



**EFFECTS OF PROCUREMENT PRACTICES ON THE PERFORMANCE OF PUBLIC
HOSPITALS IN KENYA: A COMPARATIVE STUDY OF HOSPITALS IN HOMABAY
AND KISII COUNTIES**

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Abstract

Public organizations such as public hospitals are often tasked with a duty to provide quality and affordable health care services to their clients who mainly comprise of the members of the public. Hospitals in the public sector are charged with responsibility of high level and quality service provision to register good performance in Kenya, this call for proper procurement practices necessary to accomplish this endeavor. The purpose of this research study was to establish the effects of procurement practices on the performance of public hospitals in Kenya.. The data was finally analyzed using both descriptive statistics such as the mean and standard deviation and inferential statistics like regression analysis and Pearson's correlation analysis to obtain findings vital for the research study. This helped to unveil the effects of procurement practices on the performance of public hospitals in Kenya. The study revealed that hospitals review their procurement policies on supplier selection were frequently done on the respondents were on single or multiple sourcing. The findings also shows that respondents classify the integrity of procurement personnel as high.

Keywords: Public Procurement, Procurement Performance, Procurement Practice

1. INTRODUCTION

World over, public entities are experiencing the pressure to offer high level of service provision to their clients; who visit them, clearly the degree of effective service delivery depends on the equipment and machines used to render those services. Therefore procurement practices embraced by these entities should be a matter of concern, if quality is to be valued (Okoth, 2011).

Procurement practices are considered as the procedures and guidelines or means of acquiring goods, services and works at the best possible cost to meet an organization's needs in terms of quality, quantity and location (Akech,2005). Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters, 2004).Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). The processes of procurement should uphold integrity by ensuring there are no malpractices, informed decision making which requires public bodies to base supplier selection on accurate information and ensure that expectations of procurement are being achieved.

The primary objective of accountability to the members of the public is to prevent misuse and or abuse of tax payers' money, whereas the secondary objective aims at ensuring accountability in public procurement and striving at total elimination of any abuses of public funds for personal gain (Clegg, 2005). This will in turn result to procurement performance in the supply chain management of public entities, like public hospitals. According to Smith, (1990) corruption can occur at any stage of the procurement practices and influence the decisions on the model of procurement, the type and volume of procured supplies, and on the specifications and selection criteria ultimately compromising access to quality medicines. Those procurement practices may include, issues relating to tendering practices like open tendering or closed tendering, supplier selection practices for example whether single sourcing, multiple sourcing, e-sourcing among others and ethical practices in procurement such as impropriety, confidentiality, gifts and hospitality just to name a few ethical issues in procurement. The culture and ethical or moral standards upheld or practiced by the procurement personnel operating in public hospitals must have a bearing on the performance of those public hospitals. (Okoth A, 2011)

When better procurement practices are employed in public hospitals, it results to improved quality health service provision, to the members of the public who form the bulk of tax payers; in return this ensures improved performance of public hospitals.

It is on this premise, that this research study was found ideal since it helped in unraveling the effects of procurement practices on the performance of public hospitals in Kenya. The findings of this research study recommended the adoption of best procurement practices by public hospitals, thus promoting the performance of public hospitals in the country, in turn contributing to the economic prosperity since better health is wealth.

2. STATEMENT OF THE PROBLEM

Kenya through the Ministry of Health has not been able to adequately ensure quality health service provision to the citizens over the years. Most public hospitals are under bad conditions (Kenya Health Policy, 2014); characterized by dilapidated facilities, obsolete medical equipment, inadequate drugs and low bed capacity in the wards. Patients suffer in grief, due to inadequate care from medical personnel who complain about insufficient medical equipment and low pay among other poor working conditions. These factors can be linked to the procurement practices employed in the respective public health facilities in question (MOH Survey, 2015). Many studies have been executed on general procurement performance. For instance, Akitonye (2014) found out that sound procurement practices, although rarely adopted were necessary for the financial success of manufacturing firms in Germany. On the other hand for, Bartik (2009), inadequate procurement policies yield no benefits to organizations such as profitability and cost reduction, but instead create avenues through which money is lost. Erik and Vennston (2008) posit that procurement policies are intended towards optimizing operational chain performance by delivering the product or service to the ultimate customer at minimal cost, on time, despite their low adoption and acceptance by many organizations. Little information and academic research are available on procurement practices. Most studies have focused on procurement performance in financial institutions and manufacturing firms without incorporating the effects of procurement practices. Therefore, this study was conducted to examine the effects of procurement practices on the performance of public hospitals in Kenya.

3. STUDY OBJECTIVES

The general objective of this study was to investigate the effects of procurement practices on the performance of public hospitals in Kenya.

Specifically the study sought to:

- i. Establish the effect of tendering practice on the performance of Public hospitals
- ii. Determine the effect of supplier selection practice on the performance of public hospitals
- iii. Find out the effect of ethical practice in procurement on the performance of public hospitals

4. RESEARCH QUESTIONS

- i. Does tendering practice affect performance of public hospitals in Kenya?
- ii. Does supplier selection practice affect performance of public hospitals in Kenya?
- iii. Does ethical practice in procurement affect performance of public hospitals in Kenya?

5. CONCEPTUAL FRAMEWORK

The independent variables under investigation in this study are tendering practices in procurement, supplier selection policies, and ethical issues in procurement. The dependent variable usually responds to changes on independent variable (Everett, 2002). Performance of public hospitals is a function of several variables, as can be displayed in figure1

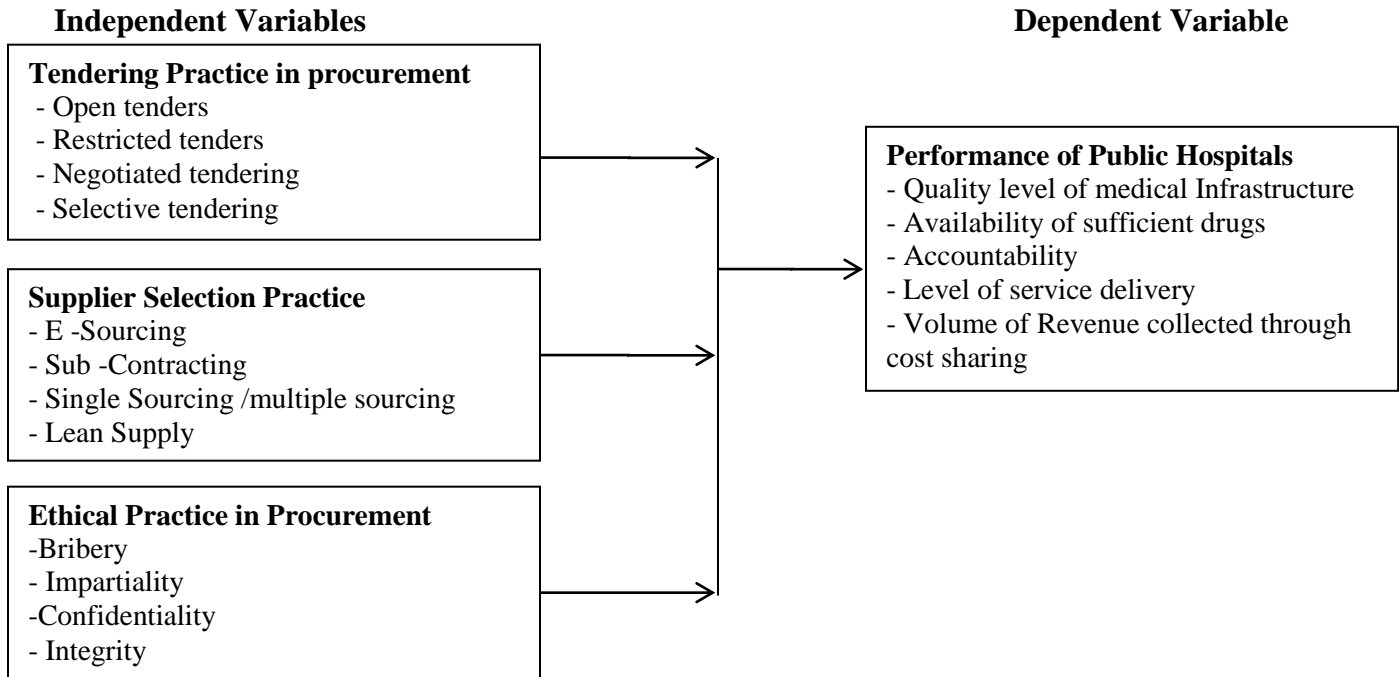


Figure 1 Conceptual Framework

6. RESEARCH DESIGN

The research study took a comparative study design. The target population comprised of 17 and 22 Level four and above public hospitals in both Homabay and Kisii counties respectively, where a sample size of 279 subjects were chosen as respondents. Questionnaires were then administered to collect data from the respondents. The data was finally analyzed using both descriptive statistics such as the mean and standard deviation and inferential statistics like regression analysis and Pearson's correlation analysis to obtain findings vital for the research study.

7. RESULTS AND DISCUSSIONS

Tendering Practices on performance

The study sought to examine the extent in which the effect of tendering practices in procurement impacted on the performance of hospitals. The study applied much statement to seek information from respondents. On whether the health institution/facility value tender practices showed that the respondents concurred that there is a value of tendering practice on performance which had a

mean of 1.2512 and the respondents thought that competitive tendering is important for their public health facility which had a mean of 1.5222. However, the mean is not constant, but show a slight increase as in table 1.

Table 1: The statement of tendering practices

	N	Mean	Std. Deviation
health institution/facility value tender practices	203	1.2512	.61414
competitive tendering is important	203	1.5222	.64735
Valid N (list wise)	203		

From the table 1 it is indicated that health institution/facilities valued tender practices and agreement that competitive tendering was important for the public health facility. The study agrees with the findings of Lysons and Farrington (2006), who revealed that purchasing is important in supply chain management in Britain.

Tenders' evaluation

The study sought to examine who is the main decision maker in tenders' evaluation in hospitals. The results are shown in table 2.

Table 2 Tenders' evaluation

	Frequency	Percent	Cum. Percent
Medical Superintendent	117	57.6	57.6
Senior procurement Officer	78	38.4	96.1
Finance Officer	8	3.9	100.0
Total	203	100.0	

From this study, the researcher was also able to have confidence in medical superintendent since the respondents had received sufficient funds and this shows that senior procurement officers were well versed with tender evaluation information in which the study sought. From the findings 57.6%(117) revealed that medical superintendent take part in making decisions, 38.4%(78) thought senior procurement Officer and 3.9% (8) finance officer since they involved in developing a strategic plan while tender evaluation is determined. The study revealed that Medical Superintendent is highly involved in decision making.

This is extended to the extent to which the respondents agree with following statements in relation to tender practices and performance in hospitals as shown in table 2. The study applied much statement to seek for information from respondents; On whether Corruption compromises competitive bidding had a mean 3.7291. The respondents also noted that expertise, experience and academic qualifications in tendering practices, impacted on performance which had a mean

of 3.1133. Whether ordered medical equipment usually take longer had a mean of 2.8818, while whether funds budgeted are used towards health functions had a mean of 2.8473, and lastly Performance in this hospital is poor, with regard to service delivery with 2.4138. The responses shown were in table 3.

Table 3 the statements in relation to tender practices and performance in hospital

	Mean	Std. Deviation
Corruption compromises competitive bidding	3.7291	.93369
Expertise, experience and academic qualifications	3.1133	1.23159
Funds budgeted towards health functions	2.8473	1.02510
Ordered medical equipment usually take longer	2.8818	1.31096
Performance in this hospital is poor, with regard to service delivery	2.4138	1.19662
Valid N (list wise)		

From the study it was revealed that most of the respondents disagree that corruption compromises competitive bidding on tendering practices. The results agree with a study done by Weathington *et al.*, (2008) and Organization for Economic Co-operation and Development (OECD, 2010) which states that collusion on corruption was separate problems in procurement, and these problems result from conflicts of interest. They also agreed with the view of (Transparency International, (2010) that there are related threats on integrity of public procurement practices which deprive citizens, economic benefits of taxes and natural resources. This can be concluded that corruption does not comprise competitive bidding except on the basis of conflicting interests.

Supplier selection policies on performance

The study sought to investigate the effect of supplier selection policies on performance. The respondents were asked to rate how often their hospital reviewed their procurement policies on supplier selection with Frequently, Rarely and None as options. They were also asked whether they ever heard suppliers complain of unfair selection with options of YES or NO, the results are descriptively analyzed as shown in table 4.

Table 4 Supplier selection policies on performance

	N	Mean	Std. Deviation
Hospitals review their procurement policies on supplier selection	203	1.4433	.59743
Ever heard suppliers complain on unfair selection	203	1.2808	.45050
Valid N (list wise)	203		

From table 4 above, it shows that hospitals review' their procurement policies based on supplier selection; where whether frequently reviewed with a mean of 1.4433 and whether have the respondents ever heard suppliers complain on unfair selection was low with 1.2808 as the mean. The study revealed that hospitals reviewed their procurement policies on supplier selection more frequently.

The best supplier selection policy

The researcher also asked the respondent to state the best supplier selection policy relevant to their hospital. The results shown in table 5 indicated that Make or buy at 40.4 % (82) were the majority of the respondents, 31.0% (63) of the respondents believed on Sub-contracting as the best policy, 14.8(30) of the respondents thought it was Out-Sourcing, while only 13.8%(28) of the respondents were on single or multiple sourcing. The study show that the majority of the respondents in hospitals prefer Sub-contracting as their best supplier selection policy.

Table 5 Best supplier selection policies

	Frequency	Percentage	Cum. Percentage
Out-Sourcing	30	14.8	14.8
Sub-contracting	63	31.0	45.8
Make or buy	82	40.4	86.2
Single or Multiple Sourcing	28	13.8	100.0
Total	203	100.0	

The study concurred with the study of Lysons (2006) who argued that there exist a number of supplier selection policies, which comprise of the following; make or buy decisions, which tries to compare the cost of purchasing a component or providing a service internally with the cost of acquiring the same component or service from an external supplier as one or more supplier selection policies related to either single sourcing or multiple sourcing.

Respondent's belief on supplier selection policy

The researcher further asked the respondents whether supplier selection policy used to acquire goods can affect the performance of their hospital as shown in table 6.

Table 6 Supplier selection policy used to acquire goods

	Frequency	Percent	Cumulative Percent
No	148	72.9	72.9
Yes	55	27.1	100.0
Total	203	100.0	

The result shows that the 72.9 % (148), the majority of the respondents accepted that supplier selection policy used to acquire goods affect performance of hospitals while 27.1 % (55) do not believe that supplier selection affect performance. This agrees with the study of (Owalla, 2012) that highlighted on sound procurement policies and practices being among the essential elements of good governance, sentiments which were further supported by (KIPPRA, 2006). The qualitatively many organizations regularly need to procure a range of goods and services to enable them develop and operate. The choice of policy depends on the value a supplier can bring on board which can significantly impact on cost/quality of the product on working relationship.

Supplier Selection policy and performance

The researcher sought to investigate to what extent do respondents agree with the following statements in relation to supplier selection policies and performance as shown in table 7

Table 7 supplier selection policy and performance

	Mean	Std. Deviation
The hospital is not interested in adopting any policy on supplier selection	3.5074	1.24427
Most suppliers selected to do business with your hospital are incompetent because of policies in place	3.6010	1.16185
Many suppliers are satisfied with the procurement policies	1.5172	1.12287
The performance of this hospital is poor, because it lacks proper policies on supplier selection	3.5419	1.25152
Valid N (list wise)		

From the findings, most suppliers selected to do business with your hospital are incompetent, because of policies put in place had a mean of 3.6010, on whether the performance of this hospital is poor, because it lacks proper policies on supplier selection is at 3.5419. The statement that, the hospital is not interested in adopting any policy on supplier selection had 3.5074 and whether many suppliers are satisfied with the procurement policies 1.5172 respectively. However their standard deviation is in reverse 1.24427, 1.16185, 1.25152 and 1.12287 implying that a supplier selection policy improves performance since the trend is on the rise. This agree with the study of (Hui, 2011) who recommends that high amount of money involved in government procurement, there is need for accountability and transparency Therefore a well-functioning procurement policy is based on transparency, competitiveness, economy, efficiency and accountability.

Ethical practice and Performance of Hospitals

Classify the integrity of your procurement personnel

The study sought to examine the effects of ethical practice on performance of hospitals. The study show how respondents classify the integrity of procurement personnel, the study used high, low and not sure scale to rate the responses. The findings show that respondents classify the integrity of their procurement personnel with high integrity of procurement personnel having 46.8% (95) respondents, 45.8 % (93) of the respondents had low integrity and 7.4% (15) of the respondents were not sure.

Table 8 Classify the integrity of your procurement personnel

	Frequency	Percent	Cumulative Percent
High		9546.8	46.8
Low	93	45.8	92.6
not sure	15	7.4	100.0
Total	203	100.0	

From the study, it is revealed that integrity of a majority of procurement personnel was high. This agrees with Namusonge, (2005) who supports openness and accountability in procurement process to develop suppliers' confidence to participate in bids.

Whether all suppliers who lost bids are satisfied that they lost fairly

The study sought to establish whether all hospital suppliers who lost bids were satisfied that they lost fairly as shown in table 9.

Table 9 Suppliers who lost bids are satisfied that they lost fairly

	Frequency	Percent	Cumulative Percent
Very Satisfied	108	53.2	53.2
Satisfied	70	34.5	87.7
Not Satisfied	25	12.3	100.0
Total	203	100.0	

The findings shows that suppliers who lose bids are satisfied that they lost fairly with those very satisfied at 108 (53.2%), satisfied 70(34.5%) and not satisfied 25(12.3%. This implied that most suppliers are satisfied with bids evaluation in public hospitals.

Budgets allocated and professional code of ethics upheld

The researcher asked respondents on whether budgets allocated for equipment acquisition is utilized for the intended purpose or stolen by corrupt procurement personnel to find out the level

at which professional code of ethics is upheld and budget allocated determines performance of hospitals as shown in table 10

Table 10 Budgets allocated and professional code of ethics upheld

	N	Mean	Std. Deviation
Are budgets allocated for equipment acquisition utilized for the intended purpose or stolen by corrupt procurement personnel	203	1.5468	.77812
Professional code of ethics upheld by your procurement team is desirable	203	1.5172	.50094
Valid N (list wise)	203		

The finding from the study show that budgets allocated for equipment acquisition is utilized for the intended purpose or stolen with a mean of 1.5468 and Professional code of ethics upheld by your procurement team is desirable had a mean of 1.5172. This shows that whether budgets allocated for equipment acquisition is utilized for the intended purpose or stolen had a high mean which implied that ethical practice affects performance of hospitals.

Aspects that relate to the effect of ethical issues in procurement performance

The study sought to investigate to what extent respondents agree with the following aspects that relate to effect of ethical issues in procurement on performance as shown in table 11, The findings shows that some procurement staff solicits for ‘kick backs’ from suppliers with a mean of 2.5567, suppliers normally bribe 2.4828, procurement officers often collude with suppliers 2.1527 and lastly impartiality and confidentiality are the major ethical issues 1.8966.

Table 11 Ethical issues in procurement performance

	N	Mean	Std. Deviation
Procurement officers often collude with suppliers	203	2.1527	1.26700
Suppliers normally bribe	203	2.4828	2.49622
Impartiality and Confidentiality are the major ethical issues	203	1.8966	1.02162
Some procurement staff solicit for ‘kick backs’ from suppliers	203	2.5567	1.31273

However, the standard deviation is decreasing from suppliers normally bribe to their impartiality and confidentiality as the major ethical issues given by 2.49622 and 1.02162 from the table 11. According to Wee (2002) who states that ethics are the moral principles that guide officials in all aspects of their work. Ethical behavior involves the concepts of, integrity, fairness, trust, and respect. The study indicates that ethical practice affects performance of Hospitals.

Performance of hospitals

The study sought to examine performance of hospitals and found that procurement practices adopted had greatly affected customer satisfaction at 2.5616, Supplier selection method improves

accountability with 2.4729, the quality of medical infrastructure found in a hospital 2.1527 and Unethical practices affects service delivery in this hospital 1.8867 respectively as shown in table 12.

Table 12 Performance of hospitals

	N	Mean	Std. Deviation
the quality of medical infrastructure found in a hospital	203	2.1527	1.26700
Supplier selection method improves accountability	203	2.4729	2.49812
Unethical practices affects service delivery in this hospital	203	1.8867	1.01082
Procurement Practices used have greatly affected customer satisfaction	203	2.5616	1.30873
Valid N (list wise)	203		

From the study it is indicated that better procurement practices can be used to greatly improve customer satisfaction.

Procurement practices and the performance of public hospitals in Kenya

The study sought to examine the extent of which Procurement practices influence the performance of public hospitals in Kenya. The study used inferential analysis on the other hand where it employed the use of Pearson's correlation analysis, and regression analysis. The regression model comprised of three variables namely tendering practice, supplier selection practice and ethical practice. This was aimed at giving information whether there were any relationships between procurement practices, and how such practices affect the performance of public hospitals in Kenya.

Correlation Analysis on Procurement practices and Performance

Pearson correlation was applied to measure the extent to which relationships between variables under study existed; that is, Procurement practices as the independent variable and performance as the dependent variables. Pearson correlation coefficients usually vary from negative -1 to positive +1. The Negative -1 value shows no correlation and if positive values then there is correlation, there is also Pearson moment coefficient if <0.3 shows a weak correlation, Pearson correlation coefficient $>0.3<0.5$ shows moderate correlation and Pearson correlation coefficient >0.5 show a strong correlation.

Table 13 Correlation Analysis in procurement performance

		Tendering Practices	Supplier selection policies	Ethical practice
Tendering Practices	Pearson Correlation	1	.606**	.295**
	Sig. (2-tailed)		.000	.000
	N	203	202	203
Supplier selection policies	Pearson Correlation	.606**	1	.150*
	Sig. (2-tailed)	.000		.033
	N	202	202	202
Ethical practice	Pearson Correlation	.295**	.150*	1
	Sig. (2-tailed)	.000	.033	
	N	203	202	203

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The study shows that supplier selection policies had a strong correlation (.606**) indicating high relationships between procurement practices and performance of public hospitals. The correlation between ethical practice and performance is (0.295, .000) <0.3 which shows a weak correlation. This implied that there is no relationship between ethical practice and performance of hospitals. However, independent variables are positively correlated to performance of hospitals. The study implied that supplier selection practices had the strongest correlation between procurement practices and performance of hospitals. From the findings, the correlation matrix indicates that independent variables are very significant determinants on the performance of hospitals. This agrees with Aketch & Karanja (2013), who postulated that there exist correlation between factors influencing procurement Performance.

Regression analysis

The study also employed regression analysis to test how dependent variable changes with changing environment. To test the relationship that independent variables relates to dependent variable, the study conducted multiple regression analysis using regression model summary in table 14.

Table 14 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.393 ^a	.154	.141	1.07929

a. Predictors: (Constant), Ethical practice , Supplier selection policies , Tendering Practices

The procurement practices (three independent variables) under this study are explained by 39.3% of procurement practices as shown by R.393^a. This, thus, the researcher concluded that other variables not under this investigation contributed 60.7% of procurement practices in hospitals.

This concluded that procurement practices as an independent variable had significant effect on the performance of hospital, hence, there is need to maintain its effect in order to improve performance of hospitals in Kenya. Macha (2011) revealed that critical FV 88.33 is statistically significant if F value in less than critical value 88.33.

Table 15 ANOVA Summary

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	42.032	3	14.011	12.028	.000 ^b
Residual	230.643	198	1.165		
Total	272.675	201			

a. Dependent Variable: Performance of Public Hospitals

b. Predictors: (Constant), Ethical practice , Supplier selection policies , Tendering Practices

The p-value (level of significance) is $0.000 < 0.05$, thus the regression model is statistically significance since predictors show how independent variables (procurement practices) changes with performance of hospitals as a dependent variable. The calculated F value 12.028 is less than critical value set 88.33. This showed that the regression model should be maintained at statistical significance 0.05.

Table 16 Regression Coefficients

Model	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.218	.257		4.736	.000
Tendering Practices	.125	.107	.100	1.173	.242
Supplier selection policies	.195	.077	.207	2.523	.012
Ethical practice	.230	.071	.222	3.235	.001

a. Dependent Variable: Performance of Public Hospitals

The above multiple regressions were used to examine the relationship between procurement practices (independent variables) and dependent variable (performance of public hospitals). The results as determined by SPSS is shown in table 4.22 and the regression equation now becomes as follows;

$Y = 1.218 + 0.125X_1 + 0.195X_2 + 0.230X_3$, Where; Y – Performance of Public Hospitals, 1.218–Y intercept when $X = 0$, X_1 – Tendering Practices, X_2 – Supplier Selection Practices and X_3 – Ethical Practices. In the regression equation it is established by taking all independent variables into this explanation.

8. SUMMARY OF THE FINDINGS

The aim of the study was to investigate the effect of procurement practices on the performance of hospitals in Kenya, a case of Kisii county and Homabay county. The researcher analyzed data based on study objectives, the findings of the study were summarized below.

Tendering practice on the performance of Public hospitals in Kenya

The study established that the majority of respondents 53.2 % (108) indicated that they had reached the diploma level as their highest academic qualification and only 5.4 % (11) had attained masters. From the information received 57.6% (117) medical superintendent participate highest in making decision, 38.4%(78) senior procurement Officer and 3.9% (8) finance officer since they involved in developing a strategic plan while tender valuation is determined. The study revealed that Medical Superintendent is highly involved in decision making. From the study it was revealed that most of the respondents disagree that corruption compromises competitive bidding on tendering practices.

Supplier selection practice on the performance

The study established that supplier selection policies affect performance. The respondents indicated that the rate how often their hospital reviews their procurement policies on supplier selection with frequently, rarely and none options. The study revealed that hospitals review their procurement policies frequently done. The study agree with the study of Lysons (2006) argued that there exist a number of supplier selection policies, which involved of the following; make or buy decisions, which tries to compare the cost of purchasing a component or providing a service internally with the cost of acquiring the same component or service from an external supplier on one more supplier selection policy is related to either single sourcing or multiple sourcing. The majority agreed that the respondents select policies they need.

Ethical practice in procurement on performance

The study posited that procurement policies are intended to optimize operational performance by delivering the product or service. The study concluded those customers are to minimize cost, on time, despite their low adoption by many organizations. The result shows that the 72.9 % (148) the majority of the respondents accepted that supplier selection policy used to acquire goods affect performance of hospitals while 27.1 % (55) do not accept that supplier selection affect performance.

9. CONCLUSION

The study examined the main decision maker on tenders' evaluation in hospitals. From this study, the researcher was also able to have confidence in medical superintendent since the respondents had received sufficient funds and this shows that senior procurement officers were well versed with tender valuation information. This can be concluded that corruption does not comprise competitive bidding except on material basis. The respondents were asked to rate how

often their hospital reviews their procurement policies on supplier selection with Frequently, Rarely and None options.

The study revealed that hospitals review their procurement policies on supplier selection were frequently done. Respondents ever heard suppliers complain on unfair selection was low with 1.2808 respectively. The study concurred with the study of Lysons (2006) argued that there exist a number of supplier selection policies, which comprise of the following; make or buy decisions, which tries to compare the cost of purchasing a component or providing a service internally with the cost of acquiring the same component or service from an external supplier on one more supplier selection policy is to classify the integrity of procurement personnel had high integrity on procurement personnel with 46.8% (95) of the respondents, 45.8 % (93) of the respondents had low integrity and 7.4% (15) of the respondents were not sure.

The study established that ethical practice affect performance of hospitals. The study shows how respondents classify the integrity of procurement personnel, the study used high, low and not sure scale to rate the response. The findings show that respondents classify the integrity of procurement personnel had high integrity on procurement personnel with 46.8% (95) of the respondents, 45.8 % (93) of the respondents had low integrity and 7.4% (15) of the respondents were not sure. The findings shows that suppliers who lose bids are satisfied that they lose fairly with very satisfied 108(53.2%), are the majority satisfied. This implied that most suppliers are satisfied with bids in hospital.

10. RECOMMENDATION

From study findings majority were stores professional 35% (72) recommended that they had attained the store control level as their professional academic qualification. 10.3 %(21) indicated that they had gone through superintendent. The results were presented in table 4.5. From study findings it is recommended to minimize challenges faced once, 37.4 %(76) group that faced challenges many times and 17.7 %(36) groups revealed that they had never at all faced challenges. The study recommended that for more information from respondents. On health institution/facility value tender practices recommended value tendering practice on performance and the respondents think that there is competitive tendering is important for this public health facility.

The study recommended for supplier selection policies should be improved in their performance. The respondents were asked to rate how often their hospital reviews their procurement policies on supplier selection with frequently, rarely and none options. They also recommended to them that ever heard suppliers complain on unfair selection. The study revealed that hospitals review their procurement policies on supplier selection were frequently done on the respondents were on single or multiple sourcing. The study recommended that the majority of the respondents in hospitals use sub-contracting.

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