



FACTORS AFFECTING PROCUREMENT OF QUALITY GOODS IN PUBLIC HEALTH SECTOR IN TANZANIA: A CASE OF MUHIMBILI ORTHOPAEDIC INSTITUTE (MOI), DAR ES SALAAM

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Abstract

The study assessed factors affecting procurement of quality goods at MOI in Tanzania. The specific objectives were to determine the influence of staff competence on the preparation of specification on procurement of quality goods at Muhimbili Orthopedic Institute(MOI), to investigate the influence of stakeholders' ethics on procurement of quality goods at Muhimbili Orthopedic Institute (MOI) and to examine the influence of availability of fund on procurement of quality goods at Muhimbili Orthopedic Institute (MOI). Case study design was employed whereby purposive sampling technique was used to select 75 respondents. Moreover quantitative approach was used where primary data and secondary data were collected using questionnaire and documentary review. Findings indicate that (94.7%) of respondents agreed that skills and competence in preparation of specification influences the procurement of quality goods and (80%) of respondents agreed to have attended professional training. Also findings revealed that 56.0% agreed that ethics to ensure transparency and accountability are taken into consideration when procuring goods at Muhimbili Orthopedic Institute (MOI). Furthermore, 56% agreed that fund disbursed for procurement activities was enough to support procurement of right quality. The study concludes that, all of the three (3) independent variables namely staff competence; ethics and availability of fund have significant influence on procurement activities

at Muhimbili Orthopedic Institute (MOI). The study recommended that Muhimbili Orthopedic Institute (MOI) should continue promoting training programs and allocate enough fund so as to receive items of right quality.

Keywords: Procurement, Quality of goods, Public health, Staff competency, ethics, resources

INTRODUCTION

An effective procurement process ensures the availability of the right drugs, in the right quantities, available at the right time, for the right patient and at reasonable prices, and at recognizable standards of quality (WHO, 2017). Procurement is required to be conducted in an ethical manner to promote fair and open competition and minimize exposure to fraud and collusion (Mghase, 2015).

Unlike in developed countries, African countries have had been blamed on the failure to effectively manage public resources and lack of effective regulatory frameworks in the procurement of goods in health sector (Kabubu, 2016). Some of the unethical practices include disclosing confidential information available to the agencies during the tender process. This information benefits either the procurement officials or for another person (Delali, 2014).

In Tanzania, the issue of procurement of quality goods has been questioned in health sector (Lema and Mrope, 2018). They contended that hospitals are receiving goods which do not meet the intended use. Likewise (Ahmed, 2016) found that low ethical standards and behavior among the public procurement officials increases the cost of managing and controlling risks related to theft, fraud, corruption and consequently reduces confidence within the public sector. This was found to be caused by reasons like interference of politicians, conflict of interest and bribes (Magige, 2018). Despite the availability of detailed specification of goods to be procured, goods do not comply with the intended purpose at MOI ((MOI report, 2019). For example, the report provided that, around 30%-40% of the goods do not comply with the intended purpose. This has resulted to supply of poor quality of medical equipment and supplies hence affecting health sector. Based on this context, this study therefore sought to assess factors affecting procurement of quality goods at MOI in Tanzania.

LITERATURE REVIEW

Theoretical Perspectives

Theory is regarded as very important aspect when dealing with social science research. Therefore, in this regard, this study is guided by resources-based theory, guy model at work place and deontological theory as discussed below.

Resource-based theory

According to Ferreira et al (2011) cited in Musa and Ahmad (2012), there are two categories of resources in organization which are visible sources and invisible sources. To them, visible sources can be seen such as capital, access to capital and location while invisible sources are knowledge, skills, reputation and entrepreneurial orientation. In that regard, this theory is very important in this study, for example, for the visible sources, when linking to the study, there is fund while for the invisible resources there are employees' skills and knowledge. The theory is relevant as it explains factors such as the availability of fund as well as the staff with adequate skills or qualifications that are very crucial and positively affect such practice in the organization.

Guy's model at the work place

The Guy's model presents the ten core values that surround ethical dilemmas, illustrating the way in which employees can sensitize themselves to the values involved in a problem and reach a solution which maximizes the corporate values (Ashok and Naresh, 2011). Hassim (2012) explains that according to Guy, ethical decision making is the process of identifying a problem, finding alternatives and selecting among them so that the alternative chosen maximizes the most important ethical values while also achieving the objectives intended.

Guy's model identifies the following six steps to be followed in making ethical decisions, supported by ten core values and five rules consideration: identify the ethical problem, set the goals to be achieved, enumerate all the possible solutions to the problem. All the options that will address the problem and achieve the goal are put under consideration, appraise all the alternatives to establish which one best meets the requirements of the situation (Fan, 2005). Therefore, good ethical decision making is really needed to avoid any problems occurring (Zou, 2006). To ensure an organization has a good ethical decision making process, ethical behavior also needs to be taken into consideration because this will determine whether the decisions made by the decision makers are ethical or unethical in the procurement process.

Relevance of Guy's model theory in this study

The Guy's model at the workplace is used in this study to determine ethical issues at work place since ethical aspect is one of the study objectives which is to investigate the influence of stakeholders' ethics on procurement of quality goods at Muhimbili Orthopaedic Institute (MOI).

Empirical review

An empirical study by Bailey, Farmer, Crocker, Jessop & Jones, (2017) on the specification is a detailed description of work to be done or materials to be used in a project **or** an instruction that

says exactly how to do or make something. In the specification document, the description of the preferred solution is defined by a set of requests. A strong description of the wanted clarification is vital since it will upturn the prospect to achieve an efficacious requirement. In order to ensure a pure description, the number of requirement statements must be enough to guide engineers to achieve the aim of the product. According to Van Weele (2017), procurement specifications can be defined as a statement of the attributes of a good or service. They indicate the required fitness for purpose or use to suppliers. Consequently, they communicate requirements from procurers to the suppliers. This implies that every organization in the world must consider the specification of products or goods they requests in the procurement process. The specifications in procurement process play the significant role to facilitate effective procurement of quality goods.

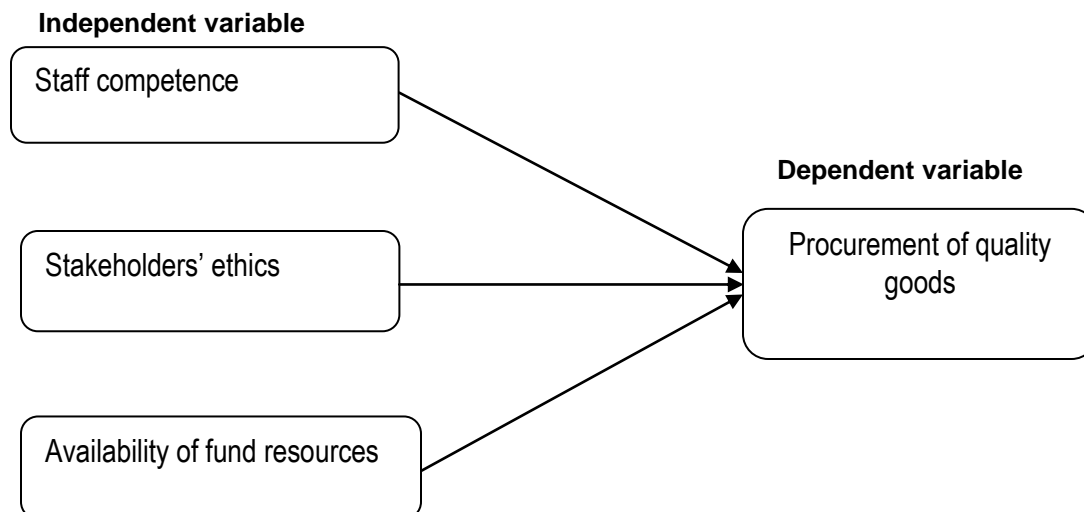
Ethics involves learning what is right or wrong, and then doing the right thing - but "the right thing" is not nearly as straightforward as conveyed. Ethics includes the fundamental ground rules by which we live our lives. The concept has come to mean various things to various people, but generally in the context of organizations coming to know what it right or wrong in the workplace and doing what's right -- this is in regard to effects of products/services and in relationships with stakeholders (Krishnamurthy, 2011). Ethics facilitate effective procurement of quality goods in many institutions. That is to say ethical practice plays a significant role in ensuring effective practice of procurement particularly in the preparation of quality goods.

A "fund" is a self-balancing set of accounts designed to carry on specific activities or objectives in accordance with the restrictions under which the donor gave the assets of the fund. Fund has significant role in supporting and enhancing procurement process in the organization. Quality' as defined by International Organization for Standardization is a relative concept and if the inherent characteristic of a service meets the requirements of the customer, it can be rated as high quality (Sachdev and Verma, 2004). This implies that there are specific subjective and certain objective criteria, which define quality (Jain and Gupta, 2004). The results of the study revealed that effective methods of sustainable quality goods already include the use of specifications, ethics and funds that incorporate performance in procurement processes.

CONCEPTUAL FRAMEWORK

Procurement of quality goods depend on the independent variables which are staff competence, ethics and financial resources. All these are important in ensuring that there are quality goods in public health sector. On the other hand, quality goods stands as dependent variable which is manipulated or influenced by independent variables as identified above.

Figure 1: Conceptual framework



RESEARCH METHODOLOGY

In this study, case study design was employed as a research design to obtain primary data. The researcher used quantitative approach. The population of this study constituted 250 people from different departments. The study used purposive sampling technique which falls under the category of non-probability sampling technique. The sample size of the study was 75 respondents and this is justified by Mugenda and Mugenda (2003) concept which states that, a sample size of 10% - 30% of the total population is adequate for a study in research. From that point of view, 30% of the total respondents of the MOI staff have been drawn which is 75 respondents from user departments, Tender Board members and Procurement staff which are key players in procurement. Primary data were collected through questionnaires and Secondary data were obtained through documentary review to supplement primary data in all objectives of the study. The presented data were analysed through descriptive statistics with the aid of Statistical Packages for Social Science (SPSS version 16).

FINDINGS AND DISCUSSION

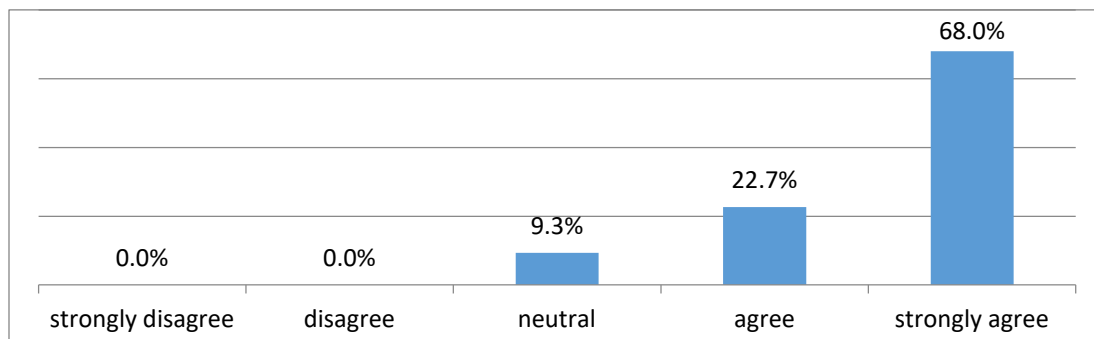
The questionnaires were filled by the procurement experts in MOI were about 75 respondents the characteristics of respondents by gender indicates that about 56% of the respondents were male followed by their counterpart female who were 44%. This implies that there was a little different in gender quality of responded survey. Further the questionnaires required the respondents to indicate their age category. The findings revealed that respondents were aged between 21-30 years while 66.7% of the respondents were aged between 31-40 years and 40.0% of the respondents were aged between 41-50 years. In addition to that, findings indicate

that, about 10.7% of the respondents were aged between 51 years and above. Hence, majority of respondents were aged between 31-40 years. This implies that most of the staff at MOI are still young and energetic and hence capable to work hard and perform better in procurement activities. Likewise, on education level results indicates that, about 10.7% of the respondents attained diploma level of education while 61.3% of the respondents attained university degree and 28.0% of the respondents had master's degree. Therefore, it can be said that majority of respondents had university degree. This gives an implication of the fact that most of the staff at MOI have adequate qualifications and hence capable to ensure effective procurement of quality of goods. Thereafter on working experience, the respondents about 40.0% had working experience of 1-5 years, followed by 24.0% of the respondents had working experience of 6-10 years while 16.0% of respondents had working experience of 11-15 years and 20.0% of the respondents had working experience between 16 years and above and it suffices to state that majority of respondents had working experience between 1-5 years. This implies that, the staffs at MOI and who were involved in this study has to some extent had the experiences that enable them to understand the practice of procurement at the organization particularly in the procurement of quality goods.

Staff competence in the preparation of specification for procurement of quality goods

It is indicated that, about 0% of the respondents strongly disagreed that staff competence enhances the staff in preparation of specification on procurement of quality goods, 0% of the respondents disagreed while 9.3% of the respondents were neutral. However, about 22.7% of the respondents agreed and 68.0% of the respondents strongly agreed that staff competence enhances the staff in preparation of specification on procurement of quality goods (figure 1).

Figure 1: Staff competence in the preparation of specification



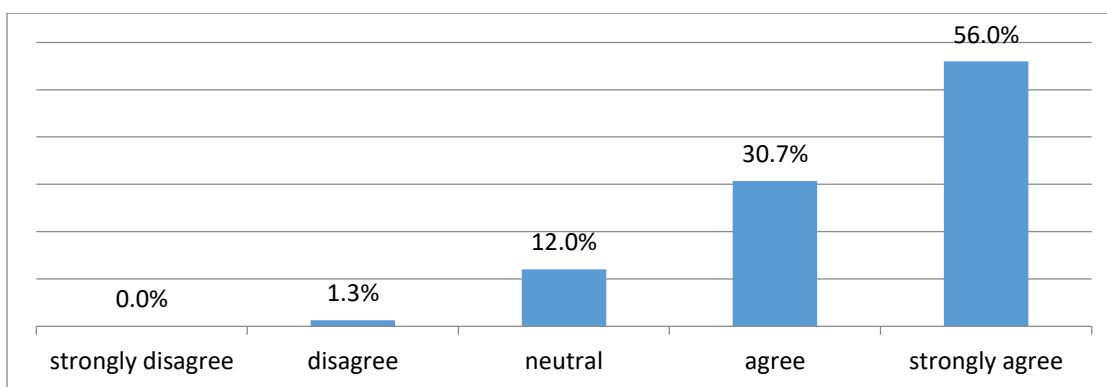
Henceforth, majority of respondents strongly agreed that staff competence enhances the staff in preparation of specification on procurement of quality goods. This implies that staff competence

is necessary in the procurement process particularly in the preparation of specification on procurement of quality goods. Staff competence tends to provide a good performance.

Attitude, skills and staff competence

It is clearly indicated that, about 1.3% of the respondents disagreed that attitude skills and staff competence help the employees to be aware on the rules and regulation used in in preparation of specification on procurement of quality good, 12.0% of the respondents were neutral while 30.7% of the respondents agreed and 56.0% of the respondents strongly agreed that attitude skills and staff competence help the employees to be aware on the rules and regulation used in preparation of specification on procurement of quality goods.

Figure 2: Attitude, skills and staff competence

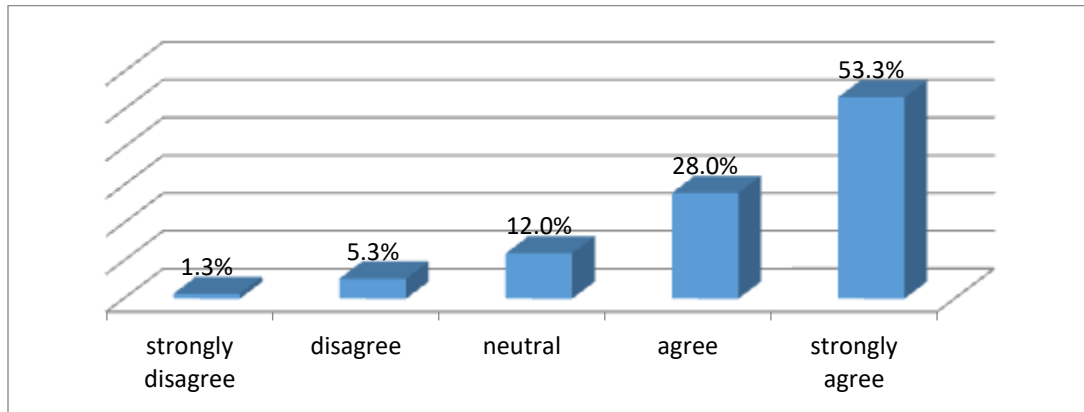


Therefore, majority of respondents strongly agreed that attitude skills and staff competence help the employees to be aware on the rules and regulation which guide preparation of specification on procurement of quality good. This implies that without adequate skills and competence, it is impossible for effective preparation of specification on procurement of quality goods since it needs a person to be conversant with the rules and regulations applied in the process and being capable to identify the specification of quality goods required by the organization.

Transparency

About 1.3% of the respondents strongly disagreed that transparency is one of the ethical procurement aspects used on procurement of quality goods at MOI, 5.3% of the respondents disagreed and 12.0% of the respondents were neutral. However, about 28.0% of the respondents agreed and 53.3% of the respondents strongly agreed that transparency is one of the ethical procurement aspects used on procurement of quality goods at MOI.

Figure 3: Transparency

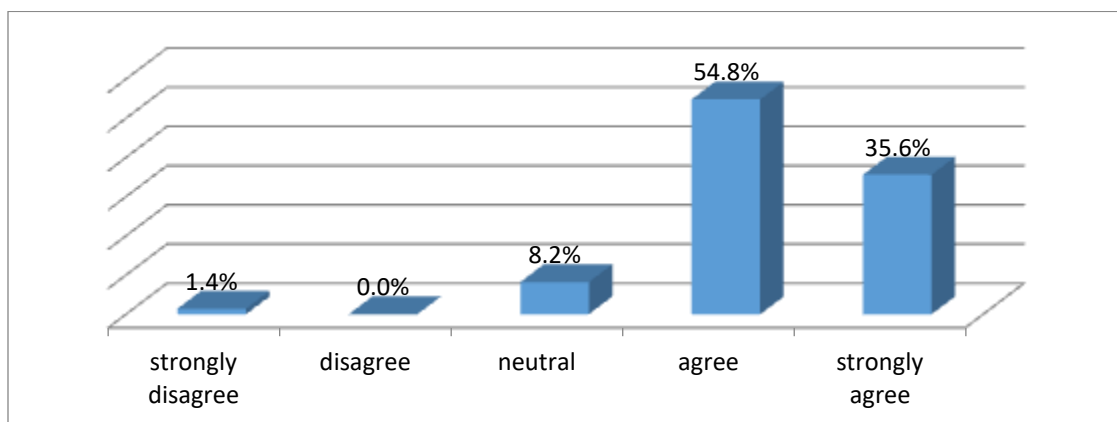


Therefore, majority of respondents strongly agreed that transparency is one of the ethical procurement aspects used on procurement of quality goods at MOI. This implies that transparency is one of the crucial ethical aspects in procurement activities at MOI. Transparency has been recognized as key conditions for promoting integrity and preventing corruption.

Accountability

It is indicated that, about 1.4% of the respondents disagreed that accountability is one of the ethical procurement aspects used on procurement of quality goods at MOI and 8.2% of the respondents were neutral. However, about 54.8% of the respondents agreed and 35.6% of the respondents strongly agreed that accountability is one of the ethical procurement aspects used on procurement of quality goods at MOI.

Figure 4: Accountability

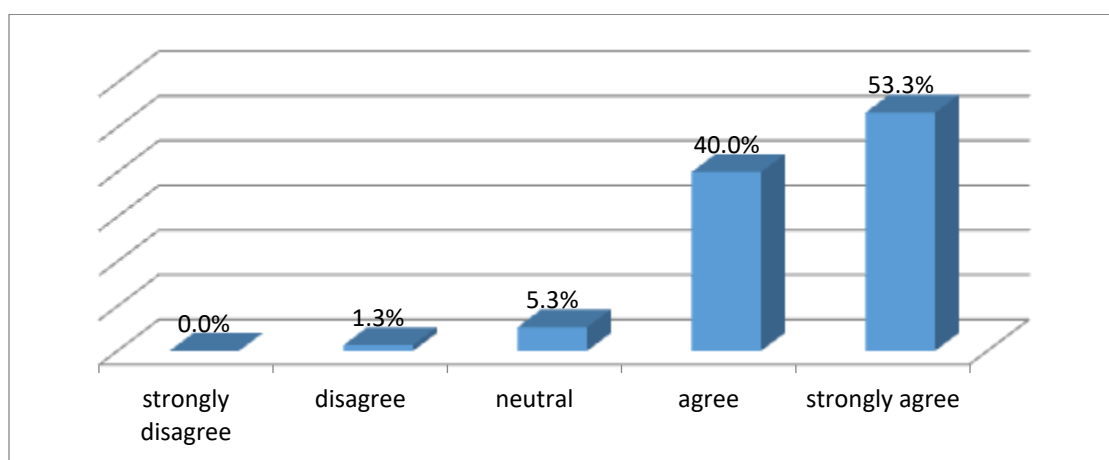


Hence, majority of respondents agreed that accountability is one of the ethical procurement aspects on procurement of quality goods at MOI. This implies that accountability is one of the considered ethical aspects because it has the significant role in procurement activities at MOI. One of the significant roles of the accountability in procurement activities is that, through accountability; all employees are compelled to disclose to the organization any situation that may appear as conflict of interest at MOI.

Importance of stakeholders' ethics

About 1.3% of the respondents disagreed that stakeholders' ethics are important in the procurement of quality goods at MOI, 5.3% of the respondents were neutral while 40.0% of the respondents agreed and 53.3% of the respondents strongly agreed that stakeholders' ethics are important in the procurement of quality goods at MOI.

Figure 5: Importance of stakeholders' ethics

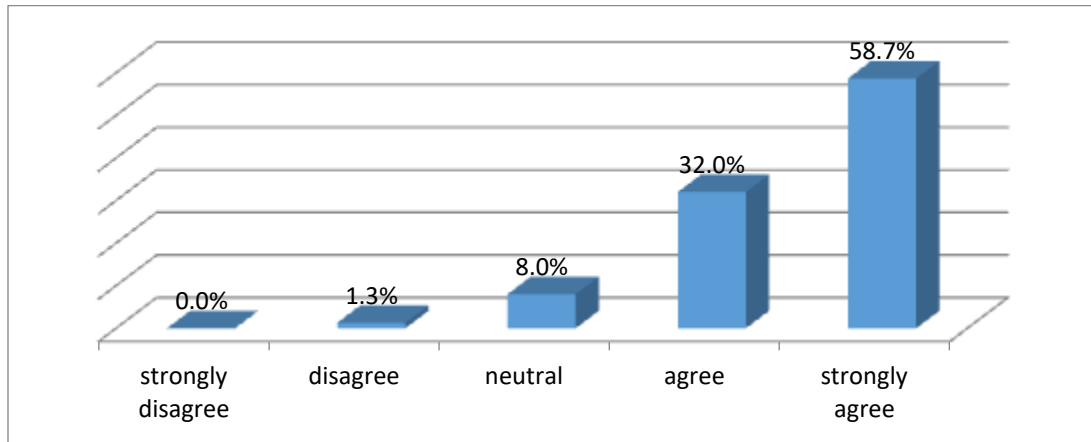


Hereafter, majority of respondents strongly agreed that stakeholders' ethics are important in the procurement of quality goods at MOI. This implies that ethics have significant role in the performance of procurement activities particularly in the procurement of quality goods at MOI.

Adherence to the rules and regulations

About 1.3% of the respondents disagreed that stakeholders' ethics ensure rules and regulations are adhered in the procurement of quality goods at MOI, 8.0% of the respondents were neutral while 32.0% of the respondents agreed and 58.7% of the respondents strongly agreed that stakeholders' ethics ensure rules and regulations are adhered in the procurement of quality goods at MOI.

Figure 6: Adherence to the rules and regulations

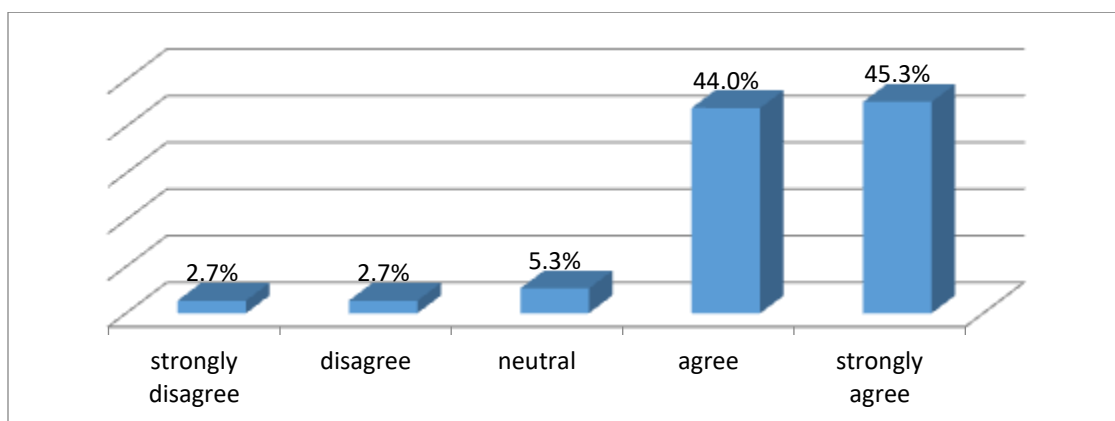


Therefore, majority of respondents strongly agreed that stakeholders' ethics ensure rules and regulations are adhered in the procurement of quality goods at MOI. This implies that whenever there is the good ethical practice, there is the proper adherence to the rules and regulations because ethical practices do not hide anything and therefore everything is in a good track.

Effective procurement of quality goods at MOI

Findings indicate that, about 12.7% of the respondents strongly disagreed and disagreed that stakeholders' ethics facilitate effective procurement of quality goods at MOI, 5.3% of the respondents were neutral while 44.0% of the respondents agreed and 45.3% of the respondents strongly agreed that stakeholders' ethics facilitate effective procurement of quality goods at MOI.

Figure 7: Effective procurement of quality goods at MOI



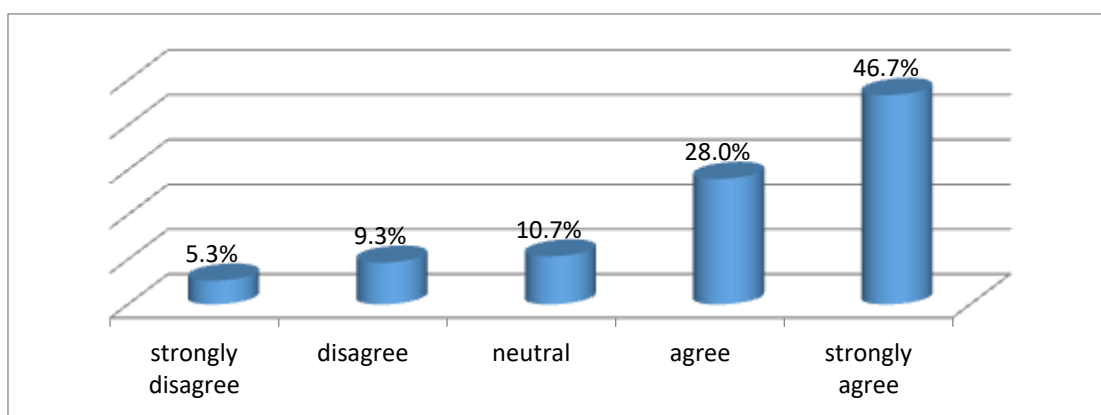
Henceforth, majority of respondents strongly agreed that stakeholders' ethics facilitate effective procurement of quality goods at MOI. That is to say ethical practice plays a significant role in

ensuring effective practice of procurement particularly in the preparation of quality goods at MOI.

Adequate fund

Findings unveil that about 5.3% of the respondents strongly disagreed adequate fund helps the staff to procure quality goods effectively, 9.3% of the respondents disagreed, 10.7% of the respondents were neutral while 28.0% of the respondents agreed and 46.7% of the respondents strongly agreed.

Figure 8: Adequate fund



Hence, majority of respondents strongly agreed that adequate fund helps the staff to procure quality goods effectively. That is to say adequate fund plays significant role in the procurement activities. Effective procurement activities particularly in the preparation of specification of quality goods need to have adequate fund to support all activities necessary in the process.

CONCLUSIVE REMARKS

Conclusion

The study concludes that staff competence, stakeholders' ethics and availability of fund are of great significance to the public sector as the neglect of these considerations will, if not worsen, give way for increase in adverse ethical issues that will affect the procurement systems in the public institutions. Therefore, the study concludes that, MOI was more concerned with the staff competence, ethical issues such as transparency, accountability, fairness, professionalism and integrity availability of fund. Generally, the study concludes that, all of the three (3) independent variables namely staff competence, ethics and availability of fund have significant impact on

procurement activities at MOI and hence this answered research questions and achieved research objectives.

Recommendations

The policy makers should develop a comprehensive framework for promoting high quality public procurement governance in terms of transparency and accountability as well as effective management in order to strengthen and sustain the practice of ethics in procurement in hospitals. Moreover, staff competence and availability of fund should be also taken into consideration for better results in the implementation of procurement activities. MOI should continue promoting training programs and sufficient transparency and competition in procurement processes to limit avenues for corruption and violation of the laid down procurement rules, procedures and regulations.

Suggestions for Further Studies

The study opens up further discussion in the field of procurement and quality goods. Further research should be carried out to determine the factors hindering effective practice of ethics in procurement activities in municipal hospitals. And we also recommend further study in the role of staff competence in determining procurement activities in public health sectors and finally the contribution of availability of fund in enhancing procurement activities in public health sector

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