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**FACTORS AFFECTING EFFICIENCY OF PUBLIC  
PROCUREMENT FUNCTIONING UNDER DIRECTORATE  
OF ORDNANCE SERVICES OF SRI LANKA ARMY**

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## Declaration

I do hereby declare that no portion of the work referred to in the dissertation has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning. Further, all the work in this dissertation is entirely my own, unless referenced in the text as a specific source and included in the bibliography.

21.08.2024

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Signature of the Student

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## Recommendation of the supervisor

As I have been educated by the candidate this study has not been conducted by any of the researcher previously and this was thoroughly conducted under my supervision. Therefore it could be accepted in partial fulfilment of the requirements of Master of Business Administration in Supply Chain Management Degree.

8/21/2024

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## ABSTRACT

This study explores the factors affecting the efficiency of public procurement within the Directorate of Ordnance Services of the Sri Lanka Army, utilizing key theoretical frameworks to provide a comprehensive analysis. The Institutional Theory, which identifies three pillars of regulatory, normative, and cultural cognitive and this theory highlights the importance of rules, norms, and shared understandings in shaping institutional behavior. Public Value Theory emphasizes the need for public service management to align values with strategic goals, secure political legitimacy, and ensure operational capacity. Additionally, Transaction Costs Theory underscores the significance of minimizing barriers and costs associated with information acquisition and contractual obligations in public procurement. Understanding these theories is crucial for examining how public procurement can achieve value for money and contribute to the delivery of public value. However, there is a dearth of studies about efficiency of public procurement in Sri Lanka Army with special attention to some key determinant factors on efficiency in procurement process. Therefore, this study attempts to fill this gap by identifying factors affecting efficiency of public procurement functioning under directorate of ordnance services of Sri Lanka Army.

The aim of the study is to identify factors affecting the efficiency of public procurement system functioning under Directorate of Ordnance Services of Sri Lanka Army and introduce possible approaches to overcome the barriers and loopholes in the process. To achieve this aim, the study attempts to test four main factors as independent variables namely Professional Qualification of Procurement Employees, Information Communication Technology, Contract Management, Procurement Planning Process. The study review and test these factors through a structured questionnaire based on five-point Likert Scale distributed to individual Army officers who directly involve with the procurement process of Directorate of Ordnance Services of the Sri Lanka Army. Data were collected using purposive sampling of 108 individual officers and the collected data were analyzed using SPSS statistical software which may include descriptive statistics of frequency tables, percentages, means, standard deviation and factor analysis. Descriptive statistics are used to describe the influence level of key determinant factors on the efficiency of procurement process and factor analysis which helps to analyze the structure of correlations among variables and test the hypothesis in the study. The findings show that a positive significant influence of Professional Qualification of Procurement Employees, Information Communication Technology, Contract Management,

Procurement Planning Process on efficiency of procurement process. The results also illustrate that procurement planning process indicate a highest strong positive significant impact on efficiency of public procurement process. Findings of this study will be useful for Directorate of Ordnance Services, Sri Lanka Army, Sri Lanka Navy, Sri Lanka Air Force, other similar government organizations, government training institutions and corporate executives to make sound decisions related to procurement matters.

**Keywords:** *Efficiency of Public Procurement, Institutional Theory, Public Value Theory, Transaction Cost Theory, Value for Money.*

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