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## An Appraisal of Critical Challenges Facing Procurement Professionals in Anambra State, Nigeria

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### Abstract:

Procurement is viewed as an exercise that precedes the acquisition and actualization of any construction project, thus it is the bedrock of construction project. Both formal and informal clients engage the route of procurement to realize their desired construction projects. Procurement of construction projects is a process that goes beyond project initiation and contractual processes into allocation of contractual risks and project monitoring towards realization of clients' desired project. In the Study area Anambra State Nigeria, there are existing proofs that resources committed to construction projects fail to deliver the expected outcome. This research work is mixed research study into the challenges facing construction procurement professionals in the study area. The study used structured questionnaires issued to procurement officers and also interviewed a sample of the officers. The aim was to identify factors extenuating effective administration of procurement process in the study area. Findings from the study revealed that unstable economic environment, Political influences and interferences is the major problem facing procurement professionals. The study concludes that for construction procurement to achieve the realization of sustainable projects in Anambra State Nigeria, relevant stakeholders must provide enabling environment for procurement officers.

**Keywords:** Challenges Construction projects, Infrastructure, Procurement.

### Introduction:

Daily activities of man often involve the satisfaction of one need or another. These human needs place demand on man to explore all available options and select the best option that will effectively address the need of the moment. The procurement process seeks to effectively utilize clients resources towards actualizing client's goal and it is same for both individuals and organizations. Wikipedia (2023) defines **Procurement** as the process of locating and agreeing to terms and purchasing goods, services, or other works from an external source, often with the use of a tendering or competitive bidding process. The procurement process is performed by individuals within an organization who possess requisite skills and trainings that enable them to function effectively. Kissflow (2023) opined that Procurement leaders wear multiple hats and manage an array of responsibilities—from needs identification to vendor management and payment processing. A day in the procurement department is never slow. This makes a procurement manager's job riddled with challenges and difficulties

## Literature review

### Personnel:

Personnel handling the procurement function should exhibit a high level of purchasing knowledge and skills. They should be qualified and possess the skill to examine and interpret supply and demand changes as well as handle aspects of relationships with suppliers. Lack of professionalism towards international purchasing is a risk because it may destroy the firm's relationship with other immediate stakeholders such as customers, the production department and suppliers, to mention a few. Unprofessional practices in international purchasing might result in poorly handled shipments, which may lead to unnecessary expenses, delays, anger and frustration and are a reflection of organizational incompetence and untrustworthiness (Neals 2011). Unprofessional practices can badly disrupt operations in the receiving firms as well as damage relations with its customers downstream. The stages that are involved from placing of an order to the delivery of goods to the final consumer thus need to be professionally executed so that organizations can avoid losses which might cost the firm's very existence, such as the loss of customers, reputation and goodwill. Professionalism helps to eliminate most potential problems arising within the procurement industry.

### Poor corporate governance

Human resources are the most important assets of an entity. Employees expect to be rewarded according to their efforts (Laoledchai, Land & Low 2008). Vroom's expectancy theory (Van Eerde and Thierry 1996) holds that efforts to satisfy needs will depend on the person's perception that he or she expects the effort to be followed by a certain outcome which will bring desirable results. This theory applies to procurement organisations in the developing nations. Employees' expectations regarding remuneration and other benefits are not met, as indicated by poor performance and high labour turnover. At the same time, the employee compares his or her job's input-output ratio with that of others across the region and corrects any inequity. Lack of equity and justice, a clear indication of poor corporate governance, has led employees to quit their jobs (Howard & Miller 1993).

### Lack of an effective and sound regulatory framework

A complex legal and policy framework is a threat to effective procurement (Bolton 2006). It results in a lack of trust between the government and private investors such as private procuring firms (Schapper, Malta and Gilbert 2006). This environment is characterised by non-supportive policies which act as barriers to the import and export of goods and services. This issue was raised by participants from all three countries under study and therefore requires immediate attention.

### Technological developments

Technology is a dynamic process. Changes in technology are associated with high set-up costs. Financial constraints are a major drawback, especially in some developing economies, when it comes to capital projects. Modern procurement is now taking place online (Savage, Fransman and Jenkins 2013; Schapper *et al.* 2006), yet many companies in developing economies are still lagging behind. For instance, it emerged from the workshops that most procurement functions in Namibia and Zimbabwe are still being done manually. Poor infrastructure, weak strategic alliances and reluctance to change have resulted in poor or even non-adoption of such technologies as electronic data interchange (EDI) in these two countries.

### Procurement costs

Kapoor and Kansal (2003) point out that when a stock order is placed, a number of different costs can be incurred while processing and handling the order. Procurement costs include the cost of processing an order through the accounting and purchasing department, transmitting the order from the supplier, transporting the order when transportation charges are not included in the purchased goods and material handling or processing of the order at the receiving dock. Because of limited foreign currency, it may be difficult for most procurement organizations engaged in international trade to fulfill their obligation to meet all the procurement requirements stipulated in the purchasing contract. International buying involves large cash transactions and is associated with high procurement costs. Procurement professionals may be forced to reduce their order as a result of these costs. However, this decision may result in failure to meet the demand of goods and services in the receiving country (Hunja 2003; Hypo Group Alpe-Adria 2010). Thus, procurement professionals must be able to predict the level of costs associated with international buying.

Tukuta and Saruchera (2015), reported some findings from procurement practitioners. The responses were converted into descriptive statistics to convey some meaning regarding the challenges encountered and the (likely) impact on organizational operations. The study found that the effect of one challenge within an identified sector was not the same in another sector. It emerged that lack of professionalism was the main challenge hampering effective international buying within the SMEs sector.

## Methods and discussions

### Research Objective

To determine the critical problems facing procurement professionals while discharging their duties in Anambra State.

**Table 1:** Problems Facing Procurement Professionals While Discharging Their Duties in Anambra State

S/N	Factors affecting Procurement	SD (1)	D (2)	DN (3)	A (4)	SA (5)	$\bar{X} \pm Std$	Rank
1	Political influences and interferences	16		4	56	40	3.90±1.274	1
2	Indigenization policy	16	20	12	56	12	3.24±1.255	11
3	Inadequate market inquiry	12	4	16	68	16	3.62±1.101	4
4	Corrupt procurement officers	12	12	28	24	40	3.59±1.332	6
5	Incompetence	12	16	4	44	40	3.72±1.342	3
6	Administrative bottle necks	8	12	12	68	16	3.62±1.069	4
7	Lack of knowledge and working process of public procurement act	24	12	8	60	12	3.21±1.355	14
8	Refusal to comply by some individual	12	16	12	56	20	3.48±1.226	8
9	Knowledge gap in terms of variety of procurement options available	16	24	8	52	16	3.24±1.310	11
10	Size and technical complexity of the project	12	28	4	48	24	3.38±1.330	9
11	Project (Time) delivery constraints	12	24	8	52	20	3.38±1.276	9
12	Project funding	12	20	4	36	44	3.69±1.398	4
13	Nature/type of the project and government policies	12	8	12	48	36	3.76±1.255	2
14	Market/economic conditions	12	20	12	40	32	3.52±1.335	7
15	Globalization and emerging technologies	20	12	20	52	12	3.21±1.275	13
<b>CLUSTER MEAN</b>							3.50±1.276	

**Note:** DN = don't know; SD = strongly disagree, D = disagree; A=agree; SA= strongly agree.

**Source:** Field survey (2023)

Table 1. reveals that all the listed factors are problems facing procurement professionals while discharging their duties in Anambra State. . A look at the cluster mean ( $3.50 > 3.00$  and  $1.276 < 1.581$ ) reveals that all the factors listed challenge the officers in discharging their duty in the study area.

### Conclusion

The study found out that all factors listed are among the challenges being faced by procurement Professionals in the study area. It further reveals that Political influences and interferences is the major problem facing procurement professionals while discharging their duties in Anambra State as it was ranked first based on the analyzed field data. Political influences and interferences were followed by Nature/type of the project and government policies and Incompetence, whereas Globalization and emerging technologies ranked last.

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