S  
DEGREE IN PROCUREMENT AND LOGISTICS MANAGEMENT OF UGANDA  
CHRISTIAN UNIVERSITY**

**September, 2023**



**UGANDA CHRISTIAN  
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## DECLARATION

I **JACKSON LIMO JOHN** do hereby declare that this research report titled: “The impacts of eprocurement adoption on organizational performance. A case study of Jumia Uganda was entirely conducted by me without much external assistance and has not been submitted to any university or higher institution of learning for examination purposes. Every secondary literature was referenced to show that it was adopted to support my work.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **APPROVAL**

The research report was written under my utmost supervision and it is now ready for submission to the examining body.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**MRS. NASSUNA REACHEAL KWAGALA**

## **DEDICATION**

I would love to dedicate this research work to my caring and lovely family members most especially my parents Mr. John Opes Daniel Mr. and Mrs. Suzan Kakuas well as my beloved uncle Lalaka Edward for supporting me in whatever way they could throughout this study and not forgetting the lecturers who taught me about what I have researched.

## **ACKNOWLEDGMENTS**

I would love to give special appreciation to the Almighty Father, Our heavenly Father for guiding and granting me the wisdom, knowledge and understanding to effectively conduct this research and write the report for it. I would like to also take this chance to appreciate my parents Mr. John Opes Daniel and Mrs. Suzan Kaku for their constant support throughout my education and Lalaka Edward for financially supporting me in this current level of education. I would as well prefer to extend my appreciation to my brothers, sisters, uncles, aunties, grandparents and friends for their moral and financial support in my education.

I would like to also appreciate whoever helped me in my research most especially the employees and Customers of Jumia Uganda, my lecturers and my supervisor Mrs. Racheal Kwagala. Glory to God for everything.

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## **LIST OF ABBREVIATIONS**

ICT- Information and Communication Technology

IT – Information Technology

ECOM – Electronic Commerce

PDE – Procurement and Disposal Entities

E-procurement – Electronic Procurement

EDI – Electronic Data Interchange e-

Electronic

Vol. – Volume

## **ABSTRACT**

The study analyzed the effect of the adoption of e-procurement on an organizational performance, a case study of Jumia Uganda. The study focused on the company's head office in Nakasero since it oversees all the other branches or pick-up stations in the country and manages all the procurement activities of the organization. The study was aimed at analyzing the effect of the adoption of e-procurement on the organizational performance of Jumia Uganda.

The specific objectives which guided the study include; to assess the impact of the number of transactions on financial performance of Jumia Uganda, to examine the relationship between compliance on innovation and adaptability of e-procurement of Jumia and to examine the relationship between improved MIS and customer satisfaction at Jumia Uganda.

A sample population of 187 respondents was selected using the Solvins formula from Jumia Uganda's employees at the head office and a questionnaire anchored on a five-point Likert scale was used to collect the primary data from them. Secondary data was collected from the internet and published literature about the company. The study used a case study research design.

The data collected from the study was calculated, evaluated and then frequencies and percentages were used to demonstrate them on tables, pie charts and graphs. Each respondent signed a research agreement for confirming anonymity and maintaining confidentiality.

Based on the data collected, the researcher concluded that there were several challenges of adopting e-procurement in an organization such as high internet costs among others and that those challenges could be overcome majorly through careful planning for e-procurement as well as an analysis of the pros and cons of the system. The researcher also concluded that there was a positive relationship between e-procurement and an organization's performance.

Based on the findings made, the researcher recommended that companies should put into consideration ways of solving challenges that might come with the adoption of e-procurement for them to enjoy the full benefits that come with the system. He also recommended that further research should be done on the relationship between e-procurement practices and organizational effectiveness as well as the effect of training a company's stakeholders on the successful use of eprocurement practices.



# CHAPTER ONE

## INTRODUCTION

### 1.0 Introduction

This chapter presents the background of the study, statement of the problem, the general objective, Specific objectives, and Research questions, Significance of the study, Justification of the study, the conceptual framework and Scope of the study.

### 1.2 Background of the study

E-Procurement refers to the use of internet-based (integrated) information and communication technologies (ICTs) to carry out individual or all stages of the procurement process including searching, sourcing, negotiation, ordering, receipt and post-purchase review (Croom and BrandonJones, 2004). Electronic procurement or e-procurement is the use of various forms of Information Technology (IT) such as electronic mail, Electronic Data Interchange (EDI) and electronic marketplace to automate and streamline the procurement process in government entities, improving efficiency and transparency and thereby reducing costs of operation within and between government entities (Joyce and Chan, 2002). Thus, e-procurement is the application of electronic commerce in procurement. (Eric, 2019)

E-procurement adoption refers the ability of procurement entities to use the Internet and Internet technologies to support their procurement processes. It encompasses the willingness and the level if acceptance to use e-procurement. These practices range from identification, evaluation, negotiation and configuration of optimal groupings of trading partners into a supply chain network which can then respond to changing market demands with greater efficiency (Hawkins &Wyld, 2003). Other benefits include: increased compliance with the law, for instance, Ugandan

Public Procurement and Disposal of Assets-(PPDA) Act (2003); supply base rationalization, as e-Procurement allows managing the supply base in a more efficient and effective way. EProcurement also provides higher transparency to both customers and suppliers on the overall purchasing process. The increasing losses in the procurement processes in the PDEs have been attributed to low adoption level of e-procurement as the ordinary procurement process has been

blamed to be time consuming and has consistently scored low on achievement of value for money and transparency (National Procurement Baseline Survey, 2010). Thus, the adoption of e-procurement practices in Uganda's PDEs needs to be treated as a matter of urgency in order to achieve reduction in purchasing process costs through maverick buying reduction. (Eric, 2019)

In Africa, the concept of e-procurement is just gaining popularity especially in the public sector to deal with the problems of lack of accountability and transparency in procurement activities in the public sector, e-procurement platforms have scored highly towards influencing efficiency in procurement services (Sijaona, 2010). Tanzania for instance, in large extent that the e-procurement systems have allowed e-sharing, e-advertisement, e-submission, e-evaluation, e-contracting, e-payment, e-communication and e-checking and monitoring to ensure that all public procurement activities are conducted online (Tanzania PPOA, 2016).

The government of Uganda in 2010 drafted and passed the National Electronic Government Framework where e-procurement is highlighted as one of the key result areas. It envisioned improved transparency, accountability and making credible timely information available to all citizens while providing services efficiently and effectively (National Electronic Government Framework, 2010). However, the National Electronic Government Framework (2010) has not helped much. Based on the above analogy, the study is going to analyze the effect of the adoption of e-procurement on organizational performance in Uganda.

The manual procurement practices remain the most widely used in Uganda's public entities. These manual systems have a significant input on the transaction costs of sourcing and payment for goods and services and therefore there is a need for transformation with a dynamic swing to an e-procurement system which can be used for improved and swift delivery of services to citizens. The PPDA Act (2003), provides for e-procurement in article 224 (3), and article 225 (3) where a notice of the evaluated bidders have to be displayed on the Public Procuring and Disposing

Entities' (PDEs') notice boards and on their websites and that a contract award shall be displayed on the PDEs notice boards and their websites respectively. Additionally, the PPDA regulation 39 (2) requires every PDE to display on their notice boards and websites bid notices,

best evaluated bidder notices, shortlists and awarded contracts among others. Despite these legal provisions the bid notices and contract award notices are rarely displayed on the PDE websites, moreover many PDEs lack websites. Further, the Government of Uganda in 2010 drafted and passed the National Electronic Government Framework where e-procurement is highlighted as one of the key result areas. It envisions improved transparency, accountability and making credible timely information available to all citizens while providing services in an efficient and effective manner (National Electronic Government Framework, 2010). However, the National Electronic Government Framework (2010) has not helped much. Again, in April 2011, government developed a tender portal containing tender related information including tender notices, best evaluated bidders and contract awards for both procurements and disposals, on which PDE's are supposed to upload relevant information. PPDA Authority compliance checks (2009-2014) have consistently indicated most PDEs do not upload relevant information on their websites. For instance, despite the regulatory framework providing support for the adoption of e-procurement, the Procurement Compliance Check Report (2009) undertaken on 25 PDE's indicate that level of e-procurement adoption in most PDEs is critically low and lacking in most cases.

(Harelimana, 2018)

In Uganda e-procurement is being fronted by Public Procurement and Disposal of Public Assets Authority (PPDA) although still at a very minimal level and rather at a slow pace compared to Kenya and Tanzania which are in advanced stages of its implementation. This has contributed to the long noted inefficiency, ineffectiveness, corruption and other social evils in the procurement function resulting in the loss of huge amounts of money. As most e-procurement initiatives in developing countries, the fundamental problem motivating this study is the need to understand the CSFs underlying the implementation of e-procurement initiatives in the public sector. In the developed countries although a number of public sector agencies are actively pursuing e-procurement, evidence from business press reveals that many of the efforts are not meeting original expectations. In fact, implementation rate of public procurement systems has been slow and many government agencies tend to overstate the degree to which they are involved in e-procurement (MacManus, 2002). This study examines the necessary conditions for e-

procurement implementation and to establish which factors significantly influence e-procurement initiatives in Uganda's public sector.

## **1.2 Jumia Uganda's Background**

- Jumia, No. 1 online retailer in Africa was established in May 2012 with the aim and vision to become the one-stop shop for retail in Africa with implementation of best practices both online and offline.
- Jumia is the largest online retail store in Uganda.
- Jumia is under the leadership of Francis Dufay, Antoine Maillet-Mezeray and in Uganda, VinodGoel. This website is owned and operated by Jade E Services Uganda Ltd Plot 78 Luthuli Avenue, Bugolobi Kampala. We are members of the Federation of Uganda Employers. (FUE) Jade E Services Uganda Ltd (company number 80010003992119) is a Private / Company limited by shares, registered In Kampala.
- At inception we did an average delivery time of a week, today we do, on average, delivery in 3-6 days.
- Initially starting with 3 employees, Jumia presently has a staff strength of over 3000 young and entrepreneurial people including our over 750 man strong customer service team available 7 days a week.
- Deliveries to all regions across Uganda.
- Jumia set-up the 1st e-commerce academy, the Jumia Academy, building young entrepreneurs pioneering various aspects of business in Africa.

## **1.3 Statement of the problem**

Many public sector entities in Uganda face the challenge of delivering goods and services to consumers due to procurement constraints. The increased losses in the public procurement processes have been attributed to low adoption level of e-procurement as the ordinary manual procurement process has been blamed to be time consuming and has consistently scored low on achievement of value for money and transparency. Most Public Procuring and Disposing Entities (PDE's) do not know how to adopt electronic procurement systems due to lack of understanding

of procurement process automation. Yet, with the increased level of technology and automation, e-procurement is a necessary innovation that can increase level of efficiency and effectiveness of PDE's. Therefore there is a need to establish an E-procurement management information system to avert in advance the challenges of unclear accountability, streamlining the entire purchasing process and increase the level of profitability since is recognized as a private organization. In reference to the procurement processes in the Uganda the following aspects tantamount to the problem: If well utilized E-procurement saves time and costs. However, many organizational workers know how to log on to face-book, twitters, read-news Papers and send E-mails; little is known on how to negotiate, purchase and deliver services on line. This affects the organizational progress since competitors who put to full use of IT may supersede them because their services will be in time, accurate and convenient. This study thus wishes to look into E-Procurement procedures as a need to establish the relationship between E-procurement on the performance of organizations in Uganda. (Ahimbisibwe, 2018)

#### **1.4 General objective of the study**

The general objective of the study is to analyze the effect of the adoption of e-procurement on organizational performance of Jumia Uganda.

#### **1.5 Specific objectives of the study**

1. To assess the effects of the number of transactions on financial performance of Jumia Uganda.
2. To examine the relationship between compliance on innovation and adaptability of eprocurement of Jumia Uganda.
3. To examine the relationship between improved MIS and customer satisfaction of Jumia Uganda.

#### **1.6 Research questions**

1. What are the impacts of the number of transactions on financial performance of Jumia Uganda?
2. What is the relationship between compliance on innovation and adaptability of eprocurement of Jumia Uganda?

3. What is the relationship between improved MIS and customer satisfaction of Jumia Uganda?

### **1.7 Scope of the study**

The study is going to analyze the effect of the adoption of e-procurement on the organizational performances in Uganda with emphasis on the challenges, solutions to the challenges and the relationship between e-procurement and organizational performance in organizations.

### **1.8. Content scope**

The study analyzed the effect of the adoption of e-procurement on the organizational performance of Jumia Uganda with emphasis on the challenges, solutions to the challenges and the relationship between e-procurement and organizational performance at the company.

### **1.9. Geographical scope**

The area of the study was Jumia Uganda, Head Office pickup station which is located in Nakasero on plot 47 Lumumba Avenue. Nakasero is a hill located in Kampala city, the capital city of Uganda.

### **1.10. Time scope**

The study was being conducted from April 2023 to September 2023 which is a period of two years which was enough to collect the needed data.

### **1.11. Significance of the study**

- The research would help organizations to explore the importance of e-procurement in improving the performance or effectiveness of the procurement process since procurement is in all organizational fields. The study findings will also formed a basis for future research on e-procurement as it will provide information that would be helpful to organizations.
- The study findings would enable organizations and other companies in Uganda to know to what extent e-procurement practices affect their performance which would help them to establish a sustainable competitive advantage based on such. That would also enable

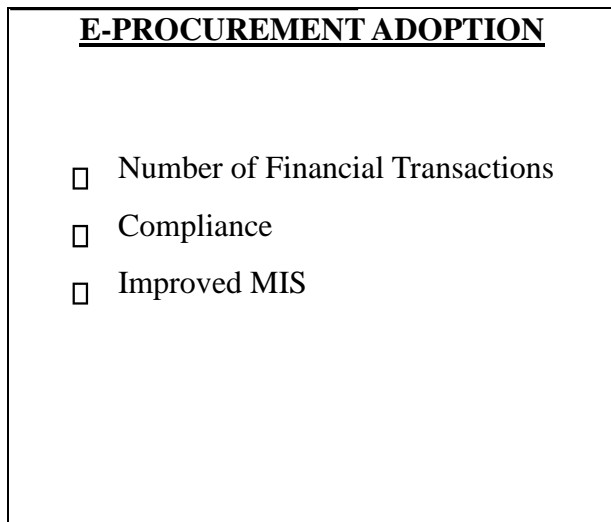
them to know how to continue or start using e-procurement in their procurement processes.

- The study findings shall also provide the policymakers and/or government with information that could be used as a basis for setting laws for e-procurement that prohibit the exploitation of stakeholders as well as for taxation purposes.

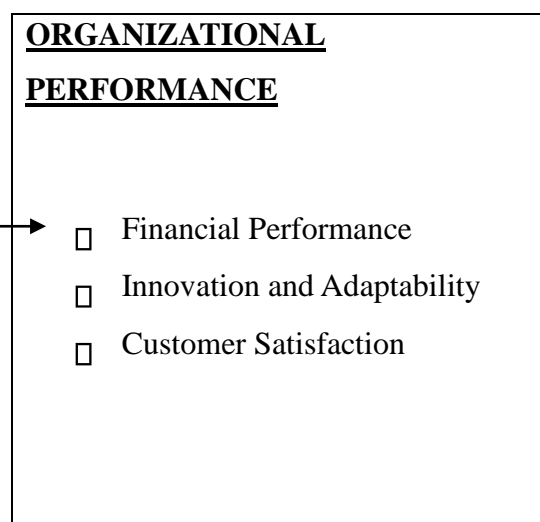
### 1.12. Conceptual framework

**An analysis of the effect of the adoption of e-procurement on an organization's performance.**

#### INDEPENDENT VARIABLES



#### DEPENDENT VARIABLES



**SOURCE:** <https://www.jumia.ug/sp-about-us/>

**Figure 1.1: Conceptual framework**

A conceptual framework is a diagram of proposed casual linkages among a set of variables believe to be related to a particular problem. The variables are in the boxes and the arrows were used to indicate the relationships between them. The conceptual framework analyzed the effect of the adoption of e-procurement on organizational performance. An independent variable is a variable that is changed or controlled in a scientific experiment to test the effects on the dependent variable and a dependent variable is a variable being tested and measured in a

scientific experiment (Todd Helmentine, 2018). An intervening variable is a hypothetical variable used to explain casual links between other variables (Stephanie 2014).

The independent variables focused on the challenges faced by an organization as a result of using e-procurement and those challenges included; inadequate IT skills, high internet costs, lack of clear regulations on data usage and inadequate ICT infrastructure. The solutions to the previously mentioned challenges constituted the intervening variables and those solutions included; continuous employee training, subsidization of internet costs, setting of clear regulations on data usage as well as provision of adequate ICT infrastructure. The dependent variables which were outcomes or results of the solutions included increased profitability, improved efficiency of performance, increased organizational effectiveness and increased productivity.

Therefore the above conceptual frame indicated how the independent variable of the study (eprocurement) affected the dependent variable (organizational performance) and it used the intervening variables to explain that effect/relationship.

### **1.13. DEFINITION OF KEY TERMS**

**E-procurement:** This is the business-to-business or business-to-consumer or business to government purchase and sale of supplies, works and services through the internet as well as other information and networking systems such as electronic data interchange. E-procurement can also be termed as electronic procurement

E-procurement practices: This refers to the computer-internet-based systems used to carry out individual or groups of the procurement process including searching, sourcing, negotiation, ordering, receipt and post-purchase review. The practices include e-tendering, e-sourcing, einforming, e-auction/reverse auction, e-catalogue and e-marketplace.

### **1.14 Limitations of the study**

The following limitations hindered the conduct of the research;

- i. The employees didn't have enough time to give all the required information via interviews. To solve this problem, questionnaires were given to the respondents

to answer in their free time and return them later. Closed-ended questions were also used to solve this since they were easier and faster to answer.

- ii. There were inadequate funds which limited the regular movement of the researcher to the company to obtain the required information. To solve this, the internet was used to collect some data since it could be accessed at a reduced fee as well as adjustments were made to the set budget.
- iii. Some respondents were uncooperative in providing the necessary information. That was solved by showing them the introduction letter from the university and obtaining permission from the company's executive.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents a review of the studies that have been conducted in e-procurement and organizational performance. The chapter covers e-procurement, theoretical review (which discusses the theories that have contributed and have relevance to the development of business procurement function and empirical review (which examines the practical evidence from various studies).

#### **2.1 The Role of e-procurement on organizational performance**

Driven by the increasing trend toward purchasing inputs and other raw materials from outside the organization, implementing electronic procurement (e-procurement) has become a significant tactic in most companies' e-business strategies (Deloitte Consulting, 2001). Today baseline procurement capabilities are rapidly becoming a cost of doing business. More and more companies are conscious of the needs to introduce Internet-based technologies in their order process, due to the benefits of saving transaction cost, increasing competitive sourcing opportunities, and enhancing inter-organizational coordination.

Internal customer satisfaction, through E-Procurement function can usually contribute to the competitive position of any company in many other ways than first through cost serving Van

Weele (2005) presents a few of these as such as: reduction of quality cost – e-procurement can reduce quality costs by making sure that selected suppliers deliver a product or service that does not exceed extensive quality control. E-Procurement can also reduce quality costs by making sure that the components bought do not lead to complaints on the user department or final product to the customer. Product standardization internal customer satisfaction can be enhanced through E-procurement due to the product variety concept. This can be achieved by reducing the number of different components and or the number of suppliers via set product standards. Contribution to product design and innovation of then innovation in industry come from suppliers or are results from intensive interactions between suppliers and user department in any organization. By actively encouraging this kind of interactions E- Procurement can contribute to fast and to continued innovation and improvement of product and user satisfaction.

Stock reduction, through electronic transaction the speed and real time transaction processes, reduces the amount of stock lying idle in stores and thereby gainful capital employment in other key business proposes or areas. Increasing flexibility E-Procurement necessitates fallibility two edge business flexibility. Service provider companies endeavor to meet their suppliers to be flexible too (Chen, Paulraj and Lado, 2004). Hence if a company wishes to offer flexibility to its customers it might also have to demand it from its suppliers. The EDI and synchronized data system can make it easier to inform suppliers about change in demand overtime fostering purchasing synergy. Many companies have a business unit structure where the business units are autonomous. In such a structure the business unit managers are responsible both revenue and cost, hence purchasing is usually done locally through EProcurement, purchasing officers at the different units can make significant savings by coordination their purchasing with other units (Chen, Paulraj and Lado, 2004).

E-Procurement system is a compound application that contains many usable functions to assist company in processing the activities of purchasing transaction. The use of a Web-based procurement system can strengthen search ability, facilitate faster and more accurate data transmission, provide quicker and more plentiful information, and achieve relatively low communications and coordination cost. Hence, Web-based procurement mainly affects four of

the organization's major B2B tasks: search, purchase processing, monitoring and control, and coordination (Subramaniam and Shaw 2002).

E-procurement has covered procurement automation for internal organizational processes, and supplier collaboration for inter-organizational processes. The former addresses automated, paperless internal process from end user item selection, to creation and routing of purchase request and approval to purchase order creation, and receiving. The latter is about connectivity with suppliers for electronic catalogs, transaction management and on-going relationship management. To realize the benefits of Web-based e-procurement, an understanding of the impacts influencing the value forming is needed so that the solution may be developed to facilitate the implementation of Web-based e-procurement system (Subramaniam and Shaw 2002).

There are several theories, which have contributed and have relevance to the development of business procurement function in relation to effective management and financial performance. In an organization purchasing management concept (PMC) could be analyzed using several theories, which help in understanding how an organization's E-Procurement system and procedures enhances internal customer levels at different levels. The thinking of strategic procurement policies has been influenced by several theories some of which are discussed below.

Chen, Paulraj and Lado (2004) in their optics states that strategic purchasing is a vital link in a working supply chain. They mean that strategic purchasing can give a firm a competitive advantage by enabling the firms to: Foster close working relationships with a limited number of suppliers; Promote open communication among suppliers chain partners and Develop long-term strategic relationship orientation to achieve mutual gains. Chen et al (2004) states that strategic purchasing will lead to communications with suppliers, a limited number of suppliers and a way term orientation. Chen at al (2004) prove all of those connections significant. The conclusion to be drawn from this theory is that strategic purchasing arrangement can be an important link in the supply chain and contributes towards enhancing internal user department satisfactory and the overall financial results of a company.

Axels son and league – Hellmann (1991) state that a suitable way to govern purchasing is through target settling and measuring their theory, this could be done through key performance

indicates. The theory divides the KPTs: Into some categories price related, Quality related, Delivery related, Inventory related savings related, Activity related and other.

Van Woole (2005) presents two areas in which purchasing performance can be measured, purchasing effectiveness and purchasing efficiency. The theory states that purchasing effectiveness is a measure of what has been accomplished and purchasing efficiency is a measure of what resources has been used to accomplish it. Based on Van Wools (2005) four dimensions, Cost/price, product/ quality, logistics & organization. Enhancing internal customer satisfaction through the Eprocurement can be capitalized via this theory.

## **2.2 E-procurement and organizational performance (Arguments according to the study objectives)**

E-procurement system plays a fundamental role in B2B purchasing by streamlining the buying process and providing the information needed to make more effective purchasing decisions (Osmonbekov et al. 2002). Previous studies allude to the fact that many companies have found benefits from their implementation of e-procurement system. The adoption of Web-based eprocurement system in the B2B purchasing transaction allows firms to reduce transaction costs, improve internal procurement process efficiency, and increase collaboration with suppliers (Barbieri and Zanoni 2005). The benefits of technology-based supports for procurement activities can be organized into two broad categories: organizational level and inter-organizational level. In organizational level, previous studies suggested that implementing e-procurement system could make company's procurement process more efficient and effective through automating procurement process, reengineering the internal processes and enhancing inter-organizational coordination.

For example, Davila et al. (2003) thought that implementing e-procurement the firm could shorten the order fulfillment cycle time, lower inventory levels and the price paid for goods, and reduce administrative costs of procurement. Eakin (2003) argued that the benefits of eprocurement can be classified to hard benefits (such as price savings and process cost reductions), soft benefits (such as individual time freed up through more efficient processes), and intangible benefits (such as cultural change, financial approval for all spending, and high visibility of supplier performance). Presutti (2003) found e-procurement system can bring

benefits to the company such as reducing time to- market cycles, reducing material and transactions costs, and reducing stock levels. Chaffey (2004) argued that the benefits of eprocurement include reduced purchasing cycle time and cost, enhanced budgetary control, elimination of administrative errors, increasing buyers' productivity, lowering prices through product standardization and consolidation of buys, improving the payment process, and improving information management.

Implementing Web-based e-procurement system not only could make the operational processes of the buyer organization more effective but also could make the order fulfillment process of the supplier organization more efficient and improve partner relationship management. The main objective of the order fulfillment process that buyer expected is supplier can deliver qualified products to fulfill its orders at the right time and right place (Lin and Shaw 1998). The order fulfillment performance can be improved if supplier can recognize the order, so that the order demand patterns are more transparent to the supplier. In order for supplier to enhance order fulfillment performance, buyer and supplier have to share information. For instance, Toyota shares its inventory and sales information with its suppliers.

Having access to such information helps Toyota's suppliers plan and manage their operations better and Toyota can coordinate the inventory orders effectively; as a result, the implementation of just in time (JIT) delivery strategy can be achieved (Chopra and Meindl 2001). Web-based eprocurement enables the information to be shared among trading partners, such as sales forecasts, production schedules, inventory levels, and product specifications.

Developing a purchasing strategy that will enhance internal customer satisfaction on eProcurement function is a complex process and there are a lot of factors that has to be taken into account, which factors vary between companies, commodities, situation and environment. Dobler and Burt (1996) states that if suppliers are involved earlier in the buyer design process of the E-procurement system, they can contribute with their expertise in the following areas: Material specifications, tolerances, standardization, order sizes, process ethanol's in supplier manufacturing, packaging, inventory & transportation, via a web designed interlink. Further Dobler and Burt (1996) states that another aspect to consider when developing a strategy is how many parallel sources supply should be used.

A company can choose to take all supply from a single supplier, which is usually called single sourcing, or they can take their supplies from two or more suppliers, called dual or multiple sourcing. The different strategies are appropriate in different situations. According to Dobler and Burt (1996) single sourcing is appropriate when. Better prices can be achieved through larger volumes (economies of scale), quality is important, A strong influence over a supplier is advantageous, In addition to quality, control and coordination required with just-in-time manufacturing require a single source, significantly lower freight costs may result; special tooling or machinery is required, and the use of more than one supplier is impractical or excessively costly, total system inventory will be reduced, an improved commitment on the supplier's part results, improved interdependency and risk sharing result and time to market is critical.

On the other hand Dobler and Burt (1996) states that dual or multiple sourcing may be appropriate. To protect the buyer of shortage, strikes or other emergencies, to maintain competition and provide a back-up source; to meet local content requirements for international manufacturing locations; more also to meet customer's volume requirements, avoid lethargy or complacency on the part of the single source supplier when the customer is a small player in the market for a specific item, when technology part is uncertain and in areas where suppliers tend to leapfrog each other technologically.

Cronin- Harris (2004) state a company has two main windows to the outside world, the sales department and the purchasing department. Because of this they mean that the actions of these two departments are extremely visible and therefore important for the perception of the firm externally. According to Cronin. Harris (2004), studies have shown that behavior of the purchasing department in ethical issue has a major effect on the behavior of the rest of the company in similar situation (Internal customers). It is therefore essential to ensure ethical behavior from the purchasing department. The author states that the best way to ensure this is through the development and enforcement of a relevant ethics policy and through continuous training and education.

According to Heinritz et al (1991), a purchaser is an agent for his/her company who has been given the authority by owner or management to commit funds. There are often monetary limits to

the amount that may be spent by any single buyer without securing approval of the expenditure by general management. The author's state further that authority should be comparable with responsibility and the ability to meet that responsibility. Hein Ritz et al (1991), states that managers gives purchasers authority, they usually control cost by restricting the amounts that a purchaser has the authority to sign for. There might be several steps of authority, for instance a single buyer ties the authority to sign deals up to a certain amount, over that amount the deal has to be signed by a senior purchaser up to a certain amount and over that by the chief procurement officer and above that by the CEO.

### **2.3 Objective 1: To assess the impact of the number of transactions on financial performance**

#### **of Jumia Uganda.**

This objective focuses on identifying and understanding the obstacles and difficulties that organizations in Uganda encounter when trying to implement e-procurement systems. These challenges could encompass various aspects, such as technological barriers, regulatory hurdles, resistance from employees, or financial constraints. By examining these challenges, the research aims to gain insights into what specifically hinders the adoption of e-procurement in Uganda.

This research is crucial as it seeks to understand whether the company's financial success is correlated with the volume of transactions it processes. To achieve this, the study will collect and analyze historical financial data, transaction records, and market trends. Regression analysis and financial ratio analysis will be employed to identify any significant relationships between transaction volume and key financial metrics such as revenue, profitability, and liquidity.

The findings of this research will provide valuable insights into the business strategies of Jumia Uganda and help the company make informed decisions regarding its operations. If a positive correlation between transaction volume and financial performance is established, it may suggest that increasing transaction numbers should be a priority for the company. Conversely, if no such correlation is found, it may indicate the need to focus on other aspects of the business to enhance financial performance.

## **2.4 Objective 2: To examine the relationship between compliance on innovation and adaptability of e-procurement of Jumia Uganda.**

This objective shifts the focus to finding potential solutions or strategies to overcome these obstacles. It involves evaluating existing methods, best practices, or innovative approaches that have been successful in addressing the challenges of implementing e-procurement systems in Ugandan organizations. The goal is to provide practical recommendations for organizations looking to adopt e-procurement.

This study aims to explore the intricate relationship between compliance with regulatory requirements, innovation, and adaptability within Jumia Uganda's e-procurement processes. The e-commerce industry is dynamic, and companies like Jumia need to balance compliance with the need to innovate and adapt to changing market conditions. This research will involve an in-depth analysis of Jumia Uganda's e-procurement practices, compliance records, and innovation initiatives.

Through surveys, interviews, and data analysis, this study will investigate how compliance with legal and ethical standards influences the company's ability to innovate and adapt. It will also explore the challenges and opportunities associated with maintaining compliance while fostering innovation. The findings will provide valuable insights into the strategies that Jumia Uganda can employ to achieve a harmonious balance between compliance and innovation in its e-procurement operations.

## **2.5 Objective 3: To examine the relationship between improved MIS and customer satisfaction of Jumia Uganda.**

This objective delves into the impact of e-procurement on the overall performance of organizations in Uganda. It seeks to understand whether the adoption of e-procurement systems leads to improved efficiency, cost savings, better supplier relationships, or other positive outcomes. This investigation is crucial for establishing a correlation between e-procurement practices and organizational success in the Ugandan context, which can provide valuable insights for decisionmakers.

In today's competitive e-commerce landscape, efficient MIS is crucial for delivering a seamless and satisfying customer experience. This research will involve a comprehensive analysis of the company's MIS infrastructure, customer feedback data, and customer satisfaction metrics.

By conducting surveys, studying customer complaints and feedback, and analyzing MIS implementation, this study will assess whether enhancements in MIS correlate with higher levels of customer satisfaction. It will also explore the specific MIS components (e.g., order tracking, inventory management and customer support systems) that have the most significant impact on customer perception.

The findings of this research will be instrumental in guiding Jumia Uganda's technology investment decisions and strategic planning. If a positive relationship between improved MIS and customer satisfaction is established, it will underline the importance of continued investment in information systems to meet evolving customer expectations in the digital marketplace.

## **2.6 Research Gaps**

E-procurement constitutes a very important information technology managerial tool that has the potential of improving and integrating various functions across the organization. This internal integration can enhance the current performance of an organization as well as improve the future performance of the organization. E-procurement can also help drive future confidence in the face of both internal and external risk. E-Procurement can reduce quality costs by making sure that selected suppliers deliver a product of service that does not exceed extensive quality control. EProcurement can also reduce quality costs by making sure that the components bought do not lead to complaints on the user department or final product to the customer.

The literatures reviewed have indicated that there are no studies that have been carried out on the effects of e-procurement on the performance of organizations in the public sector in Uganda. Studies on e-procurement are also few since the concept has not been adopted in most organizations. There is need therefore to conduct a study to establish the effects of e-procurement on the performance of organizations in Uganda.

## **2.7 Conclusions**

The literature reviewed above indicates that there are many studies relating to the topic that has been done, however, empirical evidence on most other areas are lacking. The literature point to the fact that most of the studies already done are at the global scene and regional establishing a gap in terms of scope providing a rationale for further research attempts to zero in on this gap, especially in relation to the local context. First, empirical evidence indicates that no work on Eprocurement has been done within government institutions in Uganda. Most of the studies done tend to touch more on business organizations which are profit oriented as opposed to Government institutions. These provide considerable gaps in research and in particular for comparison purposes. Consequently, it is in this background the researcher contemplates the need to further explore and document the same for use in academia and in practice.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter describes the methods that were used to conduct the study. It contains the research design, study population, sample size and sampling techniques, sources of data, data collection techniques and instruments, research procedure, data presentation and analysis, ethical consideration as well as limitations of the study.

#### **3.1 Research design**

A research design is "the overall plan or structure of the study that serves as a guide in collecting and analyzing data" (Creswell, 2014, p. 32). It is "the strategy that outlines how research is to be undertaken" (Robson, 2011, p. 91), incorporating decisions on data collection, sampling, and analysis techniques to ensure valid and reliable research findings. The study considered a descriptive design including Quantitative and Qualitative approaches. Descriptive research design is a valuable method for studying specific subjects quantitatively. Despite statistical validity concerns, acknowledging limitations makes it a valuable scientific tool. The study used a crosssectional design, collecting data from diverse respondents and times.

### 3.2 Study population

The study population refers to the specific group of individuals or elements from which data is collected and analyzed in a research study. The company in Uganda has around 201-500 employees with an average of 351 employees working in its head office ([www.linkedin.com/company/jumia-ug](http://www.linkedin.com/company/jumia-ug))

### 3.3 Sample size Determination

#### 3.3.1 Sample size

The study focused on the employees of Jumia Uganda at the head office in Nakasero. The total number of the respondents or the sample size was selected using the Solvins formula which was

described as; 
$$n = \frac{N}{1+N(e)^2}$$

Where; n is the sample size

N is the population size which is 351 employees is the level of significance which is fixed at 0.05

Therefore the sample size, 
$$n = \frac{351}{1+351(0.05)^2}$$

n = 186.95

Therefore n = 187 respondents

Hence the sample size consisted of 187 employees or respondents at the company's head office. These employees were selected from each department as follows using the sampling techniques in

3.3.2 below.

#### 3.4 Sampling technique

A sampling technique is the method used to select a subset of individuals or elements from a larger population for inclusion in a research study. The sampling technique that I will use for my dissertation will be Non- profit sampling.

### **3.4.1 Random sampling**

This was also known as probability sampling where all the elements of the study population had equal chances of selection. Under this technique of sampling, simple random sampling was used to select respondents whose activities in the company were directly related to e-procurement and ultimately affected the company's performance most especially the ones chosen above.

### **3.4.2 Non-random sampling**

Here, all the units of the study population had no equal chances of selection. Under this technique, purposive sampling was used to get respondents who provided the data that the researcher needed.

## **3.5 Data Sources**

Two types of data were collected from their respective sources as described below;

### **3.5.1 Primary data**

This referred to data or raw facts which were collected for the first time. Primary data was collected from the respondents through interviews and questionnaires to ensure confidentiality.

### **3.5.2 Secondary data**

This referred to data that had been prepared and developed for some other purpose other than to solve the problem at hand. Secondary data was used to minimize the costs of conducting the research and it was obtained from published literature as well as the internet.

## **3.6 Data collection tools**

Data collection sources refer to the various methods and channels through which data is gathered and collected. Types of data collection sources include Primary Source and Secondary Source

### **3.6.1 Primary Source**

A primary source refers to an original firsthand account or evidence of an event, phenomenon, or research subject. It is data or information that is collected directly from the source or individuals

involved in the research topic. Examples of primary sources include original research studies, surveys, interviews, observations, diaries, letters, official documents, or artifacts.

### **3.6.2 Secondary Source**

A secondary source refers to information or data that is derived from primary sources or other secondary sources. It involves the interpretation, analysis, or summarization of primary source material by an author or researcher. Secondary sources include literature reviews, textbooks, articles, commentaries, or research papers that synthesize or analyze existing information.

### **3.7 Data Analysis**

Data analysis and interpretation, as well as presentation, are crucial components of a dissertation. The acquired data was evaluated using descriptive statistical techniques and quantitative analysis. The information was given numerical values. Calculating the mean and doing a regression analysis were part of the quantitative data analysis.

### **3.8 Data Control**

The study commenced by submission of a research proposal and the data collection instruments to the supervisor for approval as well as pre-testing respectively. Upon approval and pre-testing, an introductory letter was obtained from the dean of the school of business and management studies which was used in getting permission to carry out the research and obtaining all the required information from the study population. The data were collected using interviews and questionnaires as well as administered using their respective tools.

### **3.9 Ethical Consideration**

Ethics is a discipline of philosophy concerned with how individuals should act, judgements about these acts (e.g., right vs wrong, good versus evil), and the development of laws and regulations to justify behaviors (Aguinis&Henle, 2002). Right and incorrect concepts based on principles or norms. Ethics are moral principles, norms, or standards of conduct that assist us in making moral judgments about our behavior and interactions with others. First, the researchers' main role was to ensure that everyone involved in the study process had equal opportunities. In this case, the participants' task was to fill out a questionnaire and there was an equal chance that different

people would be selected from the sample. Participants did not have to provide any data or do anything other than fill out the questionnaire.

Second, the subjects and the researcher were all protected as no indirect or direct harm was caused to them by the study. Participation was entirely voluntary and informed consent was required. All data was anonymized in order to protect the privacy of the participants. The participants came from different cultural backgrounds and were given complete autonomy in their behavior. Third, there was no obligation for a participant to take the survey and it was clear that after reading the information page they did not want to take part they could always contact the researcher by email or phone with questions about the partnership to obtain. The researcher treated each participant with respect at all times and made sure that all questions were answered to the best of his knowledge and belief.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS**

#### **4.0 Introduction**

This chapter entails the findings of the study. It involves the data presentation of the research findings, their analysis and interpretation which were based on the specific objectives of the study and the response rate from the respondents. Those objectives included; to examine the challenges of adopting e-procurement in Jumia Uganda, to assess the solutions to the challenges of adopting e-procurement in Jumia Uganda and to investigate the relationship between e-procurement and organizational performance at Jumia Uganda. It also includes the background information of the respondents. Tables and pie charts were used to indicate the results of the study findings.

#### **4.1 Background information of respondents**

This section considers information about the characteristics or demographics of the respondents and it contains findings that covered the gender of the respondents, their marital status, age

bracket, the highest level of education attained by them and period spent working at Jumia Uganda.

#### **4.1.1 Gender of the respondents**

Since the study focused on both males and females, respondents were asked to state their gender to know the level of participation of both males and females in the operation of the organization hence making the study gender-sensitive. The following data was obtained

#### **4.1.2 Demographic results**

The table below shows the different demographic results of the researcher's respondents from Jumia Uganda.

<b>Gender</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Male	<b>90</b>	<b>48</b>
Female	<b>97</b>	<b>52</b>
Total	<b>187</b>	<b>100</b>
<b>Marital status</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Single	<b>80</b>	<b>43</b>
Married	<b>52</b>	<b>28</b>
Divorced	<b>45</b>	<b>24</b>
Widowed	<b>10</b>	<b>5</b>
Total	<b>187</b>	<b>100</b>
<b>Age bracket (Years)</b>	<b>Frequency</b>	<b>Percentage (%)</b>

20 – 40	<b>147</b>	<b>79</b>
41 – 60	<b>40</b>	<b>21</b>
61 and above	<b>0</b>	<b>0</b>
<b>Total</b>	<b>187</b>	<b>100</b>
<b>Highest level of education attained</b>	<b>Frequency</b>	<b>Percentage (%)</b>
O level	<b>7</b>	<b>3</b>
A level	<b>20</b>	<b>11</b>
Certificate	<b>45</b>	<b>24</b>
Diploma	<b>20</b>	<b>11</b>
Degree	<b>80</b>	<b>43</b>
Masters	<b>15</b>	<b>8</b>
<b>Total</b>	<b>187</b>	<b>100</b>
<b>Period Spent (Years)</b>	<b>Frequency</b>	<b>Percentage (%)</b>
0 – 1	<b>62</b>	<b>33</b>
2 – 3	<b>120</b>	<b>64</b>
4 and above	<b>5</b>	<b>3</b>
<b>Total</b>	<b>187</b>	<b>100</b>

## **4.2 Findings as per Specific objectives of the study**

### **4.2.1 To examine the effects of the number of transactions on financial performance of Jumia Uganda.**

The following statements from the questionnaire were used to examine the major challenges faced by Jumia Uganda due to adopting e-procurement within the company

#### **4.2.1.1 The number of transactions has a significant impact on Jumia Uganda financial performance?**

This was considered to ascertain whether the cost of using the e-procurement practices at the company was affordable since those practices depended on the presence of the internet which the company used. The respondents were therefore asked to state whether the cost of using the internet at the company was high and the following data were obtained

**Table 8: Showing the response rate of the respondents towards whether the cost of using the internet at Jumia Uganda is high**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
-----------------	------------------	-----------------------

Strongly agree	<b>70</b>	<b>37</b>
Agree	<b>47</b>	<b>25</b>
Not sure	<b>35</b>	<b>19</b>
Strongly disagree	<b>20</b>	<b>11</b>
Disagree	<b>15</b>	<b>8</b>
<b>Total</b>	<b>187</b>	<b>100</b>

**Source: Primary data**

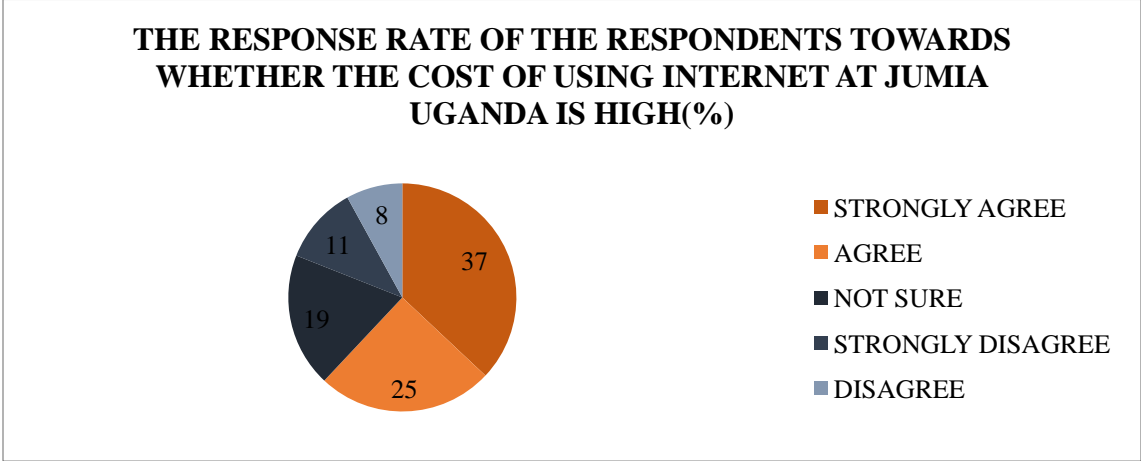
From table 8 above, it is seen that 70 respondents strongly agreed that the cost of using the internet at Jumia Uganda is high, 47 respondents agreed with the statement, 35 respondents were not sure of it, 20 respondents strongly disagreed with it whereas 15 respondents disagreed with it. The above information is further illustrated in percentages using the figures below;

The findings of this research will provide valuable insights into the business strategies of Jumia Uganda and help the company make informed decisions regarding its operations. If a positive correlation between transaction volume and financial performance is established, it may suggest that increasing transaction numbers should be a priority for the company. Conversely, if no such correlation is found, it may indicate the need to focus on other aspects of the business to enhance financial performance.

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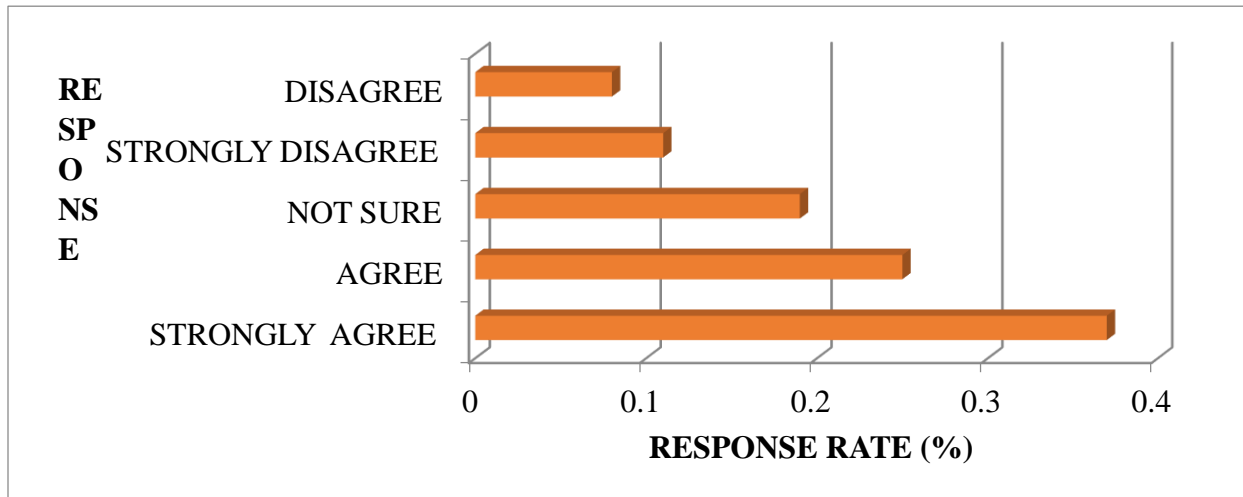
**Figure 1: A pie chart showing the response rate of the respondents towards whether the cost of using the internet at Jumia Uganda is high**



**Source: Primary data**

Figure 7 above illustrates that most of the respondents representing 62% of the total number of respondents were in agreement with the statement that the cost of using the internet at Jumia Uganda is high whereas the remaining 38% were either in disagreement or not sure of it. This implies the cost of using the internet at Jumia Uganda is high and may not be affordable for the company. This data is further illustrated using the graph below

**Figure 7.1 A bar graph showing the response rate of the respondents towards whether the cost of using the internet at Jumia Uganda is high**



**4.2.1.2 Most of the company’s stakeholders don’t trust electronically sent documents.** This was considered to analyze whether the stakeholders preferred the use of physical documents such as papers to electronic documents. The respondents were therefore asked to state whether most of the company’s stakeholders didn’t trust electronically sent documents and the following data was obtained;

**Table 9: Showing the response rate of the respondents towards whether most of the company’s stakeholders don’t trust electronically sent documents.**

Response	Frequency	Percentage (%)
Strongly agree	12	6
Agree	45	24
Not sure	65	35
Strongly disagree	30	16
Disagree	35	19
<b>Total</b>	<b>187</b>	<b>100</b>

**Source: Primary data**

From table 9 above, it is seen that 12 respondents strongly agreed with the statement that most of the company’s stakeholders don’t trust electronically sent documents, 45 respondents agreed

with the same statement, 65 respondents were not sure of it while 30 respondents strongly disagreed with it and the remaining 35 respondents disagreed with it.

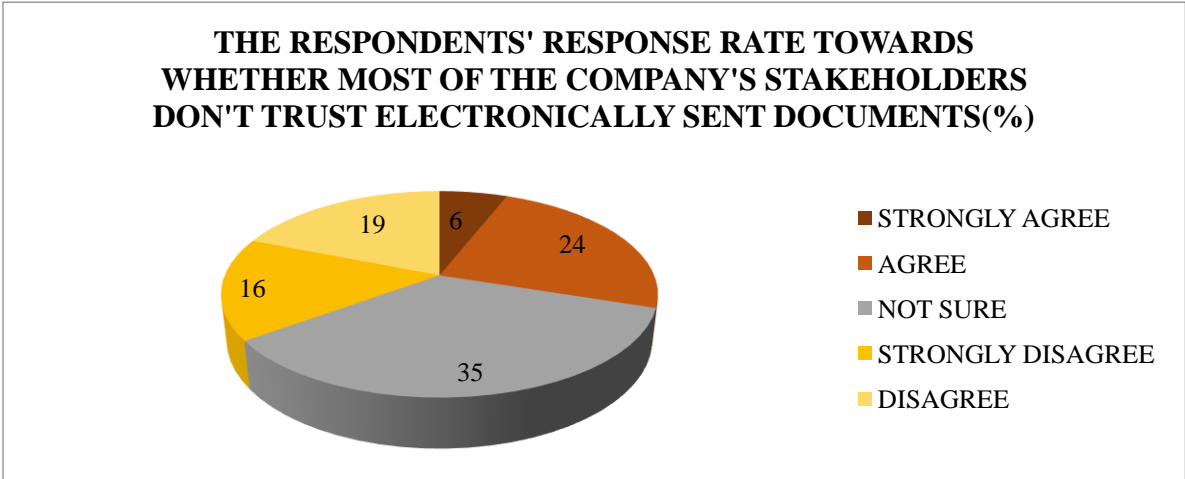
Through surveys, interviews, and data analysis, this study will investigate how compliance with legal and ethical standards influences the company's ability to innovate and adapt. It will also explore the challenges and opportunities associated with maintaining compliance while fostering innovation. The findings will provide valuable insights into the strategies that Jumia Uganda can employ to achieve a harmonious balance between compliance and innovation in its e-procurement operations.

For example, Davila et al. (2003) thought that implementing e-procurement the firm could shorten the order fulfillment cycle time, lower inventory levels and the price paid for goods, and reduce administrative costs of procurement. Eakin (2003) argued that the benefits of eprocurement can be classified to hard benefits (such as price savings and process cost reductions), soft benefits (such as individual time freed up through more efficient processes), and intangible benefits (such as cultural change, financial approval for all spending, and high visibility of supplier performance). Presutti (2003) found e-procurement system can bring benefits to the company such as reducing time to- market cycles, reducing material and transactions costs, and reducing stock levels. Chaffey (2004) argued that the benefits of eprocurement include reduced purchasing cycle time and cost, enhanced budgetary control, elimination of administrative errors, increasing buyers' productivity, lowering prices through product standardization and consolidation of buys, improving the payment process, and improving information management.

Implementing Web-based e-procurement system not only could make the operational processes of the buyer organization more effective but also could make the order fulfillment process of the supplier organization more efficient and improve partner relationship management. The main objective of the order fulfillment process that buyer expected is supplier can deliver qualified products to fulfill its orders at the right time and right place (Lin and Shaw 1998). The order fulfillment performance can be improved if supplier can recognize the order, so that the order demand patterns are more transparent to the supplier. In order for supplier to enhance order

fulfillment performance, buyer and supplier have to share information. For instance, Toyota shares its inventory and sales information with its suppliers.

**Figure 2: A pie chart showing the respondents' response rate towards whether most of the companys' stakeholders don't trust electronically sent documents.**

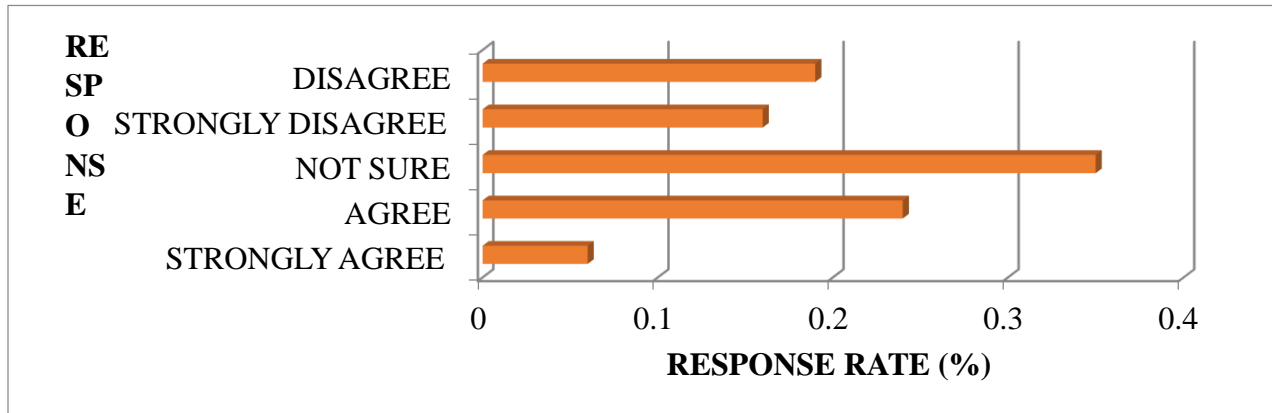


**Source: Primary data**

Figure 8 above implies that most of the respondents representing 70% were either in disagreement with the statement that most of the company's stakeholders don't trust electronically sent documents or not sure of it whereas the remaining 30% agreed with it. This meant that either most of the company's stakeholders preferred using electronically sent documents to physically sent ones or not.

This data is further shown on the bar graph below;

**Figure 8.1 A bar graph showing the response rate of the respondents towards whether most of the company’s stakeholders don’t trust electronically sent documents**



**4.2.1.3 There is a lack of adequate data security measures at Jumia Uganda.**

This was considered to assess the safety of the company's procurement or inventory data that had been saved in computers. The respondents were therefore asked to state whether there was a lack of adequate security measures within the company and the following responses were obtained;

**Table 10: Showing the response rate of the respondents towards whether there is a lack of adequate data security measures at Jumia Uganda**

Response	Frequency	Percentage (%)
Strongly agree	65	35
Agree	55	29
Not sure	17	9
Strongly disagree	35	19
Disagree	15	8
<b>Total</b>	<b>187</b>	<b>100</b>

**Source: Primary data**

From table 10 above, it is shown that 65 respondents strongly agreed with the statement that there is a lack of adequate data security measures at Jumia Uganda, 55 respondents agreed with the same statement, 17 respondents were not of it while 35 respondents strongly disagreed with it

and the remaining 15 respondents disagreed with it. This information is further illustrated in percentages using the figures below;

The findings of this research will be instrumental in guiding Jumia Uganda's technology investment decisions and strategic planning. If a positive relationship between improved MIS and customer satisfaction is established, it will underline the importance of continued investment in information systems to meet evolving customer expectations in the digital marketplace.

Cronin- Harris (2004) state a company has two main windows to the outside world, the sales department and the purchasing department. Because of this they mean that the actions of these two departments are extremely visible and therefore important for the perception of the firm externally. According to Cronin. Harris (2004), studies have shown that behavior of the purchasing department in ethical issue has a major effect on the behavior of the rest of the company in similar situation (Internal customers). It is therefore essential to ensure ethical behavior from the purchasing department. The author states that the best way to ensure this is through the development and enforcement of a relevant ethics policy and through continuous training and education.

According to Heinritz et al (1991), a purchaser is an agent for his/her company who has been given the authority by owner or management to commit funds. There are often monetary limit to the amount that may be spent by any single buyer without securing approval of the expenditure by general management. The author's state further that authority should be comparable with responsibility and the ability to meet that responsibility. Hein Ritz et al (1991), states that managers gives purchasers authority, they usually control cost by restricting the amounts that a purchaser has the authority to sign for. There might be several steps of authority, for instance a single buyer ties the authority to sign deals up to a certain amount, over that amount the deal has to be signed by a senior purchaser up to a certain amount and over that by the chief procurement officer and above that by the CEO.

## CHAPTER FIVE

### SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter presents a summary of the study findings, conclusion of the topic, recommendations and areas for further research on the effect of the adoption of e-procurement on an organization's performance

#### 5.1 Summary of the study findings

The study was done to analyze the effect of the adoption of e-procurement on organizational performance of Jumia Uganda. The research was guided by three specific objectives that focused on certain aspects associated with the use of e-procurement within organizations. These aspects included the impact of the number of transactions on financial performance of Jumia Uganda. Those aspects were used while referring to Jumia Uganda as a case study for the research. The specific objectives included to assess the impact of the number of transactions on financial performance of Jumia Uganda, to examine the relationship between compliance on innovation and adaptability of e-procurement of Jumia and to examine the relationship between improved MIS and customer satisfaction at Jumia Uganda. The study findings with regards to those objectives are summarized below;

##### **5.1.1 To assess the impact of the number of transactions on financial performance of Jumia Uganda.**

The study found that there were several challenges associated with adopting e-procurement in Jumia Uganda. That was because when the respondents were asked to state whether the cost of using the internet at Jumia Uganda was high, 62% of the total number of respondents were in agreement with the statement, when asked to state if there was a lack of adequate data security measures at Jumia Uganda, 64% of them agreed with the statement and when asked to state whether there were inadequate information technology infrastructures in Jumia Uganda, 59%

agreed as well as 61% of the total number of respondents agreed that there was a lack of enough information technology skills among the company's stakeholders when they all of them were asked. The study also revealed there were some other challenges of adopting e-procurement that the company might either be facing or not. This was because when the respondents were asked to state whether the company's stakeholders didn't trust electronically sent documents, 70% of them were either in disagreement or not sure of it.

### **5.1.2 To examine the relationship between compliance on innovation and adaptability of eprocurement of Jumia Uganda.**

The study findings also revealed that certain solutions could be used to overcome the challenges of adopting e-procurement in Jumia Uganda This was because when the respondents were asked to state whether the costs of using the internet within the company had been subsidized, 53% of the total number of respondents agreed with that statement, when asked to state whether the company's stakeholders had been given more training on information technology, all of them agreed with the statement, when asked to state whether regulations had been formulated by the government to favor the electronic transfer of documents, 59% of the total number of respondents agreed with the statement, when asked to state if more information technology infrastructures had been bought within the company, 69% of them agreed and when asked to state if data security experts had been hired to protect the company's data, 55% of them agreed.

### **5.1.3 To examine the relationship between improved MIS and customer satisfaction of Jumia Uganda.**

The study also found out that there was a relationship between e-procurement and organizational performance at Jumia Uganda. This was because when the respondents were asked to state whether the company used e-procurement to obtain most of its vendors, 65% of the total number of the respondents agreed with the statement, when they were asked to state if the company used eordering for obtaining its items from suppliers, 52% of them agreed, when the respondents were also asked to state whether e-procurement practices had reduced on administrative costs within the company, 51% of their total number agreed with the statement and also when the respondents were asked to state whether the use of e-procurement within the company had led to a reduction in the firm's permanent employees, 79% of them agreed.

The study also revealed that there might or might not be a relationship between e-procurement and organizational performance at Jumia Uganda. This was shown by 51% of the total number of respondents who were not sure if Jumia Uganda used e-procurement to sell its products and services and thus increase its sales or not.

## **5.2 Conclusion of the topic**

The study analyzed the effect of the adoption of e-procurement on organizational performance of Jumia Uganda. It aimed to answer the following research questions;

### **5.2.1 What are the effects of the number of transactions on financial performance of Jumia Uganda?**

The first question was “What are the impacts of the number of transactions on financial performance of Jumia Uganda?”

According to the research findings, there were several challenges of adopting e-procurement in Jumia Uganda. This is because adopting e-procurement practices within a firm involves several challenges such as the cost of using the internet on which these practices depend on being high within the company (Harrigan (2008), lack of adequate data security measures at the firm (Yen and Ng (2002)), a lack of important tools for the implementation of e-procurement (Sabiiti K. C and Muhumuza E (2012)), distrust of electronically sent documents by the company’s stakeholders, (Wong and Sloan (2004) among others. All these stated challenges were evident in the study findings.

### **5.2.2 What is the relationship between compliance on innovation and adaptability of eprocurement of Jumia Uganda?**

The second research question was “What is the relationship between compliance on innovation and adaptability of e-procurement of Jumia Uganda?”

According to the study findings, there were several solutions to the challenges of adopting eprocurement in Jumia Uganda. This is because the challenges associated with the adoption of eprocurement can be overcome using solutions such as training of stakeholders about the use of eprocurement (ECOM, 2002, Eadie (2007), conducting planning before the adoption of the

practices to have adequate information technology infrastructure (Kalakota and Robinson (2001) and formulating regulations or mechanisms that protect electronically sent documents (Birks et al, (2001) and hiring data security experts to formulate and run those mechanisms as well as subsidizing the costs associated with internet usage.

Since the above solutions were evident in the research findings, they constituted the solutions to the challenges of adopting e-procurement practices in Jumia Uganda.

### **5.2.3 What is the relationship between improved MIS and customer satisfaction of Jumia Uganda?**

The last research question was “What is the relationship between improved MIS and customer satisfaction of Jumia Uganda?

According to the findings of the study, the relationship between e-procurement and organizational performance at Jumia Uganda is a positive one. This is because this kind of relationship is illustrated by; the company using e-procurement to obtain its vendors (Eadie et al (2007)), eprocurement practices improving on the effectiveness of the company’s performance or operations (Makau (2014)), lower administration costs as a result of using e-procurement (Rankin (2006)), using e-procurement practices to reduce on the firm’s permanent employees (Eadie et al (2007)) and also using e-procurement practices to sell products and services among others.

Since most of the above aspects were present in the company with regards to the research findings, the relationship between e-procurement and organizational performance at Jumia Uganda is a positive one.

### **5.3 Recommendations**

With regards to the research findings, the researcher recommended that companies should put into consideration ways of solving challenges that might come with the adoption of e-procurement and its practices. For instance, resistance to change can be solved by training employees about the use of e-procurement practices before their adoption. That would enable the companies to enjoy the full benefits that come with the adoption of e-procurement practices for

example increased effectiveness of the company's performance, providing higher transparency to the company's stakeholders, and many others.

#### **5.4 Areas for further research**

From the study carried out, the researcher discovered that further research should be done on the relationship between e-procurement practices and organizational effectiveness as well as the effect of training a company's stakeholders on the successful use of e-procurement practices.

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## QUESTIONNAIRE FOR THE RESPONDENTS

**Dear Sir/Madam,**

I am Jackson Limo John, a student from Uganda Christian University conducting a study on the effect of the adoption of e-procurement on an organization's performance, a case study of Jumia Uganda as partial fulfillment of the requirements for the award of a Bachelor's degree in Procurement and Logistics Management of Uganda Christian University. You are humbly requested to fill out this questionnaire concisely and the information you give will be treated with utmost confidentiality. Your response is of great importance to the accuracy of the study.

### SECTION A: PERSONAL INFORMATION OF THE RESPONDENT

(Please tick where necessary)

#### 1. Gender

Male

Female

#### 2. Marital status

Single

Married

Divorced

Widowed

#### 3. Age

20-40

above

41- 60 61

and

#### 4. Highest Level of Education attained

O Level  A  Level Certificate

Diploma  Degree Masters

**5. Period spent working at Jumia Uganda**

0- 1 years  2- 3years  4years and above

**SECTION B: QUESTIONS AS PER OBJECTIVES**

**PART A: TO ASSESS THE IMPACT OF THE NUMBER OF TRANSACTIONS ON FINANCIAL PERFORMANCE OF JUMIA UGANDA.**

Please tick appropriately to indicate if you; Strongly agree (S.A), Agree (AG), Not Sure (NS), Disagree (D), Strongly Disagree (SD). Scale SA=5, AG=4, AG=3, NS=2, D=2, SD=1

		SA	A	NS	D	SD
B 1	The number of transactions has a significant impact on Jumia Uganda financial performance?					
B 2	You believe transaction volume influences the customer experience of Jumia Uganda					
B 3	Measures have been put in place to mitigate potential risks associated with a higher transaction volume of Jumia Uganda?					
B 4	You have observed a correlation between an increase in transaction volume and a rise in revenue/profitability of Jumia?					
B 5	How would you describe the volume of transactions of Jumia Uganda processes on a monthly basis?					

**PART B: TO EXAMINE THE RELATIONSHIP BETWEEN COMPLIANCE ON INNOVATION AND ADAPTABILITY OF E-PROCUREMENT OF JUMIA UGANDA.**

Please tick appropriately to indicate if you; Strongly agree (S.A), Agree (AG), Not Sure (NS), Disagree (D), Strongly Disagree (SD). Scale SA=5, AG=4, AG=3, NS=2, D=2, SD=1

		SA	A	NS	D	SD
<b>C 1</b>	Jumia Uganda actively seek feedback or suggestions from employees regarding potential innovations or improvements?					
<b>C 2</b>	Jumia Uganda allocate resources (financial, human, technological) to support innovation initiatives?					
<b>C 3</b>	You have personally been involved in any feedback or suggestion processes related to innovation of Jumia Uganda?					
<b>C 4</b>	Jumia Uganda encourage collaboration and knowledge sharing among teams to foster innovation?					
<b>C 5</b>	Jumia Uganda focus on to further enhance its innovation and adaptability in the future?					

**PART C: TO EXAMINE THE RELATIONSHIP BETWEEN IMPROVED MIS AND CUSTOMER SATISFACTION OF JUMIA UGANDA.**

Please tick appropriately to indicate if you; Strongly agree (S.A), Agree (AG), Not Sure (NS), Disagree (D), Strongly Disagree (SD). Scale SA=5, AG=4, AG=3, NS=2, D=2, SD=1

		<b>SA</b>	<b>A</b>	<b>NS</b>	<b>D</b>	<b>SD</b>
<b>D 1</b>	You are satisfied with the accessibility and usability of the MIS tools provided by Jumia Uganda?					
<b>D 2</b>	You have encountered any issues with your orders or deliveries? If yes, they were promptly addressed and resolved to your satisfaction?					
<b>D 3</b>	You feel that the MIS has contributed to a more streamlined and efficient operation of Jumia Uganda's services?					
<b>D 4</b>	You are satisfied with your overall shopping experience on Jumia Uganda?					
<b>D 5</b>	You would recommend Jumia Uganda to friends or family based on your recent experiences?					

**THANK YOU FOR YOUR COOPERATION:**