**FACTORS CONTRIBUTING TO NON-COMPLIANCE TO PROCUREMENT PLANNING IN SELECTED REFERRAL HOSPITALS IN UGANDA**

**BY**

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# DECLARATION

I **MuhmedSsegonga**, hereby declare that this is my original work and has not been published and/or submitted for any other degree award to any university or other institution of higher learning before.

.................................................. Date...............................

# APPROVAL

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# DEDICATION

This thesis is dedicated to my family and parent Mr. KassimTenywa and HajjatiAzidaTenywa.

# AKNOWLEDGEMENT

I am very grateful to my supervisors Dr. BenonBasheka and Mr. FredNtambi who guided and supported me right from initiation of this idea to the end. Their commitment to assisting me enabled me complete this work.

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# ABSTRACT

This study assessed the factors that contribute to non-compliance to procurement planning in selected referral hospitals in Uganda. The study was guided by the following objectives: to determine the extent to which individual capacity factors contribute to non-compliance to procurement planning in referral hospitals, to establish the extent to which institutional challenges contribute to non-compliance to procurement planning in referral hospitals and find out the extent to which technology factors affect procurement planning in referral hospitals. A cross sectional survey was employed to collect data targeting a sample of 210 respondents. The study yielded a response rate of 80%. Purposive random sampling was used to select PDU administrative staff while the rest of the stakeholders were selected using simple random sampling. A structured questionnaire, through face-to-face interviews, was administered on the sampled respondents. Data was analyzed using descriptive statistics mainly percentages. The majority (98.4%) of stakeholders consented that procurement planning staff are not adequately motivated by their salary enumeration.73% consented to existence of inadequate staff while 89.3% consented to existence of inadequate budgets. 89.1% of the stakeholders perceived the procurement panning process as too complex to implement while 69.9% of the stakeholders perceived prevalence of opportunism/un ethical conduct among stakeholders while 76.9% consented to limited punitive action against poor procurement planning performance. 80.5% of respondents perceived limited coordination among procurement planning stakeholders. Over 90% of respondents consented to limited awareness of either knowledge or skills or application of IT in procurement planning. It was concluded that Referral hospitals experienced critical capacity gaps and institutional challenges that contribute to non-compliance to procurement planning. The study provides recommendations for improving procurement planning in Referral Hospitals of Uganda.

# CHAPTER ONE

# INTRODUCTION

**1.1 Introduction**

This chapter presents the background on procurement planning, the problem statement and study objectives. It further presents the research questions, significance and justification of the study, scope of the study and operational definitions. The study background presented includes the historical background, theoretical background, conceptual background and contextual background respectively.

## 1.2 Background to the study

### 1.2.1 Historical background

Procurement is a key component in all government public institutions through which public goods and services are delivered to the people. More than half of the government expenditure goes into public procurements. Procurement management now appears on the Agenda of most researchers, academics and policy, makers. Witting (1999) contends that this is due to the fact that the cost of procurements is unquestionably high and procurement accounts for a bigger proportion of public expenditure. In Uganda, Procurement accounts for over 70% of public expenditure in 2005 (Development Assistance Committee, 2005).A good public procurement system should result in goods and services that directly meet the needs of the end users, obtained with less money and supplied effectively to the users (Arrowsmith&Trybus 2003).Furthermore the need to do more with less through budget cuts mechanisms and finally the expectations from development partners and masses for accountability of public resources have generated interest in the field of procurement among various stakeholders.

Over the past few years, developing countries have been awakened on the importance of effective management of the public procurement process at both central and local government levels, and its subsequent contribution to improved service delivery in the public sector. Procurement; a function that was traditionally viewed as a clerical and reactive task has since positioned itself among core organizational functions, and its management is becoming increasingly critical for the well functioning of any organization. Poor service delivery has been one of the major stumbling blocks to the economic development of Africa and it has been clear that a number of African countries have not paid adequate attention to the proper management of public resources. An efficient public procurement system is vital to the advancement of African countries and is a concrete expression of the national commitment to making the best possible use of public resources (Kabaj, 2003). The influence of new public management (NPM) philosophies in the functioning of the public sector has been embraced procedurally by government departments in a number of African countries.

Procurement management in Uganda is currently governed by a complex set of laws and regulations designed to achieve three goals (1) ensuring the best price (2) providing open and fair competition among local vendors; and preventing favouritism and corruption (Duncombe& Searcy, 2007).Existing literature on public procurements in Uganda and elsewhere highlights the significance of having and implementing well planned procurement contracts as well as asset disposal for enhancing financial performance and efficiency of public procurements in all Public Procurement Entities.Bailey *et al.,* (1998) call for procurement to take a thoroughly professional view of its role in business as a whole and be well planned. However, irregularities prevail in public procurements (PPDA, 2008) which according to Basheka (2008) interferes with service delivery

# In Uganda, the mandate for procurement planning isderived from the PPDA Act, 2003 which requires User department to prepare an annualworkplan for procurement based on the approved budget and submit procurement plansto PDUs to facilitateorderly execution of annual procurement activities. PDEs are required to integrate procurement plans into the annual sectorexpenditure program to enhance financial predictability, accountingand control over procurement budgets. PDUs are required to use the combined workplan to plan,organize, forecast and schedule the procuring and disposing entity'sprocurement activities for the financial year. Figure 1: Procurement planning stakeholders and their respective roles

**DEPARTMENT**

- Recognizes needs/demands

- Describes and initiate procurement requirements

- Prepares an annual and quarterly procurement work plan

based on the approved budget

- Submits procurement work plan to the procurement and

disposal unit for implementation

- Seeks technical assistance in procurement planning

activities where necessary

- Recommends statement of requirements to the PDU

**PROCUREMENT AND DISPOSAL UNIT**

- Advises user departments on individual procurement

methods and practices

- Consolidates procurement work plan for the entity

- Implements procurement plan

- Advises on procurement lead time and costs

- Carries out market survey on technological trends,

availability and price trends

- Updates the Procurement plan

**TECHNICAL PLANNING UNIT**

- Formulates the Districts Corporate needs

- Consolidates work plans/strategic plan

- Costing procurement requirements

Council - Approves planning framework, budget & procurement plan upon which procurement plans are prepared by users

Finance - Provides budget ceilings to facilitate development of

Procurement work plans and confirms budget availability

- Advises on cash flow over a period of time

*Source: Public Procurement and Disposal of Public Assets Authority (2006)*

### 1.2.2 Theoretical background

The rationalism (Richardson, 2005), pragmatism (Lawrence, 2000), Urban regime theory (Lauria, 1997) and communicative planning theory (Forester, 1989) open insight into the factors that influence planning. The planning theories are an engine that drives renewal of planning practice through reflection and the generation of new ideas (Bruce, 2000).Planning theorists began drawing from political philosophers who questioned mainstream social science, particularly JurgenHabermas and Foresters’ interpretation of Habermasto untie social leaming theories and progressive planning theories. The theories are typical social learning theories emphasizing planners' roles in bringing stakeholders together, gathering and sharing information, and helping social structures to learn from their experiences.

For the purpose of this study, the rationalism and the communicative planning theories are considered. The rational planning theory supports using an adequate number of qualified planners, regular updating of plans, and improving technical skills to build strong planning capacity in local environmental planning. The communicative planning theory (Forester, 1989) asserts that through communicative strategies complementing their technical work, planners can alert citizens to the issues of the day, arm them with technical and political information, and otherwise encourage community-based planning actions. It would then be necessary for them to work in the midst of the wide variety of views expressed by diverse interest groups to formulate new consensus policies that might be widely supported ((Hemmens and Stifte (1980); Sager (1994)).

### 

### 1.2.3 Conceptual Background

The function of planning procurements can be measured at four levels including the procurement planning stages/processes; procurement planning practices, departments to be involved in procurement planning, and the value of procurement planning. Procurement planning is quite significant in making a good procurement budget. Bailey *et al.,* (1998) calls for procurement to take a thoroughly professional view of its role in business as a whole and be well planned. When planning is properly conceived and implemented, it can serve as an important mechanism for extracting, distributing and allocating resources and enhance effectiveness of service delivery (James, 2004). Basheka (2008) explored the effects of procurement planning on local governance in Uganda. His findings indicate a very significant positive relationship between procurement planning and local governance in Uganda. Despite its relevancy its surprising that many procurement entities especially at central government level have not taken planning a serious activity.

While it is evident that the function of planning procurements measured at the four levels is significantly related to the creation of local government accountable procurement systems, its implementation demands sufficient capacity in terms of adequate financial, human and material resources for the procurement planning task (Basheka, 2008).Despite the provisions that procurement planning involve and consult key stakeholders, make budgetary proposal and seek approval, identify sources of funding for the procurement, clear assignment of responsibility, make clear terms or scope of work and determine department work plans (Local Government Procurement and Disposal of Assets Regulations 2006), only involvement and consultation of key stakeholders appears the most important procurement planning practice in local government procurement system. The other six aspects are instead perceived as indicators of procurement practices expected of local governments in the process of procurement planning (Basheka, 2008). And deficiencies remain prevalent in respect to several aspects of procurement planning.

Basheka (2008) identified procurement planning deficiencies in local government procurements. Among these include (i) inadequate needs assessment, planning and budgeting, poor procurement planning, failure to budget realistically, procurements not aligned with the overall investment decisions, informal agreement on contracts, (ii) definition requirements (technical specifications, selection and award criteria and unqualified companies and (iii) timeframe (not consistently applied to all bidders and one that is not sufficient for ensuring a level playing field). In the space of non existent or poor procurement planning, procurement stake holders are deprived of information pertaining acquisition process, required items, time frame and the procurement methodology. The procurement process will be subsequently be deprived of the principles of transparency and accountability that maximizes the chances corrupt tendencies in public procurements (Basheka and Ibid, 2008). By far, there is no documented evidence suggesting the causes of non-compliance to procurement planning in the health sector in Uganda a situation that leaves most debates on the two subjects to be treated as hearsay in the scholarly literature.

**1.2.4 Contextual Background**

Section 58 and regulation 142 of the PPDA Act and Regulations 2003 requires that all Government Procurement and Disposal Entities bear and implement an approved Pre-qualification List for a given period, all user departments bear and implement a departmental procurement plan, bear and implement an approved consolidated Procurement Plan; bear an Assets Register with provision for asset disposal planning and employ framework contracts for repetitively procured items (PPDA, 2003).

However,the compliance check study including 72 Central Government Procurement Entities revealed unsatisfactorily performance among a significant number of Entities (PPDA 2008). The healthy sector remains the most affected as regards non-compliance to the prescribed legal requirements of procurement and disposal planning under the PPDA (see table 1).

## Table 1: Compliance to Procurement and Disposal Planning Performance by PDEs in the health sector

|  |  |  |
| --- | --- | --- |
| PDE | Procurement Planning Score (%) | Overall Score  (%) |
| Arua hospital | 40 | 45 |
| Health Service Commission | 50 | 60 |
| Mulago hospital | 40 | 65 |
| Gulu hospital | 20 | 43 |

*Source: The PPDA Procurement Process Compliance Assessment report, 2008*

*Note: Performance rating: 0-20%: Highly unsatisfactorily, 21-40%: Unsatisfactorily, 41-60%: Moderately satisfactorily, 61-80%: Satisfactorily, 81-100%: Highly satisfactorily*

Among the non-compliant entitiesunder the health sectorin regard to procurement planning included, Mulago hospital (40% score), Arua hospital (40% score), Health Service Commission (50% score), Masaka hospital (60% score) and Soroti Hospital (60% score). It is also noted that in some of these procurement entities for example the Health service commission and Mulago Hospital, the score for procurement and disposal planning remain far lower than the overall score implying that such entities performed better under other compliance checks indicators compared to procurement and disposal planning (PPDA, 2008). The assessment revealed that varied procurement planning formats were being used contrary to the use of the standard format. PDEs initiateprocurement process only when the funding is released to the PDE. PDUs do not take advantage of having framework contracts in place for repetitively procured items and there exist deviations between planned time and actual time of completing procurements exist. Table 1 gives a summary of performance in respect to Procurement Planning in some of the PDEs in the health sector.

## 1.3 Problem Statement

The need for procurement planning to enhance service delivery in public procurements has been emphasized in previous studies (Bailey *et al.,* 1998; Thai, 2004; Bisangabasaija, 2008 andBasheka, 2008)**.** The referral hospitals’ PDEs, under the Government Procurement and Disposal regulation 142 & 295, sections 58 & 60 and with regard to procurement planning are bound to; have and implement an approved Pre-qualification List for three years, all user departments have and implement a departmental procurement plan, have and implement an approved consolidated Procurement Plan and employ framework contracts for repetitively procured items (PPDA, 2003). However, planning in the health sector remains characterized with irregularitiesincluding execution of unplanned procurements, violation of planned procurement processes, deviation from planned procurement expenditures, items and time frame(PPDA, 2008). The reported non-compliance to procurement planning should be accounted for and the evidences used to inform future measures to enhance compliance to the PPDA regulations.

Previous attempts to explain non-compliance topublic procurementsin Uganda(Eyaa and Nagitta2011) have focused on Central Government Entities. The procurement environment in Local Government PDEs and Referral hospitals in particular is quite different and non-compliance to procurement planning remains highest necessitating a separate study. The theories of rationalism (Richardson, 2005) and pragmatism(Lawrence, 2000) provide insight into the likely influence of individual and institutional capacity on procurement planning. Capacity in a more realistic perspective entails not only staff numbers but their competences in delivery of specific tasks, the institutional capacity and factors (Hildebrand and (1994). The capacity could vary across institutions, departments and stakeholders in execution of a specific task and may be influenced by institutional factors and technology. Hence, this study assessed the factors that contributing to non-compliance to procurement planning in selected referral hospitals in Uganda

## 1.4 Purpose of the Study

The study assessed the factors that contribute to non-compliance to procurement planning in selected referral hospitals in Uganda.

## 1.5 Objectives of the study

To determine the extent to which individual capacityfactors contribute to non-compliance to procurement planning in referral hospitals in Uganda.

To find out the extent to which institutional challenges contribute to non-compliance to procurement planning in referral hospitals in Uganda

To find out the extent to which technology factors affect procurement planning in referral hospitals in Uganda.

**1.6 Research Questions**

To what extent do capacity factors contribute to non-compliance to procurement planning in referral hospitals in Uganda?

To what extent do institutional factorscontribute to non-compliance to procurement planning in referral hospitals in Uganda?

To whatdo technological factors affect procurement planning in referral hospitals in Uganda?

**1.7 Hypotheses**

Individual capacity factors contribute positively to non compliance to procurement planning in referral hospitals in Uganda.

Institutional factors greatly contribute to non compliance to procurement planning in referral hospitals in Uganda.

Technological factors greatly affect procurement planning non compliance in referral hospitals in Uganda.

## 1.8 Significance of the study

Understanding why PDEs in the health sector do not comply with procurement and disposal planning requirements in the public procurement process is deemed important to develop interventional measures to enhance effective and efficient use of public funds in Uganda. There are three motivations for the study.

Firstly, the Government of Uganda, through the decentralization policy is currently concerned about improvement of service delivery while enhancing value for money of public expenditures. More specifically, the Compliance checks Audit report of 2008 identifies PDEs in the health sector among the worst performing as regards to procurement and disposal planning compared to other compliance areas. Findings from this study will assist to design interventional measures to improve compliance to procurement planning and the desired procurement process, laws and regulations

The study gives an insight into strategic interventions by procurement staff and committee members to address the procurement planning challenges of their own makinglooking forward to improving their performance in regard to procurement planning

Overall, the study provides reliable information to guide design of interventionalmeasures to improve efficiency and effectiveness in use of public funds and enhance public service delivery in the health sector.

## 1.9 Justification of the study

Given the significance of compliance to the PPDA procurement legal requirements and the prevailing phenomena of non-compliance to the requirements, it was worth to undertake this study. Besides, no study had been done to explore and explain the non-compliance to PPDA’s procurement planning legal requirement in Uganda particularly the health sector despite the relevancy of procurement planning in effective service delivery as evidenced from previous studies elsewhere. Nevertheless empirical evidence on how non- compliance to the PPDA’s effective procurement planning procedures affect service delivery remainedinexistent in the scholarly literature of procurement not only in the health sector but in all public procurement and Disposal Entities in Uganda.Thus this study sought to address this information gapin the procurement literatureof Uganda.

## 1.10 Conceptual Framework

In this conceptual framework, the researcher adopted the independent and dependent variables because this study attempted to assess the factors contributing to non-compliance to procurement planning.

**Independent variable**

*Individual capacity factors:*

* Adequacy of staff numbers
* Technical competence in planning
* Coordination between Users and PDUs

*Institutional capacity factors:*

* Size of the organization
* Organization Culture
* Adequacy of procurement planning resources

*Institutional factors:*

* Procurement planning rules & regulations
* Procurement planning systems
* Procurement planning structures

**Dependent variable***Procurement planning non-compliance:*

-Inexistence or non-implementation of an approved Pre-qualification List for 3 yrs

-Inexistence or non implementation of departmental procurement plans

-In existence or non- implementation of an approved consolidated Procurement Plan

-Non usage of framework contracts for repetitively procured items

**Intervening variable**

* Technology factors

## Figure 2: Conceptual framework for analyzing factors contributing to non-compliance to

## Procurement planning

The dependent variable of the conceptual model is procurement planning non-compliance. In the context of public procurements in Uganda, non-compliance to procurement planning translates into implementation of unplanned procurements and delays in procurement planning. Based on the planning theories highlighted, non-compliance to procurement planning is hypothesized to be influenced by capacity factors categorized into individual capacity, organizational capacity and institutional factors.

Limited capacity would limit the PDE’s ability to undertake the highly complex and rigorous procurement planning process. The individual capacity as would be perceived by the procurement planning stakeholders entails adequacy of staff numbers, their technical competence in planning.Staff adequacy is in terms of the actual number of staff involved in planning against the actual required under the PPDA procurement planning structure while technical competence entails knowledge and skills endowment among the procurement planning staff. This study considered inadequate staff numbers, knowledge and skills gaps as proxies for limited individual capacity to undertake procurement planning.

Limited individual capacity would be compounded by institutional factors including the complexity of procurement planning regulations and coordination among stakeholders. The rules and regulations provided in the PPDA Act 2003 would especially in situations where stakeholders lack adequate technical capacity; appear to be quite complex to comply with that the planners will execute unplanned procurements. On the other hand, complying with the complex rules and regulations could turn out to be time consuming leading to time over-runs. Limited coordination among procurement stakeholders along the procurement structures (department, PDU and technical planning unit) wouldconstrain adoption of procurement planning regulatory requirements or development ofa comprehensive procurement plan.

In addition institutional capacity factors including size of the organization, organization culture and adequacy of procurement planning resources would affect procurement planning. Executing unplanned procurements and (or) delays in procurement planning would less likely happen in smaller sized than bigger sized PDEs. This would be compounded by unavailability of adequate resources mainly financial and human resources as well as the organization culture i.einfluence peddling by bidders, politicians, and high level officials are potential incentives for violating regulations & professional ethics that could divert the procurement staff from technical principles and responsibility and to the worse executing unplanned procurements.

Finally, technological factors would manifest as an intervening factor to affect procurement planning. Undertaking procurement planning would depend on how far the planning process integrates Information Technology facilities that counteracts the complex nature of the process and the planning environment to ease the planning process. Such facilities relate to Financial Management Information system and IT purchasing. The latter would ease the process of procurement planning through easing access to information on potential suppliers, prices, inventory levels, demand levels and delivery schedules.

## 1.11 Scope of the study

**Geographical scope**

The study covered all procurement stakeholders in four referral hospitals in the health sector. The referral hospitals included in the study were selected from each of the four administrative geographical regions including the eastern, western, northern, southern and central regions of Uganda.

**Content scope**

The study explored key procurement compliance variables under procurement planning. These variables explored the perceptions of procurement planning stake holders with focus on the causes of non-compliance.

**Time scope**

Reference was made to the 2008-2009 financial year for which performance under procurement planning was observed to be poor.

## 1.12 Operational definitions

***Procurement Planning:*** Procurement planning is the process that identifies what needs to be procured, how project needs can best be met, the scope of the goods, works and services required, what procurement strategies or methods to be deployed, setting the time frames, and the responsibilities for the full procurement process (PPDA, 2010).

***Regional referral hospital:*** These are government owned hospitals, which in addition to the requirements of a general hospital, offers specialists of services such as psychiatry, radiology, pathology, ophthalmology, ears, nose and throat, higher levels of surgical and medical services including teaching and research (MOH,2006).

## 1.13 Summary

This chapter presented the background of the study on the history of capacity factors and procurement planning, the theories linking capacity factors and procurement planning, concepts related to capacity factors and procurement planning and the context of capacity factors and non-compliance to procurement planning. The problem under investigation was capacity factors and non-compliance to procurement planning. It was hypothesized that the latter contributed to the former but evidence linking them was lacking, that caused this study. The objectives of the study were to determine the extent to which individual capacity factors contribute to non-compliance to procurement planning in referral hospitals, establish the extent to which institutional challenges contribute to non-compliance to procurement planning in referral hospitals and find out the extent to which technology factors affect procurement planning in referral hospitals. The study was conducted on procurement planning stakeholders in Referral hospitals selected from Kampala, Mbarara, Masaka, Fortportal, Jinja and Lira districts. The next chapter presents a review of Literature in respect to the objectives of the study.

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.1 Introduction**

This chapter presents the reviewed literature on procurement planning. Itpresents a theoretical review on procurement planning, procurement planning capacity and institutional factors. Finally, a summary identifying the gaps and justifying the relevancy of this study is presented

## 2.2 Procurement planning and its role in service delivery

According to Basheka, (2008), Planning forms a foundation for the rest of the management functions. Basheka (2008) further defines planning as the process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entities operations are met as required in an efficient way. Similarly Agaba and Shipman (2007) defines procurement planning as the process used by companies and institutions to plan purchasing activity for specific period of time.

According to Basheka (2008), as a function, procurement planning endeavors to answer the following questions: (a) What do you want to procure?; (b) When do you want to procure it?; (c) When are you to use the procurement?; (d) Where will you procure them from?; (e)When will resources be available?; (f)Which methods of procurement will you use?; (g) How will timely procurement or failure affect the user of the item(s) and the process?; and who will be involved in the procurement?. Answers to these questions open insight into three stakeholders in procurement including; (i) the procurement entity in the process; (ii) the providers of goods, services and workers needed by the entity; and (iii) the legal provisions on the conduct of the procurement. Consequently, in this study, the conceptualization of the factors contributing to non-compliance to procurement planning drew to the entity and workers with focus on the capacity to plan procurements.

When planning is properly conceived and implemented, it can serve as an important mechanism for extracting, distributing and allocating resources (James, 2004). Planning generally enhances the gathering, evaluating and interpreting of essential data and information in order to produce knowledge relevant to good policy making. Mullins (2003) asserts that the contribution of procurement planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both development and developing countries. Its contribution can be at both central and local government levels of public sector management. His findings revealed a significant positive relationship between procurement planning and service delivery in Local Government procurement systems in Uganda. Similarly, Mawhoods (2003) adds that effective procurement planning is and important route towards securing the right services to be delivered to the public, and maximizing the level of service provision which can be achieved within the Local Supporting people. Burt, Dobler and Starling (2003), procurement planning is key to success of any project.

## 2.3 Theoretical review on planning

Two critical theoretical studies (Lawrence, 2000; Richardson, 2005) have highlighted the major planning theories. They include the theory of *rationalism* and *pragmatism*. The rational planning theory supports using an adequate number of qualified planners, regular updating of plans, and improving technical skills to build strong planning capacity in local environmental planning. In addition, the theory of *pragmatism* suggests that an efficient pragmatic planning process can eventually improve plan effectiveness (Lawrence, 2000). These theories have been adopted in the study of factors influencing environmental planning and management (Tang, 2008). The theories can provide a theoretical foundation for analyzing procurement planning non- compliance. An obvious gap persists between these theories and the empirical studies in addressing the factors that may influence compliance to procurement planning in the health sector.

## 2.4 Capacity factors and non-compliance to procurement planning

Elsewhere in the Netherland and EU, compliance to the public procurement regulations in municipalities was reported to be influenced by familiarity with the regulations (De Boer and Telgen 1998; Gelderman et *al.,* 2006). Given that the procurement profession is still relatively new in Uganda, with the regulations having come into force in 2003, it is possible that the level of familiarity with the regulations is still low. Besides, the high turnover of employees particularly in public service institutions implies that PDEs loose staffs who are experienced in the procurement process a likely cause of non-compliance with procurement planning. On the other hand, it is possible that those who are familiar with the regulations know it so well that they know how to beat the loopholes to their advantage. Some theorists have noted that deficient familiarity of the procurement procedure by all the internal stakeholders may affect compliance. Mullins (2003) argues the need for adequate understanding of the procurement planning functions among all procurement stakeholders.

Eyaa and Nagitta (2011) explained non-compliance to public procurementsin Uganda with focus on Central Government Entities. Findings from this study indicated that familiarity with the procurement regulations rather than institutional factors and professionalism predicts compliance. The four proxies (familiarity with applicability, familiarity with exceptions, overall knowledge of the rules and perceived clarity of the rules) applied in the study are quite indicative of competence levels among employees.

The level of competence depends on professionalism which according to Millerson (1964) is characterized by the skill based on theoretical knowledge; a skill requiring training and education and maintenance of integrity by adherence to a code of conduct. Peterson and Van Fleet, (2004) defines a skill as the ability either to perform some specific behavioral task or the ability to perform some specific cognitive process that is related to some particular task.The requirements to educate professionals and equip them with new and higher-level skills have consequently become urgent (Sauber*et al.,* 2008). However, Basheka and Mugabira (2008) identify low professionalism in public procurements which according to the PPDA Audit Report (2008) influences non compliance to procurement regulations. While professionalism can be influenced by qualification levels, experience, access to specialized trainings and employee values, Lan*et al.* (2005) asserts that hiring and retaining dedicated, energetic, and ethical employees with special skills is always hard.

Basheka (2008) observes a likeliness of procurement planning to be impended by technical related challenges. Among these include; limited human resource capacity for comprehensive and quality needs assessment, stakeholders’ technical incompetence in procurement planning, inadequate logistical support to procurement stakeholders and stakeholders’ and limited understanding of procurement planning arrangements and responsibilities in Governments’ procurement planning (Basheka, 2008) are typically technical and capacity related.Evidence exist that the Health Services sector is under capacitated to effectively deliver Health care services. A number of health facilities are neither manned with the right cadre of health workers nor inadequately equipped. The challenge of inadequate human resource is worsened by limited work incentives including low salaries and lack of accommodation (MOH, 2010).

Robert &Stanković(2006) from his analysis of procurement planning challenges in public procurements in Serbia discovered the procurement stakeholders in municipal organs lacked adequate understanding of the procurement law. This rendered them with inadequate technical capacity that often resulted into periodic, unplanned procurement. Ultimately, this phenomenon often led toun ethical conduct among procurement staffin many Serbian municipalities among which included execution of unplanned procurements.

The Uganda Ministry of Health Annual Sector Report identifies inadequate human resource capacityamong the key challenge to effective delivery of health services (MoH, 2013). The report stresses limited staff numbers in view of inadequate human resource capacity. Ideally, human resource capacity in a more realistic perspective entails staff numbers as well as their competences in delivery of specific tasks. In light of this perspective, the capacity could vary across institutions, departments and stakeholders in execution of a specific task. In regard to procurement planning in Referral hospitals, stakeholders of varying technical competences, knowledge and skills in procurement planning are involved. This is likely to affect procurement planning since the planning process will require adequate technical competence among the stakeholders. The competences could vary across referral hospitals depending on the qualifications and experience and accessibility to specialized refresher trainings among the procurement planning stakeholders particularly the procurement officers, Heads of Departments and Accountants. It is therefore paramount that the adequacy of human resource competence/individual capacity in PDEs in Referral hospitals be investigated.

**2.5 Institutional challenges and non-compliance to procurement planning**

According to the PPDA Act, 2003, Sections 21 and regulations 3(1-2) of the PPDA give detailed rules and procedures for the planning of an entity’s procurement. PDEs are required to prepare and submit procurement plans to the PC not later than one month to the end of the current financial year in order to avoid delays. The plans are drawn based on the approved budget. They are integrated into the annual sector plan. It is upon the combined work plan that the PDUs organize, forecast and schedule the procuring and disposing entity's procurement activities for the financial year. While this process may appear to be quite complex, there is no researched evidence to validate this. The perspective of stakeholders in regard to complexity of procurementplanning rules is quite paramount. The perceptions of complexity may differ across different procurement planning stakeholders due to differences in technical competence and experience in procurement planning. Hence, a stakeholder focused researchstudy is vital to draw a realistic inference on the complexity of the procurement planning regulations and the effect on compliance to procurement planning in Referral hospitals of Uganda.

Given the complexity of the procurement process, implementing procurement planning might require the entity to have adequate numbers with high technical competence. However, the Ministry of Finance Planning and Economic Development in its Ministerial statement 2009 highlights on existence of inadequate staffing and low compliance to the procurement law among the challenges in public procurements. In the health sector and with regard to the procurement planning component, this phenomenon if existent could hinder compliance to the rigorous and complex process of procurement planning.Drawing a comprehensive Entity’s combined procurement work plan given the limited staffing is an issue of concerned. Identifying activities of works, services or supplies to be procured necessitates needs assessment, deciding on the likely time for each stage and method of procurement are aspects of procurement planning that require adequate technical capacity

However, there is no evidence to indicate the capacity of Referral hospitals to plan procurements for effective and efficient delivery of health services. The human resource capacity can more realistically be inferred on by comparing the adequacy of procurement planning staff with the procurement workloads. These could vary across referral hospitals depending on the size of the hospital and experience of the procurement planning stakeholders particularly the procurement officers, Heads of Departments and Accountants. Hence, the need to investigate adequacy of institutional capacity in PDEs in Referral hospitals of Uganda.

Studies elsewhere have identified significant correlation between abuse of the procurement law and poor planning. In Serbia, mayors or heads of municipal administration were found to be directly involved in review and approval of major procurement decisions constituting corruption a focal point of abuse of the procurement law. All survey participants (procurement staff), reported having been subjected to various types of pressure by the political leadership of their municipal governments. The political leaders were also found to neglect mandatory deadlines imposed by the Public Procurement which, a potential cause of procurement time over-runs, execution of unplanned procurements or deviation from procurement plans (Robert &Stanković 2006).

As a matter of institutional challenge, evidence elsewhere also exists from previous studies (Robert &Stanković, 2006) that ineffective coordination between procurement departments and the entity’s procurement unit leads to ineffective procurement planning. Public procurement officials and officers were finding it had or difficult to coordinate procurement planning with municipal budget formulation since the procurement plans for the municipal organs had been ineffectively formulated. The ineffective plans were attributed tomunicipal politicians’ limitedunderstanding of the procurement law in regard to procurement planning QGCPO report (2010). End users need assistance from PDUs when drawing procurement plans while the end users must submit to the PDUtheir plans for integration into the Entity procurement plan.The comprehensiveness and quality of the departmental plans can be determined the co-ordination that could enhance sharing of technical procurement planning skills among stakeholders (QGCP, 2010).

In Uganda, planning of public procurements engages different stakeholders. Presumably, someof the stakeholders particularly the Contracts Committee Members and Heads of Departments lackthe necessary procurement planning expertise (PPDA, 2003). The latter will need technical guidance from procurement stakeholders when drawing departmental procurement plans. Such coordination is a key capacity factor to planning procurements in any PDE. The level of coordination may vary across institutions or organizations depending on existing mechanisms and measures instituted. It is therefore imperative that the level of coordination among procurement planning staff be established in Referral hospitals’ PDEs and the perceived effect on compliance to procurement planning regulations within the PDEs.

## 2.6 Technological factors that affect procurement planning

In a bid to secure value for money and reduce risks, strategies are recommended toimprove continuity and (or) quality of supply, develop an effective supplier relations, manage transaction more efficiently and reduce unit cost NPPPU (2005). Technology is perceived vital to streamline such procurements related activities as much as possible. In public procurements of Uganda, Thai, (2005) identifies technology among the factors perceived to influence the public procurement system and associates a rapidly advancing procurement technology with the use of information technology and new procurement methods such as the use of e-signature, purchase cards.

According to Amos & Chance (2001), professionals of all types are affected by globalization of markets and information technology revolution of which Guinipero, *et al.,* (2006), calls for a need for greater reliance on the use of information technology to support purchasing and supply management decision making. Eriksson-Zetterquist, *et al.,* (2009) emphasizes the role of information technology in contemporary organizations. The NPPPU (2005), considers information technology a keycompliment to the effectiveness and efficiency of the procurement process.

In argument, timely execution of planned procurements would require an integration of technology in Financial Management Information system including use an automated purchase-to-pay system, use of Information Technology related purchasing facilities such as electronic funds transfer and purchase cards. In addition, an effective Information Management system is perceived quite useful to provide required procurement information for; trend analysis of supplier information, inventory levels, demand levels and delivery schedules. In essence, integration of technology in procurement planning processes would ease compliance to procurement regulations. Institutions are likely to face challenges in adopting and integrating technology particularly in regard to the cost of acquiring and skills of working with the technologies. It is evident that Referral hospitals in Uganda face inadequate funding (MoH, 2013) that could constrain capacity to adopt highly sophiscated or automated procurement technologies. It is therefore imperative to establish the extent to which technology is integrated in procurement planning in Referral hospitals of Uganda and the perceived effect on compliance to procurement planning regulations within the PDEs.

## 2.7 Summary

The rationalism and pragmatic planning theories open an insight into planning capacity and institutional factors as key factors that influence effectiveness of procurement planning. These theories have been used in previous studies to explore the factors that influence procurement planning. Consistently, the studies highlighted open an insight into two dimensions of procurement planning challenges. These include the institutional as well as technical and capacity related challenges.Challenges associated with complexity of procurement planning rules and regulations, coordination among procurement planning stakeholders, influence peddling corruption among others in Governments’ procurement planning are classified as institutional challenges. Those related to adequacy of procurement planning human and financial resources, staff skills and competence are individual or organizational capacity related. The literature alongside the capacity and organizational factors, suggests the role of technology particularly information technology in contemporary procurement planning.

Besides, the literature identifies a significant correlation between planning capacity and institutional factors with effectiveness of procurement planning and service delivery respectively. The literature further identifies higher non-compliance to procurement planning but does not identify any capacity gaps that potentially accounts for the non-compliance. The factors that have been established to account for ineffective procurement planning elsewhere could either or not account for the ineffective procurement planning in Uganda particularly in the health sector.This study therefore set out to fill this information gap.

# 

# CHAPTER THREE

## METHODOLOGY

* 1. **Introduction**

This chapter presents the study methodology that was used to obtain primary and secondary mainly qualitative data for the study. The data was subjected to both qualitative and quantitative analytical procedures to obtain results upon which inferences were made on the entire population of Procurement and Disposal Entities under study. It presents the focus of the study, sampling techniques and sample size, data collection methods, data types and data analysis procedure.

## 3.2 Research design

A cross sectional survey was carried out on referral hospitals that were reported to have performed unsatisfactorily in regard to compliance to the public procurement planning regulations in Uganda. A representative sample of referral hospitals and stakeholders was studied upon which inferences were drawn on the entire population of hospitals under study. The study chose a cross-sectional survey based on the interest to explain the prevailing status of non-compliance. The choice for a sample rather than the entire population was based on resource (time and funds) limitations given the geographical and content scope of work that would be involved in the study.The health sector comprises of several hospitals distributed across all regions in Uganda. Besides,the hospitals share a common procurement framework. The choice for a sample could allow a comprehensive study of the selected hospitals and the emanating findings could reflect true phenomena (Thai, 2005; Royal Netherland Embassy, 2003; Witting 1999).

The study was descriptive and explored a number of explanatory variables. The descriptive analysis could generate quantitative evidences which according to Mugenda&Mugenda(2003) are less subjective to bias and would in this study, yield more reliable results to explain the prevailing status of non-compliance. Data was collected fromprocurement planning stake holders in the selected PDEs. These are, Contracts Committee Members, Members of Procurement Unit, Accounting officers and Heads of User Departments from the hospitals.

### 3.3 Study population

The study was carried out on procurement stake holders within the procurement Entities in the health sector and procurement contracts (supplies and works) for the financial year 2009/2010.The public health sub sector accounts for 30% of health provision in Uganda. Operating under the Ministry of Health, the public health sub sector constitutes 64 hospitals of which 2 are national referral, 13 regional referral and the remaining district and other hospitals. The regional referral hospitals are distributed in the thirteen districts of Arua, Fort Portal, Gulu, Hoima, Jinja, Kabale, Lira, Masaka, Mbale, Mbarara, Soroti, Moroto and Mubende. The two national referral hospitals are located in Kampala district.

Each of the hospitals runs a Procurement and Disposal Unit that is responsible for the procurements within. Each PDE has key procurement structures including the Accounting Officer, Contracts Committee, Procurement and Disposal Unit and the User Departments. Each PDE has 5 Contract Committee Members, one accounting officer, at least 2 procurement officers, 2 PDU administrative staff and at least 7 departments each with at least 2 sections. (PPDA,2008; 2010). Each PDE operates under an overseer, the hospital Board Members ranging between 7 and 9 in number. The board is integrated in management and governance of the hospital.Table1.Presents a summary of the estimated population of procurement stakeholders in the 15 regional referral hospitals in Uganda.

## Table 1: Population and expected sample size of procurement stakeholders

|  |  |  |  |
| --- | --- | --- | --- |
| Category of respondents | Total Population in 15 PDEs | Total Sample size in 6PDEs | Sampling technique |
| Procurement Officers | 30 | 15 | Purposive |
| Contracts Committee Members | 75 | 25 | Purposive |
| Heads of User Departments | 315 | 100 | Purposive |
| PDU administrative staff | 30 | 10 | Purposive |
| Hospital Board members | 105 | 50 | Purposive |
| Accounting Officers | 15 | 10 | Purposive |
| Total number of stakeholders | 480 | 210 |  |

## 

## 3.4 Sample size and selection

The study utilized a sample size of 210 procurement planning stakeholders from six Referral hospitals. The hospitals were selected using purposive sampling to ensure inclusion of at least one hospital per region (Northern, Eastern, Southern and Central). From each of the selected hospitals, individual respondents were again selected using purposive sampling to ensure that the overall sample comprises of all highlighted categories of stakeholders. Since stakeholders at different levels play different roles in planning, such sampling procedure was meant to allow multi-dimensional opinions to create a more comprehensive analysis of the study problem. From each hospital, a list of the procurement planning members was obtained from the PDU and the stakeholders contacted for interviews.

## 3.5 Data

The study utilized both primary and secondary data. Primary data was qualitative but transformed into quantitative using numeric codes to allow a descriptive analysis. Primary data entailed stakeholders’ rating of the extent to which they agree of disagree with statements on individual capacity, institutional, capacity and challenges. Secondary data entailed entities’ compliance with procurement planning regulatory requirements.

## 3.6 Data collection methods

Primary data was collected through a survey on procurement planning stakeholders in the selected selected hospitals. Face-to-face interviews would increase the response rate and allow the research to interact and probe the respondent to obtain amore correct and precise understanding of the factors under investigation.Secondary data was obtained through desk review of procurement records particularly contracts.

## 3.7 Data collection instruments

Primary data was collected using a semi-structured questionnaire (Appendix 1).The questionnaire was administered with the help of research assistants. Questions to respondents took form of statements that tested; availability of adequate staff, tools, staff competences,availability of coordination among procurement planning stakeholders, complexity of the procurement process and regulations, punitive action against poor entity performance, awareness, knowledge and integration of information Technology in public procurements and procurement planning in particular. The statements explored the respondents’ opinion with regard to institutional, technical and capacity related procurement planning challenges. Besides, open- ended questions were included especially to capture respondents’ opinion on possible measures to improve procurement planning compliance.

Besides, a compliance checklist (Part 3 of Appendix 1) was used to gather information from documents during desk review. The checklist elicited data on whether or not the PDE; (i) implemented an approved Pre-qualification List for 3 yrs, (ii) implemented The PDE implemented an approved consolidated Procurement Plan departmental procurement plans and (iii) used framework contracts for repetitively procured items.

## 3.8 Data Analysis

Data collected wasentered in SPSS and Excel from where it was analyzed. Descriptive statistics mainly percentages were generated. Depending on whether the respondents agreed or disagreed with the statements elicited in the questionnaire (Appendix 1), the percentages of respondents who perceived a specific individual capacity, institutional capacity or technological challenge to be prevailing or not in the PDEs were generated. The percentages indicated the extent to which stakeholders attribute procurement planning non-compliance to a particular factor. Findings were presented in graphs to ease interpretation. Effective Procurement planning non-compliancewasdescribed as thenon-compliance the PPDA procurement planning regulations or legal requirements. Reference was made to the 2008 poor performance in the health sectors following the compliance assessment findings.

Regarding non-compliance, the average score on all the four indicators and each of the sampled procurement contracts were estimated. This represented the performance score ranging between 0 and 100 for each PDE. The average scores were then graded/ranked from highly unsatisfactorily to highly satisfactory (*0-20%: Highly unsatisfactorily, 21-40%: Unsatisfactorily, 41-60%: Moderately satisfactorily, 61-80%: Satisfactorily, 81-100%: Highly satisfactorily).* This grading indicated the overall extent to which a particular PDE complied to procurement planning practises.

**3.9 Validity and Reliability**

The study ensured that the data collection instruments were well designed to gather relevant and correct data. The questions were checked for ambiguity, difficulty and relevancy to ensure construct, content and face validity. To achieve this, the questionnaire was reviewed by two lecturers who were also supervisors to this research study. The computed Content Validity Ratio (CVR) was 0.733 which according to Nunnally (1967) cited by Kent (2001) was bove 0.6 indicating that the instrument was reliable and thus suitable for collecting data. The CVR was estimated using the formular CVR= (ne-N/2)/(N/2 where CVR= Content validity Ratio, ne = number of subject matter panelists indicating “essential”, and N = total number of subject matter panelists. This formular yields values ranging between +1 and -1. Positive values indicate that atleast half the subject matter specialists rate the item as essential. A total of 11 panelists was used nine of whom rated the variables explored in this study as essential leading to a CVR of 0.63. Hence, the questionnaire obtained information reflecting the actual status on ground with regard to capacity factors, institutional challenges, technological factors and non-compliance to procurement planning.

**3.10 Measurement of Variables**

Assessment of compliance to procurement planning followed the approach used by PPDA for procurement compliance assessment in respect to procurement and disposal planning (PPDA, 2008). Compliance to Procurement Planning is assessed on the basis of four. The indicators are: (i) existence and implementation of an approved Pre-qualification List for 3 yrs, (ii) existence and implementation of departmental procurement plans, (iii) existence of and implementation of an approved consolidated Procurement Plan and (iv)use of framework contracts for repetitively procured items. These were adopted in this study as a measure of non-compliance to procurement planning. In explicit terms, compliance to each indicator amounts to a score, which contributes to the final score for a specific compliance area. With regard to procurement planning and in the context of this study, the four indicators were adapted each with a score of either 0= indicator not adhered or 1= indicator adhered to.

# The independent variablesmainly includedinstitutional and planning capacity factors. The study explored stakeholders’ opinion/perceptions of the factors that contribute to non-compliance to procurement planning. Respondent’s responses for each of the questions under each independent variable (capacity and institutional factors) were measured on a 5-point linkert scale. This scaleby Renis, (1930), is widely used in surveys questions measuring attitude, opinion and other factors. The scale allows respondents to easily place their point of view. The scale ran from 1 to 5 as follows *(1= strongly disagree, 2= disagree, 3 =neither agree nor disagree, 4=agree, 5=strongly agree).*

# CHAPTER FOUR

# PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

## 4.1 Introduction

This chapter presents, analyzes and interprets the results. It is divided into four sections. Results about the general information, the status of compliance to procurement planning, capacity factors, institutional challenges, technological factors and non-compliance to procurement planning in Referral hospitals are presented respectively.

## 4.2 Response rate

This study targeted to utilize a sample of 210 respondents. However, the actual number of respondents reached was 155 as shown in the table below

## Table 3: Response rate

|  |  |  |  |
| --- | --- | --- | --- |
| Category of respondents | Target sample size | Actual sample size | Response rate |
| Procurement Officers | 15 | 10 | 66.7 |
| Contracts Committee Members | 25 | 16 | 64 |
| Heads of User Departments | 100 | 75 | 75 |
| Hospital Board members | 50 | 7 | 70 |
| PDU Administrative staff | 10 | 40 | 80 |
| Accounting Officers | 10 | 7 | 70 |
| Total number of stakeholders | 210 | 155 | 80 |

The response rates were all above Kothari’s (2004) recommended 60% for an individual to go ahead and analyze the data. Thus, the analysis utilized data from 155 respondents as indicated in the table.

Survey data were collected on key stakeholders in referral hospitals who engage in procurement planning of public goods and services for the public utility. In total 120 stakeholders were surveyed. The survey results yielded an average response rate of 80% indicating that almost all the survey respondents responded to the interview questions. For the purpose of understanding the stakeholders from whom the findings in this study are drawn, the distribution of the respondents by their age, education qualification, and post held and experience in the PDE was obtained and results presented in section 4.1.2.

## 4.3 Distribution of Procurement Planning Stakeholders by background characteristics

Selection of respondents for the interview intended to represent different gender, age or education level categories of procurement planning stakeholders. Consequently, the analysis established the percentage distribution of respondents by gender, age, education level,post held in the PDE and experience in a similar position. This section presents results from this analysis.

### 4.3.1 Gender of respondents

The study was not biased on gender to ensure that the information collected is triangulated across male and female stakeholders and ultimately reflect the general perception of stakeholders without bias to gender. Figure 3 presents the percentage distribution of respondents by gender.

## 

## Figure 3: Percentage distribution of respondents by gender

The sample constituted more male (57%) than female (43%) stakeholders indicating a higher likeliness of male than female to engagement in procurement planning, consistent with the gender gap in employment in the health sector. More specifically female are less likely than males to get employment in the service sector (UBOS, 2010). The percentage distributions also indicate an adequate composition of male and female in the sample quite important for generalization of findings.

### 4.3.2 Education level

The education status of stakeholders bears an implication on their understanding of and competence in the procurement planning that would affect their capacity to engage in procurement planning. Education level would further affect the accuracy of interpreting and answering questions during the interviews. Consequently, the education status of respondents was established and results presented in Figure 4.

## Figure 4: Percentage distribution of respondents by education level attained

The majority (77%) of stakeholders had attained first degree demonstrating higher education endowment among procurement planning stakeholders. The highest composition of first degree holders in the sample is consistent with the qualification requirements of positions held by most stakeholders in the sample. Stakeholders including Heads of Departments, procurement officers PDU and administrative staff are recruited to the respective positions on the basis of possession of a first degree among other requirements. The same stakeholders constituted quite a bigger proportion of the number of stakeholders interviewed. Such education status among stakeholders demonstrates higher understanding of and competence in the procurement planning process that would translate into higher individual capacity to plan procurements.

### 4.3.3 Experience of respondents in procurement planning

Measured in number of years the respondent had been engaged in procurement planning, procurement planning experience would on one hand determine the ease of complying to the procurement planning regulations. On the other hand, it would determine how realistic respondents the opinion/perception/arguments of stakeholder would be in the context of the study. Figure 5 presents the percentage distribution of respondents on years of experience in procurement planning.

## 

# Figure 5: Percentage distribution of respondents on years of experience

The majority (81%) of stakeholders had been engaged in procurement planning for more than 5years. This result demonstratesendowment of Referral hospitals with highly experienced procurement planning staff that would potentially on one hand, translate intohigher individual capacity to plan procurements. On the other hand, the observed high experience among respondents translates into a high possibility that the opinion/perception/arguments obtained were more realistic.

### 4.3.4 Age of Respondents

Age would determine the experience in procurement planning and subsequently, the views and opinions of stakeholders. Consequently, the percentage distribution of respondents by age (Figure 6) was obtained to provide understanding on the extent to which the information gathered was a representative of the different age groups for purposes of generalization on the study population.

# Figure 6: Percentage distribution of respondents by age

More respondents were between 36-44 years, had attained a first degree. The observed age distribution can be attributed to the fact that procurement planning stakeholders in this study occupy senior level positions, necessitating a certain level of experience that can be met within a particular age limit.

### 4.3.5 Position held in the PDE

Different stakeholders play different roles in procurement planning and were expected to operate under varying resource capacity levels and constraints. Thus, to provide understanding on the extent to which the information gathered on capacity factors was a representative of the different groups of stakeholders who engage in procurement planning, the percentage distribution of stakeholders by post held in the PDE was established (Figure 7).

## Figure 7: Percentage distribution of respondents by post held in the PDE

The sample constituted more “End Users” (Department heads) than all other categories of procurement planning stakeholders. These accounted for 80% of all stakeholders interviewed. This can be attributed to the fact that more End Users could be interviewed to represent the several End User departments while fewer could be interviewed to represent a single department in the rest of the categories (procurement, accounting, administration and management department).

## 4.4 Status of compliance to procurement planning in the Referral Hospitals

A descriptive analysis of compliance to indicators was done using 50 sampled contracts above 50 million implemented in the period 2007-2008. The average on each indicator and across all the four indicators was obtained. In addition, the average score across all the indicators indicate the extent of compliance to procurement planning. Besides, average scores were obtained for each compliance indicator to specify the indicator that is most often un complied to. Table 4 presents a summary of these results

## 

## Table 4: Compliance status per indicator among the studied contracts

|  |  |  |  |
| --- | --- | --- | --- |
| **Compliance indicator** | **Percentage score** |  | **Percentage of sampled contracts that scored less than satisfactorily (<60%)** |
| existence and implementation of an approved Pre-qualification List for 3 yrs | 60 |  | 45 |
| Existence and implementation of departmental procurement plans | 58 |  | 49 |
| Existence of and implementation of an approved consolidated Procurement Plan | 54 |  | 60 |
| Use of framework contracts for repetitively procured items. | 59 |  | 56 |
| Across the four PP indicators | 57.75 |  |  |

0-20%: Highly unsatisfactorily, 21-40%: Unsatisfactorily, 41-60%: Moderately satisfactorily, 61-80%: Satisfactorily, 81-100%: Highly satisfactorily (PPDA, 2008).

Overall compliance to procurement planning across the four indicators for all the sampled contracts was estimated at 58%. This level of compliance drawing from the compliance measurement procedure earlier described in 3.7 is regarded unsatisfactorily amounting to non-compliance to procurement planning in the studied PDEs.Theresult implies that most PDEs lacked or never implemented; an approved Pre-qualification List for three years,a departmental procurement plan, an approved consolidated Procurement Plan or never employed framework contracts for repetitively procured items.

## 4.5 Factors contributing to non-compliance to procurement planning

Having established the extent of non-compliance to the PPDA’s regulations for procurement planning, the capacity factors were explored to provide an account of the irregularities in regard to procurement planning. Embedded in the methodology of this study, the percentage distributions along 5-point ordinal scale of consent were obtained for each statement highlighting an existing capacity gap. The proportion of respondents who consented (score<3) was obtained and compared to that of respondents who never consented to the statements (score>3) otherwise. In addition, the average scores on the 5-point ordinal scale of consent were obtained for each statement. Figures 8-10 present a summary of these results.

### 4.5.1 Capacity factors and non-compliance to procurement planning

The analysis of capacity factors obtained and compared the percentageof respondents who perceived and those who didn’t otherwise perceive the Referral Hospitals’ PDEs to be experiencing challenges of; staff incompetence, inadequate procurement planning tools, inadequate staff, and inadequate procurement planning budget and logists and limited staff motivation. Statements that tested availability of adequate staff, tools and staff competences were responded to. The statements are; (i) the PDE has adequate human resource to effectively prepare & execute PP, (ii) some procurement planning stakeholders in the PDE have inadequate knowledge and skills in procurement planning, (iii) some procurement planning stakeholders in the PDE have inadequate experience in procurement planning and (iv) procurement planning stakeholder are adequately motivated by their salary enumeration on job.Depending on whether the respondents agreed or disagreed with the statements, the percentage of respondents who perceived a specific capacity challenge to be prevailing or not in the PDEs was generated. Results are presented in figure 8.

## Figure 8: Respondents perception on prevalence of capacity challenges in the Referral Hospitals’ PDEs

The majority (89.8%) of stakeholders did not consent to prevalence ofincompetence among procurement planning staff but consented that procurement planning staff are not adequately motivated by their salary enumeration (98.4% of the respondents).

With regard to organizational capacity, resultsindicated existence of critical organizational capacity gaps in referral hospitals. Most of the stakeholders interviewed (73%) consented to existence of inadequate staff. 89% consented to existence of inadequatebudgets or logistical support that impend compliance to the procurement planning regulatory requirements.Consequently, this result suggested that non-compliance to procurement planning in Referral hospitals is partly attributed to limited motivation among procurement planning staff, and a couple of organizational capacity gaps.

### 4.5.3 Institutional factors

The analysis of capacity factors obtained and compared the percentage of respondents who perceived and those who didn’t otherwise perceive the Referral Hospitals’ PDEs to be experiencing challenges of; complex nature of the procurement process regulations, limited coordination among procurement planning stakeholders, unethical conduct/opportunistic behavior among PP stakeholders, limited punitive action against non-compliance to procurement planning and limited incentive to procurement planning compliance.

Statements that tested availability of coordination among procurement planning stakeholders, complexity of the procurement process and regulations and punitive action against poor entity performance were responded to. The statements are; (i) the interaction between Procurement units and accounts is not adequate enough to allow proper review of procurements, (ii) the interaction between User departments and accounts is not adequate enough to allow more precise budget estimates e, (iii) punitive actions are often taken against entities’ poor procurement planning performances and (iv) the procurement planning process is quite complex to understand. Depending on whether the respondents agreed or disagreed with the statements, the percentage of respondents who perceived a specific institutional challenge to be prevailing or not in the PDEs was generated. Results are presented in figure 9.

## Figure 9: Respondents perception on prevalence of institutional challenges in the Referral Hospitals’ PDEs

Results on stakeholders’ perception on; complexity, relevancy of the procurement planning regulations, opportunismand unethical conduct among the procurement stakeholder translate into a critical institution challenge in the perspective of the regulations and behavior of procurement planning stakeholders. The majority (89.1%) of the stakeholders, perceived the procurement panning process too complex to implement. This challenge as already highlighted, is compounded by limited coordination among the stakeholders. 69.9% of the stakeholders perceived prevalence of opportunism/un ethical conduct among stakeholders that procurements are deliberately not planned to allow fraud. In addition, 80.5% of respondents perceived limited coordination among procurement planning stakeholders.Generally, the results indicated high prevalence of institutional challenges in Referral hospitals that impend compliance to procurement planning.

### 

### 4.5.4 Technological Factors

The analysis of technological factors obtained and compared the percentage of respondents who perceived and those who didn’t otherwise perceive the Referral Hospitals’ PDEs to be experiencing challenges of; limited awareness, knowledge and integration of IT in procurement planning system. Statements that tested awareness, knowledge and Integration of information Technology in public procurements and procurement planning in particular were responded to. The statements are; (i)most of the procurement stakeholders in our PDE are not aware of the Information Technology systems in procurements, (ii) most of the procurement stakeholders are quite knowledgeable about Information Technology systems in procurements, (iii) Our PDE has integrated the IT Systems in the procurement planning component. Depending on whether the respondents agreed or disagreed with the statements, the percentage of respondents who perceived a specific technological challenge to be prevailing or not in the PDEs was generated. Results are presented in figure 10.

## Figure 10: Respondents perception on prevalence of technological challenges in the Referral Hospitals’ PDEs

## The challenge of inadequate organizational capacity is compounded by limited integration of Information Technology in procurement planning. The majority of respondents (over 90%) consented to limited awareness of either knowledge or skills or application of IT in procurement planning. Many of them noted that most referral hospitals are yet to access the internet facility while accessing internet from private internet services providers is quite tiresome and lengthy process due to the bureaucratic administrative structures in the hospitals.4.6 Stakeholders’ views regarding measures for improving compliance to procurement planning regulations

The views of stakeholders regarding measures for improving compliance to procurement planning regulations were obtained. The recommendations are: (i) prioritization and budget support towards addressing individual capacity gaps, (ii) strengthening coordination enforcement of the code of conduct to address institutional challenges, and (iii)budget support to enhace awareness, knowledge and integration of IT in procurement planning. The recommendations are elaborated here under.

**Prioritization and budget support towards addressing individual capacity gaps:** The need to address capacity gaps among procurement stakeholders emerged a key recommendation from the interviews of procurement planning stakeholders. Stakeholders generally indicated that they are qualified and experienced in their respective fields of specialization. However, effective implementation of the planning process essentially necessitates adequate understanding of the regulations and the entire procurement principles and processes process. While some of them had accessed specialized training to boost their competences, the need for more regular updating of their knowledge and skills to coup up with the dynamic procurement environment was generally identified. Besides, the technical competences of the stakeholders, the PDEs require tools like computers and access to internet to ease market research and communication among stakeholders. They considered implementation of such measures as a matter of priority and adequate budgeting by the planning units of the hospitals. Some sentiments in evidence to this were noted.

*“We have not received training on procurement in the last three financial years. Some of the Heads of Departments in this entity are new on the job that they are not familiar with some aspects of procurement planning like needs assessment, projection of needs in terms of drugs within a financial year. More important, we need to make use of internet for market research. However, the biggest challenge is low budgets. All what Iam talking about is possible if priotized and provided adequate budgets”.*

**Strengthening coordination enforcement of the code of conduct to address institutional challenges:** Among the key recommendation that emerged from stakeholders’ interviews was the need to to build the resource base of hospitals if compliance to the procurement planning regulations is to be enhanced. Stakeholders indicated that opportunism and un ethical account for unplanned or deviations from planned procurements. Generally stakeholders identified the need for strict measures by the hospital management to enhace adherence to the ethical code of conduct by all staff involved in procurement planning, violation of which should be punishable or actionable.

As a matter of limited coordination, stakeholders indicated that they rarely interact during procurement planning. Though stakeholder play different roles during the planning process, they would be more effective if approaches are shared to solicit ideas from different stakeholders. With a mix of ideas, the complex aspects of the procurement planning process would be dealt with. They observed the need to enhance coordination through regular meetings particularly during the procurement planning phase to share viewsin regard to challenges and effective approaches to enhance to ease compliance to the procurement planning regulations.

**Budget support to enhance awareness, knowledge and integration of IT in procurement planning:** Stakeholders generally recognize the fact that integrations of technology in procurement planning would be a highly costly venture and demand equipping all stakeholders with appropriate skills. In the face of existing budget constraints, stakeholders recommended the need by the relevant planning authorities to solicit budget support to finance costs associated with integration of IT in public procurements.

# CHAPTER FIVE

# SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

## 

## 5.1 Introduction

This chapter presents the summary, discussions, conclusions and recommendations. In the first section, the summary of findings is presented. The second chapter presents the discussions. Section three presents the conclusions while the recommendations are presented in the fourth section.

## 5.2 Summary of Findings

### 5.2.1 Capacity factors (individual and organizational capacity)and non-compliance to procurement planning

The majority (89.8%) of stakeholders did not consent to prevalence of incompetence among procurement planning staff but consented that procurement planning staff are not adequately motivated by their salary enumeration (98.4% of the respondents). Regarding organizational capacity, between 73% of the respondents consented to existence of inadequate staff while 89% consented to existence of inadequate budgets. This result implied that non-compliance to procurement planning in Referral hospitals to a greater extent is attributed to limited motivation among procurement planning staff and a couple of organizational capacity gaps.

### 5.2.3 Institutional challenges and non-compliance to procurement planning

Results further indicated existence of institutional challenges that constrain procurement planning. The majority (89.1%) of the stakeholders, perceived the procurement panning process is too complex to implement while 69.9% of the stakeholders perceived prevalence of opportunism/un ethical conduct among stakeholders that procurements are deliberately not planned to allow for fraud. 76.9% of the stakeholder consented to limited punitive action against poor performance while 80.5% perceived prevalence of limited coordination among procurement planning stakeholders.The results indicate high prevalence of institutional challenges that contribute to non-compliance to procurement planning in Referral Hospitals.

### 5.2.4 Technological challenges and non-compliance to procurement planning

## The challenge of inadequate organizational capacity is compounded by limited integration of Information Technology in procurement planning. The majority of respondents (over 90%) consented to limited awareness of either knowledge or skills or application of IT in procurement planning. This result implied existence of technological challenges that contribute to non-compliance to procurement planning in Referral Hospitals.5.2.5 Stakeholders’ views regarding measures for improving compliance to procurement planning regulations

The views of stakeholders regarding measures for improving compliance to procurement planning regulations were obtained. The recommendations are: (i) prioritization and budget support towards addressing individual capacity gaps, (ii) strengthening coordination enforcement of the code of conduct to address institutional challenges, and (iii)budget support to enhace awareness, knowledge and integration of IT in procurement planning.

## 5.3 Discussion of the Findings

Compliance to procurement planning in referral hospitals was observed to be unsatisfactorily indicating high inability among PDEs to fulfill the regulatory requirements for procurement planning.PDEs were observed to more often plan procurements but rarely implement procurements as planned. In addition, PDEs rarely had and (or) implemented framework contracts. A similar status of non-compliance was observed in the health sectors in 2008 (PPDA, 2008).

### 5.3.1 Capacity factors and non-compliance to procurement planning

This study has established prevalence of organizationcapacity gapsin Referral hospital PDEs. The procurement planning process and internal monitoring of contracts primarily requires motivated staff, adequate budgets and toolswhich were observed to be inadequate in the PDEs.But due to limited budgets associated with to low enumeration packages and work incentives, procurement planning stakeholders remain inadequately motivated on the job.Consistently, Robert &Stanković, 2006 and Kagaba (2010) observed that implementation of the procurement processes in addition to capacity, necessitates willingness and motivation among staff.

The limited technical personnel and huge workloads limit interaction/coordination among the stakeholders and technical support to End Users during the planning process. In their view, the process of identifying needs, harmonizing requirements and drafting the plans is quite cumbersome necessitating adequate human resource or ample time. Limited organization capacity was linked with inadequate procurement monitoring and evaluation. Despite the recognition that procurement monitoring and evaluation enhances efficiency and effectiveness of public procurements, stakeholders responsible for this experience critical challenges hinged on inadequate organization capacity. I their opinion, monitoring and evaluation of the procurement process generally remain low due to limited and untimely availability of resources (funds and personnel). Ideally, as one of the key procurement management functions, each contract is designed with a monitoring and evaluation framework that incorporates an appointed technical person to supervise and monitor the procurement process to ensure that it complies with the regulations. In addition to this internal monitoring, each hospital plans andexecutes procurements under the overseer of the Hospital Board.

### 5.3.2 Institutional challenges and non-compliance to procurement planning

In addition, the study has established prevalence of institutional challenges in the referral hospital PDEs. The challenges entaillimited coordination particularly between the Users and Accounts/PDU, the complex procurement process and unethical conduct among stakeholders. The end result of limited coordination is implementation of unplanned procurements or poor (unrealistic) procurement planning that culminates into deviations on the course of procurement implementation. The sentiments below, noted from some stakeholders, demonstrate the challenge of limited coordination.

“*We receive the planning forms from accounts asking us to submit our requirements. Most often we are not guided on how to do it. Besides, when under pressure to submit the procurement plan or when limited by time and facilitation to consult with other stakeholders, it becomes almost impossible to comprehensively foresee the needs and (or) submit procurement plans that comprehensively cover the required materials and equipment”. This amounts to unrealistic planning that sometimes forces deviations from the initial plan on the course of implementation”.*

*“We face scenarios where the head of department tries to reach the accounting, procurement officers for clarification on critical procurement planning aspects but all in vain. We are all senior officials most often off-station for meetings and field work this renders coordination between us a bit tricky. When the accounting officer cannot be in office to approval payments in time, the whole procurement process will be stagnated most likely leading to time and (or) cost over-runs”.*

This findingcoincide with the general literature on capacity factors and institutional challenges in procurement management (Basheka (2008) and Tang (2009) identifies complexity of procurement planning rules and regulations, coordination among procurement planning stakeholders, influence peddling corruption among others in Governments’ procurement among the institutional challenges that affect the procurement management function, inclusive of procurement planning.

* + 1. **Technological factors and non-compliance to procurement planning**

Regarding technological factors, the study has established limited awareness and integration of IT in the planning process in Referral hospitalswhich according to evidence from previous studies constrain procurement planning. Guinipero, *et al.,* (2006), calls for a need for greater reliance on the use of information technology to support purchasing and supply management decision making. Eriksson-Zetterquist, *et al.,* (2009) emphasizes the role of information technology in contemporary organizations. The NPPPU (2005),considers information technology a keycompliment to the effectiveness and efficiency of the procurement process.

**5.4 Conclusions**

**capacity factors and non-compliance to procurement planning**

The first objective of this study was to determine the extent to which individual capacityfactors contribute to non-compliance to procurement planning in referral hospitals. It was established that the procurement system in referral hospitals operate under limited organization capacity (inadequate budgets, procurement planning tools and human resource) that contribute to non-compliance to procurement planning. This is compounded by limited motivation among the staff/stakeholders who engage in the procurement planning process.

**Institutional factors and non-compliance to procurement planning**

The second objective was to find out the extent to which institutional challenges contribute to non-compliance to procurement planning in referral hospitals. The study has established higher prevalence of institutional challenges in referral hospitals that constrain procurement planning. More specifically, the procurement panning process is perceived to be too complex to implement while in some instances, procurements are deliberately not planned or deviated from to allow fraud. These are typical acts of opportunism/un ethical conduct among stakeholders and limited punitive action against entities’ poor procurement planning perfomance.

**5.4.3 Technological factors and non-compliance to procurement planning**

The third objective was to establish the extent to which technology factors affect procurement planning in referral hospitals. The study established limited awareness,knowledge and integration of Information Technology (IT) in the procurement planning process. This renders adherence to the procurement planning regulations much cumbersome and difficult.

## Recommendations

**capacity factors and non-compliance to procurement planning**

The study in regard to capacity factors, specifically established that some of the procurement planning stakeholders are incompetent in regard to procurement planning, they are inadequately motivated and lack adequate tools to facilitate the planning process. These impend compliance to the complex procurement process. It is therefore imperative that the strategies to enhance compliance to the complex procurement planning regulations address these capacity gaps. Though highly qualified and experienced, procurement planning stakeholders need periodic specialized training to update and boost their knowledge and skillsto coup up with the dynamic procurement environment. In addition, Finance and planning units in the referral hospitals should priotize provision of an adequate budget to financethe necessary tools and facilitate procurement planning processes including comprehensive needs assessment, market research and contracts monitoring.

**Institutional factors and non-compliance to procurement planning**

## The study in regard to institutional capacity, specifically established that the procurement process is quite complex in the perspective of stakeholders, the stakeholders in procurement planning are not adequately coordinated and there is limited punitive action against the entities’ poor performance. Compliance to the procurement planning regulation necessitates strict measures to bridge these gaps.To address opportunism and un ethical conduct stakeholders generally identified the need for strict measures by the hospital management to enhance adherence to the ethical code of conduct by all staff involved in procurement planning, violation of which should be punishable or actionable. The Entities should encourage stakeholders’ procurement planning meetings where views should be shared in regard to challenges and effective approaches to ease compliance to the procurement planning regulations.

**Technological factors and non-compliance to procurement planning**

In regard to technological factors, the study specifically established prevalence of limited awareness, knowledge and integration of Information Technology in procurement planning within the Referral Hospitals’ PDEs. Technology is crucial to ease procurement planning particularly in the face of limited staff numbers.However, most stakeholders recognize the fact that integrations of technology in procurement planning would be a highly costly venture and demand equipping all stakeholders with appropriate skills. In the face of existing budget constraints, stakeholders generally noted the need by the relevant planning authorities tosolicit budget support to finance costs associated with integration of IT in public procurements.

**5.6 Limitations of the study**

Access to procurement planning files was limited due to poor record keeping by the sub counties. This was due to; misconception and mis interpretation of the exercise by the entities to mean an investigation to find fault.Even when accessed, the files more often lacked some records pertaining key variables in regard to procurement planning to enable the research to make a comprehensive review of the indicators. This posed a challenge on obtaining reliable and adequate data to analyze compliance to procurement planning in the PDEs.

Some of the targeted survey respondents particularly the contracts committee members and hospital board members were not easily accessible as they would be engaged in some assignment off-stations. Some would deliberately dodge the interviews translating into waste of resources and time.

**5.7 Contribution to the study**

Although their existed literature on non-compliance to procurement planning in Uganda particularly in the health sector, no account had been made to explain the non-compliance. Besides, achieving the primary objectives, this study has contributed to the body of knowledge in the field of procurement planning compliance in Uganda with specific reference to Referral Hospitals. This will therefore serve a reference material for future research.

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# Appendix 1: Survey Questionnaire

**UGANDA MANAGEMENT INSTITUTE**

**QUESTIONNAIRE: FACTORS CONTRIBUTING TO NON-COMPLAINCE TO PROCUREMENT PLANNING IN SELECTED REFERAL HOSPITALS IN UGANDA**

**Dear Respondent,**

I am a student of Uganda Management Institute pursuing anMsc. Procurement and Supply chain Management degree. In partial fulfillment for the award, I am conducting a survey to identify the factors contributing to non-compliance to procurement planning in selected referral hospitals in Uganda.

You have been selected to participate in this study as your contribution will be important. I hereby request you to spare a few minutes of your busy schedule to fill this questionnaire. Your responses are highly appreciated and will be treated with utmost confidentiality. Thank you for you your cooperation.

**PART 1: BACKGROUND INFORMATION** (*Please tick in the preferred box of your choice*)

1. Gender

|  |  |  |  |
| --- | --- | --- | --- |
| Male |  | Female |  |

2. Age bracket

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 20 – 30 yrs |  | 31 – 40 yrs |  | 41- 50 yrs |  | 51 – 60 yrs |  | Above 60 yrs |  |

1. Level of education

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Diploma |  | Bachelor’s degree |  | Master’s Degree |  | PhD |  | Others |  |

1. Post held in the PDE

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| PDU staff |  | Head of Department |  | Contracts Committee member |  | User |  |

1. How long have you been employed in the PDE?

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Less than 1 yr |  | Between 1 – 4 yrs |  | Between 5 – 10 yrs |  | Over 10 yrs |  |

**PART 2: PROCUREMENT PLANNING COMPLIANCE CHALLENGES:*(Please indicate the extent to which you agree on the following statements*)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Procurement planning Challenges** | **(1) Strongly**  **Disagree** | **(2) Disagree** | **(3) Neither Agree nor disagree** | **(4) Agree** | **(5) StronglyAgree** | **Comments** |
| **A: Capacity related factors** | | | | | | | |
| ***Individual Capacity*** | | | | | | | |
| 1. | The PDE has adequate human resource to effectively prepare & execute PP |  |  |  |  |  |  |
| 2. | Some procurement planning stakeholders in the PDE have inadequate knowledge and skills in procurement planning |  |  |  |  |  |  |
| 3. | Some procurement planning stakeholders in the PDED have inadequate experience in procurement planning |  |  |  |  |  |  |
| 4. | Procurement planning stakeholder are adequately motivated by their salary enumeration on job |  |  |  |  |  |  |
| 5. | The procurement planning stakeholders often have access to refresher training programs in procurement planning to up-date their procurement skills and knowledge |  |  |  |  |  |  |
| 6. | The procurement planning stakeholders often have access to specialized procurement planning trainings to continuously cope up with the knowledge and skills requirements in the ever changing procurement environment |  |  |  |  |  |  |
| 7. | Our procurement user department had exchange visits to other similar PDEs in the period 2005-2008 |  |  |  |  |  |  |
| 8. | The procurement planning stakeholders in the PDE have adequate capacity to plan procurements |  |  |  |  |  |  |
| 9. | The PDE has a high staff-turn over that associated with loss of capacitated and experienced staff. |  |  |  |  |  |  |
| ***Institutional capacity*** | | | | | | | |
| 1. | The PDE stakeholders have adequate logistical support to effectively plan procurements |  |  |  |  |  |  |
| 2. | The User departments have adequate budgets to do comprehensive needs assessment |  |  |  |  |  |  |
| 3  4. | The User departments have adequate budgets to do comprehensive market research for cost estimation |  |  |  |  |  |  |
| 5. | User departments and procurement unit have a high level of communication and interactions during procurement planning to allow proper review of specifications and costs |  |  |  |  |  |  |
| 6. | User departments and planning units have a high level of communication and interaction during procurement planning to allow proper alignment of user plans with the strategic plan |  |  |  |  |  |  |
| 7. | The interaction between User departments and accounts is not adequate enough to allow more precise budget estimates e.g dues payable on procurement needs |  |  |  |  |  |  |
| 8. | The interaction between Procurement units and accounts is not adequate enough to allow proper review of procurements. |  |  |  |  |  |  |
| 9. | The procurement planning stakeholders in the PDE are not well coordinated |  |  |  |  |  |  |
| 10. | The PDE lack adequate procurement planning tools to facilitate the procurement planning process |  |  |  |  |  |  |
| **B: INSTITUTIONAL FACTORS** | | | | | | | |
| 1. | Procurement plans often does not cover unforeseen events/uncertainties that makes it hard to execute procurements as planned |  |  |  |  |  |  |
| 2. | The procurement planning process is quite complex to understand |  |  |  |  |  |  |
| 3. | The procurement planning process constitutes some unnecessary procedures and (or) beauracracies that delays the procurement process or makes the process unnecessarily tiresome |  |  |  |  |  |  |
| 4. | Some stakeholders in the PDEs deliberately do not plan procurements to allow manipulation of the procurement processes |  |  |  |  |  |  |
| 5. | Procurement implementation sometimes faces delays in approval of some procurement processes which makes it hard to meet timelines |  |  |  |  |  |  |
| 6. | We lack clear lines of communications (PDU and user departments) |  |  |  |  |  |  |
| 7. | Processes like release of IPFs forms from MOFPED and confirmation of availability of funds often delays which hinder adherence to the normal planning process |  |  |  |  |  |  |
| 8. | Processes like release of IPFs forms from MOFPED and confirmation of availability of funds often delays which hinder adherence to the planned procurement processes/timelines |  |  |  |  |  |  |
| 9. | Procurement planning staff are not regularly appraised to keep record of their performance status |  |  |  |  |  |  |
| 10. | Punitive actions are often taken against entities’ poor procurement planning performances |  |  |  |  |  |  |
| 11. | Best procurement planning performances are often not often rewarded |  |  |  |  |  |  |
| **C:** | **TECHNOLOGICAL FACTORS** |  |  |  |  |  |  |
| 1. | Most of the procurement stakeholders are not aware of the Information Technology systems in procurements |  |  |  |  |  |  |
| 2. | Iam not aware of the role of Information Management System in easing access to any required procurement planning related Information |  |  |  |  |  |  |
| 3. | Our PDE has not integrated an automated Financial Information System such as use of IT related purchasing facilities |  |  |  |  |  |  |
| 4. | Our PDE has not integrated the IT Systems in the procurement planning component |  |  |  |  |  |  |
|  | Procurement stakeholders in our PDE lack technical knowledge and skills in Information Technology and are or would be able to apply it in procurement planning |  |  |  |  |  |  |

**PART 3: COMPLIANCE MEASUREMENT CHECKLIST *(Study sampled contracts-supply and works above 50 million for financial year 2008/2009)***

|  |  |  |
| --- | --- | --- |
| **Procurement planning complianceindicators** | **PDE complied or didn’t otherwise. Refer to specific contract of 2008 F.Y.**  **Use codes: *( 0=did not comply, 1= complied)*** | **Key compliance inhibiting factors** *(consider this qn. for the non-compliance score)* |
| The PDE implemented an approved Pre-qualification List for 3 yrs |  |  |
| The PDE implemented departmental procurement plans |  |  |
| The PDE implemented an approved consolidated Procurement Plan |  |  |
| The PDE used framework contracts for repetitively procured items |  |  |

**PART 4: IMPROVING COMPLIANCE TO PROCUREMENT PLANNING**

Qn. In your opinion, what do you think need to be done to enhance procurement planning in your entity?

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***Thank you very much for sparing your precious time to fill this questionnaire!***