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## EFFECT OF PROCUREMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE OF NYAGATARE DISTRICT HOSPITAL, RWANDA

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### ABSTRACT

The general objective of the study was to find out the effect of procurement practices on organizational performance of Nyagatare District Hospital. The specific objectives were to assess the effect of procurement planning on organizational performance in Nyagatare District Hospital; To examine the effect of supplier selection procedures on organizational performance in Nyagatare District Hospital; To find out the effect of contract management on organizational performance in Nyagatare District Hospital and to assess the effect of monitoring and evaluation on organizational performance in Nyagatare District Hospital. The study population for this study was 206 Staff members including Director General, Procurement officer, Planning & Monitoring and Evaluation of hospital, Administrative assistant, Public relation & communication, Public relation & communication, Internal Auditor, QI Officer, Director of Administration & Finance, and medical staff at the Nyagatare District Hospital. The sample size calculated using the table of Morgan. Data collection did using the following methods: Questionnaire, Interview guide and Observation methods. This research used a descriptive and correlational study design. Data analyzed using computer software known as Statistical Package for Social Scientists (SPSS) version 20. The research used descriptive, inferential statistics methods to analyze data. The findings demonstrate a linear relationship of independent variables (Monitoring and evaluation, Procurement planning, Supplier Selection Procedures and Contract management) on organizational performance of Nyagatare District Hospital employed in this research. A Correlation (R) value of 0.886 and The R-square shows a significant association between variables with of 0.786 indicating that the model explains for 78.6% of total observations. It explained that every unit increase in Procurement planning increased performance of Nyagatare District Hospital by a factor of 1.526. Every unit increase in Selection Procedures increased performance of Nyagatare District Hospital by a factor of 0.084. Every unit increase in Contract management increased performance of Nyagatare District Hospital by a factor of 0.774. Every unit increase in Monitoring and evaluation increased performance of Nyagatare District Hospital by a factor of 1.699. It is recommended that the procuring entity and the public institution sellers should work together to develop tight partnerships for common benefit. To work together on creating a system that combines their transactions, the Procuring organization and the supplier will have access to each other's information, experience, and technology.

**Key words:** Procurement practices, organizational performance, procurement planning, supplier selection procedures, contract management, monitoring and evaluation

## INTRODUCTION

Government departments face many challenges in procurement of goods and services in Rwanda. As a scientific discipline, procurement has been recently introduced in academia, specifically in postgraduate hence professionals in procurement and supply chain management are few. Despite having a purchase strategy in place, not all purchasing organizations really follow it. The inability of certain purchasing organizations to draft comprehensive technical specifications and comprehensive terms of reference might have a chilling effect on their ability to obtain high-quality products and services. Despite the availability of reference pricing on the RPPA website, some procurement bodies still write tender papers without first conducting a market research study. Instance; poor paperwork, lengthy record-keeping operation and improper filling practices are all hallmarks of an acquisition process that is ripe from improvement (RPPA report, 2021).

Nevertheless, no specific study was conducted to investigate the real causes of these irregularities in procurement at Nyagatare District Hospital. Other studies that were done previously did not focus on this issue of Nyagatare District Hospital. For example, OECD research in 2016 found that when public procurement process are not open, corruption is more likely to occur which in turn wastes taxpayer money and results in lower-quality products and services being provided to the public. The inconclusive results of Kamau (2010) and Rahi (2012) which studied the implementation of procurement processes in government departments, left substantial gaps that this research intended to address.

Nyagatare Hospital faces challenges that include, delays in delivery of goods and services, incompetence or lack of skills in the execution of procurement procedures and regulations in many hospital departments which contributes to the loss of tax payer's money. Losses experienced in the procurement spending cannot be minimized because the procurement practices are not properly implemented. Some companies do not deliver on time while there are awarded the tender to supply the medicines and office furniture did not meet the requirements set out in the procurement procedures due to delay in the payment by MINECOFIN and MINISANTE. Most of time it is RSSB that does not invoice on time which results in poor performance of hospitals including the Nyagatare District Hospital (Nyagatare District Hospital report, 2021).

The present examination explored the effect of procurement practices on organizational performance in Nyagatare District to fill the gaps of knowledge.

### General Objective

General objective of the study was to assess the effect of procurement practices on organizational performance.

### Specific Objectives

The specific objectives of the study were:

- i. To assess the effect of procurement planning on organizational performance in Nyagatare District Hospital
- ii. To examine the effect of supplier selection procedures on organizational performance in Nyagatare District Hospital.
- iii. To find out the effect of contract management on organizational performance in Nyagatare District Hospital.
- iv. To assess the effect of monitoring and evaluation on organizational performance in Nyagatare District Hospital.

## **LITERATURE REVIEW**

This chapter dealt with the understanding of the keys concepts, theoretical review, empirical review and the conceptual framework. After key variables elucidation, theories pertaining to this study reviewed. Those theories include: Balanced Score Card and Resource Based Theories. The empirical review relates to the review of the findings of the previous studies specifically those explaining the effect of procurement practices on organizational performance with reference to public sector organizations.

### **Conceptual Review**

This section explained the major terms and concepts which used in the dissertation by referring to others scholars who examined and discussed those concepts in their research.

### **Procurement Practices**

The process involves automation of the procurement process of requirement identification, sourcing, bidding, payment, records and supplier management relationship. The purpose of procurement procedure is to guarantee that business save money while spending. Attaining the company's long-term goals is essential by purchasing the required goods and services from the right suppliers in an efficient manner (Vipulesh, 2015).

Procurement practices also involve information sharing with suppliers which enhances quality, cost savings and faster delivery times. Any innovations from the supplier's side should not deviate from the organizations specifications. Use of information technology in procurement enables the coordination of business processes both within and outside the organization. Examples include; electronic ordering, online catalogue and online payment. (Aketch & Karanja, 2013).

### **Electronic procurement**

One of the accepted methods of purchasing is digital purchasing, often known as e-procurement. E-procurement or the use of ICT applications like green busying, partnership, Total Quality Management (TQM), Just in Time (JIT) and risk mitigation plays an important role in the performance of the procurement department and the company as a whole. E-procurement has been called one of the most strategic, creative and responsive procurement procedures due to its ability to affect performance results and propel supply chain enhancements (Wanyonyi & Muturi, 2015).

For e-procurement to be effective, the whole supply chain must be rethought, requirement definition, sourcing, bidding, payment, recordkeeping and managing supplier relationships are all aspects of the tendering process that are automated as part of the procedure (Paulraj, 2011).

According to Bag (2012) electronic procurement is the use of technology in procurement system as means of enhancing procurement system and achieving the satisfaction of procurement beneficiaries. Through this procurement system, there is a direct relationship between producers and suppliers for goods and services. Therefore, electronic system helps to identify and manage internal opportunities among service providers and service beneficiaries.

### **Organizational Performance**

This is measured by how an organization realizes its objectives, including increasing productivity and reduction of inventory in the short-run and increasing market share in the longer duration. Performance in procurement is linked to resources having naturally different levels of efficiency that enable firms to deliver in a better way to their customers at a given cost or have the same benefit at a lower cost, Organizational performance here is compared to performance of other organizations in the same industry. Organizational performance can be measured using return on investment and increase in market share (Wanyonyi & Muturi, 2015).

### **Theoretical Review**

The section described the theories used including Technology Acceptance Theory and resource Based Theory.

### **Technology Acceptance Theory**

This study is based on Technology Acceptance Theory (TAM) is a theoretical model that evaluates the effects of things like system characteristics on user acceptance. TAM assumes that a computer user generally acts quite rationally and uses information in a systematic manner to decide whether to adopt, or not to use this technology in the workplace. Thogori & Gathenya (2014) identified three major determinants of technology acceptance that relate to cognition and effectiveness and were suggested by previous research studies.

Kilonzo (2016) began with the TRA and adapted this as a basis for causal links between perceived usefulness, perceived ease of use, attitude towards using technology and behavioral intention to explain technology adoption. Relative advantage refers to the degree to which an innovation is perceived as providing more benefits than its predecessor.

### **Resource Based Theory**

A company competitive edge may be found in the resources the company has which are identified and analyzed during resource-based theory. These competencies are granted because of their rarity, distinctiveness and worth, they may be either organizational (involving people) or monetary (involving money). According to the Resource Based Theory (RBT) a firms' ability to compete in its industry is largely on how well its procurement processes are designed and managed. It is based on two assumptions when studying market edge; that enterprises within the same industry may have various resources and this dissimilarity in resources may remain for lengthy period (Kavua & Ngugi, 2014).

When a commodity cant be duplicated by a rival, it creates a strategic advantage. There can be no competitive advantage for a company in an industry if every other company in the industry has access to the same resource. Supply management can do more with less effort if it makes better use of available resources. Companies may become more efficient and save money by making better use of their assets (Ogwel, Iravo & Lagat, 2016).

Involving suppliers in the creation of the technical details and fostering environment conducive to productive cooperation among all parties involved in sourcing process has been shown to improve sourcing performance and ultimately benefit end users. Successful sourcing has a beneficial effect on purchasing by boosting efficiency. To do this, one must use a broad net in order to catch the best bargain. Invention occurs when a product develops and its value changes (Ogbo & Ukpere, 2014).

### **Empirical review**

Research findings conducted by Prempeh (2016) revealed that procurement practices come from deliberate moves by group whose mission it is to spread this technology far and wide. To fully reap the advantages of this technology's use, the company needs spend more in training and skill development for its employees. When employees show opposition to employing an automated system that takes away a portion of their bargaining abilities in having dealt with regular providers and fear of losing their employment as a result of automated testing, this is a clear manifestation of contextual differences outer to and within the company.

According to Uyarra (2010) supplying efficiency may have either immediate or indirect effects on a wide range of cross - functional and cross operations, including the flow of goods, money, and information between vendors and buyers. Organizations have the potential to gain most favorable support of business functions and contribution through effective and efficient use of e-processes and network based communications. Cordial buyer- supplier relationships in procurement builds trust and reduces transaction costs brought about by the interactions in cases where there is information asymmetry. Greater collaboration with suppliers creates access to information not readily available in the organization allowing for better decisions to be made when drawing up specifications.

Belfit *et al.* (2011) stated that engaging in market differentiation encourages companies to adopt sustainable procurement strategies. In order to obtain an edge over the competition, businesses will seek to implement supply chain tactics. Today's businesses are understandably wary of being labeled

as immoral or lacking in long-term sustainability due to rising customer knowledge brought about by the media and other sources.

In this case, Jonas and Tom (2014). Software developed for use in IT infrastructures could aid in environmental preservation by facilitating measures like electronic procurement, which leads to fewer tree cutting. In order to delay premature hardware disposals, computers should be able to run the latest software and have the ability to be upgraded. In the long run, it's more wasteful to get rid of equipment that might still be valuable to the company.

Nzau and Njeru (2014), asserts that deployment of extra resources and equipment to procurement division favorably affects on its competencies and the output it offers to businesses. Productively handling the procurement department allows firms achieve cost savings while servicing contracts. Being able to discern among excellent and bad quality vendors enhances the whole supply chain and guarantees that providers who don't fulfill their legal requirements are banned and fined.

### **Research gap**

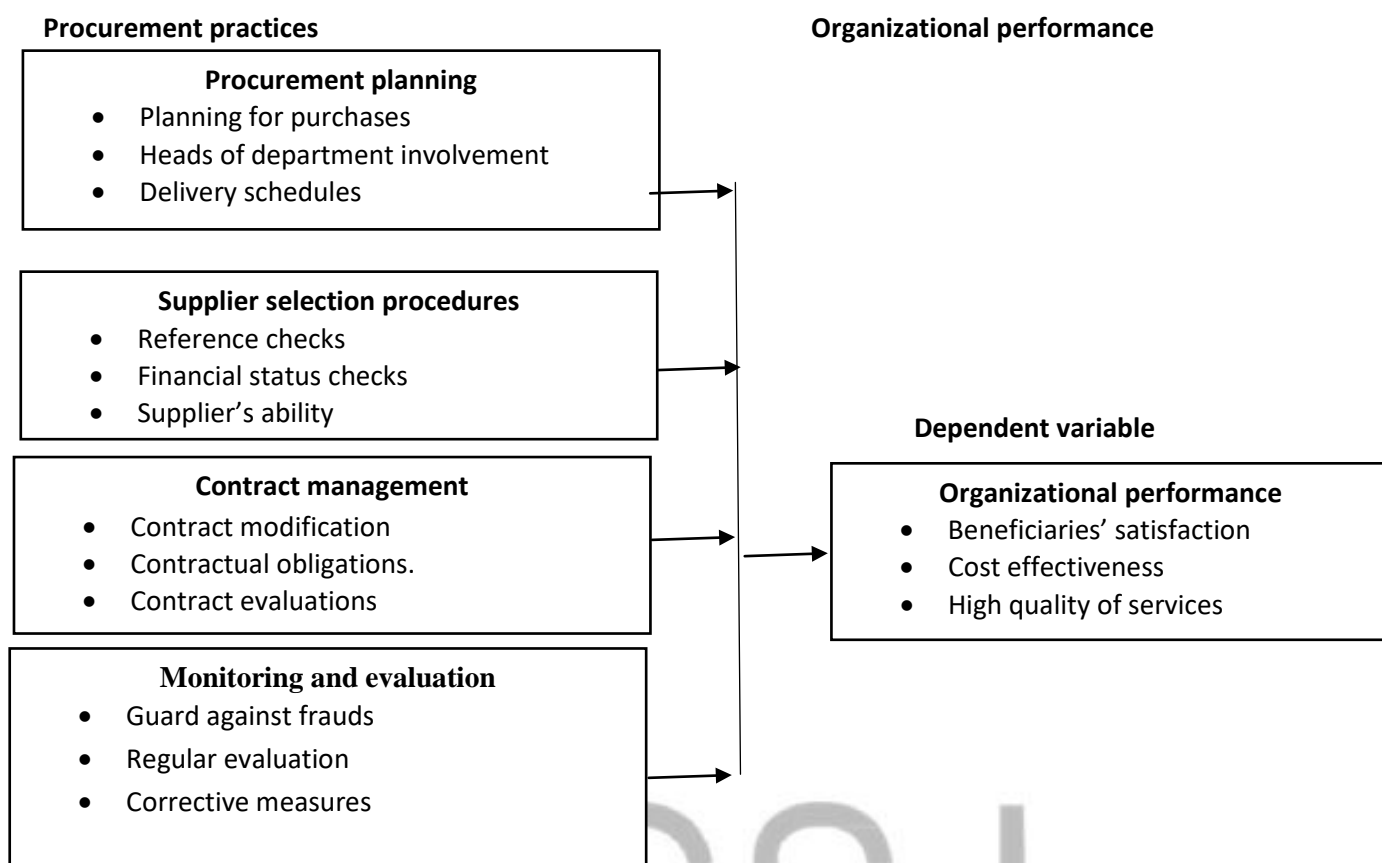
Numerous studies conducted including research conducted by Jonas and Tom (2014) revealed that procurement practices come from deliberate moves by institution to improve technology utilization. According to Nzau and Njeru (2014), a company's ability to acquire goods and services is enhanced when the procurement department is provided with greater funding and better tools. According to ECD (2016), a lack of openness in procurement departments is a root cause of corruption, which in turn causes waste of public money and the provision of inadequate products and services; The previous studies by Kamau (2010), and Rahi (2012), which analyzed the implementation of procurement methods in government departments, were all inconclusive and so left significant gaps that this research aimed to remedy. No study has the same objectives with the current study and also no identified study conducted in Rwanda. For those studies, yet no Likert scale questionnaires applied to the case study. To overcome the same criticism, the current study employed closed Likert scale questionnaire to make it fit the study area. Nevertheless, no specific study was conducted to investigate the real causes of these irregularities in procurement at Nyagatare District Hospital. The present examination explored the effect of procurement practices on organizational performance in Nyagatare District to fill the gaps of knowledge.

### **Conceptual Framework**

Conceptual frameworks are basic structures representing the systematic characteristics of a system being considered. The conceptual framework is a way which helps the researcher to differentiate the main variables included in the research topic like independent and dependent variables. The conceptual framework illustrates the relationship between the independent variable on one hand and the dependent variable on other hand. Procurement practices play a significant role in performance of organizations in terms of reducing operational costs, etc.

**Figure 1 Conceptual Framework**

**Independent variable**



Source: Researcher 2022

**RESEARCH METHODOLOGY**

This chapter highlighted the research methodology and provide a detailed picture of methodological approach that used during data collection and analysis. It comprises the research design, target population, sample and sampling technique, data collection methods which describe data collection instruments and administration of data collection instruments, validity and reliability of instruments, data analysis and ethical consideration.

**Research Design**

This research design clearly provides the structure of data collection. Statistical methods of correlational and regression models used respectively to analyze, interpret data in order to draw some recommendations. The quantitative component involved administration of questionnaires to the bidders while the qualitative components covered interviews which addressed to members of tender committee at Nyagatare District Hospital.

**Target Population**

The study population for this study was 206 Staffs. The sample size calculated using the table of Morgan. The target population of the study were the Director General, Procurement officer, Planning & Monitoring and Evaluation of hospital, Administrative assistant, Public relation & communication, Public relation & communication, Internal Auditor, QI Officer, Director of Administration & Finance, and medical staff at the Nyagatare District Hospital.

**Sample Size and sampling technique**

The researcher used the Table of Morgan sampling determination since, it is scientific methods to be used in research (Louangrath, 2014).

**Table 1 Target Population**

Category	Target population	Sample size	Technique of sample selection
Director General	1	1	Simple random sampling
Procurement officer	1	1	Simple random sampling
Planning & Monitoring and Evaluation of hospital	8	8	Simple random sampling
Administrative assistant	1	1	Simple random sampling
Public relation & communication	5	5	Simple random sampling
Internal Auditor	1	1	Simple random sampling
QI Officer	1	1	Simple random sampling
Director of Administration & Finance	17	10	Purposive sampling
Medical staff	<b>171</b>	108	Purposive sampling
<b>Total</b>	<b>206</b>	<b>136</b>	

**Source: Author (2022)**

### Data Collection Tools

Primary and secondary data gathered. Primary data collected using unstructured questionnaire with closed and open ended questions which had five sections; background information, supplier selection procedures, buyer-supplier relationships, organizational capacity and lastly ethical practices. Structured and unstructured questions save on time and are easier to analyze. Questionnaires are efficient, cheap and easy to be administered. Secondary data collected from publications and annual reports.

### Questionnaire

Miles & Saldaña, (2013) stated definition of questionnaire as set of questions sent or delivered to a responder, who then responds on her own, with no input from the examiner. The questionnaire contained both open and closed ended questions and addressed to the respondents. Questionnaire administered through drop and pick later method to give respondents ample time to respond to the questions. The use of this method enable to ensure high response rate and accuracy as respondents were not answer under pressure to fill the questionnaires based on their convenience.

### Interview guide

According to Paris & Winn (2013) the term "interview" refers to a tool that is not handed out to participants but rather completed after the interrogator has read the questions aloud to them. During the interview process, the researcher had a list of questions that she read to the respondents about the change of tender process before use of e-procurement system and after the implementation of the system. The researcher prepared a separate schedule as this would later facilitate the coding process.

### Documentation

Denzin & Lincoln (2011) defines documentary study as a careful reading, understanding and analysis of written documents for some purposes other than social research. They record of past events that are written or printed. In this research, the researcher collected the already existing data, by finding them where they are stored or field such as newspapers and other publications and manual procedures. During the process of documentary analysis, the researcher read some documents and after understanding and analyzing the relevance of texts to this study, the researcher jot them down on manuscripts and later type them on a computer for compilation.

### Data Analysis

Data analyzed Using computer software called Statistical Package for Social Scientists (SPSS) version 20. The information collected first examined and then checked before analysis. This intends to allow

completeness and comprehensibility. After that, data entered into statistical package for social science (SPSS) version 20 to get frequency tables and their related percentages of correlation. In addition to that qualitative data analyzed using researcher opinions and perceptions on what the respondents have answered and qualitative data further used using qualitative descriptive data techniques to explore data while coding, interpreting into themes.

**DATA INTERPRETATION, ANALYSIS AND DISCUSSION OF RESEARCH FINDINGS**

The researcher concentrates on data analysis and discussion of the results in connection to the specific objective of the study. Quantitative approach was the main in presentation, evaluation and interpretation. SPSS was utilized as a data analysis tool to include statistical evidence into the study and making it more scientific.

**Table 2: Effect of procurement planning on organizational performance**

<b>Procurement planning</b>	<b>Very great extent</b>	<b>Great extent</b>	<b>Moderate extent</b>	<b>Less extent</b>	<b>No extent</b>	<b>Mean</b>	<b>St. Dev.</b>
Procurement policies are developed with input from upper management.	68 50.0%	48 35.3%	12 8.8%	0 0.0%	8 5.9%	4.24	1.03
Responsible agencies have articulated the specific requirements to be consider in	56 41.2%	57 41.9%	13 8.6%	6 4.4%	4 2.9%	4.14	.96
During procurement planning the heads of department determine what supplies and services are needed.	61 44.9%	38 27.9%	24 17.6%	8 5.9%	5 3.7%	4.04	1.09
Planning for purchases initiates the organization’s whole acquisition procedure.	34 25.0%	48 35.3%	28 20.6%	14 10.3%	12 8.8%	3.49	1.18
The process of developing specifications begins with proper planning.	50 36.8%	52 38.2%	21 15.4%	7 5.1%	6 4.4%	3.98	1.06
Delivery schedules that meet the needs of the hospital are developed with contactors in consideration.	31 22.8%	51 37.5%	26 19.1%	12 8.8%	16 11.8%	2.90	1.11
Organization defines Terms of Reference early on in the procurement planning phase.	27 19.9%	58 42.6%	22 16.2%	9 6.6%	20 14.7%	2.87	1.09
Performance review expenditures plans benefited on effective procurement planning	53 39.0%	48 35.3%	25 18.4%	6 4.4%	4 2.9%	4.03	1.01
Procurement planning facilitates rapid decision making	37 27.2%	55 40.4%	25 18.4%	13 9.6%	6 4.4%	3.76	1.09
Planning helps determine financing resources which improve the effectiveness of procurement.	37 27.2%	41 30.1%	9 6.6%	27 19.9%	22 16.2%	2.91	1.18
<b>Overall mean</b>						<b>3.63</b>	

Source: Field data, September 2022

The results in Table 2 show that almost all the respondents confirmed with the statement about procurement planning in Nyagatare District Hospital whereby 50.0% of respondents confirmed with very great extent and 35.3% of respondents with great extent that procurement policies are developed with input from upper management. Furthermore, the majority of the respondents confirmed that responsible agencies have articulated the specific requirements to be consider whereby, 41.2% of respondents with very great extent and 41.9% of respondents with great extent.

Moreover, respondents confirm that during procurement planning the heads of department determine what supplies and services are needed whereby 44.9% of respondents responded with very great extent and 27.9% of respondents also responded with great extent. Besides, the majority of the respondents confirmed with the statement that planning for purchases initiates the



organization's whole acquisition procedure whereby 25.0% of respondents with very great extent and 35.3% of respondents with great extent. Additionally, the majority of the respondents confirmed that the process of developing specifications begins with proper planning whereby 36.8% of respondents with very great extent and 38.2% of respondents with great extent. Interviewee said *"The procurement planning eliminates time-consuming activities, allowing staff to devote attention to more important tasks, we have different departments making procurement decisions, there can be differences in what and how they purchase, The use of planning makes it easier communication for every department to adhere to the organization's procurement standards."* Overall mean of 3.63 which is high mean is an evidence of effective procurement planning in Nyagatare District Hospital.

Furthermore, the majority of the respondents confirmed that delivery schedules that meet the needs of the hospital are developed with contactors in consideration whereby, 22.8% of respondents with very great extent and 37.5% of respondents great extent. Moreover, respondents confirmed that organization defines Terms of Reference early on in the procurement planning phase whereby 19.9% of respondents responded with very great extent and 42.6% of respondents also responded with great extent. Besides, the majority of the respondents confirmed with that performance review expenditures plans benefited on effective procurement planning whereby 39.0% of respondents with very great extent and 35.3% of respondents also great extent.

Additionally, the majority of the respondents confirmed that procurement planning facilitates rapid decision making whereby 27.2% of respondents with very great extent and 40.4% of respondents with great extent. Lastly, the majority of the respondents confirmed that planning helps determine financing resources which improve the effectiveness of procurement whereby 27.2% of respondents with great extent and 30.1% of respondents also with great extent. In agreement with Nurmilaakso (2008) supplying efficiency may have either immediate or indirect effects on a wide range of cross-functional and cross operations, including the flow of goods, money, and information between vendors and buyers.

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**Table 3: Effect of supplier selection procedures in Nyagatare District Hospital**

Supplier selection procedures	Very great extent	Great extent	Moderate extent	Less extent	No extent	Mean	St. Dev.
Reference checks	54 39.7%	30 22.1%	5 3.7%	19 14.0%	28 20.6%	4.09	1.12
Contacting previous customers to confirm supply performance and obedience to contract	53 39.0%	22 16.2%	6 4.4%	21 15.4%	34 25.0%	3.81	1.15
Financial status checks	49 36.0%	31 22.8%	11 8.1%	23 16.9%	22 16.2%	3.84	1.169
Possibility supplier will announce bankruptcy prior to satisfying organization requirements	25 18.4%	69 50.7%	22 16.2%	15 11.0%	5 3.7%	3.69	1.01
Surge capacity	19 14.0%	63 46.3%	34 25.0%	15 11.0%	5 3.7%	3.56	.98
Supplier's ability to add delivery on short notice	5 3.7%	43 31.6%	52 38.2%	15 11.0%	21 15.4%	2.97	1.09
Indications of supplier quality	31 22.8%	50 36.8%	16 11.8%	22 16.2%	17 12.5%	3.79	1.21
ISO 9000 and 14000 certification	9 6.6%	27 19.9%	51 37.5%	21 15.4%	28 20.6%	2.76	1.18
Ability to meet specifications	48 35.3%	48 35.3%	32 23.5%	5 3.7%	3 2.2%	4.28	.97
Rigorous checks of supplier's capabilities	47 34.6%	17 12.5%	42 30.9%	27 19.9%	3 2.2%	4.56	1.11
<b>Overall mean</b>						<b>3.73</b>	

Source: Field data, September 2022

The results in Table 3 show that almost all the respondents confirmed with the statement about supplier selection procedures in Nyagatare District Hospital whereby 39.7% of respondents confirmed with very great extent and 22.1% of respondents with great extent that there is reference checks. Furthermore, the majority of the respondents confirmed that contacting previous customers to confirm supply performance and obedience to contract whereby, 39.0% of respondents with great extent and 16.2% of respondents with great extent. Moreover, respondents confirm that there is financial status checks whereby 36.0% of respondents responded with very great extent and 22.8% of respondents also responded with great extent. Besides, the majority of the respondents confirmed with that possibility supplier will announce bankruptcy prior to satisfying organization requirements whereby 18.4% of respondents with very great extent and 50.7% of respondents with great extent. Additionally, the majority of the respondents confirmed that there is surge capacity whereby 46.3% of respondents with great extent and 25.0% of respondents with moderate extent.

Furthermore, the majority of the respondents confirmed that supplier's ability to add delivery on short notice whereby, 31.6% of respondents with great extent and 38.2% of respondents moderate extent. Moreover, respondents confirmed that there is indications of supplier quality whereby 22.8% of respondents responded with very great extent and 36.8% of respondents also responded with great extent. Besides, the majority of the respondents confirmed with that there is ISO 9000 and 14000 certification whereby 37.5% of respondents with moderate extent and 20.6% of respondents also no extent. Additionally, the majority of the respondents confirmed that there is ability to meet specifications whereby 35.3% of respondents with very great extent and great extent. Lastly, the majority of the respondents confirmed that there is rigorous checks of supplier's capabilities whereby 34.6% of respondents with great extent and 30.9% of respondents also with no extent. Overall mean of 3.73 which is high mean is an evidence of effective supplier selection procedures in Nyagatare District Hospital. Uyarra (2010) Greater collaboration with suppliers creates access to information not readily available in the organization allowing for better decisions to be made when drawing up specifications.

**Table 4: Effect of contract management in Nyagatare District Hospital**

Contract management	Very great extent	Great extent	Moderate extent	Less extent	No extent	Mean	St. Dev.
Contract modifications are monitored, controlled and managed by the organization.	33 24.3%	39 28.7%	53 39.0%	10 7.4%	1 0.7%	4.07	.98
There is supervision and verification that both contracting parties have met their contractual obligations.	29 21.3%	55 40.4%	13 9.6%	23 16.9%	16 11.8%	4.00	1.11
The agreement is kept up to date by both the supplier as well as the purchasing entity.	59 43.4%	15 11.0%	4 2.9%	32 23.5%	26 19.1%	3.91	1.06
Each purchasing contract requires the establishment of a contract management staff.	29 21.3%	46 33.8%	33 24.3%	21 15.4%	7 5.1%	3.51	1.14
Fair contract management reduces purchasing budget shortfalls and boots quality of the work.	52 38.2%	21 15.4%	9 6.6%	28 20.6%	26 19.1%	3.68	1.15
Payment to contractor may be handled and approved more quickly if the contract was properly done.	26 19.1%	51 37.5%	28 20.6%	13 9.6%	18 13.2%	3.40	1.27
Contract protects supplier credibility and fosters positive relationship with organization.	19 14.0%	43 31.6%	31 22.8%	21 15.4%	22 16.2%	3.32	1.29
Organizations undertake post-contract evaluations to evaluate the operating efficiency of delivered items.	33 24.3%	35 25.7%	24 17.6%	19 14.0%	25 18.4%	3.39	1.45
Organization has been able to discover faults and capabilities via contractual regulate.	20 14.7%	53 39.0%	36 26.5%	14 10.3%	13 9.6%	3.39	1.14
For effective contract management, feedbacks have been implemented.	23 16.9%	46 33.8%	33 24.3%	21 15.4%	13 9.6%	3.33	1.20
<b>Overall mean</b>						<b>3.60</b>	

Source: Field data, September 2022

The results in Table 4 show that almost all the respondents confirmed with the statement about contract management in Nyagatare District Hospital whereby 24.3% of respondents confirmed with very great extent and 28.7% of respondents with great extent that contract modifications are monitored, controlled and managed by the organization. Furthermore, the majority of the respondents confirmed that there is supervision and verification that both contracting parties have met their contractual obligations whereby, 21.3% of respondents with great extent and 40.4% of respondents with great extent. Moreover, respondents confirm that the agreement is kept up to date by both the supplier as well as the purchasing entity whereby 43.4% of respondents responded with very great extent and 11.0% of respondents also responded with great extent. Besides, the majority of the respondents confirmed with that each purchasing contract requires the establishment of a contract management staff whereby 33.8% of respondents with great extent and 24.3% of respondents with moderate extent. Additionally, the majority of the respondents confirmed that fair contract management reduces purchasing budget shortfalls and boots quality of the work whereby 38.2% of respondents with very great extent and 15.4% of respondents with great extent.

Furthermore, the majority of the respondents confirmed that payment to contractor may be handled and approved more quickly if the contract was properly done whereby, 37.5% of respondents with great extent and 20.6% of respondents moderate extent. Moreover, respondents

confirmed that contract protects supplier credibility and fosters positive relationship with organization whereby 31.6% of respondents responded with very great extent and 22.8% of respondents also responded with moderate extent. Besides, the majority of the respondents confirmed with that organizations undertake post-contract evaluations to evaluate the operating efficiency of delivered items whereby 24.3% of respondents with very great extent and 25.7% of respondents also great extent. Additionally, the majority of the respondents confirmed that organization has been able to discover faults and capabilities via contractual regulate whereby 39.0% of respondents with great extent and 26.5%% moderate extent. Lastly, the majority of the respondents confirmed that for effective contract management, feedbacks have been implemented whereby 33.8% of respondents with great extent and 24.3% of respondents also with moderate extent. Overall mean of 3.60 which is high mean is an evidence of effective contract management in Nyagatare District Hospital. Research findings conducted by Ramaya et al (2006) revealed that procurement practices come from deliberate moves by group whose mission it is to spread this technology far and wide. To fully reap the advantages of this technology's use, the company needs spend more in training and skill development for its employees.

**Table 5: Effect of monitoring and evaluation in Nyagatare District Hospital**

<b>Monitoring and evaluation</b>	<b>Very great extent</b>	<b>Great extent</b>	<b>Moderate extent</b>	<b>Less extent</b>	<b>No extent</b>	<b>Mean</b>	<b>St. Dev.</b>
At certain periods, the supply chain system is analyzed to ensure its efficacy	9 6.6%	40 29.6%	45 33.1%	21 15.4%	21 15.4%	2.96	1.15
Once an anomaly is discovered in the procedures, corrective measures are implemented.	75 55.1%	40 29.4%	16 11.8%	0 0.0%	5 3.7%	4.32	.942
To guard against frauds, organization reviews its procedures.	62 45.6%	51 37.5%	10 7.4%	10 7.4%	3 2.2%	4.16	1.00
Quality products and services can only be maintained by regular supplier selection process.	63 46.3%	34 25.0%	25 18.4%	8 5.9%	6 4.4%	4.02	1.13
Timely solutions are found for problems that arise through procurement cycle.	30 22.1%	50 36.8%	30 22.1%	14 10.3%	12 8.8%	3.52	1.19
Purchases are closely monitored in order to keep controlling expenses	60 44.1%	51 37.5%	21 15.4%	2 1.5%	2 1.5%	4.21	.86
There is an independent committee that open and evaluate bids.	25 18.4%	34 25.0%	44 32.4%	22 16.2%	11 8.1%	3.29	1.18
Received products and services are compared against local purchase order	10 7.4%	27 19.9%	56 41.2%	20 14.7%	23 16.9%	2.86	1.14
Periodic supplier audits are done to correct compliance.	56 41.2%	51 37.5%	19 14.0%	7 5.1%	3 2.2%	4.10	.97
Local purchase order and delivery note are compared to the invoice	42 30.9%	46 33.8%	27 19.9%	12 8.8%	9 6.6%	3.73	1.18
<b>Overall mean</b>						<b>3.72</b>	

Source: Field data, September 2022

The results in Table 5 show that almost all the respondents confirmed with the statement about monitoring and evaluation in Nyagatare District Hospital whereby 29.6% of respondents confirmed with great extent and 33.1% of respondents with moderate extent that at certain periods, the supply chain system is analyzed to ensure its efficacy. Furthermore, the majority of the respondents confirmed that once an anomaly is discovered in the procedures, corrective measures are implemented whereby, 55.1% of respondents with very great extent and 29.4% of respondents with great extent. Moreover, respondents confirm that to guard against frauds, organization reviews its procedures whereby 45.6% of respondents responded with great extent and 37.5% of respondents also responded with great extent. Besides, the majority of the respondents confirmed with that

quality products and services can only be maintained by regular supplier selection process whereby 46.3% of respondents with very great extent and 25.0% of respondents with great extent. Additionally, the majority of the respondents confirmed that timely solutions are found for problems that arise through procurement cycle whereby 22.1% of respondents with very great extent and 36.8% of respondents with great extent.

Furthermore, the majority of the respondents confirmed that purchases are closely monitored in order to keep controlling expenses whereby, 44.1% of respondents with very great extent and 37.5% of respondents great extent. Moreover, respondents confirmed that there is an independent committee that open and evaluate bids whereby 25.0% of respondents responded with great extent and 32.4% of respondents also responded with moderate extent. Besides, the majority of the respondents confirmed with that received products and services are compared against local purchase order whereby 19.9% of respondents with great extent and 41.2% of respondents also moderate extent. Additionally, the majority of the respondents confirmed that periodic supplier audits are done to correct compliance whereby 41.2% of respondents with very great extent and 37.5% great extent. Lastly, the majority of the respondents confirmed that local purchase order and delivery note are compared to the invoice whereby 30.9% of respondents with very great extent and 33.8% of respondents also with great extent. Overall mean of 3.72 which is high mean is an evidence on the role of Monitoring and evaluation in Nyagatare District Hospital. Dza, Fisher & Gapp (2013) Government procurement advancement issues in Africa were summed. They reported that Africa countries reforms are necessitated by competition build on accountability, improve transparency, among others. Quality management is seen as a good sign by these lenders that their loans would be repaid and used for their intended purposes

**Table 6: Correlation analysis**

		PP	SSP	CM	M&E	OP
<b>PP</b>	Pearson Correlation	1	.671**	.626**	.572**	.697**
	Sig. (2-tailed)		.000	.000	.000	.000
	N		136	136	136	136
<b>SSP</b>	Pearson Correlation		1	.716**	.722**	.710**
	Sig. (2-tailed)			.000	.000	.000
	N			136	136	136
<b>CM</b>	Pearson Correlation			1	.811**	.670**
	Sig. (2-tailed)				.000	.000
	N				136	136
<b>M&amp;E</b>	Pearson Correlation				1	.825**
	Sig. (2-tailed)					.000
	N					136
<b>OP</b>	Pearson Correlation					1
	Sig. (2-tailed)					
	N					136

Source: Field data, September 2022

**PP:** Procurement planning, **SSP:** Supplier Selection Procedures, **CM:** Contract management, **M&E:** Monitoring and evaluation, **OP:** Organizational performance

Table 6 shows that there is a significant relationship between Procurement planning and organizational performance with a Pearson correlation of 0.697 and a  $p=0.000 < 0.05$ , Pearson correlation of 0.710 and a  $p=0.000 < 0.05$  for Supplier Selection Procedures and organizational performance, Pearson correlation of 0.670 and a  $p=0.000 < 0.05$  indicating that contract management and organizational performance of Nyagatare District Hospital are strongly associated. Pearson correlation of 0.825 and a p-value of 0.000 which less than the significance level of 0.05 indicating monitoring & evaluation and organizational performance of Nyagatare District Hospital are significantly correlated. Research by Carter(2011)Procurement should be involved in the budgeting process, supplier choice and consolidation, concern for the environment and issues touching on quality and technological advances. Stakeholders are increasingly demanding that organizations should address and manage the environmental and social issues that impact their organization.

**Table 7:Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-3.963	2.893		-1.370	.173
1 Procurement planning	1.526	.239	.369	6.387	.000
Supplier Selection Procedures	.084	.231	.026	.362	.018
Contract management	.774	.250	.236	3.098	.002
Monitoring and evaluation	1.699	.196	.657	8.654	.000

a. Dependent Variable: Organizational performance

Source: Field data, September 2022

The model used in the study took the form below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where: Y= Organization performance.

$\alpha$ = Constant Term ,  $\beta$ = Beta Coefficient

$\epsilon$  = the error term which is assumed to be normally distributed with mean zero and constant variance, X1= Procurement planning, X2 = Supplier Selection Procedures, X3= Contract management, X4= Monitoring and evaluation variables.

Table 7 on regression equation shows that success of project will always depend on a constant factor of -3.963 regardless of the existence of other determinants. The other variables explain that; every unit increase in Procurement planning will increase performance of Nyagatare District Hospital by a factor of 1.526. Every unit increase in Selection Procedures will increase performance of Nyagatare District Hospital by a factor of 0.084. Every unit increase in Contract management will decrease performance of Nyagatare District Hospital by a factor of 0.774. Every unit increase in Monitoring and evaluation will increase performance of Nyagatare District Hospital by a factor of 1.699. For all variables; Procurement planning ( $p=0.000<0.05$ ), Supplier Selection procedures ( $0.018<0.05$ ), Contract management ( $p=0.002<0.05$ ) and Monitoring and evaluation ( $p=0.000<0.05$ ) which gave the right to reject all null hypothesis of the study.

### CONCLUSION AND RECOMMENDATIONS

The research used descriptive, inferential statistics methods to analyze data. Responses from respondents are summarized with descriptive, correlation and regression analysis. The findings showed that there is positive effect of procurement practices on organizational performance.

It is suggested that Nyagatare District Hospital's administrative and medical personnel work more closely together when making decisions about what supplies to purchase.

The procuring entity and the public institution sellers should work together to develop tight partnerships for common benefit. To work together on creating a system that combines their transactions, the Procuring organization and the supplier will have access to each other's information, experience, and technology.

Procurement committee in particular, should be knowledgeable about all e-procurement practices and requirements; they should have the best skills and expertise on the systems.

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