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Enhancing Organizational Excellence Through Procurement and Recruitment



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Introduction

Excellence in organizations can be viewed from different perspectives. From a quality perspective, an organization aims to be efficient and effective in customer satisfaction and hence create value. To achieve this, understanding the overall context of the organization is imperative. All activities need to be aimed at consistently meeting customer needs. In so doing, other stakeholders' needs are considered, together with legal and regulatory frameworks. Organisations will then need to manage risks effectively, pursue new opportunities, continuously improve and enhance reputation. Key inputs to the organisational processes are through procurement and recruitment.

Procurement is the process of sourcing, purchasing, receiving, and inspecting all the goods and services your organisation needs to operate. Procurement's role is to strategically acquire the goods and services an organisation needs, focusing on cost optimisation, quality and supplier relationships to ensure smooth operations and long-term success. The stages in procurement include needs identification, pre-solicitation, solicitation preparation, solicitation process, evaluation process, award process and contract process.

Recruitment on the other hand refers to the process of actively seeking out, finding and hiring candidates for a specific position or job. The main purpose of recruitment is to enable an organisation to hire the most well-suited candidates from the job market to fill unique and specific roles in the organisation. It involves identifying, sourcing, screening, shortlisting, interviewing candidates, contracting and induction.

Techniques for excellence

There are techniques that organisations can use to sustain their excellence. One of them is the use of quality circles. This is a method in which a group



of employees with similar responsibilities and from the same department regularly discuss work-related problems. They use advanced techniques to identify root causes and possible solutions.

The other technique is the Total Quality Management (TQM). It refers to continual process of detecting and eliminating manufacturing errors, streamlining suppliant chains, improving the customer experience, and ensuring employees are fully trained. This is a method which emphasizes the achievement of long-term success through customer satisfaction. This can be done when employees maintain high standards of work and improve the organization's products, services and processes.

Another technique is six sigma – a set of tools and techniques that organizations identify and eliminate any causes of defects, allowing organizations to increase their quality of their products and services. It is centred of customer-centric improvement, continuous process improvement, eliminating waste, controlling the process, empowering employees and reducing variation. The aim of six sigma is to achieve a near perfect quality.

Lean technique is a set of methodologies that focuses improving an organization's efficiency and effectiveness by eliminating non-value adding activities and waste. This will in turn reduce organizational costs. It maximises value for the customers while minimizing waste in processes. It aims to improve efficiency, effectiveness and overall performance by identifying and eliminating unnecessary activities and streamlining workflows and fostering a culture of continuous improvement.

Kaizen is also a key technique, a philosophy of continuous improvement that involves small incremental changes to processes. It is a method in which employees collectively contribute towards continual improvement of the organization's operations and processes. It is a method in which



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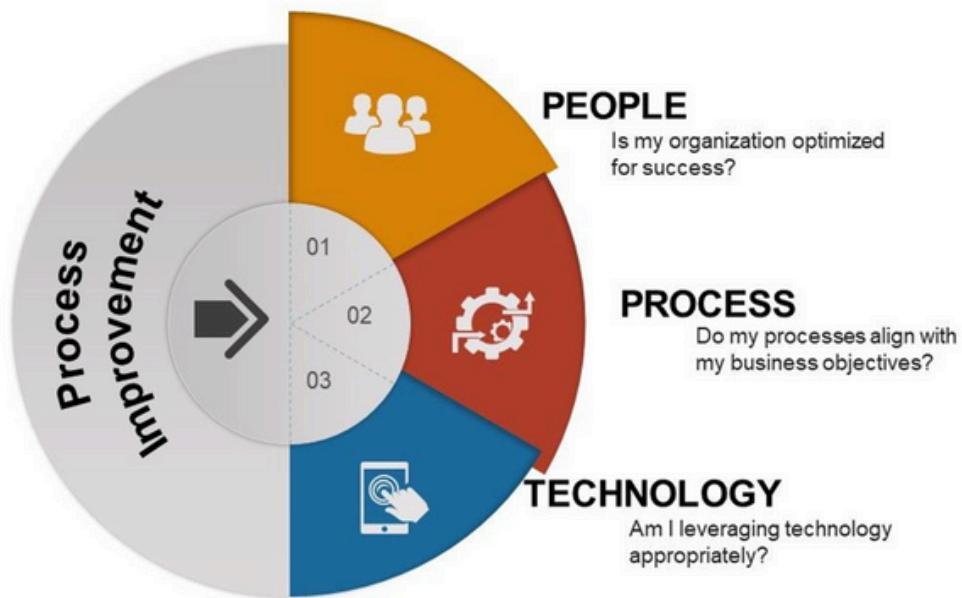
Just-in-Time (JIT) is another excellence technique of producing goods and services only when they are needed to minimize inventory and lead times. It is a method which aims at reducing costs and flow times in the organisation's operations. Based on this method, organisations should order materials only when they need them. This increases efficiency and increases waste and costs.

To optimize the above techniques employees, need to be empowered and procurement needs to be optimised. It calls for a combination of people, process and technology. The concept of People, Process and Technology (PPT) framework comes in handy in organisation's change strategies. It evolved from the Leavitt's Diamond designed by Harold Leavitt in 1960s, as enhanced in 1990s by Bruce Schneier. It was designed to help companies build systems that effectively balance and coordinate how people, processes, and technology support each other. If one aspect in the PPT framework is weak or not aligned with the others, it can impact the overall efficiency and effectiveness. The objective of PPT is to create synergy where each component enhances the other, improving business outcomes. PPT framework emphasizes the interplay between these three elements in organizational effectiveness:

People: Refers to a firm's human resources who perform necessary tasks for operations. The organisational effectiveness is hinged on the quality of workforce, and this underscores the output of recruitment practices, empowerment and motivation of employees.

Process: Well-defined paths that determine an organization's efficiency and adaptability. Standard operating procedures for every item needs to be laid down and awareness enhanced.

Technology: This provides tools for implementing processes. Technology brings the best outcomes, from people and process optimisation. Procurement processes for instance can be enhanced and optimised by use of technology.



According to ISO 9000, an organisation focused on quality promotes a culture that results in a behaviour, attitude, processes and activities that deliver value through fulfilling the needs and expectation of customers and other related parties. The product or service include their perceived value and benefits to the customer and impact on other relevant interested parties. As indicated earlier, procurement and recruitment are key processes that impact on quality. These two critical activities determine the outcome of all the processes given that they dictate the inputs.

One principle of quality is engagement of people. Competent, empowered and engaged people across the organisation are essential to enhance the organisation's capability to create and deliver value. Recruitment team should focus on recruiting staff who have shared values with their organisation. The employees should feel personally and emotionally connected to the organisation. Employees should understand importance



of their contribution to and role in the organisation. They need to feel a close attachment to the values, ethics and norms of the organisation. They also need to seek opportunities to enhance competence, knowledge and experience.

Enhancing organizational excellence through procurement and recruitment involves strategically aligning these functions with the organization's goals, values, and operational needs. Both procurement and recruitment are critical to building a high-performing organization, as they directly impact resource allocation, talent acquisition, and overall efficiency. Below are key strategies to leverage procurement and recruitment for organizational excellence:

1. Strategic Alignment with Organizational Goals

Procurement: Ensure procurement processes support the organization's mission and objectives. This includes sourcing high-quality materials, services, and technologies that enable operational efficiency and innovation.

Recruitment: Align recruitment strategies with the organization's long-term goals. Hire talent that not only meets current needs but also possesses the skills and mindset to drive future growth. (ensure that arguments are supported with appropriate citations, otherwise this will seem a compilation of personal opinions impacting on the credibility of the entire publication)

2. Emphasize Quality and Value

Procurement: Focus on value-based procurement rather than just cost savings. Evaluate suppliers based on quality, reliability, sustainability, and their ability to contribute to the organization's success.



Recruitment: Prioritize quality hires over quick fixes. Invest in thorough candidate assessments, including cultural fit, skills, and potential for growth.

3. Leverage Technology and Data

Procurement: Use data analytics and procurement software to optimize supplier selection, monitor performance, and identify cost-saving opportunities. Implement e-procurement systems for efficiency and transparency.

Recruitment: Utilize applicant tracking systems (ATS), AI-driven tools, and data analytics to streamline hiring processes, identify top talent, and reduce time-to-hire.

4. Foster Collaboration Between Departments

Procurement: Collaborate with other departments (e.g., finance, operations, and IT) to ensure procurement decisions align with organizational needs and budgets.

Recruitment: Work closely with hiring managers and department heads to understand their specific talent requirements and ensure a seamless hiring process.

5. Build Strong Supplier and Talent Relationships

Procurement: Develop long-term partnerships with reliable suppliers. Strong supplier relationships can lead to better pricing, improved service, and access to innovative solutions.

Recruitment: Build relationships with potential candidates, even if they are not immediately hired. Maintain a talent pipeline to reduce hiring gaps and ensure access to top talent when needed.



6. Focus on Diversity and Inclusion

Procurement: Partner with diverse suppliers to promote inclusivity and support local or underrepresented businesses.

Recruitment: Implement diversity and inclusion initiatives in hiring practices to build a workforce that reflects a variety of perspectives and experiences.

7. Continuous Improvement and Training

Procurement: Regularly review and improve procurement processes. Provide training for procurement teams on negotiation, supplier management, and emerging trends.

Recruitment: Invest in ongoing training for recruiters and hiring managers. Stay updated on best practices in talent acquisition, employer branding, and candidate experience.

8. Sustainability and Ethical Practices

Procurement: Prioritize sustainable and ethical sourcing practices. This includes selecting suppliers who adhere to environmental and social responsibility standards.

Recruitment: Promote ethical hiring practices, such as fair compensation, transparency, and equal opportunities for all candidates.

9. Employer and Supplier Branding

Procurement: Build a strong supplier brand to attract high-quality vendors. Communicate the organization's values and expectations clearly to suppliers.



Recruitment: Develop a strong employer brand to attract top talent. Showcase the organization's culture, values, and opportunities for growth.

10. Measure and Optimize Performance

Procurement: Establish key performance indicators (KPIs) for procurement, such as cost savings, supplier performance, and cycle times. Regularly assess and optimize processes.

Recruitment: Track recruitment metrics like time-to-fill, quality of hire, and candidate satisfaction. Use insights to refine recruitment strategies.

11. Risk Management

Procurement: Identify and mitigate risks in the supply chain, such as disruptions, price fluctuations, or supplier dependency.

Recruitment: Anticipate talent shortages or skill gaps and develop contingency plans, such as upskilling current employees or building a talent pipeline.

12. Employee and Supplier Engagement

Procurement: Engage suppliers in collaborative problem-solving and innovation. Recognize and reward high-performing suppliers.

Recruitment: Engage employees in the recruitment process, such as through employee referrals or participation in interviews. This can improve hiring outcomes and boost morale.

By integrating these strategies, organizations can enhance their procurement and recruitment functions, leading to improved operational efficiency, a stronger talent pool, and sustained organizational excellence.



Both functions play a pivotal role in driving innovation, competitiveness, and long-term success.

To achieve the desired state and outcome of procurement and recruitment, the engagement of contractors or suppliers and employees need to be solidified with well-crafted contracts and guided by policies approved by the governing body. Contracts play a critical role in shaping procurement and recruitment outcomes by establishing clear expectations, responsibilities, and legal frameworks. They serve as binding agreements that govern relationships between organizations and suppliers (in procurement) or employers and employees/contractors (in recruitment). Below is how contracts guide outcomes in both areas:

1. Contracts in Procurement

Procurement contracts define the terms of engagement between an organization and its suppliers, ensuring efficiency, compliance, and risk mitigation.

Key Ways Contracts Guide Procurement Outcomes:

Clarity of Terms

- Specifies deliverables, quality standards, pricing, and timelines.
- Reduces ambiguity, ensuring suppliers meet expectations.

Cost Control & Budget Adherence

- Fixed-price contracts prevent cost overruns.
- Volume-based discounts or long-term agreements improve cost efficiency.

Risk Management

- Includes clauses for penalties, breach of contract, and force majeure (e.g., supply chain disruptions).
- Ensures compliance with regulations (e.g., data protection, environmental laws).



Performance & Accountability

- Service Level Agreements (SLAs) define KPIs (e.g., delivery times, defect rates).
- Enables legal recourse if suppliers underperform.

Sustainability & Ethical Sourcing

- Mandates adherence to ESG (Environmental, Social, Governance) standards.
- Ensures suppliers follow fair labor practices and sustainable sourcing.

Flexibility & Innovation

- Contracts may include clauses for renegotiation based on market changes.
- Encourages supplier innovation through incentive-based agreements.

2. Contracts in Recruitment

Recruitment contracts govern the relationship between employers and employees (or staffing agencies), ensuring alignment with organizational needs.

Key Ways Contracts Guide Recruitment Outcomes:

Defining Roles & Responsibilities

- Clearly outlines job descriptions, performance expectations, and reporting structures.
- Prevents role ambiguity and ensures accountability.

Compensation & Benefits

- Specifies salary, bonuses, benefits, and equity (if applicable).
- Ensures compliance with labour laws (e.g., minimum wage, overtime).

Employment Terms & Conditions

- Fixed-term vs. permanent contracts affect workforce planning.
- Non-compete, confidentiality, and intellectual property clauses protect business interests.



Performance & Termination Clauses

- Probationary periods allow performance evaluation before full hiring.
- Exit clauses define notice periods, severance, and grounds for termination.

Compliance & Legal Protection

- Ensures adherence to labour laws (e.g., anti-discrimination, workplace safety).
- Mitigates risks of wrongful termination claims.

Talent Retention & Engagement

- Contracts may include retention bonuses, training commitments, or career progression terms.
- Helps reduce turnover by setting clear expectations.

Agency & Contractor Agreements

- Defines terms for temporary staff, freelancers, or outsourced roles.
- Ensures contractors meet deliverables within set timelines.

3. Common Contractual Best Practices for Both Procurement & Recruitment

- Clear, Concise Language – Avoid vague terms to prevent disputes.
- Flexibility for Adjustments – Include clauses for renegotiation if market conditions change.
- Compliance & Legal Review – Ensure contracts meet local and international laws.
- Performance Monitoring – Define metrics and review mechanisms.
- Dispute Resolution Mechanisms – Specify mediation or arbitration processes.

Conclusion

Contracts are foundational to successful procurement and recruitment outcomes by:

- ✓ Ensuring accountability (suppliers/employees meet obligations).
- ✓ Mitigating risks (legal, financial, operational).

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- ✓ Enhancing efficiency (clear terms reduce delays and conflicts).
 - ✓ Aligning with organizational goals (supports strategic sourcing and talent acquisition).

Organisations can leverage on best practices to enhance their procurement and recruitment activities to boost their competitive advantage and sustain their value proposition. These are two critical processes in their value chain that determine the outcomes of an organisations. By structuring contracts effectively, organizations can optimize procurement spend, attract and retain top talent, and drive long-term excellence.

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