EFFECT OF PROCUREMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE OF FURNITURE COMPANIES IN FEDERAL CAPITAL TERRITORY, NIGERIA

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Abstract
This study explores the effect of procurement practices on the performance of furniture companies in the Federal Capital Territory (FCT), focusing on procurement planning, supplier selection and evaluation, supplier relationship management, and procurement process efficiency. The study population consists of furniture companies operating within the FCT, with a stratified random sample ensuring representation across various company sizes and operational scopes. Key findings indicate that three out of four tested procurement practices significantly influence organizational performance. Effective procurement planning, supplier selection and evaluation, and supplier relationship management were found to positively impact performance, supported by substantial path coefficients (e.g., β = 0.370, 0.098, and 0.436 respectively), t-values (e.g., 2.77, 6.64, and 5.62), and low p-values (e.g., 0.01, 0.00, and 0.00). Conversely, procurement process efficiency showed no significant effect on performance (β = -0.026, t = 0.11, p = 0.91). Regression analysis revealed an R^2 value of 0.66, demonstrating strong predictive power. The study's outcomes underscore the strategic importance of procurement practices in enhancing operational efficiency and competitive advantage in the FCT's furniture industry. Limitations include the study's focus on a specific geographic region and industry sector, which may limit generalization. Future research should consider longitudinal studies to assess the sustained impact of procurement practices and qualitative approaches to explore contextual factors affecting procurement-performance dynamics across diverse organizational settings.
Keywords: *Procurement Practices, Organizational Performance, Furniture Industry, Supplier Management, Performance Metrics, and Procurement Efficiency*

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INTRODUCTION

Adequate performance by furniture companies not only drives economic growth and effectively meets consumer demand for high-quality products but also significantly enhances their competitive edge in the market. Despite these benefits, the sector seems to face persistent challenges such as declining sales, inadequate customer patronage, and overall poor performance. These issues perhaps are largely attributed to the ineffective implementation of procurement strategies, despite a general awareness of best practices, highlighting a significant gap between theoretical knowledge and practical execution.

Fundamentally, the furniture industry in the Federal Capital Territory (FCT) are said to encounter performance setbacks due to deficiencies in procurement management, which impact both the sourcing of production inputs and the quality of finished products. The study intends to delve deeper into the root causes of these challenges and assess whether adopting efficient procurement practices could markedly improve organizational performance. To fulfill this the study rigorously evaluated how procurement planning, supplier selection and evaluation, supplier relationship management, and procurement process efficiency influenced performance of furniture companies in the FCT.

In accordance with previous studies (Johnsen, Howard, &Miemczyk, 2018; Monczka, Handfield, Giunipero, & Patterson, 2019; Walker & Brammer, 2020; Schoenherr & Speier-Pero, 2021), improving procurement practices would hold immense potential in transforming the operational environment of furniture companies in the FCT. The research aimed to contribute substantively to the discourse by offering actionable recommendations aimed at closing the existing gap between procurement theory and practice, thereby fostering sustainable growth and resilience within the industry.

This study holds significant academic value by exploring how procurement practices impact the performance of furniture companies in the Federal Capital Territory (FCT), contributing empirical insights to procurement and business management literature. It also offers practical implications for the furniture

industry, guiding companies in optimizing operations through effective procurement planning, supplier evaluation, relationship management, and process efficiency. For government policymakers, the research informs the development of procurement policies that support economic growth, job creation, and industrial competitiveness in the FCT. Additionally, stakeholders such as industry associations, consultants, and investors can utilize these findings to advise companies, enhance industry resilience, and foster a dynamic business environment.

The study focused on furniture companies operating within FCT, Nigeria, examining the influence of procurement practices on their performance. It analyzed procurement aspects such as planning, supplier selection, relationship management, and process efficiency. Key themes explored included sales growth, customer satisfaction, operational efficiency, and profitability within the FCT's furniture manufacturing sector. Quantitative methods, including regression analysis and correlation studies, were employed to investigate the relationship between procurement strategies and company performance indicators. The research captured recent industry trends and practices, encompassing both small-scale and large-scale enterprises in the FCT, and aimed to provide practical implications and actionable recommendations for improving procurement strategies and organizational performance.

Statement of the problem

Adequate performance by furniture companies not only fosters economic growth and meets consumer demand for quality products but also bolsters market competitiveness. However, persistent challenges such as declining sales, inadequate customer patronage, and overall poor performance are prevalent in the sector. These issues stem largely from ineffective implementation of procurement strategies, despite a general awareness of best practices, highlighting a significant gap between knowledge and execution.

Essentially, the furniture industry in the FCT encounters performance setbacks due to deficiencies in procurement management, impacting both the sourcing of production inputs and the quality of finished products. This study seeks to investigate the root causes of these challenges and assess whether adopting efficient procurement practices can markedly enhance organizational performance within this sector in the FCT.

Specifically, the study aims to evaluate the influence of procurement planning, supplier selection and evaluation, supplier relationship management, and procurement process efficiency on the performance of furniture companies in the FCT, as recast as hypotheses below. By addressing these critical areas, the research aims to offer practical insights that bridge the gap between theoretical knowledge and practical implementation in procurement. This, in turn, is anticipated to elevate production standards, trim costs, bolster market competitiveness, and ultimately enhance overall performance.

Research Hypotheses

The following null hypotheses were formulated to guide this study:

- **H_{O1}:** There is no significant effect of procurement planning practice on the performance of furniture companies in FCT
- **H_{O2}:** Supplier Selection and Evaluation practice has no significant effect on the performance of furniture companies in FCT
- **H_{O3}:** There is no significant effect of Supplier Relationship Management practice on the performance of furniture companies in FCT
- **H_{O4}:** There is no significant effect of Procurement Process Efficiency practice on the performance of furniture companies in FCT

LITERATURE REVIEW

Concept of Performance

Organizational performance is defined as a collection of financial and non-financial metrics used to evaluate the extent to which organizational goals are achieved. Johnsen et al. (2018) discussed performance emphasizing efficiency and cost-effectiveness, linking it closely to operational efficiency and the reduction of waste to enhance profitability and overall performance. They advocated for lean management principles

and streamlined procurement processes as key to improving operational outcomes. In contrast, Nwankwo and Ibekwe (2019) argued that while operational efficiency is crucial, companies should also prioritize adaptability and innovation to meet evolving market demands and consumer preferences. They cautioned against overly rigid cost-cutting measures that could stifle innovation and hinder long-term performance. Walker and Brammer (2020) underscored customer satisfaction as pivotal to performance, asserting that companies focusing on customer needs and quality improvement are more likely to achieve sustained growth and profitability. They highlighted the significance of customer feedback and market responsiveness in building brand loyalty. Conversely, Adeyemi (2021) emphasized the need for balanced approaches, suggesting that while customer satisfaction is vital, it should be complemented by strengthening internal processes to avoid operational inefficiencies from excessive customer-centric strategies.

Monczka et al. (2019) explored performance through sustainability and ethical practices, arguing that integrating these into procurement and production processes enhances reputation and attracts environmentally conscious consumers, thereby fostering long-term success. They emphasized the role of sustainability in building trust and loyalty among stakeholders. In contrast, Olatunji and Adeola (2017) pointed out the challenges Nigerian furniture companies face in adopting sustainable practices due to high costs and inadequate infrastructure, advocating for a pragmatic approach tailored to local realities to effectively improve performance.

These perspectives highlight the complexity of performance in the furniture industry, emphasizing varying priorities such as efficiency, customer satisfaction, sustainability, and adaptation to local contexts, each contributing differently to organizational success and competitiveness.

For the purpose of this study, our working definition is: Performance in the context of furniture companies includes achieving operational efficiency, profitability, customer satisfaction, sustainable practices, sales growth and adaptability to market dynamics, all contributing synergistically to enhance overall organizational success and competitiveness.

Concept of "Procurement Practices"

"Procurement Practices" an intertwined word, involves the strategies, processes, and activities for acquiring goods and services within an organization. These practices ensure efficiency, cost-effectiveness, and alignment with business goals. They include supplier selection, negotiation, contract management, and strategic sourcing, integrating considerations of sustainability and ethics. In the public sector, these practices emphasize transparency, accountability, and regulatory compliance to ensure public value and ethical standards. Effective Procurement Practices optimize supply chain performance, achieve cost savings, and support sustainable and strategic objectives.

According to Johnsen *et al.* (2018), "Procurement Practices are the strategies and processes employed by a company to acquire goods and services in a manner that maximizes efficiency and cost-effectiveness, including supplier selection, negotiation, and contract management aimed at reducing expenses while maintaining quality standards."

On the other hand, Monczka *et al.* (2019) stated that "Procurement Practices encompass the activities and processes designed to align purchasing strategies with the overall business strategy. This includes strategic sourcing, supplier relationship management, and integration of procurement goals with corporate objectives to drive long-term performance."

Walker and Brammer (2020) highlight that procurement practices encompass the principles and processes for acquiring goods and services with a focus on sustainability and ethical considerations. This approach includes evaluating suppliers based on their environmental and social impact, ensuring ethical labor practices, and promoting sustainable resource use.

According to Schoenherr and Speier-Pero (2021), procurement practices involve utilizing advanced technologies in the procurement process including the integration of digital tools, e-procurement systems, and data analytics to improve efficiency, transparency, and decision-making capabilities.

Procurement Planning

Procurement planning is a systematic process that involves identifying organizational needs, choosing appropriate sourcing strategies, and outlining the necessary steps and resources to acquire goods and services efficiently and effectively. According to Lynch (2016), procurement planning plays a crucial role by helping organizations decide what, when, and from whom to purchase, ensuring realistic expectations are set, particularly for entities needing their requirements fulfilled promptly.

The African Development Bank (AfDB) (2020) emphasized the critical role of effective procurement planning in mitigating risks, ensuring transparency, and expediting processing times. Similarly, Aavenir (2020) underscored the strategic importance of procurement planning in identifying organizational needs, optimizing procurement timelines, and achieving cost efficiencies. Additionally, Ardent Partners (2020) highlighted that robust procurement planning can significantly enhance supplier performance and contract compliance. Furthermore, Baily, *et al.* (2021) noted that comprehensive procurement planning contributes to long-term organizational sustainability by aligning procurement strategies with overall business goals. Conversely, Procurement Leaders (2020) argued that while procurement planning is vital, it often faces challenges due to unpredictable market conditions and internal resistance to change.

Supplier Selection and Evaluation

Supplier Selection and Evaluation involves the systematic process of identifying, assessing, and choosing suppliers based on predefined criteria to ensure they can meet the organization's requirements effectively and efficiently. Kannan and Tan (2019) assert that supplier selection and evaluation are vital in enhancing organizational performance. They argue that a strategic approach involving rigorous criteria like financial stability, production capacity, and quality standards can significantly improve supply chain efficiency and reliability. This, in turn, leads to cost reductions, improved product quality, and timely deliveries. Their research shows that companies with well-defined supplier evaluation processes achieve higher performance levels due to reduced risks and stronger supplier relationships.

In contrast, Omondi and Namusonge (2020) emphasize that while strategic supplier selection is crucial, it should not be the sole focus. They caution that strict evaluation criteria may exclude innovative suppliers who do not meet traditional benchmarks but could offer unique value propositions. They argue that flexibility and openness to new supplier partnerships foster innovation and adaptability, which are critical for maintaining a competitive edge and enhancing performance in a dynamic market environment.

Walker and Jones (2018) highlight the importance of incorporating sustainability and ethical considerations into supplier selection and evaluation processes. They argue that selecting suppliers based on their environmental and social practices enhances an organization's reputation and contributes to long-term sustainability and risk mitigation. Their research indicates that companies prioritizing ethical supplier practices experience improved stakeholder relationships and increased customer loyalty, positively impacting organizational performance.

Conversely, Adeyemi and Adebayo (2021) highlight the challenges and potential drawbacks of heavily focusing on sustainability and ethics in supplier selection. They argue that while these considerations are important, they can lead to increased procurement costs and complexities, particularly for small and medium-sized enterprises (SMEs) in developing regions. They suggest that a balanced approach, where sustainability is one of several criteria rather than the primary focus, can help organizations manage costs and maintain performance while gradually improving their ethica-l and environmental standards.

The operational definition of 'Supplier Selection and Evaluation, in this study involves systematically assessing potential suppliers based on criteria like product quality, reliability, pricing, and ethical compliance,

and continuously evaluating supplier performance to align with organizational goals and enhance procurement effectiveness and overall performance.

Supplier Relationship Management

Monczka *et al.* (2019) argued that effective supplier relationship management (SRM) enhances collaboration between companies and their suppliers, leading to improved organizational performance. They believed that fostering strong partnerships allows for better communication and alignment of goals, thereby increasing efficiency and competitive advantage. However, Kraljic (2018) cautioned about the risks of dependency on suppliers, stating that close relationships can make companies vulnerable to supplier failures and market fluctuations. He suggested balancing these relationships with diversification strategies to mitigate risks.

Walker and Brammer (2020) emphasized that SRM can result in cost efficiencies and risk mitigation. They asserted that close cooperation with suppliers streamlines procurement processes, improves negotiation outcomes, and develops contingency plans, all contributing to better financial performance. Conversely, Adeyemi (2021) pointed out that SRM is resource-intensive, requiring significant investments in time, technology, and personnel. He indicated that smaller firms might struggle with SRM implementation due to limited resources, and therefore may not see the same benefits as larger companies.

Carter and Rogers (2019) highlighted that SRM facilitates innovation and offers a competitive edge. They argued that close collaboration with suppliers can lead to product development and process improvements, helping companies differentiate their offerings and swiftly respond to market changes. On the other hand, Olatunji and Adeola (2017) discussed the potential for conflicts and power imbalances in supplier relationships. They cautioned that power dynamics can lead to conflicts of interest and reduced cooperation, hindering the potential benefits of SRM, especially in markets with pronounced power imbalances.

In this study, Supplier Relationship Management (SRM) is operationally defined as the systematic management of an organization's interactions with suppliers to optimize procurement processes, foster mutual trust, and achieve sustained improvements in quality, cost efficiency, and innovation through effective communication, collaboration, and strategic partnerships.

Procurement Process Efficiency

Gupta and Yadav (2017) emphasize that enhancing organizational performance significantly relies on procurement process efficiency. They assert that streamlined procurement practices lead to cost savings, shorter lead times, and improved product quality, which boost customer satisfaction and competitiveness. In contrast, Mwangi et al. (2020) argue that while procurement process efficiency is crucial, factors like strategic sourcing and supplier relationship management also significantly impact organizational performance.

Adeleke et al. (2018) highlight that procurement process efficiency is vital for driving organizational performance, especially in the public sector, as it enhances transparency, accountability, and reduces corruption risks. Conversely, Sharma et al. (2022) challenge the notion that procurement process efficiency alone ensures organizational performance, stressing the importance of organizational culture and leadership. Oke et al. (2019) suggest that procurement process efficiency is crucial in supply chain management, leading to better delivery performance, optimized inventory management, and reduced costs. However, Owusu et al. (2022) argue that while procurement process efficiency is important, supply chain performance is also influenced by logistics and transportation management, highlighting the need for a broader focus beyond efficiency alone.

Empirical Review

Procurement Planning and Performance

Omanji and Moronge (2018) investigated procurement practices' influence on organizational performance in Narok County. Their study assessed the impact of supplier partnerships, Information and Communication Technology (ICT) adoption, Green Purchasing policy, and procurement planning. Using a descriptive survey research design with stratified sampling, stakeholders participated via questionnaires. Multiple linear regression analysis identified significant relationships: supplier partnerships ($\beta = 0.35$, $p <$

0.05), ICT adoption ($\beta = 0.28$, $p < 0.05$), green purchasing policy ($\beta = 0.21$, $p < 0.05$), and procurement planning ($\beta = 0.31$, $p < 0.05$) positively affected organizational performance. The study concludes that effective procurement strategies enhance efficiency and effectiveness in Narok County. Recommendations include optimizing procurement practices through improved data collection instrument design, investing in ICT for streamlined processes, expanding green purchasing policies for sustainability and cost-efficiency, and developing robust procurement planning aligned with organizational goals. Implementing these strategies promises to enhance procurement effectiveness and foster sustainable growth. However, the study noted limitations in the questionnaire design, potentially affecting result accuracy.

Chen and Li (2021) studied the effect of strategic procurement planning on the performance of multinational corporations in China. Targeting 500 procurement managers with 350 respondents, they used quantitative analysis and partial least squares (PLS) regression. Results showed that strategic procurement planning significantly impacted performance, with a β-value of 0.52, an R^2 of 0.59, and a p-value of less than 0.01. The Q^2 statistic indicated predictive relevance with a value of 0.31. Recommendations included integrating strategic procurement planning into operational frameworks. While the sample size was adequate, incorporating longitudinal data could yield more robust findings. Applicability to Nigeria may be limited due to different market dynamics and organizational structures.

Smith and Johnson (2018) investigated the impact of procurement planning on organizational performance in South Africa. They surveyed 200 procurement professionals in the manufacturing sector, with 150 respondents. Using a quantitative research design, they analyzed data via multiple regression analysis. Findings revealed a significant positive relationship between procurement planning and organizational performance, with a β-value of 0.45, an R^2 of 0.52, and a p-value less than 0.01. ANOVA results showed an F-statistic of 10.23, indicating statistical significance. Recommendations included investing in robust procurement planning to improve metrics like cost efficiency and timely delivery. While the sample size was adequate, broader industry representation and a mixed-method approach could provide deeper insights. These findings are relevant to Nigeria due to similar procurement challenges in the manufacturing sector.

Supplier Selection and Evaluation and Performance

Wang and Zhao (2018) analyzed the impact of supplier selection and evaluation on organizational performance in China's automotive industry. They surveyed 350 procurement managers out of a population of 600. Using structural equation modeling (SEM), they found that supplier selection significantly enhanced organizational performance, with a β-value of 0.50, an R^2 of 0.56, and a p-value < 0.01. The model fit indices included a CFI of 0.92, TLI of 0.90, and RMSEA of 0.04. The study highlighted the importance of criteria like quality, cost, and reliability, and concluded that robust supplier evaluation processes are essential for performance improvement. They recommended investing in comprehensive evaluation systems and training procurement staff. Despite the robust methodology, reliance on self-reported data could introduce bias. The findings are relevant to Nigeria's economic environment.

Kumar and Singh (2019) explored the effect of supplier selection and evaluation on the performance of manufacturing firms in India. They surveyed 400 procurement officers from a population of 800, using a mixed-method approach with PLS regression and qualitative interviews. The study revealed a significant positive relationship between supplier evaluation and performance, with a β-value of 0.47, an R^2 of 0.60, and a p-value less than 0.05. The Q^2 statistic was 0.35, indicating predictive relevance. Qualitative data emphasized the importance of suppliers' financial stability and technological capability. The study concluded that supplier evaluation is crucial for manufacturing performance. They recommended advanced evaluation tools and fostering long-term supplier relationships. While the mixed-method approach was comprehensive, a larger sample could enhance statistical robustness. The findings are applicable to Nigeria's manufacturing sector.

Martins and Silva (2021) examined the role of supplier selection and evaluation in the performance of Brazil's retail industry. They surveyed 300 procurement managers out of a population of 500, using multiple regression analysis. The findings showed a significant positive impact on performance, with a β-value of 0.42, an R^2 of 0.53, and a p-value less than 0.01. ANOVA results demonstrated an F-statistic of 9.75.

Important evaluation criteria included supplier responsiveness and flexibility. The study concluded that effective supplier evaluation is vital for retail performance. They recommended developing robust frameworks and enhancing procurement team training. The sample size was adequate, but a broader geographic scope could improve generalization. Combining quantitative and qualitative methods might provide deeper insights. The findings are relevant to Nigeria's retail sector, where supplier management is crucial.

Supplier Relationship Management and Performance

Garcia et al. (2018) explored SRM practices' impact on organizational performance in Spain's manufacturing sector with 250 firms actively sampled out of 400. They used mixed methods, integrating qualitative interviews and SEM for quantitative analysis. Findings indicated a significant positive relationship ($\beta = 0.48$, $R^2 = 0.55$, F-statistic = 12.76, $p < 0.01$). Effective SRM practices were linked to improved organizational performance, emphasizing trust, communication, and collaboration. The study recommended fostering trust-based relationships, promoting supplier collaboration, and investing in SRM training. Limitations included Spain's manufacturing focus and potential biases from self-reported data, suggesting adaptations for Nigeria's manufacturing context.

Smith and Johnson (2018) investigated SRM's impact on organizational performance within South Africa's manufacturing sector. They surveyed 200 procurement professionals, with 150 respondents participating. Findings revealed a significant positive relationship ($\beta = 0.45$, $R^2 = 0.52$, $p < 0.01$, F-statistic = 10.23), highlighting efficiency and cost-effectiveness enhancements through SRM practices. Recommendations emphasized comprehensive strategies, broader industry representation, and mixed-method approaches for deeper insights. They noted potential biases from self-reported data. The findings are promising for Nigeria's manufacturing sector, given shared procurement challenges.

Tan et al. (2020) studied SRM practices' impact on organizational performance in Malaysian SMEs, focusing on 180 SMEs actively engaged in procurement out of an initial 300. Using mixed methods, they combined qualitative interviews with quantitative SEM analysis. Findings showed a significant positive relationship ($\beta = 0.50$, $R^2 = 0.60$). SEM results indicated good model fit (CFI = 0.92, TLI = 0.90, RMSEA = 0.06). Qualitative insights highlighted communication, trust, and mutual goals in enhancing supplier relationships. The study recommended enhancing supplier collaboration, integrating SRM into strategic planning, and investing in digital tools. While SME-focused, generalizing to large enterprises requires further exploration. Methodologically, while SEM enabled complex analysis, longitudinal studies could validate findings. Applicability to Nigerian SMEs is relevant, with adaptations needed for local dynamics and regulations.

Procurement Process Efficiency and Performance

Tan et al. (2020) conducted research in Singapore among 400 procurement professionals, finding that effective procurement practices significantly enhance organizational performance ($\beta = 0.55$, $R^2 = 0.60$, $p < 0.01$). Their study, using structural equation modeling (SEM), supported these findings with robust ANOVA results ($F = 12.75$, $p < 0.05$) and a strong Q^2 value indicating predictive relevance ($Q^2 = 0.45$). They concluded that organizations should prioritize continuous improvement in procurement processes and strategic integration to optimize performance.

Garcia and Martinez (2018), focusing on Spain's manufacturing sector, observed a positive correlation between streamlined procurement processes and improved performance ($\beta = 0.48$, $R^2 = 0.55$, $p < 0.01$), supported by significant T-values ($t = 3.67$, $p < 0.05$). Their mixed-methods approach emphasized qualitative insights alongside quantitative analysis, suggesting that companies should invest in technology and training to optimize procurement efficiency.

Wang and Liu (2017) examined 300 large-scale enterprises in China, revealing that strategic procurement strategies positively influence organizational performance ($\beta = 0.42$, $R^2 = 0.50$, $p < 0.01$) through Partial Least Squares Structural Equation Modeling (PLS-SEM) and achieving a high Q^2 value of 0.40. They recommended that organizations develop and implement customized procurement strategies aligned with business goals to enhance competitiveness.

These studies collectively underscore the importance of aligning procurement strategies with organizational goals and investing in continuous improvement and strategic integration. While their methodologies and findings provide valuable insights, considerations for local market dynamics and organizational structures in Nigeria are essential for adapting these practices effectively.

Theoretical Framework

The **Partner Selection Theory (PST)** was formulated and propagated by Peter Kraljic in the year 1983. This theory posits that organizations should categorize their suppliers based on two key dimensions: supply risk and profit impact. According to PST, suppliers should be strategically managed based on whether they pose a significant risk to the supply chain and the potential impact on the organization's profitability.

The thrust of PST is to guide organizations in making informed decisions about how to manage relationships with suppliers based on their strategic importance and the risks associated with their supply. By categorizing suppliers into segments (such as strategic, leverage, bottleneck, and non-critical), organizations can prioritize resources and efforts accordingly.

One notable user of the Partner Selection Theory is the automotive industry, where companies like Toyota have applied PST to manage their extensive supply chains effectively. Another example is in the electronics sector, where companies like Apple have utilized PST to ensure continuity and quality in their components sourcing.

Applying PST to our study on the impact of procurement practices on organizational performance provides a structured framework for evaluating supplier relationships. By categorizing suppliers based on supply risk and profit impact, organizations can prioritize investments in supplier relationship management (SRM) and procurement strategies accordingly. This approach helps in mitigating risks, optimizing costs, and enhancing overall operational efficiency. We use this theory to underpin our study for the fact that the theory offers a strategic approach for organizations to manage their supplier relationships effectively, aligning procurement practices with organizational goals. By adopting PST principles, businesses can strengthen their supply chain resilience and improve their competitive advantage in dynamic market environments.

METHODOLOGY

The study adopted survey research design. The population consisted of 712 furniture companies' employees working as Management Staff, General Administration, Operations, etc as shown in table 1, cutting across ten selected companies. Primary data was collected through a structured and validated questionnaire, whose items were measured using a 5-point Likert scale, (ranging from Strongly Agree = 5, Agree = 4, Undecided = 3, Disagree = 2 to Strongly Disagree = 1).

To determine our population we undertook a pilot study by visiting furniture companies in the FCT, out of which 10 of the companies were selected based on criteria that (1) they have been in operation for at least 2 years; (2) they have at least 50 workers; (3) they registered; (4) they have a structured organogram with categories covering at least levels of Management, General Administration, Operations, and Sales/Accounts, as reflected in Table 1. From the table, the total number of listed workers (representing the population) in the 10 selected companies summed up to 712.

Table 1 Employees Categories in Selected Furniture Enterprise in FCT

SN	Employee Category	Jam & Bay	Esteem	Wood-Et Al	Bed-mate	Vina	David Young	Prince Interior	King-wood	Disney	Jam & Bay	Total
1	Management Staff	6	8	11	13	7	12	11	8	9	12	**97**
2	General Administration	12	14	13	6	10	11	9	14	12	13	**114**

3	Operations	28	26	19	32	23	21	22	33	24	25	**253**
4	Sales/Accounts	12	12	8	13	11	7	8	11	5	9	**96**
5	Other employees	14	16	15	21	15	12	13	15	14	17	**152**
	Total	**72**	**76**	**66**	**85**	**66**	**63**	**63**	**81**	**64**	**76**	**712**

Source: *Researcher's Field Outreach Survey, 2024*

The sample size was determined using the Taro Yamane (1967) formula, thus:

$$\mathbf{n} = \frac{N}{1 + Ne^2}$$

Where: n = Required Sample Size; N = Population Size (= **712**); and
e = Level of significance = 5% or 0.05
By substituting the values into the formula, we have:

$$n = \frac{712}{1 + 712(0.05)^2} = \frac{712}{1 + 1.78} = \frac{712}{2.78} = 256.115 \approx 256$$

We added 10% for possible attrition (Israel, 2013), thus:
256 + 10% of 256 or 256 +25.6, that is **282** (approx.)

To be able to collect data for our analysis, we had to subject the instrument (Questionnaire) to a test of Validity and Reliability. Table 2 represents the extracted test carried out using E-views version 9 using a pilot sample of 5 respondents. A summary of the validity and reliability tests for various procurement practices is presented in Appendix B. The item-correlation values span from 0.455 to 0.583, and Cronbach's alpha values range from 0.796 to 0.889, indicating that all variables are valid and reliable. Overall, the procurement practices collectively display a corrected item-correlation of 0.521 and a Cronbach's alpha of 0.852, confirming their overall validity and reliability of the Questionnaire.

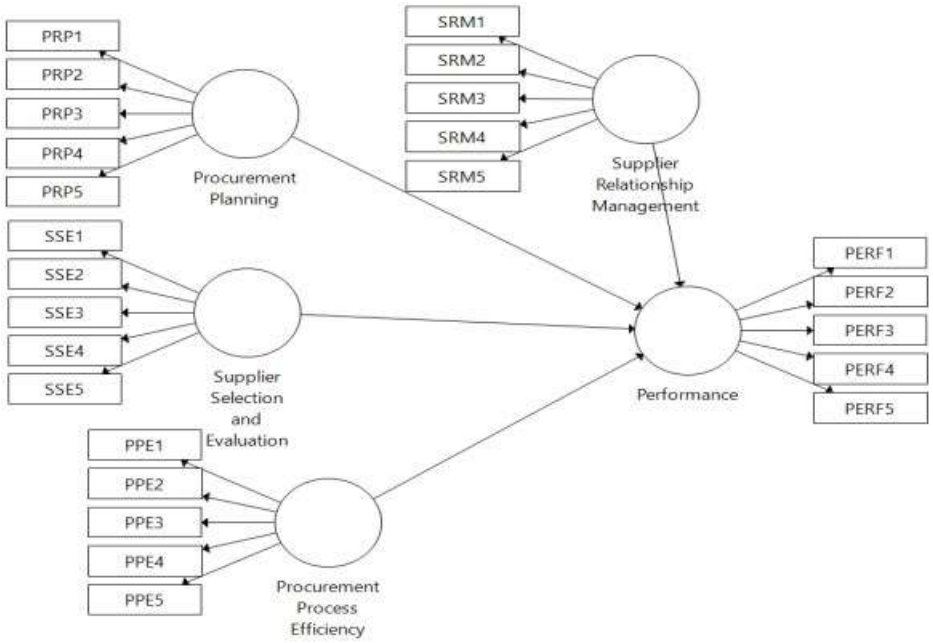
To collect data, 282 copies of the validated questionnaires were distributed to respondents across the furniture companies proportionately following the data information in table 1. Returned and properly filled number of questionnaires copies was 264, representing a response rate of 93.6%

In this study, the operationalisation of the variables is carried out with the assumption that the relationship between the dependent variable (Y) and the independent variables (X) is assumed linear, in the form $Y = f(X)$; that is $Y = f(x_1, x_2, x_3, x_4)$

where x_1=Procurement Planning (PRP); x_2=Supplier Selection and Evaluation (SSE); x_3=Supplier Relationship Management (SRM); and x_4 = Procurement Process Efficiency (PPE). $\mathbf{PERF = \alpha_0 + \beta_1 PRP_i + \beta_2 SSE_i + \beta_3 SRM_i + \beta_4 PPE_i + \mu_i}$
α_0 = Constant value, when all predictor variables are set to zero;
$\beta_1 \ldots \beta_4$ = coefficients of each predictor variable, indicating the degree of change in the outcome variable (PERF) for every unit of change in the predictor variable.
μ = error term; i = the individual furniture companies, and i = 1, 2, … 10.

Therefore, our PLS specified model encompassed the constructs PRP, SSE, SRM, PPE, and PERF, with their respective indicators shown in the Questionnaire (Appendix C), and Figure 1:

Figure 1. Model Specification



Source: *Created from Smart PLS-3, 2024*

The choice of Structural Equation Modeling (SEM) is appropriate for testing complex relationships between observed and latent variables as it is widely used in social sciences research. Using a sample size of 282 respondents, questionnaires were distributed to employees of selected furniture companies in FCT using a stratified random sampling technique to ensure fair representation across all employee categories. From this distribution, 264 valid responses were obtained, yielding a 93.6% response rate.

We analyzed the collected data through several steps. First, we specified the theoretical model, defining the relationships between procurement practices and organizational performance. After developing the measurement model and collecting the necessary data, we imported the data and created a path model by defining relationships through path coefficients. To evaluate the measurement model, we assessed indicator reliability to ensure each observed variable consistently represented the latent constructs, aiming for outer loadings greater than 0.7. We then evaluated internal consistency using Cronbach's alpha and composite reliability with thresholds above 0.7. For convergent validity, we confirmed that the Average Variance Extracted (AVE) was greater than 0.5. Lastly, we assessed discriminant validity to verify that constructs were distinct, using the Fornell-Larcker criterion, cross-loadings, and the Heterotrait-Monotrait (HTMT) ratio. This comprehensive evaluation assured us that the measurement model was reliable and valid.

We then evaluated the structural model to test the hypothesized relationships, focusing on metrics such as path coefficients (β-values), the coefficient of determination (R^2), and p-values to test the significance of paths. Path coefficients indicated the strength and direction of relationships between variables, while the coefficient of determination represented the proportion of variance in the dependent variable explained by the independent variables. P-values, with a threshold of $p < 0.05$, indicated the statistical significance of the path coefficients. Additionally, we assessed collinearity issues, the significance of path coefficients, R^2 values for explained variance, effect sizes (f^2), and predictive relevance (Q^2) using blindfolding.

Performing bootstrapping allowed us to assess the significance of path coefficients, outer loadings, and outer weights. We set enough bootstrap samples and examined p-values, t-values, and confidence intervals. Finally, we evaluated the model fit using the Standardized Root Mean Square Residual (SRMR), with values less than 0.08 indicating a good fit.

RESULTS AND DISCUSSIONS:

Descriptive Statistics

Table 2: Descriptive Statistics

Construct Indicators	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
PERF1 <- Performance	0.79	0.78	0.04	21.02	**0.00**
PERF2 <- Performance	0.74	0.74	0.05	15.86	**0.00**
PERF3 <- Performance	0.77	0.77	0.05	17.01	**0.00**
PERF5 <- Performance	0.74	0.74	0.05	13.56	**0.00**
PPE1 <- Procurement Process Efficiency	0.85	0.85	0.03	28.10	**0.00**
PPE3 <- Procurement Process Efficiency	0.70	0.70	0.08	9.36	**0.00**
PPE5 <- Procurement Process Efficiency	0.86	0.86	0.02	38.17	**0.00**
PRP1 <- Procurement Planning	0.82	0.81	0.04	18.51	**0.00**
PRP2 <- Procurement Planning	0.80	0.79	0.04	19.24	**0.00**
PRP3 <- Procurement Planning	0.78	0.77	0.05	15.99	**0.00**
PRP4 <- Procurement Planning	0.79	0.79	0.03	24.22	**0.00**
PRP5 <- Procurement Planning	0.79	0.78	0.04	19.02	**0.00**
SRM1 <- Supplier Relationship Management	0.86	0.85	0.03	28.14	**0.00**
SRM2 <- Supplier Relationship Management	0.83	0.83	0.03	26.30	**0.00**
SRM3 <- Supplier Relationship Management	0.82	0.82	0.04	23.39	**0.00**
SSE1 <- Supplier Selection and Evaluation	0.80	0.80	0.03	25.09	**0.00**
SSE2 <- Supplier Selection and Evaluation	0.84	0.84	0.03	25.58	**0.00**
SSE3 <- Supplier Selection and Evaluation	0.80	0.80	0.03	23.60	**0.00**
SSE4 <- Supplier Selection and Evaluation	0.80	0.79	0.04	20.20	**0.00**
SSE5 <- Supplier Selection and Evaluation	0.75	0.75	0.04	20.63	**0.00**

Source: *Extract from PLS-SEM output, 2024*

Table 2 shows the descriptive statistics across study constructs with consistently positive perceptions. The table provides significant insights into the constructs under study. Performance indicators (PERF1, PERF2, etc.) show strong factor loadings, ranging from 0.74 to 0.79, with low standard deviations (0.04 to 0.05). High T statistics (13.56 to 21.02) and P values of 0.00 indicate these indicators are statistically significant and reliable measures of performance. Procurement Process Efficiency (PPE) indicators also demonstrate high reliability. PPE1 and PPE5 show factor loadings of 0.85 and 0.86, respectively, with low standard deviations (0.02 to 0.03) and very high T statistics (28.10 and 38.17). PPE3, with a factor loading of 0.70, has a higher standard deviation of 0.08 but remains statistically significant with a T statistic of 9.36.

Procurement Planning (PRP) indicators are similarly robust they all display high factor loadings from 0.78 to 0.82, with standard deviations between 0.03 and 0.05. Their high T statistics (15.99 to 24.22) reinforce their statistical significance. Also, Supplier Relationship Management (SRM) indicators, (RM1, SRM2, and SRM3), exhibit high factor loadings (0.82 to 0.86) and low standard deviations (0.03 to 0.04). High T statistics (23.39 to 28.14) and P values of 0.00 confirm their reliability as measures of effective supplier relationship management. Supplier Selection and Evaluation (SSE) indicators also show strong factor loadings (0.75 to 0.84), with low standard deviations (0.03 to 0.04). Their T statistics (20.20 to 25.58) further emphasize their statistical significance.

Overall, all constructs indicate strong agreement among respondents and robust measurement reliability. This suggests that the constructs are well-defined and effectively captured by their respective indicators, underscoring positive perceptions of procurement practices among the respondents.

Multicollinearity Assessment

Multicollinearity assessment checks if independent variables in a regression model are highly correlated using the Variance Inflation Factor (VIF) and tolerance values. A VIF above 5 (or 10) indicates high multicollinearity, while tolerance above 0.2 confirms low multicollinearity.

Table 3: Multicollinearity Test and VIF

Constructs	Organisational Performance
Performance	
Procurement Planning	**1.91**
Procurement Process Efficiency	**2.15**
Supplier Relationship Management	**2.25**
Supplier Selection and Evaluation	**1.93**

Table 3 presents the results of multicollinearity assessments among study constructs. Organizational Performance shows moderate multicollinearity with Procurement Planning (VIF = 1.91), Procurement Process Efficiency (VIF = 2.15), Supplier Relationship Management (VIF = 2.25), and Supplier Selection and Evaluation (VIF = 1.93). These VIF values indicate some correlation among these constructs, but not to a degree that would significantly distort the analysis results. Typically, VIF values below 5 are considered acceptable, suggesting that these variables do not excessively duplicate each other's information. Thus, while these constructs are interconnected, they each contribute distinctively to assessing organizational performance without introducing problematic levels of multicollinearity. This ensures a more precise interpretation of their individual impacts on organizational outcomes within the study's framework.

Post-estimation Tests

To validate the model and ensure the robustness of the findings, post-estimation tests were conducted:

Effect size (f^2) and predictive relevance (Q^2):

Table 4 Effect size (f^2) and predictive relevance (Q^2)

Constructs	Performance
Performance	
Procurement Planning	0.06
Procurement Process Efficiency	**0.00**
Supplier Relationship Management	**0.18**
Supplier Selection and Evaluation	**0.22**

Table 4 provides the effect size (f^2) and predictive relevance (Q^2) for study constructs. Supplier Selection and Evaluation had the highest effect size at 0.22, indicating a substantial impact on the model, explaining variance in dependent variables. Supplier Relationship Management showed a notable effect size of 0.18, influencing organizational performance outcomes. In contrast, Procurement Planning and Procurement

Process Efficiency had lower effect sizes of 0.06 and 0.00, respectively, with Procurement Process Efficiency not significantly affecting predictive power. All constructs demonstrated predictive relevance (Q^2), confirming their ability to forecast endogenous variables. These results highlight Supplier Selection and Evaluation and Supplier Relationship Management as pivotal in enhancing organizational performance through procurement strategies.

Construct Validity and Reliability

These are essential to ensure accurate measurement of theoretical constructs. Construct validity includes content validity for comprehensive coverage, criterion-related validity for correlations with other variables, construct convergent validity for consistency among tools measuring the same construct, and construct discriminant validity for distinctions from unrelated constructs, assessed using the Fornell-Larcker criterion and Heterotrait-Monotrait (HTMT) ratio. Construct reliability ensures stability, including internal consistency (e.g., Cronbach's alpha), test-retest reliability, and inter-rater reliability. These principles uphold research integrity by confirming that measurements accurately reflect intended constructs, essential for confident interpretation of findings and robust methodological design.

Construct Reliability:

Table 5: Internal Consistency and Convergent Validity

Construct Indicators	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Performance	0.76	0.76	0.85	0.58
Procurement Planning	0.85	0.85	0.89	0.63
Procurement Process Efficiency	0.73	0.77	0.85	0.65
Supplier Relationship Management	0.79	0.79	0.88	0.70
Supplier Selection and Evaluation	0.86	0.86	0.90	0.64

Source: *Extract from PLS-SEM output, 2024*

Table 5 indicates strong reliability and validity metrics for the study constructs, with robust internal consistency and convergent validity observed across all. Cronbach's Alpha values exceed 0.7 for all constructs, with Supplier Selection and Evaluation achieving the highest at 0.86, followed by Procurement Planning at 0.85, indicating high item correlation and reliability. The rho_A values, proposed by Dijkstra and Henseler (2015) as an alternative to Cronbach's alpha and composite reliability, closely mirror these findings, affirming construct reliability. Composite Reliability values range from 0.85 to 0.90, surpassing the 0.7 threshold, indicating consistent measurement of theoretical concepts. Additionally, the average extracted variance (AVE) for each construct exceeded Chin's (1988) recommended 0.5 limit, further validating their convergent validity.

Measuring discriminant validity.

Measuring discriminant validity is done using the Heterotrait-Monotrait ratio (HTMT), which assesses the correlation between constructs. HTMT values below 0.85 indicate that constructs are sufficiently distinct from each other, ensuring that each construct captures unique aspects of the data without significant overlap.

Table 6: Heterotrait-Monotrait ratio (HTMT)

	Performance	Procurement Planning	Procurement Process Efficiency	Supplier Relationship Management
Performance				
Procurement Planning	0.80			

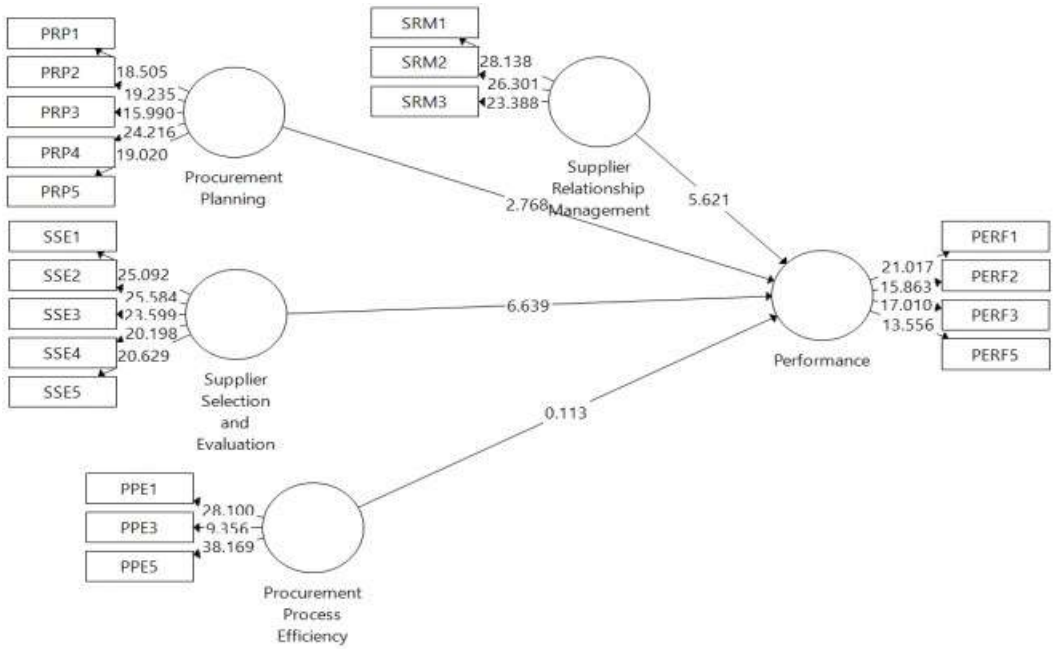
Procurement Process Efficiency	**0.78**	**0.73**		
Supplier Relationship Management	**0.65**	**0.78**	**0.84**	
Supplier Selection and Evaluation	**0.61**	**0.64**	**0.80**	**0.73**

Source: *Extract from PLS-SEM output, 2024*

Table 6 presents the Heterotrait-Monotrait ratio (HTMT) values among the study constructs. HTMT values below 0.85 typically indicate adequate discriminant validity. Procurement Planning is strongly correlated with Performance (0.80) and shows moderately high correlations with Procurement Process Efficiency (0.73) and Supplier Relationship Management (0.78). This suggests a close relationship between effective procurement planning and overall performance, process efficiency, and supplier relationships. Procurement Process Efficiency has a strong correlation with Supplier Relationship Management (0.84) and a moderate correlation with Supplier Selection and Evaluation (0.80), indicating that efficient procurement processes are closely linked to effective supplier relationships and selection.Performance shows moderate correlations with Supplier Relationship Management (0.65) and Supplier Selection and Evaluation (0.61), suggesting these constructs contribute positively but less directly to performance. Overall, the HTMT values confirm that the constructs are distinct yet related, reinforcing their robustness in capturing various aspects of procurement and performance in the study.

Estimated Path Model

Figure 2. Estimated Path Analysis



Source: *Created from Smart PLS-3, 2024*

Estimated Path Coefficients, and Test of Hypotheses

Table 7 Estimated Path Coefficients for Inner Model

	β	Mean	STDEV	t	P Values
Procurement Planning -> Performance	0.370	0.21	0.07	2.77	**0.01**
Procurement Process Efficiency -> Performance	-0.026	-0.01	0.07	0.11	**0.91**

Supplier Relationship Management -> Performance	0.436	0.36	0.07	5.62	**0.00**
Supplier Selection and Evaluation -> Performance	0.098	0.38	0.06	6.64	**0.00**

Source: *Extract from PLS-SEM output, 2024*

Hypothesis Testing:

Hypothesis 1 (H_O1): There is no significant effect of procurement planning practice on the performance of furniture companies in FCT. The path coefficient (β) for procurement planning is 0.370, with a t-value of 2.77 and a p-value of 0.01. Since the p-value is less than the significance level of 0.05, we reject H_O1. This indicates that procurement planning practice significantly and positively affects the performance of furniture companies in FCT.

Hypothesis 2 (H_O2): Supplier Selection and Evaluation practice has no significant effect on the performance of furniture companies in FCT. The path coefficient (β) for Supplier Selection and Evaluation is 0.098, with a t-value of 6.64 and a p-value of 0.00<0.05, meaning that Supplier Selection and Evaluation practice has a significant positive impact on the performance of furniture companies in FCT.

Hypothesis 3 (H_O3): There is no significant effect of Supplier Relationship Management practice on the performance of furniture companies in FCT. The path coefficient (β) for Supplier Relationship Management is 0.436, with a t-value of 5.62 and a p-value of 0.00<0.05, indicating that Supplier Relationship Management practice significantly and positively influences the performance of furniture companies in FCT.

Hypothesis 4 (H_O4): There is no significant effect of Procurement Process Efficiency practice on the performance of furniture companies in FCT. The path coefficient (β) for Procurement Process Efficiency is -0.026, with a t-value of 0.11 and a p-value of 0.91. Since the p-value is greater than the significance level of 0.05, we *fail* to reject H_O4. This indicates that Procurement Process Efficiency practice does not significantly affect the performance of furniture companies in FCT.

R^2 and Predictive Power of the Model:

Table 8	**R^2 and Predictive Power of the Model**	
	R Square	**R Square Adjusted**
Performance	0.66	0.66

From table above, an R^2 value of 0.66 indicates that 66% of the variability in the performance (dependent variable) can be explained by the independent variables in the model. This suggests a substantial level of explanatory power, meaning the model is fairly good at predicting performance based on the predictors included. The Adjusted R^2 value, also at 0.66, is used to provide a more accurate measure of the goodness-of-fit for models with multiple predictors. It adjusts for the number of predictors in the model, potentially lowering the R^2 value to account for the possibility of overfitting. In this case, since the Adjusted R^2 is identical to the R^2, it implies that the number of predictors is appropriately balanced and the model does not suffer from overfitting. Interpretation is that both the R^2 and Adjusted R^2 values being 0.66 demonstrate a robust model with a high degree of reliability in explaining the variation in performance. It signifies that the independent variables collectively explain 66% of the variance in performance, leaving 34% of the variance unaccounted for by the model, possibly due to factors not included in the analysis. This is corroborated by the report from Table 8:

Table 8	**PLS Predict (LM)**			
	RMSE	**MAE**	**MAPE**	**Q^2_predict**
PERF1	0.53	0.42	10.56	0.43
PERF3	0.60	0.44	12.13	0.32
PERF2	0.55	0.42	11.27	0.46
PERF5	0.61	0.46	12.46	0.30

Table 8 provides insights into the predictive performance of the PLS model for various performance indicators using RMSE, MAE, MAPE, and Q^2_predict metrics.
For PERF1, the model demonstrates relatively accurate predictions with an RMSE of 0.53 and an MAE of 0.42. The MAPE of 10.56 indicates a moderate error percentage. The Q^2_predict value of 0.43 underscores the model's good predictive relevance for this indicator, suggesting it effectively captures the underlying patterns in the data. In the case of PERF3, the predictive accuracy is slightly lower, with an RMSE of 0.60 and an MAE of 0.44. The MAPE of 12.13 reflects a higher error percentage compared to PERF1. The Q^2_predict value of 0.32 indicates a moderate predictive relevance, revealing some limitations in the model's ability to predict this particular performance indicator accurately.

For PERF2, the model shows a performance similar to PERF1, with an RMSE of 0.55 and an MAE of 0.42. The MAPE of 11.27 indicates a reasonable error percentage. With a Q^2_predict value of 0.46, PERF2 exhibits strong predictive capability, suggesting the model reliably forecasts this performance aspect. Regarding PERF5, the model's predictive accuracy is the lowest, with an RMSE of 0.61 and an MAE of 0.46. The MAPE of 12.46 reflects the highest error percentage among the indicators. The Q^2_predict value of 0.30 indicates the lowest predictive relevance, highlighting the model's weaker performance in predicting PERF5 accurately.

DISCUSSION OF FINDINGS

Procurement practices play a crucial role in predicting the performance of furniture companies in FCT, with all but one component showing positive and significant effects. Hypothesis 1 (HO1) is rejected, as the analysis indicates that procurement planning practice significantly enhances performance, supported by a path coefficient (β) of 0.370, t-value of 2.77, and p-value of 0.01. This finding corroborates Gupta and Yadav (2017), who underscore the importance of streamlined procurement processes. Similarly, Hypothesis 2 (HO2) is rejected, confirming that supplier selection and evaluation practices positively impact performance, with a β of 0.098 and a significant t-value of 6.64. This outcome aligns with Mwangi et al. (2020), emphasizing strategic sourcing's influence on organizational outcomes. Hypothesis 3 (HO3) is also rejected, showing that effective supplier relationship management significantly enhances performance, supported by a β of 0.436 and a significant t-value of 5.62. This finding resonates with Oke et al. (2019), highlighting the critical role of supplier relationship management in operational efficiency. Conversely, Hypothesis 4 (HO4) is not rejected, indicating that procurement process efficiency does not significantly affect performance, with a β of -0.026 and a non-significant t-value of 0.11. This supports Owusu et al. (2022), who argue for the multifaceted nature of supply chain management. Overall, procurement planning, supplier selection and evaluation, and supplier relationship management emerge as significant drivers of performance, while procurement process efficiency shows no significant impact. The model demonstrates strong predictive relevance for key performance indicators, particularly PERF1 and PERF2, underscoring its robustness in explaining variations in organizational performance.

The study concludes that procurement planning, supplier selection and evaluation, and supplier relationship management practices significantly enhance the performance of furniture companies in FCT. These findings are supported by strong empirical evidence: procurement planning and supplier selection and evaluation practices positively influence performance, aligning with existing literature emphasizing streamlined procurement processes and strategic sourcing. Effective supplier relationship management also plays a crucial role in enhancing operational efficiency and performance outcomes. However, the study found that procurement process efficiency does not significantly impact performance, suggesting that other factors may be more influential in this regard. Overall, the model used in the study demonstrates robust predictive relevance for key performance indicators, highlighting its ability to explain a substantial portion of the variability in organizational performance among furniture companies in FCT.

RECOMMENDATIONS

Based on the findings from the tested hypotheses, recommendations can be made for furniture companies in the Federal Capital Territory (FCT), and for other stakeholders:

i. Given the significant positive impact of procurement planning on performance, companies should focus on improving their procurement planning processes. This includes strategic forecasting,

budgeting, and aligning procurement goals with organizational objectives to enhance overall efficiency and effectiveness.

ii. Since supplier selection and evaluation practices were found to significantly improve performance, companies should adopt robust criteria and processes for selecting and evaluating suppliers. This involves assessing supplier capabilities, reliability, and alignment with quality and cost standards to enhance supply chain reliability and performance outcomes.

iii. Effective management of supplier relationships is crucial for enhancing delivery performance and cost optimization, as evidenced by its significant positive impact on performance. Companies should invest in building collaborative and transparent relationships with suppliers, emphasizing communication, mutual goals, and continuous improvement

iv. While the study did not find a significant impact of procurement process efficiency on performance, it remains essential to continuously evaluate and improve procurement processes. Companies should focus on streamlining workflows, reducing lead times, and optimizing inventory management to enhance operational efficiency and reduce costs.

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Appendix C

Questionnaire on Procurement Practices in Enhancing Performance in Furniture Industry in FCT, Abuja.

Please tick the appropriate option corresponding to your choice of opinion; the options are coded as follows: SA = Strongly Agree (5); A = Agree (4); U = Undecided (3); D = Disagree (2); SD = Strongly Disagree (1).

CODE	**INDEPENDENT VARIABLES**					
PRP	**Procurement Planning:**	**SA(5)**	**A(4)**	**U(3)**	**D(2)**	**SD(1)**
PRP1	Our organization considers need assessment as a critical component in procurement planning.					
PRP2	Procurement timelines are clearly defined and adhered to in our procurement planning process.					
PRP3	The procurement planning process effectively aligns with our organizational goals and objectives.					
PRP4	Stakeholder input is actively sought and integrated into our procurement planning activities.					
PRP5	We regularly review and update our procurement plans to adapt to changing business needs.					
SSE	**Supplier Selection and Evaluation:**	**SA**	**A**	**U**	**D**	**SD**
SSE1	Our organization utilizes clear criteria to evaluate potential suppliers during the selection process.					
SSE2	Supplier performance metrics are systematically tracked and evaluated on a regular basis.					
SSE3	We consider both quality and cost factors equally important when selecting suppliers.					
SSE4	Feedback from end-users and stakeholders is integrated into supplier evaluation processes.					
SSE5	We have established procedures for addressing non-performance or issues with our suppliers.					
SRM	**Supplier Relationship Management:**	**SA**	**A**	**U**	**D**	**SD**

SRM1	Our organization maintains proactive communication channels with our key suppliers.					
SRM2	We collaborate closely with suppliers to innovate and improve product/service offerings.					
SRM3	Supplier relationships are viewed as strategic partnerships within our organization.					
SRM4	We provide suppliers with timely feedback on their performance and areas for improvement.					
SRM5	We regularly assess the satisfaction levels of our suppliers with our relationship management.					
PPE	**Procurement Process Efficiency:**	**SA**	**A**	**U**	**D**	**SD**
PPE1	Our procurement processes are streamlined to minimize unnecessary delays.					
PPE2	We use technology effectively to automate and enhance our procurement processes.					
PPE3	The procurement team is adequately trained to handle procurement tasks efficiently.					
PPE4	We continuously seek opportunities to improve the efficiency of our procurement workflows.					
PPE5	We measure key performance indicators (KPIs) to track the efficiency of our procurement processes.					
CODE	**DEPENDENT VARIABLE**					
PER	**Performance**	**SA**	**A**	**U**	**D**	**SD**
PER 1	• Our organization measures performance based on both financial and non-financial metrics.					
PER 2	• We regularly assess our overall performance against set goals and objectives.					
PER 3	• Customer satisfaction is a key indicator of our organization's performance.					
PER 4	• Our performance metrics include measures of operational efficiency and effectiveness.					
PER 5	• The leadership team actively reviews and acts upon performance outcomes to drive improvements.					

Source: *Items derived from common practices, literature and principles in organizational psychology and management research.*