

**THE ROLE OF ETHICAL PRACTICES IN PROCUREMENT PERFORMANCE IN  
TANZANIA:A CASE OF NYAMAGANA DISTRICT COUNCIL**

**FRANK LUSEKELO MWAMBULI**

**MPSM-02-0114-2022**

**MBA (Procurement and Supplies Management) Dissertation**

**Institute of Accountancy Arusha**

**November 2023**

**DECLARATION**

I, **FRANK MWAMBULI** declare that this research is my own original work and that it has not been presented and will not be presented to any other University/Institute for a similar purpose.

.....

Signature

.....

Date

## CERTIFICATION

I, the undersigned, certify that I have read and hereby recommend for acceptance by the Institute of Accountancy Arusha, a research titled "***The role of ethical practices in procurement performance in Tanzania: a case of Nyamagana district council***" in partial fulfillment of the requirements for the award of Master of Business Administration in Procurement and Supplies Management

.....

Mr. Sengati

(Supervisor)

Date.....

## **COPYRIGHT**

This dissertation is copy right material protect under the Berne Conversation the copyright Act 1999 other international and national enactment, in that behalf, on intellectual property. It should be produced by means, in full or part, except for short extract in affair dealing, for research or privet study, critical scholarly review or discourse with acknowledgement, without the written permission of the directorate of postgraduate studies, on behalf of the author and the Institute of Accountancy Arusha.

## **ACKNOWLEDGMENTS**

This work could not have been completed without a major involvement of many people. First, I wish to articulate my thoughtful appreciation to the Almighty God for giving me the strength, guidance and knowledge to carry out this research study. Furthermore, I would like to give my deep and sincere thanks to my supervisor Mr. Frank Sengati for his pledge (commitment), tolerance efforts and whose stimulating suggestions and encouragement helped me in writing this research.

Also my sincere appreciations go to my employer for granting me permission to pursue this Master degree in Procurement and Supply Management. The Head of Business Management Department Dr. Martine Dome at Institute of Accountancy Arusha for providing a fruitfully coordination which enabled the study to be successful. Nevertheless, much appreciation goes to all respondents who took their valuable time to participate in filling the questionnaires.

It will be unfair if I do not express my gratitude thanks to my family members, my brother Dr. Erick Mwambuli, Sister- Nuru Mwambuli, my sister- Sekelaga Mwambuli for their support, patience, encouragement and love all the way through my study.

Many thanks should go to my fellow friends Chamlindi Mkamba, Nelson Paul, Justine Katiti, Mr. Six Bert Makelele for their support to each other.

## **DEDICATION**

The work is dedicated to my lovely family members including my wife Mary Magayane, my daughters Tusajigwe Mwambuli, Tutindagha Mwambuli for their love, patience and persistence during the whole period of my study. Their well wishes and prayers have lead to the accomplishment and success of this hard academic tasks. in addition, the work is also dedicated to my later parent Eng.Lusekelo Mwambuli who passed away in May 2022 may God rest his soul in eternal peace, Amen and I also dedicate this work to my mother Esther Ngomango Mwambuli.

## **ABSTRACT**

The study assessed the role of ethical practices in improving procurement performance in Tanzania: a case of Nyamagana district council. This study employs descriptive research design. Data were collected from 30 respondents from user departments, auditors, and Procurement officers. The study also used both primary and secondary data to gather information from the respondents. Quantitative data were analyzed using descriptive statistics such as frequencies, percentages, mean and standard deviation. Qualitative data were analyzed using content analysis. The study findings concluded that conflict of interest's influence organization performance in LGAs. This was witnessed through nepotism, personal gain and political influence. The study concluded that professionalism influences organization performance in LGAs. This was witnessed through employing procurement staffs that have been certified by the professional body, the PE must employ procurement staffs from the recognized institutions, organization employ staffs that are competent and experience. Lastly, the study concluded that transparency influences organization performance in LGAs. In this regard, transparency as used in public procurement means that public procurement process information must be available to all parties including service providers, contractors, suppliers and the public at larger, except if there is a legal reasons to keep certain information confidential. It is recommended that the government through the public procurement bodies such as PPRA and PSPTB must put much efforts on capacity buildings, trainings and watching LGAs procurement officers, PE should ensure that procurement officers with lower level of education to be upgraded for further education. Also, organization should employ procurement staffs who are certified and registered by PSPTB, these professionals are expecting to perform their duty in ethical manner. There is a need for the LGAS to develop

their own internal ethical control mechanism rather than depending on the broad framework which may not cater for the interests and context of the specific procuring

## TABLE OF CONTENT

<b>DECLARATION</b> .....	<b>i</b>
<b>CERTIFICATION</b> .....	<b>ii</b>
<b>COPYRIGHT</b> .....	<b>iii</b>
<b>ACKNOWLEDGMENTS</b> .....	<b>iv</b>
<b>DEDICATION</b> .....	<b>v</b>
<b>ABSTRACT</b> .....	<b>vi</b>
<b>TABLE OF CONTENT</b> .....	<b>vii</b>
<b>LIST OF FIGURE</b> .....	<b>xii</b>
<b>LIST OF TABLE</b> .....	<b>xiii</b>
<b>LIST OF ABBREVIATIONS</b> .....	<b>xiv</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>BACKGROUND OF THE STUDY</b> .....	<b>1</b>
1.0 Introduction .....	1
1.1 Background to the Study .....	1
1.2 Statement of the Problem .....	4
1.4 Research Objectives .....	6
1.4.1 General Objective .....	6
1.4.2 Specific Objectives .....	6
1.4 Research Questions .....	7



1.6 Significant of the study.....	7
1.7 Scope of the Study .....	8
1.8 Limitations of the Study .....	8
1.9 Organization of the study.....	9
<b>CHAPTER TWO .....</b>	<b>10</b>
<b>LITERATURE REVIEW .....</b>	<b>10</b>
2.1 Introduction.....	10
2.2 Definitions of Concepts and Terms.....	10
2.2.1 Procurement.....	10
2.2.2 Public Procurement .....	10
2.2.3 Ethics.....	11
2.2.4 Procurement Ethics .....	12
2.2.5 Local Government Authorities.....	12
2.2.5 Procurement Performance.....	13
2.3 Theoretical Framework .....	13
2.3.1 The Resource Based View Theory .....	13
2.3.2 Virtue Ethical Theory .....	14
2.3.3 Agency Theory.....	14
2.4 Empirical Literature Review .....	15
2.6 Knowledge Gap .....	23
2.5 Conceptual Framework.....	23
2.6 Definition of Variables.....	24
<b>CHAPTER THREE .....</b>	<b>26</b>

<b>RESEARCH METHODOLOGY .....</b>	<b>26</b>
3.1 Introduction .....	26
3.2 Research Design .....	27
3.3 Area of study .....	27
3.4 Research Approach .....	28
3.5 Population, Sample Size and Sampling Techniques .....	29
3.5.1 Study Population.....	29
3.5.2 Sample Size .....	29
3.5. 3 Sampling Techniques .....	31
3.5.3.1 Probability Sampling Procedure.....	31
3.6 Data Collection Methods.....	31
3.6.1 Interview .....	31
3.6.2 Questionnaires.....	32
3.6.2.1 Pre-testing of the Questionnaire .....	32
3.6.3 Secondary Data .....	33
3.7 Data Analysis Technique .....	33
3.9 Validity and Reliability of the Instruments .....	34
3.9.1 Validity .....	34
3.10 Ethical Considerations .....	35
<b>CHAPTER FOUR .....</b>	<b>37</b>
<b>FACT FINDINGS, ANALYSIS AND DISCUSSIONS.....</b>	<b>37</b>
4.1 Introduction.....	37
4.2 General Information of the Respondents.....	37

4.3 Data Analysis in Relation to Specific Objectives.....	37
4.4.1 The role of conflict of interests on procurement performance in Mwanza city council .....	37
4.4.2. The influences of professionalism on procurement performance.....	38
4.4.3 The contribution of transparency on procurement performance .....	40
4.4 Presentation of findings in relation to specific objectives .....	41
4.4.1 Pearson Correlations Matrix .....	41
4.4.2 Multiple Regression Analysis .....	43
4.1.2.2 Content Analysis Findings of Interview Data.....	46
4.2.2.2.1 Interview Question one: The Political or external influence affects procurement performance .....	46
4.2.2.2.2 Interview Question two: Does employees with professionalism influence procurement performance .....	48
In the interview, one of respondent said; .....	48
4.2.2.2.3 Interview Question three: the fairness and equitable procurement procedures influences transparency.....	49
In the interview, one of respondent said; .....	50
4.3 Discussion of Findings.....	51
4.3.1 The role of conflict of interests on procurement performance .....	51
4.3.2 The influence of professionalism on procurement performance .....	52
4.3.3 The contribution of transparency on procurement performance .....	55
<b>CHAPTER FIVE .....</b>	<b>57</b>
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>57</b>
5.1 Introduction.....	57
5.2 Summary of the Study .....	57

5.4 Recommendations of the Study.....	58
5.4.1 To the government.....	58
5.4.2 To policy makers.....	58
5.4.3 To the Institution in which the research was undertaken .....	59
5.4.4 To the future researchers .....	60
5.4.5 To the practitioners .....	60
5.5 Suggestions for further studies .....	61
<b>REFERENCES .....</b>	<b>62</b>
<b>APPENDICES .....</b>	<b>69</b>
Appendix 1:.....	69
Questionnaires for procurement officers.....	69
Appendix II.....	72
Interview guide for User departments, Accounting Officer and auditors .....	72
<b>Time scale and Budget.....</b>	<b>73</b>
<b>Duration and Schedule of Activities .....</b>	<b>73</b>
<b>Estimated Budget .....</b>	<b>74</b>

**LIST OF FIGURE**

**Figure 2.1** Conceptual Framework Model.....23

## LIST OF TABLE

Table 3.1 target population.....	28
Table 3.2 Sample Size .....	30
Table 4.1: the role of conflict of interests on procurement performance.....	37
Table 4.2: the influences of professionalism on procurement performance.....	38
Table 4.3: the contribution of transparency on procurement performance.....	39
<i>Table 4.4: correlation Analysis.....</i>	<i>41</i>
Table 4.5: Anova Table.....	42
<i>Table 4. 6:Model Coefficients.....</i>	<i>43</i>

## **LIST OF ABBREVIATIONS**

GPSA	Government Procurement Services Agency
ICT	Information Communication Technology
RFI	Requests for Information
RFP	Requests for Price
TANePS	Tanzania National Electronic Procurement System
UK	United Kingdom

## CHAPTER ONE

### BACKGROUND OF THE STUDY

#### 1.0 Introduction

This chapter highlights the main points of the study it gives the background of the study, statement of the research problems, research objectives, research questions/ hypothesis, significance of the study, scope and organization of the study

#### 1.1 Background to the Study

Worldwide, Procurement ethics are generally accepted principles and rules of conduct that govern the procurement industry (Lysons & Farrington, 2007). Ethics is basically a branch of philosophy which seeks to address questions about morality that is about concepts such as good and bad, right and wrong, justice and virtue (Lyson & Farrington, 2007). Therefore, individuals acting in profession capacity should take an additional burden of ethical responsibilities. For example professional associations like Kenya Institute of Supplies Management have come up with codes of ethics that guides procurement officers both in public or private entities. These procurement professional are required to behave within the context of professional practices such as impartiality/objectivity, openness/full disclosure, confidentiality, duty to care and avoiding potential or apparent conflict of interest (Lyson & Farrington, 2007).

Many public procurement activities suffer from neglect, lack of open competition and transparency, differing levels of corruption and most importantly various conflict of interest arising from stakeholders and personnel"s involved in handling a procurement process yet are expected to manage such procurements, in a professional, timely and cost effective manner. According to United Nations Office on Drugs and Crimes UNDOC, (2019), Public procurement accounts for 15-



30% of the gross domestic products (GDP) for many countries in the world. The World Bank Procurement Review (2004) indicated that United Kingdom spends about 16% of GDP, Nigeria spends 13%, and Sierra Leone spends 16% on procurement, Ethiopia spends more than 60 percent of public expenditures for procurement of goods, work and services.

In the European Union (EU), public procurement accounted for EUR 2100 billion in 2018, or 19% of GDP (Atkinson, 2016). 60% of the Kenya's public spending, 70% in Uganda and Tanzania, 58% in Angola and 40% in Malawi (Ayuso, 2015). Obviously, the figures differ institution-wise, sector-wise and country-wise, the studies are also revealed that 70 percent of the public budget goes to procurement purposes in sub Saharan countries. This means that a large amount of money spent by the governments to purchase goods, services and works.

Baxter (2008) highlights that unethical procurement practice of public procurement officers negatively influences the whole process of procurement activities and leads to loss to public resources and corruption. Ethics and Anti-Corruption Commission report (2017/18) indicated that public purchasing take the great part of governments' budget. Thus, special attention should be given to persons who coordinate public procurement activities. Procurement officers should practice ethical principles of procurement in each stage of public procurement in order to achieve value for money.

Ayoyi (2017), provide explanations that, ethics in public procurement is very vital tool to reduce corruption and to make public procurement as a backbone for economic development. Edward (2019), also explained that ethics in public purchasing does not related to only bribes and gift giving from supplier or contractors to public procurement officials but also includes suppliers and contractor's practices that relate to sourcing strategy (Chogo, 2018). Ethical procurement is one of the measuring rods for professionalism and efficiency in most organization (Getnet, 2015). Since

public procurement is run by public money that serves the public interest, procurement managers supposed to purchase from the firm that offers the best value for money. Though the public procurement manual (2008) spells out the ethical procedure in procurement practice, it appears that its implementation has not been effectively followed. The majority of procurement officers in many developing countries like Tanzania appear not to follow the procurement ethics. The process of selecting the potential suppliers/contractors does not follow the laid down procedures as specified in the Act. Which is costing the nation a lot of judgment debts and making the profession perceive as a cost center rather than cost saving.

The impact of ethical practices on the procurement process can equally be massive on the economy of any country. This is because corrupt activities affect economic growth and countries with high corruption rates tend to grow more slowly (Dinah, 2016). This addresses key principles in the Public Procurement Act for equality, fairness and best value for money as spelled out under Section 43 of the PPA, 2011. There is a need to effectively regulate and monitor the ethics and ethical practice of officials involved in the procurement system to ensure transparency and accountability. According to Evenette (2015) ethics are concerned with moral principles and values which govern our belief, actions and decisions. It is the study of moral judgment of right and wrong. Therefore, ethics have to do with upholding moral principles and values which influence our beliefs, actions, and decisions and involves leading an unquestionable lifestyle especially within the professional domain.

Procurement in many developing countries including Tanzania has been identified with inherent weaknesses, making the system ineffective and non-responsive to strategic procurement needs of organizations and government alike. Eyaa (2018) posit that the procurement system invariably suffered various forms of malpractice and unethical conduct, including a high incidence of vested

interests, interference and insider dealings and occasional cases of retrospective approval of contract awards in most local government authorities in Tanzania.

Therefore, ethical principles of public procurement are both using fundamental ethical practices in each stage of procurement and using procurement as a policy tool. For instance, ethical practices like using the same evaluation criteria in award of contracts, not disclosing secret and confidential information, not collude with suppliers; clearly prepare bid specification, etc. and applying purchasing as a tool for; economic development (giving preference for local suppliers, contractors and products), environmental protection (giving preference for environmental friendly products or services) and procurement used as social policy tools (giving preference for disadvantaged groups like women owned, disable and micro and small enterprise suppliers) are the main ethical practices in government procurement activities.

In Tanzania, when opening the eleven annual conference, November 2023 for procurement and supplies professionals in Arusha, the Prime Minister of Tanzania warned that, those procurement officers who are not acting ethically and those who are still practicing corruptions, nepotism and fraud will be punished according to the law and they should stop immediately those evils since the government will not and never tolerate them. Furthermore, Prime Minister proposed that, all government procuring entities should adopt e- procurement through TANEPS for the purpose of increasing transparency, reducing costs and increasing speed and this will minimize the issue of corruption (PSPTB, 2023).

## **1.2 Statement of the Problem**

A good ethical procurement system that features transparency, professionalism, confidentiality, accountability, and stakeholder participation can be a practical tool for carrying out effective, governance reforms (Han, 2017). Ethical practice in procurement ensure value for money,

integrity in public spending practices, accountability to the public, and efficiency as the primary drivers for procurement practice in public organizations. unethical practices such as lack of transparency, lack of professionalism, conflict of interest, corruption and unfairness still covering public procurement leading to significant loss of public resources, deteriorations of quality and lack essential public services (CAG, 2018; PPRA, 2017; UNDP, 2014).

Ethics play a major role in procurement and are considered more important as technology and consumer behavior change. Being ethical means being in accordance with the rules or standards for right conduct or practice, especially the standards of a profession. For instance: procurement is involved in supplier selection, evaluation, negotiation, contracts sign off and awarding business to suppliers. When interacting with suppliers, procurement should treat them in fair and unbiased manner. Procurement professionals must conduct their business practices in the most ethical manner. Failing to abide to ethical practices can lead to immoral and illegal practices such as bribery, favoritism, illegal sourcing etc.

In spite of the important ethical practices in public procurement, a culture of non-compliance combined with a lack of accountability and transparency contributed to the wholesale of looting and unethical procurement practices. Unethical conduct of procurement officials goes along with corruption, bribery, fraud and nepotism which impacts negatively on poor quality service delivered to the people (Hunja, 2018). Thus, unethical procurement practices will therefore relate to uncompetitive bidding, inadequate contract management, and the awarding of bids to employees and their family members, non-disclosure by suppliers, no supporting documents for procurement awards, using incorrect preferential point systems and thresholds, and acceptance of less than three quotations (Hussein, 2017).

For example, in December 5, 2016, Prime Minister Hon. Kassim Majariwa when addressing Karatu district council in Arusha Region had this to say, public servants and ward councilors are forbidden and prohibited to apply for tenders floated by their relevant councils. This is in accordance with section 84 (3) of Public Procurement Act 2011. On the other hand, one of the most susceptible and vulnerable to corruption government activities is the public procurement

In Tanzania, several or little studies have been done on the area of ethical practices in enhancing procurement performance. For example, (Mamiro, 2018, Ngware, 2015, Manyaya, 2006, Mchopa, et al, 2014, Mrope, 2018, Mlinga, 2018, Kechibi, 2012), just to mention a few. Mchopa (2014) in his study found that, an unethical practice among the procurement officers negatively affects the whole process of procurement and at the end of the day leads to the loss of public resources.. This allowed us to assess thoroughly that it is true these studies never focused on issues you want to do research about). However, none of the above studies didn't capture issues related to transparency, professionalism, and conflict of interests therefore, it is on the basis of this gap that the present research seeks to fill this gap

## **1.4 Research Objectives**

### **1.4.1 General Objective**

To assess the role of ethical practices in procurement performance in Tanzania: a case of Nyamagana district council

### **1.4.2 Specific Objectives**

(i) To determine the role of conflict of interest on procurement performance in Nyamagana district council

(ii) To establish the influence of professionalism on procurement performance in Nyamagana district council

(iii) To examine the contribution of transparency on procurement performance in Nyamagana district council

#### **1.4 Research Questions**

(i) What is the role of conflict of interest on procurement performance in Nyamagana district council?

(ii) What is the influence of professionalism on procurement performance in Nyamagana district council?

(iii) What is the contribution of transparency on procurement performance in Nyamagana district council?

#### **1.6 Significant of the study**

Data obtained from this study will add the existing knowledge body on the issues related to ethical practices in procurement performance in the country (Tanzania) and whether these ethical practices had an influence on procurement performance. It is through this study that a bridge in terms of literatures for future studies was identified. It is through this study that the government of Tanzania will take serious measures in order to improve the misconduct and strengthen the good behavior of public procurement officers.

It is through this study that a researcher will be awarded a master degree in MBA- PSM as a partial fulfillment of the requirements for the award of master degree. It is through the findings of this study that aided procurement professionals in identifying unethical practices associated with procurement in the public sector and how to maintain best practices in all procurement issues. Findings obtained from this study will be used by the policy makers as a policy tool. Also, the

study might be important to take measures on unethical practices of public procurement officers that foster corruption and loss to public money.

### **1.7 Scope of the Study**

The study assessed the role of ethical practices in improving procurement performance in Tanzania: a case of Nyamagana district council. The research focused on the role of conflict of interests on procurement performance in LGAs, the influence of professionalism on procurement performance in LGAs, the influence of transparency on procurement performance in LGAs. Nyamagana district Council has been selected because the council has substantially been spending a lot of its budgets in procuring of both consultancy services, works – construction projects and also procurement of tangible items (goods).

### **1.8 Limitations of the Study**

In this study, the researcher is expecting to face the following constraints, Time constraints i.e. the time allocated for this study is so limited since the study like this need more time to be able to include large sample and wide coverage, Again financial constraints since it is full funded by researcher only, Moreover access to data need to much efforts since many ethical issues cases are confidential as laws requires parts to not disclose the information that will give advantage to either of the parts

However, the researcher will manage to overcome the challenges by, first making financial arrangements with family. Secondly, the researcher will manage to schedule the limited to attend class, work and continue with dissertation. Third, the researcher will make appointment with respondents on the suitable time for data collection process. Through all these ways, the researcher achieved the main objective of the study.

### **1.9 Organization of the study**

The report was organized in five chapters. Chapter one provided the introduction, which consists of background to the problem, statement of problem, research objectives, and research questions, significance of the study and scope of the study. Chapter two presented the review of related literature on the role of ethical practices in improving procurement performance, covering such aspects as theoretical framework, empirical part and conceptual framework. Chapter three described the methodology employed in the study, chapter four discusses findings of the results and the last chapter of this report made a conclusion and recommendations



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter described a review of literatures whereby, identified concepts are discussed. It is based on the definitions of the key terms, theoretical literature review, empirical literature review, conceptual framework and research gap. Also, the chapter will describe the previous studies which explained the gap that was filled by this study.

#### **2.2 Definitions of Concepts and Terms**

##### **2.2.1 Procurement**

The term procurement means buying, purchasing, renting, leasing or otherwise inquiring any goods, work, service by a procuring entity spending public funds on behalf of a department, ministry or regional administration of the government or public body and include all functions that pertain to the obtaining of any goods, works or services including description of requirements, selection and invitation of tenders, preparation award of contract (PPA, 2011)

##### **2.2.2 Public Procurement**

It can refer to the activities conducted by the government to procure or purchase the goods, works and other services which it required to carry out its functions (Achua, 2018). In this definition, three phases were identified by the authors in this definition of public Procurement process:

- (i) Making decisions on what kind and when services and goods the PE wants to purchase

(ii) How the contract process will be implemented when acquiring those services and goods to the PE, furthermore, in choosing the contracting partner and the terms and conditions on which the services and goods are to be provided

(iii) Lastly, it concerned with the process of administering the contract to ensure effective performance

The above phases in public procurement must be integrated and regarded as separate phases of a single cohesive chain. A study conducted by Lyson (2016) show that procurement includes the whole process of acquiring services and goods.

### **2.2.3 Ethics**

According to Ayoyi (2017), he defined ethics as the principles of conduct governing an individual or a group, it further concerned with what is right or wrong, good or bad.

In other definition, ethics can be regarded as the values or moral principles that officials are guided in all aspects of their work (Bolton, 2006). In this regard, ethical behaviours include the concepts of honesty, probity, due diligence, trust, fairness, integrity and consistence. Ethical behaviours further includes keeping away conflict of interests and not making improper use of an individual's position's.

Therefore, ethical behaviours is very important in public procurement as it involves the expenditure of public money and is subject to public scrutiny. Furthermore, it is very important for public procurement officials to behave ethically and fairly, including in their business undertakings. Ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence to participate in the government market place. Lastly, ethical behavior can

enhance confidence in public administration through reducing the cost of managing risks associated with theft, fraud, corruption and other improper behaviours (Atkinson, 2016)

#### **2.2.4 Procurement Ethics**

Refers to a wide range of issues that can impact the ethical and sustainability goals of a business (Adegbola, 2016). Examples include the monitoring of unethical or illegal supplier business procedures and practices that can impact your organization's procurement efficiency and reputation. When interacting with suppliers, procurement should treat them in fair and unbiased manner. Procurement professional must conduct their business practices in most ethical manner. A buyer must commit his attention towards the benefit of the organization rather than any personal gain. A buyer must act ethically towards suppliers treating them in fair, decent and unbiased manner.

#### **2.2.5 Local Government Authorities**

Means the Local Government Authorities established in accordance with the LGA (District Authority) Act 2002 and the LG (Urban Authorities) Act 2002 (URT, 2014). Act No. 7 of 2011.

According to the section 3 of PPA 2011, LGA is defined as a local government authority established under the local government (District Authority) Act or local government authority

Established under the local government (Urban Authority) Act. It included municipals, district councils, councils and town councils. The CAG annual report for the year ended 30<sup>th</sup> June 2016 showed that there are existence of 171 entities under the local governments category where by 131 (76%), 18 (11%), 17 (10%), 5 (3%) were district councils, municipal councils, town councils, and city councils respectively

### **2.2.5 Procurement Performance**

Procurement performance is defined by how 'well' its process is conducted and how 'good' the outcome is (Sabine, 2016). Procurement performance is a measure of identifying the extent to which the procurement function is able to reach the objectives and goals with minimum costs (Van Weele, 2002). Van Weele (2016) noted that there are two main aspects of the procurement performance: effectiveness and efficiency. Procurement effectiveness as defined by Van Weele (2016) is the extent to which the previously stated goals and objectives are being met. It refers to the relationship between actual and planned performance of any human activity. Additionally, he explains that procurement efficiency is the relationship between planned and actual resources required to realize the established goals and objectives and their related activities, referring to the planned and actual costs. As a result, supplier performance is the most important procurement performance driver.

## **2.3 Theoretical Framework**

### **2.3.1 The Resource Based View Theory**

The Resource Based View considers various types of resources within the organization (Bolton, 2006). The resources can include assets, organizational processes, capabilities, information etc and are classified into tangible and intangible resources (Brammer and Walker, 2011). In this regard, the Resource Based View Theory insists that resources that are entirely controlled or owned by the focal organization should be cultivated in order to enhance their contribution to the organization's competitive advantage in its industrial context (Raymond, 2013).

The Resource Based View extends by mentioning that professionalism in carrying out procurement function might be a constraining factor impacting sustainable procurement performance and accordingly suggest that firms with competent procurement staffs generate more

sustainable procurement performance than others (Wanyama, 2013). The theory of Resource Based View is linked to one of the research question which states that what are influence of professionalism on organization performance in LGAs?. A study conducted by Odhiambo and Kamau (2013) revealed that the limited public resources in developing countries especially in the Sub- Saharan Africa should be properly managed to get the most out of these resources. Furthermore, studies have shown that out of the total public resources, procurement of goods, works and services account for about 70% of public expenditure.

### **2.3.2 Virtue Ethical Theory**

The theory of virtue ethics normally focuses on the nature of the acting person. The theory suggest that the actor should base his actions on the right virtues, hence the main theme in this theory is shaping people into morally good and responsible creatures. In addition, the theory is very crucial to this study because it helps to assess whether procurement officers are acting on the right attention, correct rules and practices set out in ethical code of conduct. This theory judges procurement officers by their traits and behaviours instead of through action which may diverge from their usual behavior (Aristotle and Ross, 2009). Moreover, this theory is relevant to this study because it helps in praising or criticizing PEs whether they promote, express, or prevents virtues and its development (Annas, 2009).

### **2.3.3 Agency Theory**

This theory was first developed as an agency model which dealt with the situation where by all the procurement officers were introduced to perform specific tasks in the interests of the principal

(Health and Norman, 2014). In this scenario, all the procurement managers in the public firms need to act as agent for elected representatives as per this theory while the principal are regarded as the public (Soundly, 2015).

#### **2.4 Empirical Literature Review**

World Bank report of 2017 revealed that there are various stages that a conflict of interests may rise in the whole process or stages or phases of procurement when officials involved in procurement decisions' could be influenced by their personal or private interests (Weele, 2017).

Conflict of interests is shown most of the time during the evaluation process of tenders or bids and it is at this stage or phase which is vulnerable to conflict of interests due to the high level of technical expertise required and the specific features of evaluation committees. Hence, to avoid this unethical practice (conflict of interests) in public procurement, countries all over the world have to ensure that the formulate guidelines with clear definitions of conflict of interests as well as put forth requirements for officials involved in the procurement process to reveal or disclose information on their person or private interests and assets, last to excusing themselves from certain functions if the opportunities for conflict of interests exists (Thai, 2016).

Ayuso (2015), procurement professional involves to the vocation whereby experienced, educated and responsible procurement officers make informed decisions regarding procurement of goods, services and works and argues that the role which procurement professionals play in the procurement system is critical to the economic development of the country. Hence, it is noted and recognized that one important objective of the public procurement board is to promote professionalism in procurement and provide the professional development, support for individuals and MDAs engaged in public procurement. The board is responsible for ensuring there is adherence to ethical standards by trained persons in procurement processes.

The study conducted by (OECD, 2018) revealed that management procedures and clear set of values and ethical standards clarifying how to achieve these objectives are very crucial in improving professionalism in public procurement. Research done by Shu (2018) showed that there is a need for the buyer or buying organization to follow ethical principles in order to build his own image or reputation and that of organization. He further added that, a buyer can purchase everything but cannot buy either reputation for reliability. He further added that the two can built by his professional ethics, wisdom, integrity and moral characters since the it is the buyer who controls the reward of his organization as a custodian, the management expects that he will be honest, fair and dignified in his dealings. He is expected to follow ethical approach to the problem of purchasing (Shu, et al, 2018).

Transparency can be defined as the process in which everybody involved in procurement process such as contractors, suppliers and service providers and the public at large have the access of getting the information, unless there are valid and legal reasons to keep certain information confidential. In this aspects, contractors, suppliers and service providers must get these information through press, internet portal, electronically etc, the announcement should contains enough details information for interested contractors, suppliers and service providers to understand it in order to determine if they are qualified to compete, most especially the solicitation documents must be made widely available at a reasonable cost or even free of charge. This means, for public procurement to be acceptable to all stakeholders it should be seen to be public, transparent and objectivity (Hunja, 2018)

Furthermore, the public procurement manual of USAID suggested that, in public procurement, all the interested parties such as contractors, suppliers and service providers must have an ability to understand and know the actual methods and by which contracts are awarded and managed. It

further represents a key pre- condition to promote wide participation in procurement (USAID, 2007)

Report from the Internal Oversight Services (IOS, 2008) under the United Nations revealed that, ten (10) billion US Dollar was lost in procurement and administrative scandals among the UN officials in last three years (Mekonnen, 2018). The report was captured from the report- internal audit when UN employees suspected to stole money by colluding with service providers between 2014 and 2016. It was discovered that there were linkages between UN employees and some companies which were given contracts to do business with UN offices which included the UN – Habitat and UNEP- United Nations Environment Programme. The above scenario indicates that UN procurement officers had conflict of interests with the whole process of tendering and this affects the procurement processes.

Another study on the conflict of interests was conducted by Arrow- Smith, 2015), the findings from their study revealed that conflict of interests arises when an adviser or official has an attachment or interests that might be unfairness or be seen to intolerance or unfairness his or her impartiality. The mechanism for this scenario is to make sure that all parties to be aware, before the process begins, by employees to disclosing and taking steps to avoid any conflict of interests in connection to procurement.

Furthermore, procurement officers or any other person involved in the tender process including suppliers, service providers and contractors should make a written declaration of any actual or perceived conflict of interests prior to taking part in the process (Schapper, 2016). Within the declaration, other things will be included such as employment, prior employment or financial interests in organization who may be potential suppliers and relationship with people who have



interests these organizations. Conflict of interests can endanger both the actual and perceived objectivity and probity of the procurement process.

Another study was conducted by Van Weele (2016) on ethics in public procurement in low income countries. He argued that, unethical behaviours in public procurement were evidenced through direct conflict of interests. Another study was conducted by Walker (2009) using naturalistic and experimental studies in the USA titled on the factors that affects ethical standards in the public sector. It was revealed from the study that upper-class individuals behave more unethical than those in the lower class individuals (Licenji, 2015). Therefore, unethical attitudes of the upper class breed unethical behavior in the public sector procurement.

The following are some of the areas where conflict of interests, lack of transparency and lack of professionalism may arise as here explained below according to Trionfetti (2018):

Brammer and Walker (2011) argued that there are various indicators of professionalism such as existence of a professional association, skills based on theoretical knowledge, testing of competence, existence of a professional association, extensive period of education, licensed practitioners, institutional training, work autonomy, code of professional ethics, legal recognition, self-regulation, control of pay and high status and rewards (Shu, 2018).

Hence, it is accepted that public procurement is increasingly being recognized as a profession that plays a significant role in the successfully role in the successful management of public resources. Many efforts have been made to reform public procurement since the last decades, as public procurement has gone through substantial changes in terms of priorities, capacity and needs. As many countries have become more aware of the importance of procurement as an area

susceptible to mismanagement and potentially corruption, they have recently initiated efforts to integrate procurement in a more strategic view of government actions (Ayuso, 2015).

From the above explanations, some of the countries nowadays recognize procurement as a strategic profession rather than simply an administrative function. This requires specific guidelines as well as prohibitions and restrictions to ensure that public funds are used for the purposes intended, public officials like procurement officials to adopt in a changing environment and reduce the potential for corruption (Trionfetti,2018).

There is a need for procurement professionals to devise strategies and acknowledge for managing all these complex challenges (Ngware, 2015). In this regard, the professionals must be seen as champions of effectiveness and efficiency and must acknowledge the challenges and their various forms and their sources. There is urgent for to equip them and educate professionals with higher levels and new skills consequently (Schapper, 2016). Therefore, a skill refers to the ability either to perform some specific behavioral task or the ability to perform some specific cognitive process that is related to particular tasks.

On the other hand, it is very hard to hire and retain energetic, ethical employees or procurement officers and dedicated with special skills (Upadhaya, 2018). Though it is well understood that professionalism is a key mechanism for and primary targets of institutional change, the precise role of professions and professionals service firms in processes of institutions change remain under theorized (Lisa, 2016).

In Tanzania, Public Procurement Act 2011 insisted on professionalism among the procurement officers working in the field. The Act require the procurement officers in the PMU to be headed by a person with suitable or appropriate academic and professional qualification and experience in

procurement function registered by the Procurement Professional Board 37 (3) Public Procurement Act 2011

Also, it was discovered that, in Tanzania, there is a low level of qualifications among the procurement officers with majority having certificates and diploma academic qualification with few degree holders, slight understanding of legal requirements concerning to public procurement among the procurement officers, tender board members and user department and PMU being staffed to an appropriate level as required in section 37 (1) Public Procurement Act 2011

Transparency is very important in projects because it ensure that all stakeholders are fully informed and consulted about all issues for example road construction projects because it is very important that the affected population at large be allowed and indeed encouraged to participate in the process and thus transparency requires that the government or project agency (the principal) voluntarily and proactively provide full public information through the electronic media and print about the potential options, plans, programmers and designs.

Various countries of the world such as Mexico, Colombia, Chile, South Korea and New Zealand nowadays place their entire procurement system such as procurement opportunities, relevant laws and procedures, bid documents and the results of the tenders on the internet and allow free access to everybody who wants to see the information (Banihashemi, 2019). Pakistani is a good example where by the bid evaluation reports and contract information are put on the internet as soon as the contract has been awarded. The main aim of this transparency is to ensure and enable anybody to check on a real time of the contracts are offered by the principal at a given time, under what conditions, who the competitors (Transparency International, 2017).

In the perspective of ethical procurement practice, the word transparency means that the ability of stakeholders to know and understand the actual means and processes by which contracts are defined, managed and awarded, but a major challenge in many countries especially those in Sub-Saharan countries including Tanzania have been to define an adequate level of transparency to ensure equal treatment and fair of providers and integrity in public procurement

In procurement, transparency necessitates all contractors, suppliers and service providers to be treated fairly and even handed at all stages of the procurement process. Meaning that, being open with all those involved such as contractors, suppliers and service providers, so that everyone understands the elements of the processes such as procedures, timescales, requirements, expectations, criteria for selection and etc (Mapulanga, 2015). It is through this variable of transparency that contractors, suppliers and service providers confidentiality to be safe-guarded and unsuccessful contractors, suppliers and service providers be debriefed with as much transparency about the procurement process as can be provided for example on the weaker aspects of their tender.

Hence, there is a need for transparency to be saturated at all steps in the procurement cycle, from the earliest decision making by the respective authority about a new purchase or investment throughout the entire process of preparing the project economically and technically, the selection of the consultants, suppliers or contractors, the awarding and execution of the contracts and the final accounting and auditing phase (Transparency International, 2017).

On the other hand, transparent process sometimes may be costly at the outset and time consuming, but it is irreplaceable and will, in fact, save time as well as costs in the longer run. For example, projects which were prepared in confidentiality/ secrecy or with severely limited

information for the stakeholders, often eventually run into public conflicts/ confrontation or turned out to be contaminated by corruption and are then sometimes held up for years.

In order to ensure public accountability and value for money through procurement transactions, there is a need for professional training and education of those personnel responsible for the procurement process and management (Ngware, 2015). Professionalism depends on the staffing, knowledge, skills and capabilities of the human resources and on controls in the system that influences human behavior.

In Tanzania, the issue of transparency in procurement is regarded as the most important aspect in business governance and in all types of organizations (PPRA, 2011). Public Procurement Act of 2011 Regulation 10 (1) states that a PE shall maintain adequate records which is written of all procurement, disposal proceedings in which it is involved or selection and such records shall prescribe tenders who have responded to advertisement or were approached to tender or to submit expression of interests or proposal, the successful tenders, the unsuccessful tenders and the reasons.

In the Regulation 10 (2) states that subject to sub regulation (1), the records shall be made accessible to any authorize person or body and part of it, as specified in these Regulations, shall be published in the journal and Tender Portal. Regulation 10 (3) states that without discrimination to sub- regulation, information relating to project particulars shall be made available to the general public in a manner and formats as shall be prescribed in the guidelines issued by the Authority.

The PPA and its Regulations requires or demand this to be done in newspapers, authority website and journal. Therefore, transparency means openness in the tendering process, in this junction; this provides an assurance for both foreign and domestic firms that contracts will be awarded in a

fair and equitable manner. The above statement concurred with the study done by Smith-Deighton (2004) who argue that transparency require government to hold on to higher standards of conduct by ensuring that conduct will be open to inspect or examine.

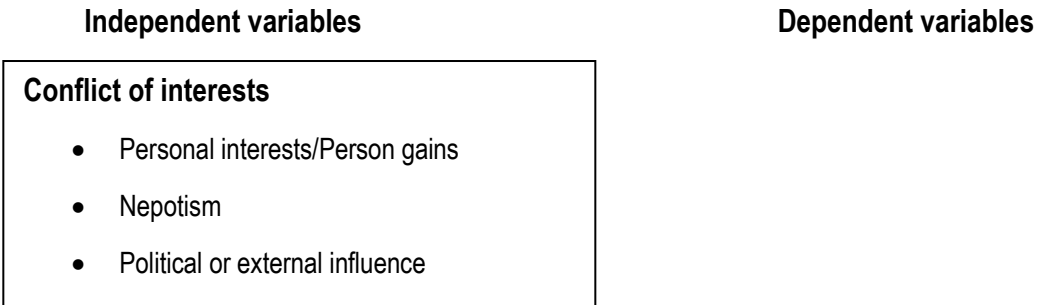
In point of fact, lack of transparency in the laws, rules and public procurement processes may lead to corruption. In the view of Kotoka (2012), he revealed that openness or transparency means that the same rules should apply to all works, services and suppliers and that these rules are publicized as the basis of the procurement decisions prior to their use.

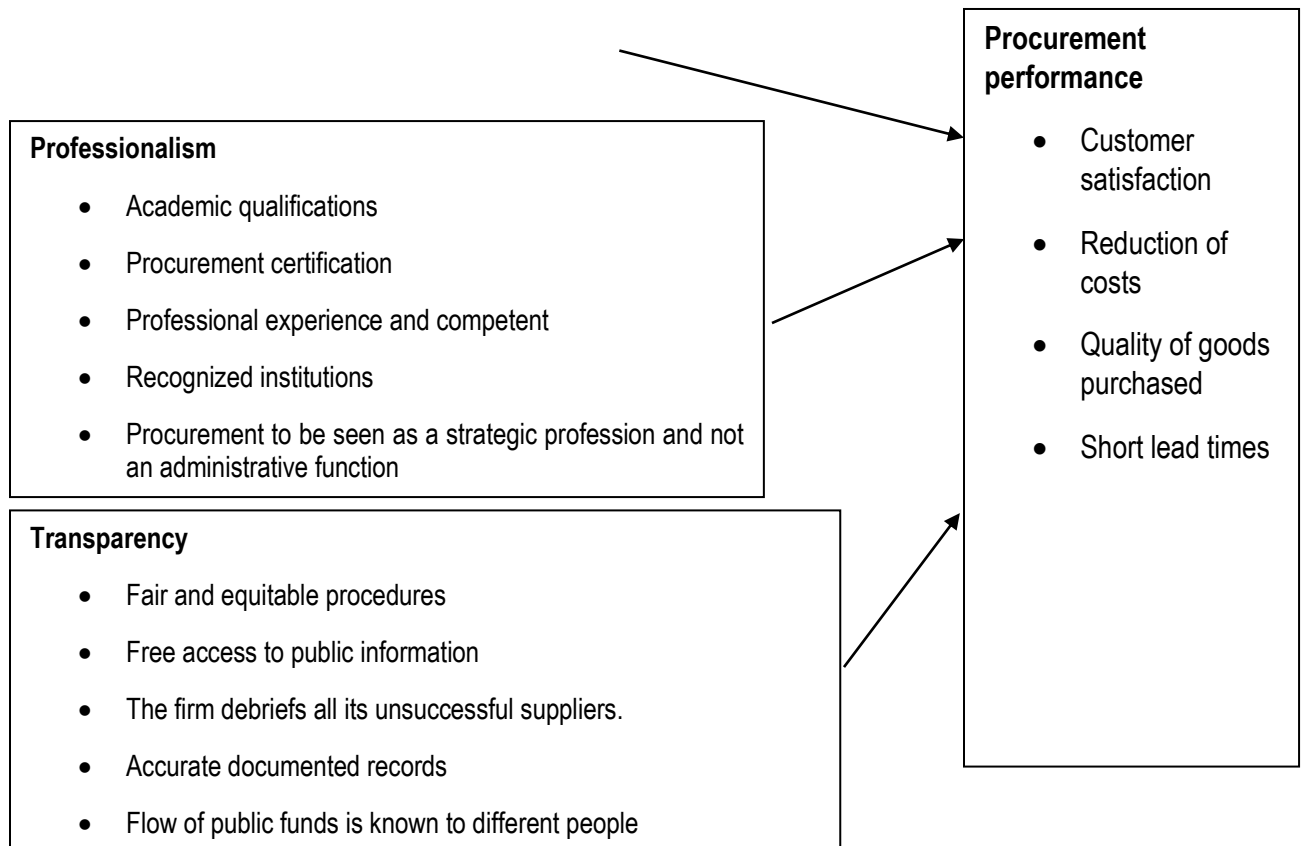
**2.6 Knowledge Gap**

Many researchers (Mamiro, 2018, Ngware, 2015, Manyaya, 2006, Mchopa, et al, 2014, Mrope, 2018, Mlinga, 2018, Kechibi, 2012) have written a lot concerning ethical issues in procurement in Tanzania, just to mention a few. Their studies concentrated much on the issues of value for money, competition, accountability, due diligence, fairness, confidentiality, integrity, as ethical practices in procurement and leaving the room for other variables such as transparency, professionalism and conflict of interests, yet not much research had been conducted in Tanzania leading to insufficient empirical literature on the contribution of ethical practices on procurement performance, therefore, the intention of this study will be to identify the gaps by looking other ethical practices on procurement performance in Tanzania and this is where a researcher is going to bridge the gap.

**2.5 Conceptual Framework**

**Figure 2.1 Conceptual Framework Model**





**Source: created by author of this study (2023)**

## 2.6 Definition of Variables

The conceptual framework in figure 2.1 showed the contribution of ethical practices on procurement performance in Tanzania. The framework will be used in this study consisted of the dependent variable also known as the predictor or criterion variable which the researcher wishes to explain and the independent variables known as the exploratory variables which are the presumed cause of changes in the dependent variable (Kothari, 2004). In this research the independent variables will be transparent, conflict of interests and professionalism were regarded while organization performance will be regarded as the dependent variable.

**Professionalism;** when procurement officers failed to implement their duties effectively due to lack of capacity. This is much contributed to low level of qualifications among the procurement officers with majority having diplomas and certificates academic qualifications with few member of officers having degree, also this go hand in hand with little understanding of legal requirements pertaining to public procurement among the procurement officers, tender board and user department and procurement management units (PMU) are staffed to an appropriate level as required in section 37 (1) PPA 2011.

**Conflict of interests;** there are various stages that a conflict of interests may rise in the whole process or stages or phases of procurement when officials involved in procurement decisions' could be influenced by their personal or private interests. In this aspect, during the award and the evaluation of bids is always assessed as one of the most vulnerable phases to conflict of interests, due to high level of technical expertise required and the specific features of evaluation committees

**Transparency;** everybody involved in procurement process such as contractors, suppliers and service providers and the public at large have the access of getting the information, unless there are valid and legal reasons to keep certain information confidential. In this aspects, contractors, suppliers and service providers must get these information through press, internet portal, electronically etc, the announcement should contains enough details information for interested contractors, suppliers and service providers to understand it in order to determine if they are



qualified to compete, most especially the solicitation documents must be made widely available at a reasonable cost or even free of charge.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter provided the description of the research methodology which included; research design, area of study, research approach, population, sample, sampling techniques, sample size,

data collection methods, primary data, secondary data, data analysis technique, reliability and validity of the instruments and ethical considerations

### **3.2 Research Design**

Research design is “the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedures” by Kothari (2004). Research design explains how chosen method will be applied to answer particular research question. Research design is classified into four categories as follows; Research approach (qualitative and quantitative), according to purpose of the study (exploratory, descriptive, and casual research design), according to time dimension (cross-sectional and longitudinal design) and lastly according to topical scope (case study and survey).

This research adopted descriptive research design. Descriptive research method was employed in this study in order to describe, observe, and document occurring phenomenon where frequency, mean and standard deviation was used for looking statistical significant of the variable construct. For the case of this study data will be measured through five-point rickets scale for dependent and independent variables to obtain results and evidence on the effects of ethical practices in procurement performance in Tanzania, A case of Nyamagana district council

### **3.3 Area of study**

The study was conducted at Nyamagana district council, Nyamagana district council, will be chosen as a case study, the council has been chosen because it is one among the local government in Tanzania facing with the challenges of ethical practices among its procurement officers in Tanzania and hence a researcher expects to get the relevant information concerning ethical issues in procurement. The Controller and Auditor General (CAG) Report (2018) indicates

among 185 LGA audited during the financial year of 2018/2019, Nyamagana district council was one among the LGA audited and the report found out that the principle of public procurement were not adhered and this leads the government incurred a loss amounting to TZS 1.9 trillion as the result of irregular practices in public procurement. From this scenario, a researcher expects to get relevant information concerning the effects of ethical practices in procurement performance in Tanzania

Also, Nyamagana district council, has been selected because the council has substantially being spending a lot of its budgets in procuring of both consultancy services, works – construction projects and also procurement of tangible items (goods). 60%-70% of the Nyamagana budgets is directed to the procurement of goods, works and services, so ethical issues are very in order to ensures values for money, accountability, transparency etc. Procurement as one of the basic functions of the council facing many challenges including unethical practices to some procurement officials hence a researcher expected to get the relevant information concerning the effects of ethical practices towards procurement performance.

### **3.4 Research Approach**

The study use a mixed research approach where by both quantitative and qualitative were employed. Quantitative approach is characterized by the collection of information which can be analyzed numerically while qualitative approach is characterized by the collection of narratives from respondents (Bouma, 2010). Therefore, the use of mixed approach will enable the

researcher to achieve the main objective of this study. The advantage of the mixed research approach is that they complement each other thus the researcher will be able to associate the information collected from respondents.

### 3.5 Population, Sample Size and Sampling Techniques

#### 3.5.1 Study Population

Population refers to the group of units with common features which a researcher is interested. In this study, a population consists of user departments, auditors, and Procurement officers of Nyamagana District Council

**Table 3.1** target population

<b>Department</b>	<b>Population Size</b>
Procurement Department	14
User Department	18
Auditing	08
<b>TOTAL</b>	<b>40</b>

**Source,** HR Data Base, 2023

#### 3.5.2 Sample Size

Sample refers to the number of participants or observations included in a study. It is a representative of the population in which the study findings are generalized (Alvi, 2016). In this study, the sample size was calculated using the Yamane (1967) formula of calculating sample size whereby;

$$n = \frac{N}{1 + N(e)^2} \dots\dots\dots (i)$$

Where

n= sample size

N= Population Size

E= desired precision (5-10%)

$$\text{Sample Size (n)} = \text{Population Size} \frac{N}{1 + N(e)^2}$$

Where N= 40

e= 5%, thus

$$n = \frac{N}{1 + N(e)^2}$$

n= 40

$$1 + 40(0.025)^2$$

N= 36

**Table 3.2 Sample Size**

Department	Population Size	Sample size
Procurement Department	14	14/40 × 36 = 13

User Department	18	$18/40 \times 36 = 16$
Auditing	08	$08/40 \times 36 = 07$
<b>TOTAL</b>	<b>40</b>	<b>36</b>

**Source:** Researcher (2023)

### 3.5. 3 Sampling Techniques

#### 3.5.3.1 Probability Sampling Procedure

Simple random sampling refers to the sampling technique in which every member in the population had an equal chance of being selected (Kothari, 2011). User departments and auditors in Nyamagana district council was selected using this technique and this technique eliminates all element of biasness during selecting a representative sample.

#### 3.5.3.2 Non probability sampling procedure

The purposive sampling technique was used among the officials in the procurement department in the study area

### 3.6 Data Collection Methods

Primary data were collected using questionnaires and interview

#### 3.6.1 Interview

In this study, a researcher used interview as the method of data collection. This method involve face to face interview between the researcher or interviewer and the interviewees or the

respondents. Interview will be used to collect information from the respondents that questionnaires could otherwise not be able to collect. Interview guides were prepared by the researcher in order to have consistency in asking questions and the interview guides were used among the procurement officers in Nyamagana district council.

A pilot study was carried out to determine the validity of the interview guides, where the responses of the subjects were checked against the research objectives.

### **3.6.2 Questionnaires**

These are the questions prepared by the researcher and sent directly to the respondents in the field for the purpose of filling them. These questions are in two types open and closed ended questions.

Questionnaires were preferred in this study due to the fact that they enable the researcher to reach the target group with the minimum cost in terms of time and other sources. A researcher believed that, it is through questionnaires that the respondents were able to provide information at their own prudence or discretion. Hence, it helped to avoid any direct influence contrary to other methods like interviews where the researcher may have direct influence in molding respondents answer. Questionnaires were used among the user departments and auditors in the study area

#### **3.6.2.1 Pre-testing of the Questionnaire**

In this study, a researcher pre- tested the instrument before being used. The purpose of this testing were to obtain responses in order to complete research objectives, to tests whether the wording of questions is suited and clear to the understanding of the respondents, to develop suitable procedure for administering the instrument with reference to field conditions and to test whether the content of the instrument is relevant and adequate (Cohen, 2011). Furthermore, this act of pre testing the questionnaires aimed to assess whether the questions are answerable,

clear, specific, interconnected and substantial (Baxter, 2008). The whole process enabled the researcher to fine tune the questions, also some ambiguous questions were removed and others were re-phrased. After revision, the questionnaires were duplicated ready for use.

A pilot study was carried out to determine the validity of the questionnaire, where the responses of the subjects were checked against the research objectives. The questionnaire were pilot tested on fifteen (15) respondents who are part of target population but not in the sample. This represents slightly above 10% of the accessible population that is generally recommended by social researchers (Mugenda & Mugenda, 2012). After pilot testing, the questionnaires were revised to incorporate the feedback that were provided

### **3.6.3 Secondary Data**

Refers to the data that have already been collected by someone else. A researcher used these data just to supplement from other methods of data collection like questionnaires and interviews. The data were obtained through books, meetings' minutes, newspapers, dissertations, letters, files, internet, Procurement Acts, journals, CAG reports of 2018, PMU reports, and PPRA reports of 2017.

### **3.7 Data Analysis Technique**

The study had two types of data to be analyzed. The data will be analyzed using Statistical Package for Social Sciences (SPSS) version 20 descriptively. Quantitative data were analyzed using descriptive statistics such as frequencies, percentages, mean and standard deviation. Quantitative data were entered and coded on SPSS version 20. Qualitative data will be analyzed using content analysis. Data were grouped into themes and analysed into categories accordingly. Direct quotations from respondents were used as justification to their answers. In presentation of



findings, the researcher showed how the data from descriptive statistics and content analysis relates or not.

### **3.8 Pilot study**

In order to assess the reliability of the instruments of the study (questionnaires) and validity of the data to be collected, a pilot study was conducted prior to the main study. As suggested by Leedy and Ormrod (2006), a pilot study is an excellent way to determine the feasibility of the study. The researcher understands the importance of conducting a pilot study that include gathering field experience, to be aware of the logistics involved and most importantly, to get the overall view of the responses to the survey questions. This in turn enabled the researcher to adjust any observed weaknesses in the data collection tools before the actual survey will be conducted

### **3.9 Validity and Reliability of the Instruments**

#### **3.9.1 Validity**

Validity is the degree to which a study accurately reflects the specific concept that the instruments intended to measure (Kombo, 2006). The validity of the instruments for data collection in this study was done through expert review. Experts in research reviewed the data collection instruments and any correction or adjustments were made accordingly in relation to the topic under study. This ensured the validity of data collection tools. Also questionnaires and interview guides will be checked by the supervisor and the language used was simple to every respondents involved in this study.

Comments and guidance provided by the research supervisors and other experts in the field of procurement was of great and valuable inputs in validating the research instruments.

### **3.9.2 Reliability**

Reliability is the degree to which a test is consistent and stable in measuring whatever it is measuring. Reliability requires the administration of the same test to the same respondents twice (Kothari, 2011). After pilot study, data were tested through SPSS to ensure the internal consistency.

The instrument were pre-tested through a pilot study before the actual data collection to enhance reliability. The research instruments were tested to identify possible problems during the main study and clarify on the instrument and appropriateness of the language. The importance of pre-testing a questionnaire according to Creswel (1999) is to help the researcher understand the meaning of the questions to be respondents and how they arrive at their response. The researcher carried out a pilot testing on 10 employees of Nyamagana district council. Test re-test method was applied, where the questionnaires were administered to the same respondents twice in the span of two weeks.

According to Leedy (2006) when Cronbach alpha is greater than 0.9 ( $>0.9$ ) it means that the internal consistency reliability is excellent. When it is greater than 0.8 ( $>0.8$ ) the reliability is good, while greater than 0.7 is accepted and greater than 0.6 is still acceptable. When it is 0.5 to 0.58 is poor and when it is less than 0.5, internal consistency in unacceptable.

### **3.10 Ethical Considerations**

According to Mason (2013), ethical consideration in research is not only essential but also necessary to ensure that participants are treated with dignity and respect during the study. These are moral principles that guide researchers to conduct and report research without deception or intention to harm the participants of the study or members of the society as a whole, whether

knowingly or unknowingly. Practicing ethical guidelines while conducting and reporting research is essential to establish the validity of research

During this study, the following ethical issues were observed; the researcher got data collection permit from the Institute of Accountancy Arusha and government authorities. The researcher ensured that all respondents voluntarily participate in the study and the information collected were kept confidentially and were used for the study only. The researcher always inform the respondents prior to data collection sessions.

## **CHAPTER FOUR**

### **FACT FINDINGS, ANALYSIS AND DISCUSSIONS**

#### **4.1 Introduction**

The analysis and discussions of the data were made in conjunction with the research objectives in this chapter. Three sections were involved in this chapter namely, the first part of this chapter elaborated background of the information, the second part of this chapter present the findings of the analysis based on the research objectives as explored by the research interview guides and questionnaires where descriptive statistics and content analysis were employed

#### **4.2 General Information of the Respondents**

Demographic characteristics of the respondents were analyzed in this chapter. The characteristics were in terms of age, gender, working experience and level of education.

#### **4.3 Data Analysis in Relation to Specific Objectives**

The study analyzed descriptive statistics based on the following observed variables: conflict of interests, professionalism and transparency.

##### **4.4.1 The role of conflict of interests on procurement performance in Mwanza city council**

Under this research objective, the researcher sought to determine the role of conflict of interests on procurement performance. Respondents were to respond by ticking most appropriate option ranging from 1=strongly disagree 2=disagree 3=Undecided 4=agree 5=strongly agree. Respondents indicated their perception toward three items in the questionnaire as shown below. Scale of mean score interpretation was as follows: Based on the mean values, mean score of 1 to

1.8 represent Strongly Disagree, 1.81 To 2.60 represent disagree, 2.61 To 3.40 represent undecided, 3.41 To 4.20 represent agree and 4.21 To 5.00 represent strongly agree.

**Table 4.1: the role of conflict of interests on procurement performance**

Statements	N	Mean	Std. Dev	Interpretation
Personal interests/Person gains	104	3.13	.570	Undecided
Nepotism	104	2.83	.663	Undecided
Political or external influence	104	3.80	.495	Agree

**Source: Field Data (2023)**

As reflected in Table 4.2, mean score differed from one item to another. This shows that respondents had different opinion about how conflict of interest's influence procurement performance in public sector. Specifically, they were undecided that personal interests and nepotism can affects or influence procurement performance in one way or another (M=3.13 and S. D= 0.570) and (M=2.83 and S. D=0.663) respectively.

The findings further indicated that respondents agreed that Political or external influence also influence procurement performance with the mean score of M=3.80 and S. D=0.495. The findings imply that conflict of interests is unethical in public procurement and can affects the whole process of procurement.

#### **4.4.2. The influences of professionalism on procurement performance**

The researcher sought to examine the influences of professionalism on procurement performance. Respondents were to respond by ticking most appropriate option ranging from 1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4= Agree, 5= Strongly Agree. Scale of mean score interpretation was as follows: Respondents had to respond to five items in the questionnaire

under this section. The results of analysis are shown in Table 4.8. Based on the mean values, mean score of 1 to 1.8 represent Strongly Disagree, 1.81 To 2.60 represent disagree, 2.61 To 3.40 represent undecided, 3.41 To 4.20 represent agree and 4.21 To 5.00 represent strongly agree.

**Table 4.3: the influences of professionalism on procurement performance**

Statements	N	Mean	Std. Dev	Interpretation
Academic qualifications	30	3.00	.114	Undecided
Procurement certification	30	3.53	.432	Agree
Professional experience and competent	30	3.47	.479	Agree
Recognized institutions	30	3.70	.264	Agree
Procurement to be seen as a strategic profession and not an administrative function	30	3.30	.512	Agree

**Source: Field Data (2023)**

Table 4.8 presents findings about how professionalism influence procurement performance in public sector. The mean score differed from one item to another. This shows that respondents had different opinion about how professionalism influence procurement performance. Specifically, respondents agreed that Procurement to be seen as a strategic profession and not an administrative function, Recognized institutions, Professional experience and competent and Procurement certification (M=3.00 and S. D= 0.114, M=3.53 and S.D= 0.432, M= 3.47 and S.D= 0.479, Mean= 3.70 and S.D= 0.264 and Mean= 3.30 and S.D= 0.512). Findings further indicated respondents were undecided on whether academic qualifications had an influence on procurement performance or not (M=3.00 and S. D= 0.114).

#### 4.4.3 The contribution of transparency on procurement performance

To achieve the study objective, the researcher sought to examine the contribution of transparency on procurement performance. Respondents were to respond by ticking most appropriate option ranging from 1= Strongly Disagree, 2 = Disagree, 3 = Undecided, 4= Agree, 5= Strongly Agree. Scale of mean score interpretation was as follows: Respondents had to respond to five items in the questionnaire under this section. Based on the mean values, mean score of 1 to 1.8 represent Strongly Disagree, 1.81 To 2.60 represent disagree, 2.61 To 3.40 represent undecided, 3.41 To 4.20 represent agree and 4.21 To 5.00 represent strongly agree. The results of analysis are shown in Table 4.4

**Table 4.4: the contribution of transparency on procurement performance**

Statements	N	Mean	Std. Dev	Interpretation
Fair and equitable procedures	30	3.50	.408	Undecided
Free access to public information	30	3.50	.656	Agree
The firm debriefs all its unsuccessful suppliers	30	3.77	.382	Agree
Accurate documented records	30	3.47	.525	Agree
Flow of public funds is known to different people	30	3.73	.337	Agree
Publication of Contract Awards is known to different people	30	3.60	.354	Agree

**Source: Field Data (2021)**

As seen in table 4.4, there were no varying views on how transparency influence procurement performance in the study area. Respondents agreed on all six items from the questionnaires. Specifically, they agreed that Fair and equitable procedures influence procurement performance in LGA (M=3.50 and S. D= 0.408), Free access to public information (M=3.50 and S. D=0.656), The firm debriefs all its unsuccessful suppliers (M=3.77 and S. D= 0.352), Accurate documented records (M=3.47 and S. D= 0.525), Flow of public funds is known to different people (M=3.73 and S. D= 0.337), and Publication of Contract Awards is known to different people (M=3.60 and S. D= 0.354) respectively. This suggest that respondents were aware of how transparency influences procurement performance in Nyamagana distric council.

#### **4.4 Presentation of findings in relation to specific objectives**

Descriptive statistic alone is not enough to investigate how the independent variable may affect the dependent variable, and also not effective in examining the relationship between the variable. The researcher employed correlation and regression analysis to investigate the extent to which the independent variables may affect the dependent variable

##### **4.4.1 Pearson Correlations Matrix**

The researcher also performed the correlation analysis in order to observe the degree of association among the variables. Table below provide the degree to which the variables are related. A correlation analysis was carried out on the study variables to establish whether there existed any significant relationship between the dependent variable and the independent variables using 0.05 level of significance. The variables were analyzed using the Pearson's product method correlating the Dependent Variable (DV); procurement performance to all Independent Variables (conflict of interest, professionalism and transparency). The result were presented in Table 4.9 below.



**Table 4. 6 correlation Analysis**

		procurement performance
conflict of interest	Pearson Correlation	.317**
	Sig. (2-tailed)	.001
	N	100
professionalism	Pearson Correlation	.678**
	Sig. (2-tailed)	.000
	N	100
transparency	Pearson Correlation	.736**
	Sig. (2-tailed)	.000
	N	100

**Source:** Field Data, 2023

The result as shown in Table 4.9 above, indicates that, the relationship between conflict of interest (independent variable) and procurement performance (dependent variable) had the Pearson Correlation = 0.317, significant (2-tailed) = 0.001 whereby it is confirmed that there is positive

relationship between conflict of interest and procurement performance. From the results, the researcher found that the extent to which conflict of interest may determine the effectiveness of procurement performance given by the correlation coefficient of 31.7%,  $P= 0.001$  and statistically significant at 5% level of significant. The result was statistically significant at 0.05 level as it has the probability value less than 0.05.

Moreover, the researcher confirmed the existence of positive association between professionalism and procurement performance by the correlation coefficient of ( $R= 0.678$ ,  $P= 0.000$ ) this association is again statistically significant at 5% level of significant with a probability value of 0.000 which is actually less than 0.05 level of significant. Therefore, the researcher concluded that the professionalism is positively moving together with procurement performance.

Furthermore, the researcher examined the correlation between transparency and procurement performance. The findings have indicated that, there is a strong positive relationship between transparency and procurement performance, as given by correlation coefficient of 0.736 at the 0.000 level (2-tailed) hence the results were statistically significant at 5% level of significant. This mean the transparency have a strong association with the procurement performance.

#### **4.4.2 Multiple Regression Analysis**

The multiple regression analysis was used to determine the relationship between conflict of interest, professionalism and transparency (independent variables), and procurement performance (dependent variable). The results of the regression analysis are presented from Table 4.7 to Table 4.9. From Table 4.10,

The Findings show that independent variables (conflict of interest, professionalism and transparency) were significant joint predictors of procurement performance with a correction of 91.8% and adjusted R square equal to 83.5% this means that the predictor variables jointly

explained in 83.5% the variation of the procurement performance in Nyamagana district council. While the remaining 16.5% could be due to other factors, this means that the procurement performance Nyamagana district council is highly depending on the conflict of interest, professionalism and transparency. The variables were established to check whether at 5% level of significant and 95% confidence level. The result was provided using ANOVA table below.

**Table 4. 1 ANOVA TABLE**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1276.769	3	425.590	112.076	.000 <sup>b</sup>
	Residual	239.231	33	3.797		
	Total	1516.000	36			

a. Dependent Variable: procurement performance

b. Predictors: (Constant), conflict of interest, professionalism and transparency

The findings from the ANOVA table indicate that the overall regression model is statistically significant at 5% level as it has the probability value of 0.00 which is below than 0.05 level of significant. Therefore, the entire model was found to uniquely statistically significantly influence the prediction to procurement performance. The coefficient of the relationship was given in the table 4.13 below.

**Table 4. 2 Model Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	21.735	2.940		7.392	.000
1 Conflict of interests	.289	.116	.228	2.495	.015
professionalism	1.146	.108	1.420	10.589	.000
transparency	.788	.158	.589	-5.004	.000

a. Dependent Variable: Effectiveness of E-procurement Implementation

The data were analysed using multiple regressions with independent variables (conflict of interest, professionalism and transparency) and dependent variable (procurement performance).

The regression coefficient result shows that there is positive and significant relationship between all of the independent variable in the model relative to dependent variable, and that they are considered to be statistically significant predictor of the dependent variables. For instance the

researcher found the existence of positive and significant relationship between professionalism and procurement performance. In a way that, professionalism, will increase the procurement performance by 1.420 holding other factors constant. The coefficient was found to be statistically significant at 5% level with the probability value which is less than 0.05 level of significant.

Similarly, the researcher found the existence of positive and significant relationship between conflict of interest and procurement performance. This was presented with the coefficient of 0.228 meaning that, will increase the performance of procurement by 0.228 holding other factors constant. The transparency was therefore effective predictor of procurement performance in the study area. Notwithstanding to that, the researcher found the positive and significant relationship between transparency and procurement performance in a way result to 0.589 holding other factors constant. The coefficient was also statistically significant at 5% level of significant as it has the probability value of 0.000 which is less than 0.05 level of significant.

#### **4.1.2.2 Content Analysis Findings of Interview Data**

The study collected qualitative data using interviews. The data were collected from procurement officers. The data were analyzed using qualitative content analysis.

#### **4.2.2.2.1 Interview Question one: The Political or external influence affects procurement performance**

The interview data were analyzed using qualitative content analysis which involved development of themes, codes and categories for data collected from each respondent in relation to the research question. To achieve the study objective, respondents were interviewed on ways the Political or external influence affects the procurement performance.

The interviewed respondents had varying views on ways in which political or external influences affects procurement performance. Findings revealed that that procurement decisions must not be

from political or outside influence because the effects of these will be increases of unnecessary costs and sometimes customers which are the public will be satisfied with procurement process.

In the interview, one of the interviewee said;

*In Tanzania, at one time, the Prime Minister Hon. Kassim Majaliwa in one of his speech reminded the public servants and ward councilors (politicians) that are forbidden and prohibited to apply for tenders floated by their relevant councils. This is in accordance with section 84 (3) of Public Procurement Act 2011. On the other hand, one of the most susceptible and vulnerable to corruption government activities is the public procurement.*

Another interviewee had the opinion that;

*He quotes words from the former PM Mizengo Pinda in 2014, when opening ceremony of the third Road Funds stakeholders meeting in Mbeya region. The Government has warned local government council leaders who undermine the necessary competition in public procurement by awarding road works contracts to firms in which they have interest or on the basis of nepotism.*

*He insisted that, the despicable/shameful behavior which he said was rife in local governments, has resulted into poorly implemented projects because Government leaders who are supposed to supervise those projects are themselves involved in carrying them out*

*He added that, "Do not succumb/ give in to nepotism in picking contractors nor should you influence contract awards to your own firms or those belonging to your close associates," he said. The Premier reminded Government officials not to use their offices for personal ends by diverting project funds to their pockets. "Tanzania needs a reliable road network in areas where*

*farmers can easily transport their products to markets and also we need road networks that can link up regional and district roads to encourage investors,” he added.*

Another interviewee had the opinion that;

*Interview with Head of PMU revealed that” Procurement officers shall not use their office or knowledge gained from their official functions for private gain, financial or otherwise, or for the private gain of any third party. He added that, honesty, impartiality, truthfulness and incorruptibility are to be applied whenever a conflict interest or the appearance of conflict of interests arises in the course of conducting procurement. Lastly, he concluded that a common conflict of interest situation LGAs procurement officers have to face is whether or not to accept gifts from suppliers, partners or government*

#### **4.2.2.2.2 Interview Question two: Does employees with professionalism influence procurement performance**

**In the interview, one of respondent said;**

*One procurement officer from PMU had this to say: CPSP qualifications are designed to meet the highest standards impart professionals with a consistent workforce competence, she further stated that the certified CPSP employees know what is required to perform their jobs better than uncertified procurement staffs. From the field, it was revealed that certification encourages ethical behavior, certification enables procurement officers to work at an advanced strategic level, certification helps to define the profession, certification provides a more capable workforce, certification demonstrates the commitment of the*

*individual to the success of his or her organization, certification of procurement staffs enhances organizational effectiveness.*

Another interviewee had the opinion that;

*Interview was also conducted to uncertified officials in the PMU in Mwanza city council, for those staffs who were uncertified in the study area had this to say, in LGAs in Tanzania, it is a very big challenging process to be certified due to bureaucracy from in administration, other sees that certification is not compulsory for the performance of their duties and there is no need to get certified because they have adequate educational experience and practical in the field of procurement. Other staffs from PMU stated that, there is a lack of institution support by their employer for not reimbursing the costs (examination fees, educational materials) associated with certification and lack of time to pursue certification as the reasons for not pursuing certifications*

Another interviewee had the opinion that;

*We need professional procurement officers from recognized institutions because these people enable the organization to deliver greater benefits than it costs and it helps business and the government better manage business decisions. Another official from PMU department said that professional development of procurement officers, certification and training will ensure buildings blocks of integrity in the procurement process in Tanzania. Lastly, the community shall demand fair competition, clean business and openness*

#### **4.2.2.2.3 Interview Question three: the fairness and equitable procurement procedures influences transparency**



The interview data were analyzed using qualitative content analysis which involved development of themes, codes and categories for data collected from each respondent in relation to the research question. To achieve the study objective, respondents were interviewed on how does the fairness and equitable procurement procedures influences transparency. The interviewed respondents had varying views. Findings revealed that there are various ways how does the fairness and equitable procurement procedures influences transparency in a study area including; what kind of documents can be published at each stage of the public procurement cycle, for example:

- (a) Post- award involving contact and implementation, information on litigations, process reports, audits, contract note etc
- (b) Tendering involving award and invitation, tender/ bidding documents, technical specifications, tender notices evaluation criteria, qualification criteria, clarifications bidder's questions, evaluation report, decisions on appeals etc
- (c) Pre- tendering procurement plan public hearing notice, prior information notice
- (i) Criteria that set the timeframe for publication of procurement of opportunities and submission of proposals to allow enough or adequate time to:
  - (i) Ask questions
  - (ii) Prepare for the tender

**In the interview, one of respondent said;**

*It was discovered that Nyamagana district council support equitable and fair treatment for potential contractors, service providers and suppliers by providing timely degree and an adequate of transparency in each stage of the public procurement cycle, while taking into*

*account the legitimate needs for protection of proprietary information, trade secrets and other privacy concerns as well as the need to avoid information that can be used by interested contractors, service providers and suppliers to disfigure or distort competition in the procurement process. Lastly, there is a need for contractors, service providers and suppliers to provide correct information on transparency basis in subcontracting relationship*

Another interviewee had the opinion that;

*Nyamagana district council performs its duties according to the PPA and not otherwise.*

*This Act requires PEs to make advertisement of bid opportunities in accordance with PPA 2011 section 69 and made under regulations 8 (a), 19, 32, 120, 150, 181, 254, 255, 280, 332 which necessitate PEs to take necessary measures to ensure that publication of tender opportunities in the PPRA's websites and journal, local newspapers of wide circulation and any appropriate media likely to be seen by the greatest number of potential contractors, suppliers and service providers or bidders.*

### **4.3 Discussion of Findings**

This part provides the discussion of the findings. The discussion related the findings presented in chapter four and those from past studies.

#### **4.3.1 The role of conflict of interests on procurement performance**

Findings from research question one found that Personal interests/Person gains, nepotism and Political or external influence had an influence on procurement performance. These findings relates to the findings by Lisa (2010) stating that, procurement and supply management professionals must encourage colleagues to declare any material personal interest which may

affect or be seen to affect, their impartiality of judgment in respect of their duties. Organizations should have a clear policy on accepting business gifts and declaring conflict of interest, procurement and supply management professionals must encourage colleagues to comply with any such policy.

Findings agree with Wanyama, (2013) stating that external forces makes the field of procurement to be vulnerable in the areas of political, technological, financial, socio- cultural environment. These factors all have implication for procurement, from price negotiations to trade and supplier management. There is a need for procurement departments need to keep abreast of political events globally and act quickly in order to reduce risk and make the most of opportunities.

Furthermore, Mchopa (2014) who asserted that as procurement officers in public sectors have the responsibility to manage the public procurement process within the public procurement legal framework and principles. Furthermore, our friends, family, personal preferences and associates must not manipulate the decisions we make in the implementation of our duties.

Hussein and Shale (2014) observed that if the ethical practices are ignored there will be corruption, kickbacks/ rewards, conflicts of interests, bid rigging (illegal practice in which competing parties collude to choose the winner of bidding process while others submit uncompetitive bids) and manipulations leading to the ultimate loss of public resources and untimely delivery of procured works, goods and service

#### **4.3.2 The influence of professionalism on procurement performance**

Findings from the second research question on the influence of professionalism on procurement performance revealed that. Employment of staffs from the recognized institutions, Academic qualification, Procurement is seen as a strategic profession rather than an administrative function,

Professional experience and competent and The certification of procurement staffs was found to have a positive impact on procurement performance. These findings correlated with those reported by Raymond (2018) and Aketch, (2015) if procurement staffs lack professionalism automatic corruption will appear and impedes or hamper fulfillment of procurement regulations and rules in PEs' and harmfully or adversely affects the procurement performance. In this regard, there is a need for PEs in Tanzania to train these staffs in order to manage the process. Poor trained among the procurement officers about the rules and regulations in relation to procurement and related procedures and lack of awareness impacts and the whole process of procurement and sometimes breaches and violation of code of conduct appear or occur leading to unsound procurement practices and hence decline organizational performance.

Lyson and Farrington (2012) who deduced that procurement is a professional which needs skills based on the theoretical knowledge, education, prolonged training, competence based on examinations and tests and adherence of professional code of ethics. Therefore, for effective procurement system, it needs or requires an PE to be staffed with trained procurement staffs, procurement professionals and procurement staffs who are recognized by the respective procurement professional body like PSPTB in Tanzania (Soudry, 2007).

It is believed that the poor performance of PEs has been associated with incompetent procurement staffs, inadequate procurement staffs (Aketch, 2015). As a result, the established regulations, procedures and rules are not constantly applied. In this regard, it is advisable that all procurement staffs and other people involved in procurement process are required to be familiar with the procurement rules and regulations. Therefore, professionalism in public procurement dose not only relate to the levels of qualifications and education for the working force, but also to the professional approach in the conduct of business activities (Raymond, 2018).

Raymond (2008), on the professional is characterized and known by having a professional organization, a body of knowledge and a code of conducts and ethics (Roberty and Clifford, 2014). In Tanzania, PSPTB is a professional body established under the Act. No. 23 of 2007. The main thrust of the establishment Act is to make better provisions for regulating practices and conduct of procurement and supplies professional. Subsequent to the Act, the Board has developed and disseminated a professional code of ethics and conduct through Government Notice No. 365 of 2009. The Code which applies to all registered Procurement and Supplies Professionals requires all professionals to carry out all appropriately assigned duties diligently, efficiently, equitably, honestly, trustfully, and with transparency.

The findings confirm that the procurement professionals in the LGAs should prioritize areas associated with ethical issues. In concurrence, Parsons (2011) noted that procurement is increasingly being seen as a strategic profession rather than an administrative function. He added that professionalization of procurement was integral in stopping or stemming corruption and integrating it with ethics. This study established that the professional must ensure they have both work experience and education in procurement, understand suppliers operations and offer guidance. Appelbaum and Lawton (2010) asserted that profession has been linked with the notion of service and a service and a profession has been described as a group of people organized to serve a body of specialized knowledge in the interest of society. They added that, professions like medicine, engineering, law, marketing, project management, architecture, among others have a duty to protect the professionalism demanded of professions. Therefore, procurement too, is one of the interesting and new professional disciplines with an ethical code to protect, but the profession is still in its immaturity or infancy.

Lastly, A study conducted by Wanyonyi and Muturu (2015) concluded that experience, staffs competency and ethics positively affects procurement performance. Therefore, there is a need for the PEs' endeavor to promote experience, employee competence and enhance the implementation of good organizational moral code of conduct so as to obtain improvements in their procurement departments

Achua (2011) deduced that employees on job competence have an effect on procurement performance. Higher capabilities and skills leads to more careful handling of assigned procurement task as they are able to exercise due care and skills. Furthermore, handling of assigned procurement tasks as they are able to exercise due care and skills. On the other hand, inherent skills have an influence on moral code of conduct that has an effect on the manner in which procurement tasks are to be carried out.

#### **4.3.3 The contribution of transparency on procurement performance**

Findings in the third research question on the contribution of transparency on procurement performance revealed that transparency on the procurement procedures in LGA should be fair and equitable, free access to public information for all stakeholders, Visibility of the flow of public funds, Unsuccessful suppliers are debriefed on the weak of their tender documents by the organization, Documents are recorded accurately to show proper ethical standards and Publication of Contract Awards. The findings related to those of Wassenhove (2016) who came to an agreement that adoption of ethical public procurement leads to transparency, professionalism, probity and accountability leading to best procurement practices, he stressed that contract management and staff competence positively affect procurement performance. Saeed et al. (2005) concurred that firm that adopts procurement ethical practices leads to suppressed fraud.

Walker and Brammer (2009) conclude that adoption of ethical practices ensures firms get value for their money.

Public Procurement Act of 2011 Regulation 10 (1) which states that a PE shall maintain sufficient records (written) of all procurement, disposal or selection proceedings in which it is involved and such records shall prescribe tenders who have responded to advertisement or were approached to tender or to submit expression of interests or proposal , the successful tenders, the unsuccessful tenders, and the reasons.

Furthermore, Regulation 10 (2) states that subject to sub regulation (1), the records shall be made accessible to any authorized person or body and part of it, as specified in these Regulations, shall be published in the tender's portal and journal. Regulation (10) 3 states that without prejudice to sub-regulation (2), information relation to project particulars shall be made available to the general public in a manner and formats as shall be prescribed in the guidelines issued by the authority.

According to the Regulations 236, it shows that publication of awards should be disclosed to the public in accordance with the stated regulation stated above. Awards should be submitted and copied to PPRA for publication in PPRA's journal and website, as per Regulation 8 (a), 19, 32,120,150, 181, 254, 255, 280, 332 which necessitate the results of tender awards to be published in the Authority's journal and website, Government Gazette and in one newspaper of wide circulation or in any other suitable and appropriate information media on regular .

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

Three sections were involved in this chapter namely summary, conclusions and recommendations originated from the study findings and research objectives.

#### **5.2 Summary of the Study**

The result indicates that, the relationship between conflict of interest (independent variable) and procurement performance (dependent variable) had the Pearson Correlation = 0.317, significant (2-tailed) = 0.001 whereby it is confirmed that there is positive relationship between conflict of interest and procurement performance. From the results, the researcher found that the extent to which conflict of interest may determine the effectiveness of procurement performance that was given by the correlation coefficient of 31.7%,  $P= 0.001$  and statistically significant at 5% level of



significant. The result was statistically significant at 0.05 level as it has the probability value less than 0.05.

Moreover, the researcher confirmed the existence of positive association between professionalism and procurement performance by the correlation coefficient of ( $R= 0.678$ ,  $P= 0.000$ ) this association is again statistically significant at 5% level of significant with a probability value of 0.000 which is actually less than 0.05 level of significant. Therefore, the researcher concluded that the professionalism is positively moving together with procurement performance.

Furthermore, the researcher examined the correlation between transparency and procurement performance. The findings has indicated that, there is a strong positive relationship between transparency and procurement performance, as given by correlation coefficient of 0.736 at the 0.000 level (2-tailed) hence the results were statistically significant at 5% level of significant. This mean the transparency have a strong association with the procurement performance

#### **5.4 Recommendations of the Study**

The researcher suggests the following measures to be taken in order to ensure LGAs in Tanzania adhered to procurement ethics particularly in Nyamagana district Council and other Local government authorities in Tanzania at large. Therefore, it is recommended that:

##### **5.4.1 To the government**

The government through the public procurement bodies such as Public Procurement Regulatory Authority (PPRA) and Procurement and Supplies and Professional and Technicians Board (PSPTB) should put many efforts on capacity building and monitoring to the LGAs with poor compliance level in order to strengthen and improve their procurement performance.

##### **5.4.2 To policy makers**

The policy makers in the country such as members of the parliament should pass laws and regulations that will ensure all the procurement officers are forced to adhere to these laws and regulations. Also, the government through the Prevention and Combating of Corruption Bureau (PCCB) should make sure that they punish those individuals (procurement officers) caught taking bribery in procurement of services and goods.

#### **5.4.3 To the Institution in which the research was undertaken**

The study recommended that, more emphasis should be given to all procurement officers with low academic levels to keep on upgrading their levels. This can be done through formal education and attending various seminars and workshops conducted by PPRA, PSPTB and GPSA. Also, Nyamagana district council should allocate budget for procurement officials unable to pay fees to upgrade their level of education from certificate, diploma, and degree up to the master level.

It is recommended that Nyamagana district council should employ procurement staffs who are certified and registered by PSPTB, these professionals are expecting to perform their duty in ethical manner.

There is a need for the procuring entity (Nyamagana district council) to develop their own internal ethical control mechanisms rather than depending on the broad framework which may not cater for the interests and context of the specific procuring entity.

These may include strengthened internal procurement manual, ethical committee or department, enhanced independence of internal of pre- audit and audit committee as well as effective reward and punishment system.

Further training should be provided to the officer involved in procurement practices at Nyamagana district Council especially Procurement Management Unit. The organization should provide training to employees to enhance their effectiveness and efficiency in their work.

Deployment of the right people to be in charge of procurement is a key step in the management of ethical. Officers in charge of procurement should be people of integrity.

Qualified and competent people should be deployed to manage the procurement issues of a Procuring Entity. The organization should employ procurement officers from the institutions which are recognized by the government, this goes hand in hand to maintain hiring of qualified and professional procurement staffs. Furthermore, improvement in ethical procurement practices should be seen as a responsibility of each and every employee in an organization.

#### **5.4.4 To the future researchers**

It is through this study that other researchers can identify the knowledge gap. This study was guided by the following specific research objectives such as to determine the influence of conflict of interests on organization performance in LGAs, to establish the influence of professionalism on organization performance in LGAs and to examine the influence of transparency on organization performance in LGAs. These variables were three and thus a researcher suggests other variables to be used to evaluate ethical procurement practices and procurement performance in Tanzania such Accountability, VFM, Right to appeal, integrity, confidentiality etc.

#### **5.4.5 To the practitioners**

It is recommended that, in order to ensure ethical practices among the procurement officers in LGAs, the researcher argued that, conducting regular seminars and workshop could be the best way to minimize unethical behaviors among the procurement officers in LGAs.

It is recommended that, conflict of interests is unavoidable in any human society and that its awareness should be made possible in Nyamagana district council. Hence, equally, public procurement management should be made in an open and transparency as much as possible to achieve professional and personal fulfillment.

The study recommends that, there is a need for LGAs in Tanzania to have different guidelines with a clear definition of the word conflict of interests as well as put forth requirements for public officials involved in the procurement process to disclose information on their private interests and assets in order to prevent and avoid conflict of interests in public procurement.

The study recommends that ethical procurement practices of professionals should consistently be evaluated so as to ensure procurement activities are conducted in compliance with the laws; also there is a need to develop a code of conduct manual for procurement officials who must sign and undertaking to adhere to the code.

### **5.5 Suggestions for further studies**

Since the study concentrated on the contribution of ethical practices towards improving the performance of procuring entities in Nyamagana district Council based on three variables of professionalism, transparency and conflicts of interests, it was impossible for this study to reveal all issues of procurement ethical practices. Other researchers should conduct their study on the

same topic but in different districts based on other variables such as accountability, value for money, integrity, confidentiality etc

## REFERENCES

- Achua, J., K. 2018, Anti-Corruption in Public Procurement in Nigeria: Challenges and competency Strategies. *Journal of Public Procurement*, 11(3), 323
- Adebola, M., Akpan, E., Eniayejuni, B., Alagbe, K., and Kappo, J. 2016, *The Problem of Effective Procurement and Contract Management in the Public Sector*. Lagos, Nigeria: Toppo-Badagry
- Atkinson, K., 2016; *Strengthening Procurement Capacities in Developing Countries* OECD and the Quality of Government Performance (Washington D.C. AEI Press 2009) *Annual Energy Outlook 2013 (AEO2013)*

- Arrowsmith, S. 2015, "Public Procurement: An Appraisal of the UNCITRAL Model Law as a Global Standard". *International and Comparative Law Quarterly*, 53, 17-46
- Ayoyi, I.S. and Mukoswa, O. 2017, Ethical Issues in Public Procurement in Kenya. *International Journal of Scientific and Research Publications*, 5(9).
- Ayuso, S. 2015 Adoption of voluntary environmental tools for sustainable tourism: Analyzing the experience of Spanish hotels. *Corporate Social Responsibility and Environmental Management*, 13, 207–220
- Bailey, D. K. 1998, *Methods of social science research*. London: Macmillan
- Baily, P. Farmer, D. Jessop, D. & Jones, D. 2015, *Procurement Principles and Management (11<sup>th</sup> ed)*. Edinburgh: Pearson Education Limited.
- Banihashemi, F. 2019, "Sustainable Procurement in Practice: Lessons from Local Government", *Journal of Environmental Planning and Management*, Vol. 50 No.3
- Baxter, P. 2008, *Research Methods (3rd Ed)*: New Jersey: Pearson Publishers
- Best, J and Kahn, J. (2013), *Research in Education. (7<sup>th</sup> edition)*. Boston: Houghton Muffin Company. pg 47
- Yamane B, 1967, *Qualitative Research for Education: An introduction to Theory and Methods*. Boston : Allyn and Bacon
- Bouma, G.D. 2010, *The Research Process. (4<sup>th</sup> ed)*. Oxford University Press, London. pg 64
- Brammer, S., and Walker, H. 2011 "Sustainable Procurement in the public sector: an international comparative study." *International Journal of operation and production management*, 31 (4). Pp 452-476.

- Carr, A. S. & Smeltzer, L. R. 2000, An empirical study of purchasing and supply management skills required for new millennium: *The 19th International Annual Conference*, Western Ontario: IPSERA
- Cohen, L, Manion, L, and McCoumick, R. 2011, *Research Methods in education*. London: Routledge Falmer. Pg 46
- Chogo, C. K. 2018, Factors Affecting Procurement Law Compliance in Public Secondary Schools in Kwale County of Kenya (PhD Thesis). University of Mombasa. Kenya.
- Dunn, M.B. & Jones, C, 2010, Industrial logics and Institutional pluralism: The contention of care and science logics in medical education, 1967 -2005. *Administrative Science Quarterly*, 55(1), 114 -149.
- Hunja, R. 2018, Obstacles to public procurement reform in developing Countries, *International Journal*, Vol. 10 No. 2, pp. 167-170.
- Kechibi, J. 2016, *Factors Affecting Public Procurement Performance in local Government Authorities: A case of Songea Municipal Council*. Unpublished Master's Thesis, Tanzania Mzumbe University
- Kombo D.K and Tromp D.L.A 2006, *Proposal and Thesis Writing: An introduction* Paulines Publication Africa, Nairobi Kenya
- Kothari, C.R. (2011). *Research Methodology: Methods and Techniques* (2<sup>nd</sup> ed). New Delhi: New Age International (P) Ltd.

Knight, L., Harland, C., Telgen, J., Thai, K. V., Callender, G. & Mcken, K, 2007 *Public Procurement International Cases and Commentary*, London: Routledge..

Retrieved from: [http://www.tlog.lth.se/documents/publications/Lic\\_Daniel\\_](http://www.tlog.lth.se/documents/publications/Lic_Daniel_)

Krishnaswami, O. 2006, *Methodology of Research in Social Sciences*, Mumbai.

Himalaya Publishing House

Leedy, P.D. & Ormrod, J.E, 2006, *Practical Research: Planning and Design* (8<sup>th</sup> ed.).

New Jersey: Merrill Prentice-Hall.

Licenji, A., 2015, 'Standards and challenges of public procurement', *European Scientific Journal* 11(25), 229–240

Lisa, I. 2016, Compliance culture. A conceptual framework. *Journal of management and organization*, 19(7), 702-714.

Lyson, C. 2016, *Principles of Purchasing*, London; Pitman Publications

Mamiro R. G, 2018, value for money, the limping pillar in public procurement, *Tanzania procurement journal*, 4-5

Manyara, G, 2016, *Assessment of Annual Procurement Planning*

Mason, J. 2013, *Qualitative Research*. London : Sage Publication.

Matto, M 2017 Mapping Public Procurement Reforms: Compliance, Challenges and Prospects, *European Journal of Business and Management* 9(12), 175-182

Mapulanga, P. 2015. Public procurement legislation and the acquisition of library materials in academic libraries in Malawi. *Library Review*, 64(1), 101-117.



- Mekonnen, B., and Shimeles., Z. 2018, Practicability of Public Procurement Principles: Evidenced from Public Universities of Ethiopia. Proceedings of the Third Annual Research Conference of Jimma University. 26-27: 155
- Mchopa A., Njau E., Ruoja C., Huka H., and Panga F. 2014, The achievement of value for money in Tanzania public procurement: a non-monetary assessment approach. International Journal of Management Sciences 3(7), 524 – 533
- Mlinga, R 2018, Re-emphasizing the Need for Procurement Planning in Tanzania. Procurement Journal vol.1 no.17
- Mrope, N.P. 2018, Professional Challenges in Implementing the Public Procurement Act. *Materials Management Journal*, 34
- Mwenyasi, R. 2017, *The Factors that Lead to Inefficient Public Procurement: A Case Study of Vocational Education and Training Authority (VETA). Eastern Zone Dar*. Unpublished Master's thesis, Tanzania: Mzumbe University
- Mugenda, O. & Mugenda, A, 2012, *Research Methods Dictionary*: Nairobi: Applied Research & training Services Press
- Ngware, S. 2015, Final Report on Strategic Studies on Unethical Practices in Local Authorities in Tanzania. Dar es salaam, Tanzania: Prevention and Combating of Corruption
- Obanda, W. P. 2010, *Fighting corruption in tactical procurement*, Unpublished PHD Dissertation, Twente: University of Twente.

OECD 2018, *Recommendation of the Council on Enhancing Integrity in Public Procurement*.

Retrieved from [http://: acts.oecd/Instruments/showinstru.pdf](http://acts.oecd/Instruments/showinstru.pdf)

Parahoo K. 2010, *Nursing Research: Principles, Process and Issues*. (2nd ed). Houndsmill:  
Palgrave Macmillan

Public Procurement Act, (2011). (PPA 2011, CAP 410). Dar es Salaam Government Printer.

Public Procurement Oversight Authority, (2007). *Assessment of the procurement system in Kenya*. Nairobi: PPOA.

Public Procurement Oversight Authority, (2007). *Assessment of the procurement system in Kenya*. Nairobi: PPO

Public Procurement Regulations (PPR) (2005). *Public Procurement Regulations GN No. 98*,  
Dar es Salaam: Government Printer.

Public Procurement Regulations (PPR). (2005). *Public Procurement Regulations, GN No. 97*,  
Dar es Salaam: Government Printer.

Public Procurement Regulatory Authority (2007). *Country Procurement Assessment Report (CPAR)*. Dar Es salaam. Tanzania: CPAR.

Sabine, A. 2016, *Public Procurement Performance*. International Public Procurement Conference  
Proceedings, Vol. 3.

Schapper, P. R., Malta Veiga J. N., and Gilbert, D.L, 2016, "An Analytical Framework for the  
Management and Reform of Public Procurement." *Journal of Public Procurement*,  
6(1and3), pp 1-26

- Scott, W. R. 2004, *Institutional Theory*. Thousand Oak. CA: Sage.
- Shu, H. W., Othman R., Omar H., N., Abdul R., R., and Husna, H., N. 2018, "Procurement issues in Malaysia." *International Journal of Public Sector Management*, 24 (6). pp 567-593.
- Thai, Khi V. 2016, "Public Procurement Re-Examined." *Journal of Public Procurement*, 1 (1) pp 9-50.
- Transparency International, 2017, *Corruption Perceptions Index 2017*. Retrieved from [<http://www.transparency.org/cpi2017/results>] site visited on 01/03/2023
- Trionfetti, F. 2018, *Home-based government procurement and international trade*. The Netherlands: Kluwer Law International. Pp. 223-234.
- Tukamuhabwa, B. 2012, Antecedents and Consequences of Public Procurement Non-Compliance Behaviour. *Journal of Economics and Behavioural Studies*, 4(1), 34 – 46.
- USAID Public Procurement Manual, 2007, *guidelines for conducting public procurement procedures*, First Edition - April 2007
- Van Weele, A.J. 2016, *Purchasing and Supply Chain Management. Analysis, Planning and Practice*, 3rd edition. Thomson Learning, London.
- Weele, A., 2017, *Purchasing and Supply Chain Management*, 5th Edition, Singapore; Seng Lee Press

## **APPENDICES**

### **Appendix 1:**

#### **Questionnaires for procurement officers**

Dear Madam/ Sir,

My name is **Frank Mwambuli**, a student pursuing a master degree in MBA –PSM as part of the requirements for the award of Master degree at IAA. The study will be based on the the role of

ethical practices in improving procurement performance in Tanzania: a case of Nyamagana district council. Therefore, I am looking for your assistance to fill the questionnaires as attached below. The research results will be used for academic purposes only and will be treated with maximum confidentiality

**Instructions:**

1. *Indicates the most appropriate answer by ticking (√) in the bracket.*
2. *Each question should have only one tick (√)for your chosen answer, unless stated.*
3. *Where the space is provided, write your answer in it.*
4. *Please use a pen to answer this questionnaire.*

**Part A:** Indicate the extent to which conflict of interests influences procurement performance in LGAs. Using a scale of Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree”.

Please indicate by a (√) the degree of your agreement with the following statements

<b>Conflict of interests</b>	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
External influence					
Personal interests/Person gains					
Political influence					
Nepotism					

**PART C:** Indicate the extent to which professionalism contributes on procurement performance in LGAs. Using a scale of Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree”. Please indicate by a (√) the degree of your agreement with the following statements

<b>Professionalism</b>	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Certification of procurement staffs					
Employment of procurement staffs from recognized institutions					
Academic qualifications					
Procurement to be seen as a strategic rather than an administrative function					
Professional experience and competent					

**PART D:** Indicate the extent to which transparency influences procurement performance in LGAs. Using a scale of Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree”. Please indicate by a (√) the degree of your agreement with the following statements

<b>Transparency</b>	Strongly Agree	Agree	Neutral	Strongly Disagree	Disagree
Procurement procedures in LGAs are fair and equitable					

Public information to be accessed free for all stakeholders					
Unsuccessful suppliers are debriefed on the weak aspects of their tender documents					
Documents are recorded accurately to show proper ethical standards					
Visibility of the flow of public funds					
Publication of Contract Awards					

***THANK YOU FOR YOUR TIME***

## **Appendix II**

### **Interview guide for User departments, Accounting Officer and auditors**

#### **PART A: QUESTIONS**

1. What is the current situation of public procurement process? Is that ethical or not?

If your answer is ethical, how do you measure?

If unethical what are the reasons?

2. How do you ensure the transparency of Procurement Process?

3. How do you measure the ethical practices of public procurement process?
4. How do you know whether the completion is fair or not between suppliers?.
5. How do you ensure the tenders confidentiality?
6. How do your sectors control the accountability of the procurement officials in performing unethical practice in procuring goods, works and services?.
7. What percentage of procurement employees has qualified (how many procurement employees are qualified in procurement)?
8. Does your department perform ethical practices in public procurement process? What are the characteristics?
12. What are the benefits in practicing ethical public procurement process?
13. What are the influences of conflict of interests on organization performance in LGAs?
- 14 What are the influences of professionalism on organization performance in LGAs?
- 15 What do you suggest/recommend to make the procurement process ethical?
16. What do you suggest/recommend to make the procurement process ethical?

***THANK YOU FOR YOUR TIME***

**Time scale and Budget**

**Duration and Schedule of Activities**

S/NO	ACTIVITY	Milestone per month				
		Feb	Mar	Mar	Apri	May
1.	Proposal design					



2.	Tools designing and pilot study					
3.	Data collection and analysis					
4.	Draft report writing and submission					
5.	Final report presentation and submission					

### Estimated Budget

SN	Activity	Unit	Quantity	Unit Cost	Total cost
1	Stationery	Lump sum	Lumpsum	Lumpsum	70,000
2	Meals	TZS	5	60000	300,000
	<b>Collection of Data</b>				

3	Transport	Km	1200	100	120,000
4	Payment for enumerators	TZS	5	30000	150,000
	<b>Data Analysis</b>				
5	Coding and entering	TZS	100	1000	100,000
6	Data Analysis	TZS	110	5000	550,000
	<b>Report</b>				
7	Typing, printing, and binding	TZS	200	1000	200,000
	<b>Report presentation</b>				
8	Binding	Lumpsum	Lumpsum	300,000	300,000
<b>Grand total</b>					1,790,000