



INVESTIGATION OF THE EFFECT OF INTERNATIONAL PROCUREMENT OF GOODS ON PERFORMANCE OF THE PROCUREMENT FUNCTION IN THE PUBLIC SECTOR ENTITIES IN TANZANIA.

A CASE OF TANZANIA PORTS AUTHORITY (TPA) HEAD QUARTER, DAR ES SALAAM

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Abstract:

The study examined the Effect of International Procurement of Goods on Performance of the Procurement Function in the Public Sector Entities in Tanzania. Procurement encompasses all activities related to obtaining any goods, works, or services, such as specification of requirements, selection and invitation of tenderers, preparation and award of contracts. Procurement is defined as the buying, purchasing, renting, leasing, or other acquisition of any goods, works, or services by a procuring entity (URT, 2011). The study adopted the descriptive design. Data was collected from 52 respondents from TPA through questionnaires. The sample was chosen using Judgment/ Purposive Sampling methods to select the sample. Using SPSS, descriptive statistics including frequency, and percentage were used to analyze the data. Furthermore, inferential analysis was conducted whereby regression analysis was used to show the relationship between variables. Data was presented by using Tables. The study found that the methods used in international procurement has a significant effect on performance of the procurement function. Furthermore, the study found that the modes of transport used in international procurement has a significant effect on performance of the procurement function. Moreover, the study found that the quality assurance procedures used in international procurement has a significant effect on performance of the procurement function. Methods used in international procurement, modes of transport used in international procurement and quality assurance procedures used in international procurement have a favored impact on has a significant effect on performance of the procurement function. The study recommends that, the management of the public sector should pay attention on procurement methods, modes of transport and quality assurance practices used in International Procurement of goods to protect and increase the quality of the goods procured in order to improve performance of the procurement function.

Keywords:

Procurement, public procurement, Intenational Procurement, Methods of Procurement, Modes of Transport, and Quality Assurance Procedures

1. Introduction

Procurement encompasses all activities related to obtaining any goods, works, or services, such as specification of requirements, selection and invitation of tenderers, preparation and award of contracts. Procurement is defined as the buying, purchasing, renting, leasing, or other acquisition of any goods, works, or services by a procuring entity (URT, 2011).

One of the most significant catchphrases of the modern era is international procurement. The phrase generally refers to a purchasing strategy that is focused on the worldwide market and, as a result, an internationally optimized supply of goods and services. In the face of growing competition and global economic integration, businesses are frequently forced to go across the globe for the ideal partner to fulfill their needs.. This study assess the effect of International Procurement of goods on performance of the Procurement function in the Public Sector Entities in Tanzania a case study of Tanzania Ports authority (TPA) Headquarters in Dar es salaam.

2. Literature Review

2.1. Theoretical Literature

Joseph Juran's Theory or "Quality Trilogy.", Parkinson's Theory and Theory of Absolute Advantage were used. Joseph Juran's Theory explain on the steps to be adopted to improve the quality of goods or services. Parkinson's Theory focused on effective time management and completion of the task that is "work expands so as to fill the time available for its completion". Theory of Absolute Advantage explain the highlighted the significance of specialization in production and labour division.

2.2. Empirical Literature

Methods of Procurement on performance of the Procurement function

Moronge and Githinji (2018) revealed that International Competitive Tender and National Competitive Tender variables were shown to have a positive and statistically significant influence on the dependent variable (Procurement Performance). Kipkemoi (2017), was highlighted on how procurement methods impact organizational performance. Jiang (2009) established a positive correlation Problems and challenges of Global sourcing and the type of the procurement methods used.

2.3. Modes of Transport on performance of the Procurement function

Timely delivery Performance as a key for perfect order delivery occurs when the specific criteria are met and is always affected by the type of the modes of transport used (Meyer, 2016). Esperance, (2023) highlighted the significant relationship between performance within public sector and procurement practices such as transportation practices adopted.

2.4. Quality Assurance Procedures on performance of the Procurement function

Thomas, (2018) revealed that Quality assurance is a comprehensive issues which affects the quality of the products, it can be individually or whole and intending to ensure the quality required for the product is maintained so as to make the goods to fit for intended purpose. Paul, (2020) highlighted the quality assurance procedure is one among of the variables influencing the public sector process and performance.

3. Methodology

3.1. Study Design and Setting

A descriptive research design, combining quantitative and qualitative approaches was employed. The research site was Tanzania Ports authority Headquarters in Dar es Salaam.

3.2. Data Types, Sources, and Study Population

Primary data was acquired by filling out questionnaires to the selected 52 sample from various departments such as procurement, store, tender board, finance, and planning. Secondary data collected by reviewing available documents.

3.3. Sample Size and Sampling Techniques

The quantitative sample size of 52 equivalent to 62% of a target population of 84 were selected. The qualitative sample involved the participants from the intended departments at TPA in Dar es Salaam.. Purposive sampling technique was employed.

3.4. Data Collection Methods, Instruments, and Recruitment of the Research Assistants

Qualitative data used checklist question. Questionnaires were prepared in English. Three research assistants aided in data collection, cleaning, and analysis.

3.5. Data Quality Assurance, Management, and Analysis

The statistical test known as Cronbach's alpha was used to insure data reliability. The Cronbach's Alpha coefficient results showed a value of 0.787. implied that the responses generated for the variables were for the data analysis. Pilot study and errors corrected was also conducted. Tables, charts, and explanations were used to gather and

analyze the data. Statistical Package for Social Sciences (SPSS) was used for analysis. Correlation and multiple linear regression analysis were also used.

3.6. Ethical Approval

Ethical clearance from Mzumbe University's Institutional Review Board and permission from TPA in Dar es Salaam were secured. Verbal consent and the protection of participant identities were guaranteed. The participants were briefed on the objectives and advantages of the study. Confidentiality and privacy were upheld during the entire research process.

4. Results

4.1. Socio-Demographic Characteristics of the Participants

Sampled participants included gender, age, education, work experience, department, and position. Results showed that 30 (60%) were male, while 22 (40%) were female. Age groups were classified into ten class intervals from 18 to over 55 years. The largest group being 25-35 years of 20 (39%) participants. Education-wise, 2 (3%) held Certificate, 6(11%) held diploma, 28(55%) held bachelor degree, 14(27%) held Masters, 1(2%) held PhD and 1(2%) others. Work experience varied, majority of the participants 9(18%) having 1-3 years of experience, 31(59%) having 4-7 years of working experience and 12(23%) having over 7 years of experience

4.2. Effect of methods used in international procurement on performance of the procurement function

The results from participants shows 27(52%) of respondents agreed that the Organizational staff are aware of the contribution of different procurement methods used in international procurement of goods. 28(53.9%) of respondents agreed that International Competitive Procurement method is always considered as the first recommended method for procurement of goods from abroad. 30(57.6%) of respondents agreed that other methods than international Competitive methods are always used in procurement of goods. 29(55.7%) of respondents agreed that delivering time, quality and costs of goods procured from international procurement are always reasonable and are determined by method of procurement.

Generally, Regarding the effect of methods used in international procurement on performance of the procurement function, 28 participants (54.8%) responded "Yes", 16 (31%) responded "No" while 8 (15%) were neutral.

4.3. Effect of modes of transport used in international procurement on performance of the procurement function

The results from participants shows 33(63.4%) of respondents agreed that the Organizational staff are aware of the contribution of different modes of transport used in international procurement of goods to the Procurement Entity performance. 32(61.5%) of respondents agreed that Modes of transport used in international procurement always depends on the nature of the goods procured. 26(50%) of respondents agreed that Quality of goods Procured from abroad are mainly affected by the modes of transport used to transport the goods to the buyer. 27(51.9%) of respondents agreed that Modes of transport determine the costs of the goods procured and 28(53.8%) of respondents agreed that Timely delivery of the procured goods in international procurement depends always depends on the mode of transport adopted.

Generally, Regarding the modes of transport used in international procurement on performance of the procurement function, 30 participants (56.5%) responded "Yes", 14 (28.2%) responded "No" while 8 (15.3%) were neutral.

4.4. Effect of quality assurance procedures used in international procurement on performance of the procurement function

The results from participants shows 32(61.5%) of respondents agreed that the Organizational staff are aware of the quality assurance in international procurement of goods and its impact on the Procurement Entity performance. 31(59.6%) of respondents agreed that Quality assurance is well observed and adopted in the International Procurement of goods. 34(65.4) % of respondents agreed that the use of different quality assurance techniques helps to protect and increase the quality of the goods procured from abroad through international procurement.

Generally, Regarding the modes of transport used in international procurement on performance of the procurement function, 32 participants (62.7%) responded “Yes” , 13(25%) responded “No” while 12 (12.3%) were neutral.

5. Discussion

5.1. Results on the Effect of Methods used in international procurement on Performance of the procurement function

The study's findings demonstrate that, the methods used in international procurement has a statistically significant effect on performance of the procurement function. The study shows that the procedures utilized in international procurement have a significant impact on the performance of the procurement function. Patil and Waghmare (2014) discovered that national competitive tendering, particularly restricted tendering, is mostly preferred because payment terms are easier because no foreign exchange is involved; it is easier to contact suppliers personally, without the need for visas and foreign currency for visits abroad; inspection visits to the supplier's manufacturing units are convenient; domestic firms may provide better maintenance facilities; Based on the findings, the study found that Restricted Tendering had a positive and statistically significant influence on procurement. Moronge and Githinji (2018) discovered that International Competitive Tender and National Competitive Tender factors had a positive and statistically significant effect on the dependent variable Procurement Performance.

5.2. Results on Effect of Modes of transport used in international procurement on Performance of the procurement function

The study's findings indicate that modes of transport used in international procurement have a significant influence on performance of the procurement function ($\text{sig} = 0.000$, less than 0.05), demonstrating that there is a link between modes of transport used in international procurement and performance of the procurement function. Iregi and Kipkorir (2017), highlighted that one of the primary reasons of why transportation procurement is significant is that it can reduce transportation costs. The goal of mode transportation procurement, according to Simeon (2018), is to enable the efficient and effective movement of people and products. This is accomplished by selecting the most cost-effective method of doing the task. Transportation is used by businesses to carry employees and merchandise to their destinations. It might be difficult to run a corporation properly if the company cannot effectively acquire transportation. Understanding the fundamentals of procurement and how it affects the business will help to secure the best possible bargain for your corporation.

5.3. Results on the Effect of Quality assurance procedures used in international procurement on Performance of the procurement function

The findings suggest that the quality assurance procedures used in international procurement has significant influence on performance of the procurement function. In reality, the likelihood of being identified had $\text{sig} = 0.12$, which is less than 0.05, suggesting that significant relationship existed. Munyimi (2019) explored how procurement quality procedures affect procurement performance in Zimbabwe's energy sector.

5.4. Study Limitations

The study's scope is confined to TPA in Ilala, Dar es Salaam, without broader applicability to all Tanzanian public organizations, given the presence of multiple ports in the country because of time restrictions, budgetary limitations, and data accessibility. The sample comprised of 52 survey respondents from the department of procurement, stores, planning and finance.

5.5. Recommendations for Immediate Effect

TPA should improve quality assurance practices and use of different quality assurance techniques to protect and increase the quality of the goods procured from abroad and should adopt the proper procurement methods and modes of transport in international procurement as a way of improving the procurement performance of Organization.

5.6. Recommendations for Further Studies

Since the study has included only three variables and data was collected from 52 employees at TPA, other studies should include other variables affecting performance of the procurement function. Also, other studies should increase the sample size.

6. Conclusion

The study's findings reveal that methods used in international procurement has an impact on performance of the procurement function, modes of transport used in international procurement has significant impact on performance of the procurement function, moreover, the quality assurance procedures used in international procurement has a major impact on performance of the procurement function.

Therefore, better methods of procurement used in international procurements, better modes of transport as well as better quality procurement procedre will result to the greater performance of the procurement function in Public Sector.

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8. Conflicts of Interest

The authors affirm that there are no conflicts of interest to disclose.

9. Author's Contributions

The Resecher conceived and designed the study, led data collection and analysis and drafted the manuscript. Dr.Mrope supervised the study, provided guidance throughout the research process, and reviewed and edited the manuscript.

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