

**ASSESSING THE ROLE OF PROCUREMENT MANAGEMENT AND FINANCIAL
PERFORMANCE IN BANKING SECTOR IN UGANDA: A CASE STUDY
OF DFCU BANK UGANDA**

BY

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ABSTRACT

This study looked at the role of procurement management and financial performance in banking sector in Uganda with special reference to DFCU Bank Uganda Ltd. The objective of the study were to determine how procurement planning affects the performance of DFCU, identify how procurement controls affect the performance of DFCU, determine how procurement monitoring affects the performance of DFCU and identify procurement management challenges at DFCU.

Specifically the study reviewed procurement planning, controls and monitoring and how they affected the performance of DFCU Bank Uganda Ltd. It was revealed in the study that procurement planning, controls and monitoring positively affect the performance of banks. Empirical data was collected from the staff of DFCU Bank Uganda and the study had 52 respondents from the targeted population of 60; this sample was selected using purposive sampling.

The empirical data was analysed both quantitatively and qualitatively to examine the relationships between procurement management and bank performance. The key findings of the study indicated that the three-procurement management attributes i.e. procurement-planning, controls and monitoring positively affected the performance of the bank. This was because there were significant relationships that were established from the study between these variables and the financial performance of the bank.

From the study, it was recommended that the existing procurement planning processes be revised and strengthened to further improve bank performance; the controls be thoroughly reviewed and adherence enforced; while monitoring be carried out regularly and by independent personnel. Further research was recommended to cover other procurement management attributes and a wider population of banks in Uganda.