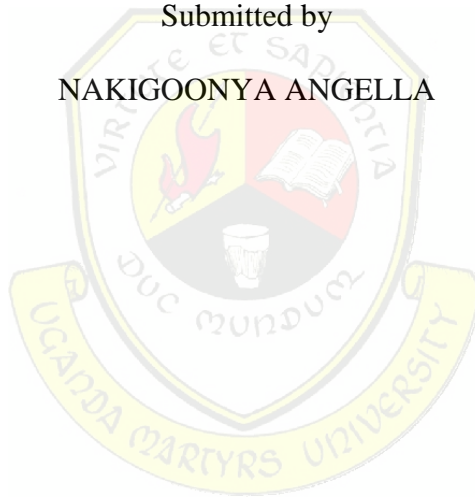


**PROCUREMENT MANAGEMENT AND FINANCIAL PERFORMANCE OF
PRIVATE HOSPITALS IN UGANDA**

CASE STUDY: NKOZI HOSPITAL

Submitted by
NAKIGOONYA ANGELLA



April, 2015

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A dissertation submitted to the Faculty of business
administration and Management In partial fulfillment of the requirements
for the Award of the Degree of Bachelor of business administration and
management Of Uganda Martyrs University

March 2015

DEDICATION

I would like to dedicate this research work to my dear and beloved parents, Mr. Mathias Kigoonya and Mrs. Nampijja Christine for the great support and patience they have given to me during all my time of education, to my brothers Roni, Edward, and my sisters Gertrude, Ritah and Maria, for always being there.

I dedicate this research to my beloved friends Anne, Mariam, Rhona, Joan, Deo, Nicolas, Dinah, Ken and many others, their words of comfort contributed much to the completion of this booklet. Let's remain friends forever.

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To all those who assisted me in the accomplishment of this research study, I wish to extend my sincere gratitude. May the almighty God bless you.

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ABBREVIATIONS

AROE	:	Annual Report on Evaluation
CASs	:	Country Assistance Strategies
DEA	:	Data Envelopment Analysis
DMUs	:	Decision Making Units
GOA	:	Government of America
HIV/AIDS	:	Human Immune Virus/Acquired Immune Deficiency Syndrome
MDG	:	Millennium Development Goals
NHPA	:	National health performance authority
PAR	:	Procurement Assessment Report
PEFA	:	Private Expenditure and Financial Accountability
PEM-PR	:	Public Financial Management Performance Report
SQDS	:	Service Quality Delivery Survey
SSA	:	Sub- Saharan Africa
TB	:	Tuberculosis

DEFINITIONS OF KEY TERMS

Procurement: Refers to the act of obtaining or buying goods and services.

Procurement management: Is the process used to make sure items you purchase from external suppliers meet your needs.

Financial performance: Refers to a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues.

Procurement planning: Refers to the process of identifying, quantifying and scheduling the delivery of procurement items to a project.

Monitoring: Is a systematic and routine collection of information from projects and programs.

Evaluation: Is assessing as systematically and objectively as possible, a completed project or program.

Efficiency: Refers to the comparison of what is actually produced or performed with what can be achieved with same consumption of resources.

Effectiveness: Refers to adequate to accomplish a purpose, producing the intended or expected result.

ABSTRACT

The study aimed at establishing how procurement management affected financial performance of private hospitals. It has the following objectives; to evaluate the effect of procurement planning, monitoring and evaluation and the relationship between procurement management and financial performance of private hospitals.

The researcher employed a case study design using the quantitative study approach where questionnaires were used as primary tools using random sampling techniques for data collection which was analysed using descriptive analysis and results were presented in tables. The sample size of the study constituted of 108 respondents but only 80 responded.

The key study findings were; Nkozi hospital has approaches it follows in assessing procurement planning, monitoring and evaluation to ensure effective procurement management, the hospital also has a well-defined staff which manages its planning, monitoring and evaluation which enables the hospital to reduce risk exposure thus enabling the hospital improve on its financial performance. There was a significant relationship between procurement management and financial performance of Nkozi hospital.

Findings indicate that the hospital has procurement planning criteria it employees and management policies to ensure effectiveness and efficiency. The hospital also has a well-defined committee which manages its procurement process and a sound monitoring system which enables the hospital to reduce on the risks thus enabling the hospital improve its financial performance.

On recommendations from the findings of the researcher, Nkozi hospital should strengthen their procurement planning processes and appraisal procedures, ensure that sound management policies are in place and continuous monitoring of stock is done to increase on the hospital's performance.

In conclusion, drugs were the basic assets for the hospital which constituted their major sources of income thus contributes greatly to the growth of the hospital and there exists a strong relationship between procurement management and financial performance of private hospitals.

CHAPTER ONE

GENERAL INTRODUCTION

1.1 Introduction

The research study intended to find out the role of procurement management and financial performance of private hospitals in Uganda. The study looked at the financial performance of private hospitals in Uganda basing on assets, profits and liquidity.

This chapter focused on the background of the study, statement of the problem, objectives of the study both general and specific objectives, research questions, justification of the study, conceptual framework of the variables.

1.2 BACKGROUND OF THE STUDY

George Bevel et-al (2004), defines procurement management as a process to purchase or acquire the products or services such as simple office items to sophisticated high technology equipment from outside the organization to perform the work. The performing organization can either be the buyer or seller of the product, service or results under a contract. Therefore a research is needed in procurement management because of several deficiencies observed in the procurement management existing in the private sector organizations.

Globally, in Europe La Forgia and Couttolence (2008), argue that hospitals are at the center of the healthcare universe in Brazil when ill, many Brazilians go straight to the hospital for want of a family doctor or primary care network. Hospitals are a critical part of the government's budget, absorbing nearly 70% of public spending on health. Hospitals are at the fore front of policy discussions in Brazil. The discussions reflect their promise as centers of technological innovation and medical advance as well as wide spread concern about their cost and quality. Brazilian hospitals are important to many people for many different reasons.

What makes hospitals deliver quality care efficiently or not is much harder to grasp. According to Tabish.S.Z.S and Neeraj.K.J (2011), noted that procurement is prone to corruption, there is a growing need for procurement systems to be able to fight corruption and improve the effectiveness, efficiency, fairness and transparency of procurement therefore transparency is a key factor that requires prime attention. A framework for good procurement is developed and actions proposed to curb corruption in procurement.

Regionally, In Africa Karima (2012)notes that Ghana has come a long way in improving health outcomes and it Performs reasonably well when compared to other countries in Sub-Saharan Africa (SSA). However, when its health outcomes are compared to other countries globally with similar incomes and health spending levels, its performance is more mixed. Ghana's health outcome performance, in terms of child health and maternal health, are worse than the levels found in other comparable lower middle income and health spending countries, but life expectancy is better.

Nationally, in Uganda Okwero *et al* (2010), argues that performance of Uganda's health are spending and improving efficiency of health, nutrition and population outcomes. Although Uganda's health outcomes are improving, the country is unlikely to achieve its national targets for health as well as the health related Millennium Development Goals (MDG). Uganda is faced with a high disease burden from communicable diseases in addition the main conclusion of the report is that while Uganda needs to continue exploring ways to mobilize funding for health it needs to improve efficiency of its health spending to maximize the health benefits for its population.

Institutionally, in Mpigi Nkozi hospital is a private, rural community and non-profit hospital serving the town of Nkozi and surrounding areas of southern Mawokota County in Mpigi District.

The hospital serves as the nearest and hospital of first choice for the staff and students of Uganda Martyrs University. The hospital is located in the parliamentary constituency of Mawokota County South, in Mpigi District. The location is approximately 85 Kms southwest of Kampala on the Kampala-Masaka Highway. It was built in the 1940s during the Uganda Tanzania war, which toppled Idi Amin, Nkozi hospital received extensive damage to buildings and equipment the only x-ray unit damaged in that war was replaced in 2007, through a donation from the Japanese government.

1.3 PROBLEM STATEMENT

According to Okwero (2010), noted that many hospitals in Uganda are under performing due to poor management in hospitals which in turn defeats the organizational purpose (mission) of the hospital.

The economic problem of how and among whom to distribute scarce medical resources therefore the researcher wanders whether there is scarcity of medicine within hospitals. The researcher continues to ask whether procurement management has an effect on the financial performance of private hospitals

According to Porter (1980), states that in the past the importance of procurement was widely recognized and even later when its strategic aim was acknowledged with an emphasis on procurement process, relationships and performance rather than on products. Procurement was regarded as a clerical function with the objective of purchasing a good or service at the lowest price while today it is regarded as a strategic function with the objective of purchasing goods and services at the highest price. Top management viewed purchasing as having passive role in the organization, with purchasing being an administrative rather than a strategic function. However, although there is procurement management, financial performance is still lacking in private hospitals in Uganda.

1.4 Main objective

To establish the role of procurement management on financial performance of private hospitals in Uganda

1.5 Specific objective

- (i) To evaluate the effect between procurement planning and financial performance of private hospitals.
- (ii) To examine the relationship between evaluation and performance of private hospitals.
- (iii) To assess the relationship between monitoring and the performance of private hospitals.

1.6 Research questions

- (i) What is the relationship between procurement planning and financial performance of private hospitals?
- (ii) What is the relationship between evaluation and the performance of private hospitals?
- (ii) What is the relationship between monitoring and the performance of private hospitals?

1.7 SCOPE OF THE STUDY

1.7.1 Time scope

The research was conducted between 2014 to April 2015 by that time the report shall be accomplished and ready for submission. The research was carried out within a short period of time therefore the researcher was unable to get enough information from the field.

1.7.2 Geographical scope

The research study was conducted in Nkozi, Mpigi district, central Uganda and the case study being Nkozi hospital. The location is approximately 85 kms Southwest of Kampala on the

Kampala- Masaka high way and 5kms from Kayabwe to Nkozi because it is near the university therefore less costs will be used especially transport.

1.7.3 Content scope

The study focuses on procurement planning on performance of private hospitals, monitoring of performance and evaluation of performance by carrying out procurement management and how it affects the performance of private hospitals in Uganda. The moderating variables include government policy that can influence the procurement management activities that is the regulations that are set by government so as to carry it out, competition from other hospitals both private and public hospitals, knowledge and skills that are used by the hospitals that favor procurement management.

1.8 Justification of the study

The research was carried out in order to find ways of improving procurement management and financial performance of private hospitals. The issue of procurement management is so critical in measuring the performance of private hospitals yet procurement management policies are just estimates of default problems thus raising the need for carrying out a study in this field to establish a clear relationship between procurement management and financial performance of private hospitals to develop appropriate measures for procurement management. The study focused on how procurement planning has helped in improving the performance in private hospitals in Uganda.

1.9 Significance of the study

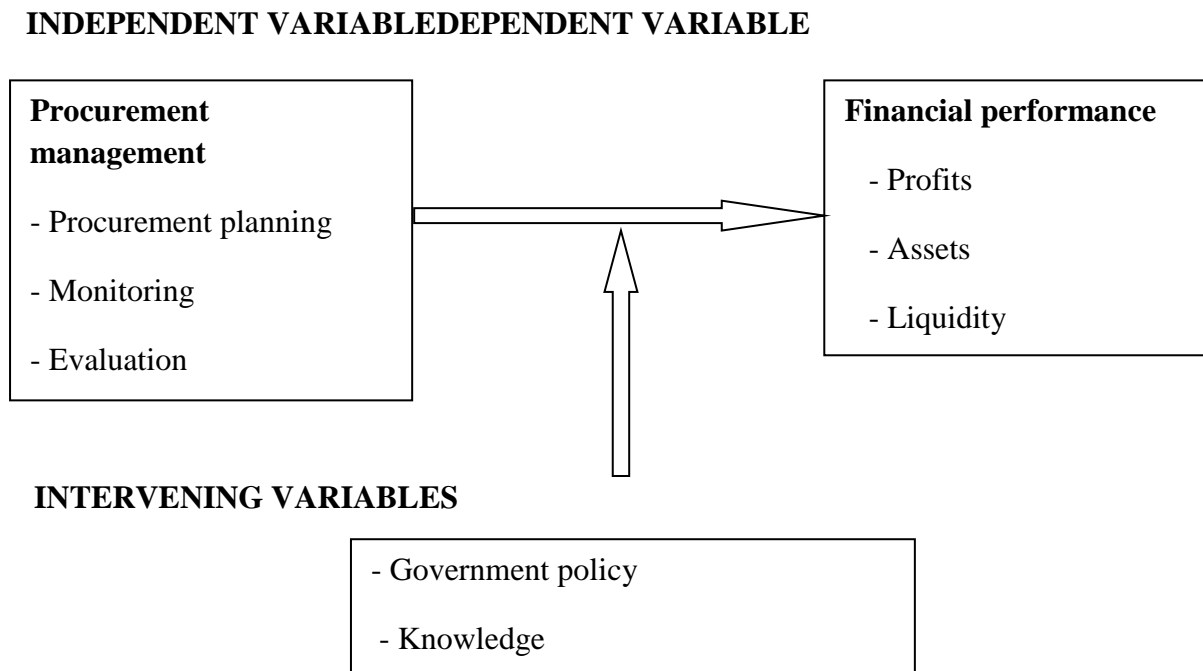
The research was to enable private hospitals get the performance they require from their employees but with special emphasis on Nkozi hospital. The study acted as a basis for further reference to other researchers who will be conducting the same study. The study was to

enrich me with knowledge about procurement management and performance of private hospitals.

1.10 CONCEPTUAL FRAMEWORK

The study was attempted to establish the relationship between procurement management and financial performance at Nkozi hospital. This aspects procurement planning, monitoring and evaluation are the independent variables while profit, assets and liquidity are the dependent variables.

Figure 1: CONCEPTUAL FRAMEWORK



Source: Triantafillou, (2007)

The conceptual frame of the independent variable that includes procurement planning, evaluation, monitoring and award give both negative and positive results from the dependent variable which includes liquidity, profits, Assets and sales.

The independent variables are those that the researcher has control over. This control may involve manipulating existing variables for example modifying existing methods of

instruction or introducing new variables. Whatever the case may be, the researcher expects that the independent variables will have some effect on or relationship with the dependent variables. Dependent variables show the effect of manipulating or introducing the independent variables. In other words, the variation in the dependent variables depends on the variation in the independent variables. Intervening variables refers to abstract processes that are not directly observable but that link the independent and dependent variables.

Conclusion

This chapter discussed about the background statement whereby the researcher looked at the hospitals globally, regionally, nationally and institutionally and the problem statement whereby the researcher identified whether there is an effect of procurement management on financial performance of private hospitals also the researcher identified the different dimensions for each variable by use of a conceptual frame work.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the works of the past researchers and ideas relevant to the study. As such areas in line with the objectives of the study will be captured. The study consists of the relationship between procurement planning and the performance of private hospitals in Uganda, the relationship between monitoring and the performance of private hospitals and the relationship between evaluation and the performance of private hospitals in Uganda.

Martyrn, (2009) describes literature review as a critical and in depth evaluation of previous research. It is a summary and synopsis of a particular area of research, allowing anybody reading it to establish why you are pursuing this particular research program and emphasizes that a good literature review expands upon the reasons behind selecting a particular research question. This chapter mainly captures the role between procurement management and performance of private hospitals putting into consideration the different objectives.

Actual review

An overview on procurement management and financial performance of private hospitals in Uganda.

2.3 PROCUREMENT PLANNING AND PERFORMANCE OF PRIVATE HOSPITAL

Bosheka (2008) argues that procurement planning is one of the primary functions of procurement with a potential to contribute to the success of both private and public institution's operations and improved service delivery. It is a function that sets in motion the entire acquisition and procurement process of private and public institutions. Despite this importance, very limited research has been done to examine the extent to which efforts in

procurement planning can contribute to effective private institutions performance. Every institution that uses state funds for its operation is supposed to comply with the public procurement act with effect from August 2005. Procurement is now one of the top items that consume public money (Wittig, 1999) and therefore procurement planning helps to address the loopholes in the system whereby millions of state funds are misappropriated through procurement. The aim of the literature review was to analyze the studies carried out on procurement planning with a special focus on, procurement planning, monitoring and evaluation.

Nwabuzor (2005) describes a comprehensive procurement performance as a function of an all-inclusive procurement planning process that analyzes all the variables in a specific environment. In relation to the above discussion, the studies and theories have established the value of procurement planning, monitoring and evaluation. They, however, fail to highlight in clear terms the role of the above procurement planning variables on institutional performance.

According to World Bank (2009), states that assessment reviews the current status of private procurement in America and makes recommendation for further improvements. It also provides an update of the procurement assessment report (CDAR) carried out in May 2009. The report includes an action plan to assist the government of America (GOA) in moving the procurement reform agenda forward. The assessment was carried out jointly with counterpart team appointed by the minister of finance. The major procurement legislation and other procurement related laws, decrees and documents were analyzed and interviews were conducted with procuring entities, suppliers, contractors, consulting firms, civil society and government officials. The benchmarking report provides a reference point for the GOA to monitor and measure improvements in the private systems and formulate a capacity development plan to move towards a sound procurement system that leads to economy and

efficiency in private expenditure. Donors can use these results to develop strategies for assisting in procurement capacity building and to mitigate risks in their individual operations.

Nathan .D (2009), argues that insufficient attention has been paid to understand what determines the performance of health workers and how they make labor market choices. This paper reports on findings from focus group discussion with both health workers and users of hospitals in Ethiopia, a country with some of the poorest health outcomes in the world. It describes performance problems identified by both health users and health workers participating in the focus discussion. In the private sector, procurement managers are now required to comply with new sustainable regulations and to look for suppliers able to provide a sustainable offering. Stating that contracts can only frame part of the interaction and that parties often turn to more negotiated agreements, we investigated whether sustainable expectations within private hospitals could impact supplier management and imply rearrangements between public buyers and private providers. Data was collected from fifteen French hospitals through semi-structured interviews. Findings first highlight the sustainable expectations of private buyers from global key providers, and second that sustainable procurement does impact the relationship by creating new rules.

Mamiro (2010), in his findings underscores these facts and concludes that one of the major setbacks in private procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

World Bank (2009), states that to assess the degree to which progress has been made by the Government of Uzbekistan in increasing the transparency, accountability and efficiency of its primary health services and to identify what further steps could be taken to improve the

effectiveness of delivery, some of which may be applicable to other sectors as well. The report examines private spending, private financial management, and human resource management and remuneration in the primary health care sector at the local level. It draws lessons from the experience of Fergana and Samarkand two oblasts that have implemented reforms in primary health care and incorporates the findings drawn from other sources, such as public expenditure data, the laws and regulations governing these systems, and the Service Quality Delivery Survey (SQDS) conducted in 2007. This report discusses the key governance issues related to improving service delivery in the primary health care area, and concludes with recommendations tailored to decision makers at the central and local government levels and those in local facilities.

According to Villa.S and Kane (2013), argue that many countries with universal health systems have relied primarily on publicly-owned hospitals to provide acute care services to covered populations; however, many policymakers have experimented with expansion of the private sector for what they hope will yield more cost-effective care. The study provides new insight into the effects of hospital privatization in three American states (California, Florida, and Massachusetts) in the period 1994 to 2003, focusing on three aspects (profitability, productivity and efficiency) benefits to the community (particularly, scope of services offered, price level, and impact on charity care). For each variable analyzed, we compared the 3-year mean values pre- and post-conversion. Pre- and post-conversion changes in hospitals' performance were then compared with a non-equivalent comparison group of American public hospitals. The results of our study indicate that following privatization, hospitals increased operating margins, reduced their length of stay, and enjoyed higher occupancy, but at some possible cost to access care for their communities in terms of higher price markups and loss of beneficial but unprofitable services.

Gloria.J.B et-al, noted that increases in hospital financial pressure resulting from public and private payment policy may substantially reduce the hospital's ability to provide certain services that are not well compensated or are frequently used by the uninsured. The objective of this study is to examine the impact of hospital financial condition on the provision of these unprofitable services for the insured and uninsured. The results indicate that not-for-profit hospitals with strong financial performance provide more unprofitable services for the insured and uninsured than do not-for-profit hospitals with weaker condition. For-profit hospital provision of these services is not influenced by their financial condition and instead may reflect actions to meet community expectations or to offer a sufficiently broad service array to maintain the business of insured patients.

2.4 MONITORING AND PERFORMANCE OF PRIVATE HOSPITALS

The OECD (2009) defines monitoring as a continuous function that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. Monitoring can be done at the project program or policy levels for example in looking at infant health one would monitor the performance level by monitoring awareness of good prenatal in hospitals. At management level, one could monitor to ensure that information on prenatal care is being targeted to pregnant women in hospitals. At the policy monitoring level, the concern could be to monitor the overall performance of the hospital.

According to Marian, T. (2013) argues that obtaining performance in private hospitals require a proper management of costs and implementing of costs and implementing a situation for performance monitoring. The implement of cost calculation method in hospitals is a complex process that must take into account the particularities of the activity in health care system.

This paper presents a comparative analysis of four costing methods and a model of performance monitoring situation, adapted to the specific of the hospitals, the aim of present study was to determine the effectiveness of training on performance of private hospitals in relation to infection control in Tabriz (North West of Iran). In this interventional study, 137 public, private hospitals, Clinics and patient units, debated randomly special training classes were prepared for all units' staff through different sessions. Then two series of data collection were fulfilled. Data from private unites were randomly gathered in both stages. The findings also indicate that monitoring had the highest influence on financial performance of private hospitals in Kenya followed by control environment, information and communication, risk assessment and control activities respectively.

World Bank (2009), states that the private financial management performance report (PFM-PR) assesses the current performance of financial management in morocco's private sector. The private expenditure and financial accountability (PEFA) framework applied for the review, uses an assessment tool based on a set of high level indicators that provide reliable information in the performance of PFM systems, processes and institutions. The purpose of using this tool is to measure performance within the private hospitals.

According to Howard *et al* (1994), noted that accurate monitoring and reporting of patient care will be crucial to securing accurate findings and measuring performance workforce and hospital local networks. The first area that can be targeted is acute care, which can be easily monitored on episodic basis however moving to an ABE model has thrown up some significant questions around the finding and quality healthcare. Although ABF will only be applicable to public hospitals, private hospitals are still under pressure to effectively monitor and report on their performance measures and the national health performance authority's (NHPA) will be responsible for ensuring clear and transparent public reporting of every local

hospital network and hospitals within it, every private hospital and every Medicare local, through the new hospital performance reports and healthy community reports.

Wong.H et-al (2012), according to the World Health Report (2000), health system responsiveness is proposed as one of the three key objectives of any health system. This multi-domain concept describes how well a health system responds to the expectations of their users concerning the non-health enhancing aspects of care. We aim to compare the levels of responsiveness experienced by users of private and publicly managed hospitals in Nigeria, and through these insights, to propose recommendations on how to improve performance. This quantitative, cross-sectional study used a questionnaire that was adapted from two responsiveness surveys designed by the World Health Organization (WHO). Researchers collected responses from 520 respondents from four hospitals in Lagos, Nigeria. Analysis of the data using statistical techniques found that significant differences exist between the performance of public and private hospitals on certain domains of responsiveness, with privately operated hospitals performing better where differences exist. Users of private hospitals also reported a higher level of overall satisfaction. Private hospitals were found to perform particularly better on the domains of dignity, waiting times, and travel times. These findings have implications for the management of public hospitals in focusing their efforts on improving their performance in low scoring domains. Performance in these hospitals can be improved by emphasis on staff training and demand management.

2.5 EVALUATION AND PERFORMANCE OF PRIVATE HOSPITALS

The OECD (2002) defines evaluation as the systematic and objective assessment for an ongoing or completed project program or policy including its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development

efficiency, provide information that is credible and useful, enabling the incorporation of lessons learned in to the decision making process.

According to OCED (2007), states that indicators are intended to provide harmonized tools for use in the assessment of procurement systems. Although the indicators are designed for use in the assessment of the central government or national procurement system in a country, they can be adapted for use in sub national or agency level assessments. The methodology for application of the indicators has been designed to enable a country to conduct a self-assessment of its procurement system to determine strengths and weaknesses, or to help development agencies carry out joint or external assessment of a country's procurement system. The information resulting from an assessment supports the design of harmonized capacity development and reform initiatives intended to address weaknesses associated with the procurement system. The assessment provides the country with information it can use to monitor the performance of its system and the success of the reform initiatives in improving performance.

Chawla et-al (1996), noted that the first step in assessing the performance of the hospital is to describe the scope and nature of hospital services such as present inpatient services (medicine, surgery, pediatrics, and maternity and outpatient service. Hospital performance can be evaluated in terms of efficiency, quality of care, accountability, resource mobilization and equity.

Gloria J. Be-tal (2009),argue that increases in hospital financial pressure resulting from public and private payment policy may substantially reduce a hospital's ability to provide certain services that are not well compensated or are frequently used by the uninsured. The objective of this study is to examine the impact of hospital financial condition on the provision of these unprofitable services for the insured and uninsured. Economic theory

provides the conceptual underpinnings for the analysis, and a longitudinal empirical analysis is conducted for an eight-year study period. The results indicate that not-for-profit hospitals with strong financial performance provide more unprofitable services for the insured and uninsured than for-profit hospitals with weaker condition. For profit hospital provision of these services is not influenced by their financial condition and instead may reflect actions to meet community expectations or to offer a sufficiently broad service array to maintain the business of insured patients.

According to the 2005 annual report on evaluation (ARE), notes that focus on the country is the main unit of account for monitoring, managing and evaluating performance, it examines country assistance strategies (CASs) for how well they link country goals. Finally the report takes stock of the measures taken since 2003 and 2004 annual reports on performance evaluation to strengthen the results focus on evaluation. Also the 2006 annual report on evaluation (AROE) updates the actions taken since the 2004 and 2005 AROEs to strengthen the results focus on evaluation firstly, it analyses the implications of managing for results on hospital performance. Secondly, it assesses the extent to which the hospitals camp, thirdly the report evaluates products and services of the independent evaluation as part of a continuous process of self-evaluation and assesses their quality, influence and use among both internal and external workers.

According to Magha, J.B *et al*(2009), state that private hospitals in India are facing the immense pressure for cost reduction and better treatment. In order to become efficient and competitive, hospitals have to provide medical services of international standard at affordable prices. There is a need to develop an approach to assess the efficiency of the hospitals. In view of this, the study measures relative efficiency to some private hospitals in india.DEA based CCR and BCC models are applied to evaluate the performance of 55 private hospitals for the year 2009-2010. The study finds that 10 can set an example of best operating practice

for the remaining 45 efficient hospitals to follow. The DEA analysis reveals that on average every hospital has to increase its output by 23.7% by maintaining the existing level of inputs. The overall performance of the hospitals is largely affected due to poor utilization of the resources.

Rotich L.M (2011) admits that the evaluation or measurement of procurement performance has always been a vexing problem for procurement professionals. He asserts that traditionally, firms concentrate on analyzing their own internal trends which does not portray the true picture on how they compare well with competitors. Such an approach ignores what the competitors are doing. However, in order to become efficient and competitive the private hospitals have to upgrade their infrastructure. They should provide cost effective medical services of international standard at affordable prices. Thus, the growing pressure for cost reduction and better treatment lead to a need for the development of optimization based approaches to assess the efficiency of the hospitals. Data envelopment analysis (DEA) determines relative efficiencies of the decision making units (DMUs) such as hospitals based on their inputs and outputs. Keeping this in view, we examine the relative performance of some private hospitals.

Kakwezi and Nyeko (2010), argue that procurement performance is not usually measured in most PEs as compared with the human resource and finance functions. They conclude in their findings that failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any private procuring entity. Therefore, this study was conceived by the limited scientific literature documenting the relationship between procurement performance and factors such planning, resource allocations, staff competency and contract management more specifically at Nkozi hospital

Conclusion

According to the literature discussed above it majorly talked about hospital issues of different countries while the researcher intended to find out the hospital activities in Nkozi hospital and their financial performance. The authors have discussed about procurement planning, monitoring and evaluation though most of them have based on hospitals worldwide thus the researcher's aim is to identify the major drawbacks in procurement management and financial performance of Nkozi hospital.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explained the research design, study population, study area, sample size, sampling techniques, data sources, data collection instruments, validity of the research instrument, reliability of the study, measurement of variables, data analysis and presentation, ethical considerations and study limitations. Highlighted design variables and provided a broad view of the description and selection of the target population, sampling technique size and procedure for data collection and data analysis. The procedures the study adopted to attain acceptable validity of the research is also explained.

3.2 RESEARCH DESIGN

The case study design was employed in the study; the design was used to describe the characteristics of the independent variables (procurement planning, monitoring and evaluation). This was appropriate to obtain information concerning the current status of the phenomenon to describe what the current situation is with respect to the variable of the study.

3.3 STUDY POPULATION

Nkozi hospital with a workforce of about 150 employees (Source: Accountant) is one of the private hospitals in Mpigi district. According to Sekaran (2005), population is a group of individuals, objects or items from which samples are taken for measurement or it is an entire group of persons, or elements that have at least one thing in common. The study targeted the employees of Nkozi hospital in Mpigi district only.

3.4 STUDY AREA

The study was conducted in Nkozi hospital, Mpigi district- Uganda. Nkozi hospital is located in Mpigi district. Therefore the area of study was sufficient for my research since it is near the university and easy for me to get information with time and therefore the transport costs shall be reduced compared to when the hospital would be far. Therefore there will be easy movement to Nkozi hospital.

3.5 SAMPLE SIZE

A sample size is part of the target population that has been procedurally selected to represent it. Since the population is known as 150 employees according to the accountant of Nkozi hospital while the sample size is 108. The researcher used the statistical formula of Krejcie and Morgan (1970) table to compute the sample size that was interviewed.

3.6 SAMPLING TECHNIQUES

The researcher used a simple random selection technique to obtain data from employees in the study population who were the respondents and also applied non probability sampling technique since some respondents had to be part of the study on the day of data collection and thereafter grouped it for data analysis and interpretation.

3.7 DATA SOURCES

3.7.1 Primary data

The required primary data was collected from the people within the hospital that are responsible for carrying out procurement management and financial performance. This was done through administering questionnaires with the help of a research assistant; the study was mainly obtained from primary sources those are employees and heads of department of

procurement in Nkozi hospital. This is because they are key participants in this research and their response to the questions or data acquired from them is of great importance during evaluation of the findings. Other primary sources like research reports were used along with the secondary sources like scholarly text books, internet, newspapers, journals and policy reports were employed to search for data since they contain findings from different authors hence providing a wide source of ideas when analyzing and evaluating the data which was collected from Nkozi hospital in Mpigi district- Uganda.

3.8 DATA COLLECTION INSTRUMENTS

These are items that the researcher used during the research process and they include; pens, pencils, papers, markers and notebooks were used during interviews, summarizing notes from secondary data. They were also used to develop questionnaires. Well written questionnaires and checklists for the questionnaire method plus interview guides for the interviewing method were used by the researcher. The questionnaire was administered using a drop and pick later method. The respondents in the questionnaire were 80 employees and consultants. The primary source of data collection method used in the study included use of questionnaires that were used to source for crucial information from Nkozi hospital. The questionnaire was both open and closed ended questions in order to enable effective data collection filled in the questionnaire. The secondary data was attained from the written materials which included the journals magazine and other past studies and other relevant books this enabled the researcher to compare the data from the questionnaires with the written materials. This helped to enable data collection and analysis from Nkozi hospital.

3.9 Validity of the research instrument

The validity of the research findings was based on the formulated research questions, according to the study objectives and questions after which the researcher presented the

formulated questions in form of a questionnaire to the expert team for verification and whether the questions answered the intended research objectives. The validity of the research instrument was examined by use of experts such as the supervisor so as to observe if all the data is suitable for asking the people in charge.

3.10 Reliability of the study

The researcher conducted a test method from the same respondents to ensure a degree of consistency and precision in case the same instrument was employed the researcher used statistical package for SPSS (16.0) This was performed through presenting the formulated questionnaires to the respondents the first time of collecting data and period of two weeks to enable the researcher establish whether the results acquired are collect. (Sekaran, 2010)

3.11 DATA MANAGEMENT AND PRESENTATION

The researcher analyzed the data through making data entries in which raw data was fed into the computer for the purpose of analyzing it through the SPSS software version 16.0 The data was then presented in a tabulated form through putting together the coded data into tables for statistical analysis so as to reduce frequencies into percentages using the SPSS for quantitative data.

3.12 ETHICAL CONSIDERATIONS

These are things or issues that the researcher intends to put in consideration before and while carrying out the research. Before data collection starts, the researcher had to seek permission to collect data from the appropriate authorities.

The researcher had to first get a letter of introduction from Uganda Martyrs University (Faculty of Business Administration and Management) seeking for a place to collect data.The

researcher had to obtain informed consent of the respondents on arrival at the data collection sites.

The researcher had to acknowledge all other people's prior work in the area of procurement management and financial performance and all the works that are cited. The researcher observed and respected the privacy, confidentiality and anonymity of all the participants and respondents in this research.

The researcher never received all the questionnaires and those that were returned some were not filled this made it difficult for the researcher to get enough information from the field. more to that some employees are part timers this also limited the researcher from getting the information.

3.13 STUDY LIMITATIONS

These were the study limitations the researcher faced but be aware of the loopholes and it is very likely I did not get in-depth information although I tried to minimize it.

There was a challenge with the cross-sectional time dimension used for collecting data since it was a short period to get information and this was minimized by use of case study design. Therefore I tried to do minimize the short time I had by finishing in time since Nkozi hospital is near the university.

There was a problem with the sample size of respondents whereby a sample size of 108 respondents was analyzed but 80 responded and 28 questionnaires were not filled. I made sure that I analyze the questionnaires that were filled by the respondents.

There was a limitation on the structural formation of institutions as it is different in regard to case study design thus each hospital uses different systems to improve on the performance though the researcher minimized it by mainly focusing on systems used by Nkozi hospital.

Conclusion

According to the research methodology above, it mainly focused about research design, study population, study area, sample size, sampling techniques, data sources (primary data), data collection instruments, validity of the research instrument, reliability of the study, measurement of the variables, data analysis and presentation, ethical considerations and study limitations.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presented analysis results and discussion which were procurement management and financial performance of private hospitals in Uganda. The study focused on the dimensions such as procurement planning, monitoring and evaluation and how they affect the financial performance of private hospitals. Data was collected using questionnaires which were analyzed using SPSS version 16.0 and Microsoft excel where descriptive statistics are analyzed in form of frequencies and descriptive data which is presented in tables to measure the variations from which conclusions and recommendations are to be drawn in accordance with the objectives of the study.

4.2 Response rate

In this study, response was obtained from Nkozi hospital, Mpigi district in accordance with the sample characteristics and a total number of 108 respondents were expected to participate in this study but 80 respondents are the ones who participated.

4.3 Background information

The background was analyzed basing on the socio-demographic characteristics of the respondents namely gender, age group, marital status, education qualification and duration.

4.3.1 Gender characteristics of respondents

In this study, gender characteristics were analyzed for Nkozi hospital and details are presented in table 4.1 below.

Table 4.1: Gender characteristics of respondents

Statement	Frequency	Percent %
Male	38	47.5
Female	42	52.5
Total	80	100.0

Source: Primary data, 2015

The results of the study as presented in figure 4.1 shows that 52.5% of respondents are females and 47.5% are males. This shows that majority of the respondents in Nkozi hospital who participated in the study are females therefore the hospital employees more females than males.

Table 4.2: Age of respondents

Statement	Frequency	Percent %
25 years or less	34	42.5
26-35	26	32.5
36-45	18	22.5
46 and above	2	2.5
Total	80	100.0

Source: Primary data, 2015

From the figure 4.2 above, majority of the respondents 42.5% are in the age group of 25 years or less followed by those in the age group of 26-35 with 32.5%, followed by those in the age group of 36-45 with 22.5% while only 2.5% of the respondents fall under the age bracket of 46 and above. Therefore, Nkozi hospital has more employees who are relatively young as compared to the elderly group and this is because people in this age bracket seem to be more

energetic, flexible and willing to work since the demand for employment opportunities is high.

Table 4.3: Marital Status of respondents

Statement	Frequency	Percent %
Married	30	37.5
Single	50	62.5
Total	80	100.0

Source: Primary data, 2015

From the table 4.3 above, majority of the respondents 62.5% are single while 37.5% are married. Therefore Nkozi hospital has more employees who are single more than the married this indicates that the unmarried show more attention to the patients while the married show less attention since they have families to take care of.

4.4 Education level of respondents

In this study, the level of education of respondents was analyzed and results are presented in the table below.

4.4: Level of Education

Statement	Frequency	Percent %
Certificate	18	22.5
Diploma	33	41.2
Degree	29	26.2
Total	80	100.0

Source: primary data, 2015

The table 4.4above indicates that majority of the respondents 41.2% have diploma qualifications followed by degree with 26.2% while 22.5% have certificate qualifications. This indicates that majority of the respondents in Nkozi hospital have diploma qualifications this is because most of the employees do nursing courses at diploma level.

Table 4.5: Duration worked at Nkozi hospital

	Frequency	Percent %
Less than 5 years	46	51.5
5-10	30	37.5
Over 10years	4	5.0
Total	80	100.0

Source: Primary source, 2015

Table 4.5 above, indicates that majority of the respondents 51.5% have worked in Nkozi hospital for less than 5 years this is because the employees are always transferred to other hospitals therefore they can't stay for long in the same organization followed by 37.5% have worked in Nkozi hospital between 5-10 years while 5.0% have worked in Nkozi hospital for over 10 years. This indicates that majority of the respondents have worked in Nkozi hospital for less than 5 years.

Presentation according to study objectives

In this study, analysis was also based on the study objectives and the results are presented in the following statements.

4.6 Procurement planning and financial performance of private hospitals

This is the first objective of the study and it was intended to specifically establish the above relationship.

Table 4.6.1: The organization’s purpose and activities meet community needs

Statements	frequency	Percent %
Strongly agree	19	23.8
Agree	41	51.2
Not sure	20	25.0
Total	80	100.0

Source: Primary data 2015

According to the table 4.6.1 above, majority of the respondents (51.2%) were in agreement because Nkozi hospital’s purpose and activities meet community needs, (25.0%) are not sure of the hospital’s purpose and activities that meet community needs while (23.8%) strongly agree reason being respondents are aware of the purpose and activities met within the community. Chang, T and Mireille, J (2011) argue that measuring the value of non-profit hospitals has proved challenge, in 2006 the internal revenue service conducted a random audit of roughly 500 non- profit hospitals to determine how they benefit the community (IRS, 2007). Although not explicitly stated in the report at issue was what non- profits offer in return for their public subsidy while non-profit hospitals are charged with providing community benefits as a condition of the tax exemption.

Table 4.6.2: The procurement planning process identifies the critical issues facing the organization

Statements	frequency	Percent %
Strongly agree	16	20.0
Agree	44	55.0
Not sure	20	25.0
Total	80	100.0

Source: **Primary data 2015**

According to table 4.6.2, majority of the respondents (55.0%) are in agreement because the critical issues faced by Nkozi hospital are identified(25.0%)of the respondents are not sure of what happens in the procurement planning while (20.0%) of the respondents strongly agree because they are sure about the problems faced within Nkozi hospital. Mamiro (2010) who reports that in his findings underscores the facts and concludes that one of the major setbacks in private procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

Table 4.6.3: The procurement plan sets goals and measurable objectives that address these critical issues

Statements	frequency	Percent %
Strongly agree	11	13.8
Agree	49	61.2
Not sure	18	22.5
Disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

According to table 4.6.3 above, majority of the respondents 61.2% were in agreement because they are sure about the goals and objectives addressed by the hospital, (22.5%) of the respondents are not sure of the objectives and goals addressed by the procurement plan,(13.8%) of the respondents strongly agree because they are very sure that objectives and goals are addressed while (2.5%) of the respondents disagree reason being that goals and objectives aren't addressed by the procurement plan. According to Magha, J.B *et al*(2009), state that private hospitals in India are facing the immense pressure for cost reduction and better treatment. In order to become efficient and competitive, hospitals have to provide

medical services of international standard at affordable prices. There is a need to develop an approach to assess the efficiency of the hospitals.

Table 4.6.4: Through procurement, work plans, human and financial resources are allocated to ensure the accomplishment of goals timely

Statements	frequency	Percent %
Strongly agree	11	13.8
Agree	40	50.0
Not sure	27	33.8
Disagree	1	1.2
Strongly disagree	1	1.2
Total	80	100.0

Source: Primary data 2015

Table 4.6.4 above, (50.0%) of the respondents agree because work plans and financial resources ensure accomplishment of goals timely, (33.8%) of the respondents are not sure because they don't know what happens in the procurement department, (13.8%) of the respondents strongly agree reason being they are very sure that financial resources and work plans are accomplished while (1.2%) of the respondents disagree and strongly disagree because they are sure work plans aren't accomplished within Nkozi hospital.

Table 4.6.5: The procurement plan is communicated to all stakeholders of the agency, service, board, staff, volunteers and general community

Statements	frequency	Percent %
Strongly agree	10	12.5
Agree	33	41.2
Not sure	36	45.0
Disagree	1	1.2
Total	80	100.0

Source: Primary data, 2015

According to table 4.6.5 above, (45.0%) of the respondents are not sure of what happens in communication may be they don't know the communication systems being used, (41.2%) of the respondents agree because the stakeholders and staff are aware about the communication being sent to them, (12.5%) strongly agree reason being the workers are aware of the communication being used while (1.2%) of the respondents disagree with the statement reason being that stakeholders aren't aware about the procurement plan that is being communicated them.

Table 4.6.6: The procurement plan establishes an evaluation process and performance indicators to measure the progress towards the achievement of goals and objectives

Statements	frequency	Percent %
Strongly agree	7	8.8
Agree	46	57.5
Not sure	21	26.2
Disagree	6	7.5
Total	80	100.0

Source: Primary data, 2015

Majority of the respondents (57.5%) agree because the evaluation process and performance indicators are established by the procurement plan, (26.2%) are not sure because they may be having less information about the evaluation process and performance indicators, (8.8%) strongly agree because the respondents are sure that procurement establishes evaluation and performance indicators while (7.5%) disagree because they are sure procurement doesn't establish evaluation and performance indicators.

Table 4.6.7: The procurement plan is developed by researching the internal and external environment

Statements	frequency	Percent %
Strongly agree	12	15.0
Agree	34	42.5
Not sure	28	35.0
Disagree	6	7.5
Total	80	100.0

Source: Primary data, 2015

The table 4.6.7 above, (42.5%) agree that the procurement plan is developed through researching the internal and external environment, (35.0%) of the respondents are not sure what internal and external environment mean because they don't have any idea about it, (15.0%) of the respondents strongly agree because they are very sure about the internal and external environment within Nkozi hospital while (7.5%) of the respondents disagree because procurement plan isn't developed through researching. Perez, T and Rushing, R (2007), noted that a sound performance management program shall assist the procurement organization in meeting both the internal and external strategic plan goals and objectives. Furthermore, a performance management program shall help the procurement department to demonstrate its value to all stakeholders, in terms of verified improvements and accomplishments. When done properly, the performance management will continuously improve the effectiveness and efficiency of procurement, thereby improving services to the public and stakeholders.

Table 4.6.8: The value statement includes standards of ethical behavior and respect for other’s interests

Statements	frequency	Percent %
Strongly agree	11	13.8
Agree	32	40.0
Not sure	28	35.0
Disagree	9	11.2
Total	80	100.0

Source: Primary data, 2015

The table 4.6.8 above, (40.0%) agree because there is ethical behavior and respect for other’s interests within Nkozi hospital,(35.0%) are not sure about the ethical behavior of the employees whether they are good or bad,(13.8%) of the respondents strongly agree because ethical behavior and respect for others is encouraged within Nkozi hospital whereby employees respect their workmates and also the patients they attend too while (11.2%)of the respondents disagree because there is no ethical behavior and respect for others. Therefore Nkozi hospital should encourage the employees to follow the ethical codes and have respect for others within and outside the hospital.

4.7 Monitoring and financial performance of private hospitals

This is the second objective of the study and it was intended to specifically establish the above relationship.

Table 4.7.1: The organization has monitoring criteria it uses in managing the procurement process

Statements	frequency	Percent %
Strongly agree	8	10.0
Agree	36	45.0
Not sure	22	27.5
Disagree	10	12.5
Strongly disagree	4	5.0
Total	80	100.0

Source: Primary data, 2015

The table 4.7.1 above, (45.0%) agree with the statement because there is monitoring of the procurement process, (27.5%) are not sure of what happens with the monitoring criteria that is being used, (12.5%) disagree with the statement because the hospital doesn't monitor the procurement process it uses reason being it's very hard to monitor the procurement process within Nkozi hospital,(10.0%) strongly agree because the monitoring criteria within the hospital is managed due to strict supervision by the administration while (5.0%) of the respondents strongly disagree because monitoring isn't emphasized. Therefore Nkozi hospital should always monitor its criteria regularly to avoid fraud within the hospital.

Table 4.7.2: The monitoring criteria are followed within the organization.

Statements	frequency	Percent %
Strongly agree	13	16.2
Agree	39	48.8
Not sure	19	23.8
Disagree	7	8.8
Strongly disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

Table 4.7.2 above, majority of the respondents (48.8%) agree because the monitoring criteria are followed (23.8%) are not sure what criteria is all about, (16.2%) of the respondents strongly agree because monitoring is done emphasized within the hospital, (8.8%) of the respondents disagree because the hospital doesn't follow the monitoring criteria while (2.5%) of the respondents strongly disagree because Nkozi hospital doesn't at all follow the monitoring criteria. Therefore Nkozi hospital should always follow the monitoring criteria.

Table 4.7.3: The staff is aware about the monitoring policy the organization uses.

Statements	frequency	Percent %
Strongly agree	10	12.5
Agree	33	41.2
Not sure	28	35.0
Disagree	7	8.8
Strongly disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

The table 4.7.3 above, (41.2%) of the respondents are in agreement because the staff is aware about the monitoring policies the hospital uses, (35.0%) are not sure what actually employees do when being monitored, (12.5%) of the respondents strongly agree because it shows that the staff is aware about the monitoring policies used in Nkozi hospital, (8.8%) of the respondents disagree because indicates that there are no monitoring policies within the hospital while (2.5%) of the respondents strongly disagree reason being the staff isn't aware of the monitoring policies within the hospital.

Table 4.7.4: The procurement process is frequently monitored.

Statements	frequency	Percent %
Strongly agree	8	10.0
Agree	39	48.8
Not sure	24	30.0
Disagree	7	8.8
Strongly disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

The table 4.7.4 above, (48.8%) of the respondents are in agreement because it shows that procurement is monitored frequently,(30.0%) of the respondents are not sure of what happens when procurement isn't monitored properly, (10.0%) of the respondents strongly agree it shows that monitoring is done regularly within the hospital, (8.8%) disagree reason that monitoring isn't done well during procurement of materials while (2.5%) strongly disagree it indicates that proper monitoring is required within Nkozi hospital for good management. According to Marian, T. (2013) argues that obtaining performance in private hospitals require a proper management of costs and implementing of costs and implementing a situation for performance monitoring. The implement of cost calculation method in hospitals is a complex process that must take into account the particularities of the activity in health care system.

Table 4.7.5: Monitoring identifies performance problems early and corrects them

Statements	frequency	Percent %
Strongly agree	5	6.2
Agree	39	48.8
Not sure	24	30.0
Disagree	10	12.5
Strongly disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

The table 4.7.5 above, (48.8%) agree with the statement it shows that there is performance in the hospital, (30.0%) are not sure of what problems are identified through monitoring,(12.5%) disagree because it shows that monitoring doesn't identify performance problems early, 6.2% strongly agree because it shows that performance problems are identified while (2.5%) strongly disagree because the respondents are very sure monitoring doesn't identify the problems in procurement.

Table 4.7.6: Proper monitoring enables the organization get quality products

Statements	Frequency	Percent %
Strongly agree	5	6.2
Agree	36	45.0
Not sure	25	31.2
Disagree	10	12.5
Strongly disagree	4	4.8
Total	80	100.0

Source: Primary data, 2015

Table 4.7.6 above, (45.0%) majority of the respondents agree with the statement because through proper monitoring quality products are acquired, (31.8%) of the respondents are not sure of the quality products being offered,(12.5%) disagree because there are no quality products offered within the hospital,(6.2%) strongly agree it shows that products of high quality are being offered due to proper monitoring while (4.8%)of the respondents strongly disagree that the hospital doesn't offer quality products through proper monitoring.

Table 4.7.7: Effectiveness and efficiency enables the organizations obtain information

Statements	frequency	Percent %
Strongly agree	6	7.5
Agree	37	46.2
Not sure	29	36.2
disagree	6	7.5
Strongly disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

The table 4.7.7 above, (46.2%) of the respondents agree that effectiveness and efficiency enables proper monitoring, (36.2%) of the respondents are not sure of how resources and money is used within the hospital may be they don't show accountability, (7.5%) strongly agree because there is utilization of resources within the hospital, (7.5%) of the respondents disagree because there is no equal utilization of resources. According to Magha, J.B *et al* states that private hospitals in India are facing the immense pressure for cost reduction and better treatment. In order to become efficient and competitive, hospitals have to provide medical services of international standard at affordable prices. There is a need to develop an approach to assess the efficiency of the hospitals. In view of this, the study measures relative efficiency to some private hospitals in India.

Table 4.7.8: Procurement monitoring enables the organizations obtain information about the supplier production and performance

Statements	frequency	Percent%
Strongly agree	4	5.0
Agree	37	46.2
Not sure	34	42.5
Disagree	3	3.8
Strongly disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

The table 4.7.8 above, majority of the respondents (46.2%) are in agreement because information is obtained through procurement monitoring, (42.5%) of the respondents are not sure of what happens in supply production and performance, (5.0%) strongly agree because it shows there is production of goods and services, (3.8%) of the respondents disagree because it shows that procurement monitoring doesn't enable the hospital obtain information while (2.5%) of the respondents strongly disagree because information isn't obtained through procurement monitoring. World Bank (2009), states that the private financial management performance report (PFM-PR) assesses the current performance of financial management in Morocco's private sector. The private expenditure and financial accountability (PEFA) framework applied for the review, uses an assessment tool based on a set of high level indicators that provide reliable information in the performance of PFM systems, processes and institutions therefore the purpose of using this tool is to measure performance within the private hospitals.

4.8 Evaluation and financial performance of private hospitals

This is the third objective of the study and it was intended to specifically establish the above relationship.

Table 4.8.1 Evaluation should possess the skills and experience relevant to procurement

Statements	frequency	Percent%
Strongly agree	5	6.2
Agree	26	32.5
Not sure	39	48.8
Disagree	6	7.5
Strongly disagree	4	5.0
Total	80	100.0

Source: Primary data, 2015

Table 4.8.1 above, 48.8% of the respondents are not sure of the skills and experience relevant in procurement, (32.5%) of the respondents are in agreement because evaluation possesses the skills and experience relevant to procurement within the hospital, (7.5%) of the respondents disagree because it shows the skills and experience are not relevant to procurement within Nkozi hospital, 6.2 % of the respondents strongly agree it shows that skills and experience are relevant to procurement while (5.0%) strongly disagree because it shows there are no skills and experience relevant to procurement.

Table 4.8.2: The organization frequently evaluates, by soliciting inputs whether its mission and activities provide benefit to the community

Statements	frequency	Percent %
Strongly agree	5	6.3
Agree	17	21.3
Not sure	39	49.4
Disagree	14	17.7
Strongly disagree	5	6.1
Total	80	100.0

Source: Primary data, 2015

The table 4.8.2 above, (49.4%) of the respondents are not sure of the activities provided to the community, (21.5%) agree because it indicates that hospital Nkozi hospital provides activities that benefit the community, (17.7%) of the respondents disagree with the statement reason being the inputs are not solicited frequently, (6.3%) of the respondents strongly agree with the statement because the hospital frequently evaluates its inputs through soliciting while (6.1%) of the respondents strongly disagree because there is no solicitation.

Table 4.8.3: Evaluate the bids using the criteria stated

Statements	frequency	Percent %
Strongly agree	2	2.5
Agree	18	22.5
Not sure	38	47.5
Disagree	16	20.0
Strongly disagree	6	7.5
Total	80	100.0

Source: Primary data, 2015

The table 4.8.3 above, (47.5%) of the respondents are not sure of what happens in bid evaluation, (22.5%) of the respondents agree with the statement in question because bids are evaluated with the same criteria, (20.0%)disagree because bids aren't evaluated using the same criteria, (7.5%) of the respondents strongly disagree because bids aren't evaluated using the same criteria while (2.5%) of the respondents strongly agree with the statement in question because Nkozi hospital evaluates it's bids using the same criteria.

Table 4.8.4:The principle of equitable and fair assessment is applied

Statements	frequency	Percent %
Strongly agree	4	5.0
Agree	20	25.0
Not sure	38	47.5
Disagree	12	15.0
Strongly disagree	5	6.2
Total	80	100.0

Source: Primary data, 2015

The table 4.8.4 above, (47.5%) of the respondents are not sure of the principle of equitable and fair assessment that is applied, (25.0%) of the respondents agree with the statement because there is fair assessment within Nkozi hospital, (5.0%) of the respondents disagree because there is no fair assessment applied in the hospital, (6.2%) of the respondents strongly disagree with the statement reason being there is no principle of equitable and fair assessment applied in Nkozi hospital while (5.0%) of the respondents strongly agree with statement because there inequitable and fair assessment applied.

Table 4.8.5: The evaluation criteria should be made known to all bidders

Statements	Frequency	Percent %
Strongly agree	1	1.2
Agree	17	21.2
Not sure	40	50.0
Disagree	16	20.0
Strongly disagree	6	7.5
Total	80	100.0

Source: Primary data, 2015

Table 4.8.5 above, majority of the respondents (50.0%) are not sure of how bidders are evaluated, (21.2%) of the respondents agree with the statement because Nkozi hospital ensures that the evaluation criteria is known to all bidders, (20.0%) of the respondents disagree because the evaluation criteria isn't known to all bidders, (7.5%) of the respondents strongly disagree it shows there is no evaluation criteria

Table 4.8.6: Evaluation bidding should be assessed against the same criteria

Statements	frequency	Percent %
Strongly agree	1	1.2
Agree	14	17.5
Not sure	40	50.0
Disagree	17	21.2
Strongly disagree	8	10.0
Total	80	100.0

Source: Primary data, 2015

The table 4.8.6 above, (50.0%) of the respondents are not sure of what evaluation bidding mean, (21.2%) of the respondents disagree that evaluation bidding isn't assessed against the same criteria, (17.5%)of the respondents agree that evaluation bidding is assessed against the same criteria, (10.0%) of the respondents strongly disagree that evaluation bidding isn't assessed against the same criteria while (1.2%) of the respondents strongly agree that bidding should be assessed against the same criteria. This indicates that Nkozi hospital either evaluates bidding against the same criteria. Jica, (2010) argues that the main purpose of bid evaluation is to determine the lowest evaluated and substantially responsive bid among the bids submitted before the bid closing time on the date specified in the bidding documents. The lowest evaluated substantially responsive bid may or may not necessarily be the lowest priced bid. In order to determine accurately the lowest evaluated substantially responsive bid in accordance with the terms and conditions of the Bidding Documents, a systematic evaluation procedure designed to cover all aspects of the evaluation process should be followed.

Table 4.8.7: Evaluation report is presented with award recommendation

Statements	frequency	Percent %
Strongly agree	2	2.5
Agree	18	22.5
Not sure	39	48.8
Disagree	12	15.0
Strongly disagree	9	11.2
Total	80	100.0

Source: Primary data, 2015

Table 4.8.7 above, 48.8% of the respondents are not sure of what happens in the evaluation report, (22.5%) of the respondents agree that award recommendation is presented, 15.0% of the respondents disagree because it shows there is no evaluation report presented with award recommendation, (11.2%) of the respondents strongly disagree that award recommendation isn't presented through evaluation report.

4.9 Financial performance of private hospitals

Financial performance can be measured in various ways which should be aggregated. This study analysis was based on the dimensions of the financial performance and the results are presented in the following statements.

Table 4.9.1: Profit maximization is the main aim of the organization

Statements	frequency	Percent%
Strongly agree	12	15.0
Agree	32	40.0
Not sure	17	21.2
Disagree	9	11.2
Strongly disagree	10	12.5
Total	80	100.0

Source: Primary data, 2015

Table 4.9.1 above, (40.0% %) of the respondents agree because it shows there is profit maximization, (21.2%) of the respondents are not sure of what profit maximization means, (15.0%) of the respondents strongly agree because there is maximization of profits, 12.5% of the respondents strongly disagree because there are no profits made since Nkozi hospital is a non-profit organization while (11.2%) of the respondents disagree because the main aim of the hospital is not profit maximization. Justine, H (2010), argues that proponents of private provision cite the duality of profit maximization and efficiency as theoretical evidence of its advantage. The competitive market model is argued for potential gains in efficiency, quality, consumer choice and responsiveness, transparency and accountability. However arguments against private provision cite failures inherent in the health care and a mismatch between public health orientation and profit maximization.

Table 4.9.2: The organization has made lots of developments due to increased profits

Statements	frequency	Percent %
Strongly agree	15	18.8
Agree	47	58.8
Not sure	10	12.5
Disagree	6	7.5
Strongly disagree	2	2.5
Total	80	100.0

Source: Primary data, 2015

The table 4.9.2 above, majority of the respondents (58.8%) of the respondents agree that Nkozi hospital has made a lot of developments due to increased profits, (18.8 %) of the respondents strongly agree that due to increased profits the hospital has made a lot of developments, (12.5%) of the respondents are not sure of the developments made by Nkozi hospital, (7.5%) of the respondents disagree that the hospital has made no developments due to increased profits while (2.5%) of the respondents strongly disagree that there are

developments within Nkozi hospital. This shows that the hospital has developed due to increased profits made. Gloria J.B *et al*(2009), argue that the results indicate that not-for-profit hospitals with strong financial performance provide more unprofitable services for the insured and uninsured than for-profit hospitals with weaker condition. For profit hospital provision of these services is not influenced by their financial condition and instead may reflect actions to meet community expectations or to offer a sufficiently broad service array to maintain the business of insured patients.

Table 4.9.3: The organization’s profits have grown over the years

Statements	frequency	Percent %
Strongly agree	3	3.8
Agree	31	38.8
Not sure	38	47.5
Disagree	8	10.0
Total	80	100.0

Source: Primary data, 2015

In table 4.9.3 above, (47.5%) of the respondents are not sure of the profits earned by the hospital, (38.8%) of the respondents agree with the statement because it shows profits have raised within Nkozi hospital, (10.0%) of the respondents disagree because the hospital’s profits haven’t grown over the years while (3.8%) of the respondents strongly agree because it shows there is increase in profit over the years.

Table 4.9.4: The workers are awarded according to the level of profits earned by the organization

Statements	frequency	Percent %
Strongly agree	1	1.2
Agree	14	17.5
Not sure	46	57.5
Disagree	13	16.2
Strongly disagree	6	7.5
Total	80	100.0

Source primary data, 2015

The table 4.9.4 above, majority of the respondents (57.5%) are not sure of how workers are awarded, (17.5%) of the respondents are in agreement with the statement in question because the hospital awards its workers according to the profits earned within Nkozi hospital, (16.2%) of the respondents disagree with the statement because Nkozi hospital doesn't award its workers according to the profits earned, (7.5%) of the respondents strongly disagree with statement in question because workers are not awarded according to the level of profits earned by the hospital while (1.2%) of the respondents strongly agree because the hospital awards the workers according to the profits earned.. Gordy. et al. (2011) research report which emphasizes that hospital managers manage their revenues and costs through performance management systems and this is done through observing variances in various operating metrics and there after combine it with their experience and judgment of those measures' historical correlation with losses and near misses.

4.10 ASSETS

Table 4.10.1: The assets have accumulated over the years

Statements	frequency	Percent %
Strongly agree	21	26.2
Agree	41	51.2
Not sure	12	15.0
Disagree	3	3.8
Strongly disagree	3	3.8
Total	80	100.0

Source; Primary data, 2015

The table 4.10.1 above, (51.2%) of the respondents agree with the statement in question because it shows assets have accumulated over the years, (26.2%) of the respondents strongly agree with the statement because assets have accumulated over the years, (15.0%) of the respondents are not sure of the assets that have accumulated over the years in Nkozi hospital, (3.8%) of the respondents strongly disagree with the statement in question because over the years Nkozi hospital's assets haven't accumulated while 3.8% of the respondents disagree with the statement because assets haven't accumulated over the years According to Blat and Jain (2006), argue that the age of fixed assets determines the capability of the hospital to earn revenues, as well as the need for further investment funds. The size of fixed assets influences the business risks, emanating from the investment on hospitals asset turnover measures how effectively total assets are used to generate revenues, low profitability and unsatisfactory operating efficiency in the same private hospitals of India.

Table 4.10.2: The assets of the organization have increased due to increased sales and profits

Statements	frequency	Percent %
Strongly agree	23	28.8
Agree	37	46.2
Not sure	10	12.5
Disagree	5	6.2
Strongly disagree	5	6.2
Total	80	100.0

Source: Primary data, 2015

The table 4.10.2 above, majority of the respondents 46.2% agree with the statement because the assets of Nkozi hospital have increased due to increased sales and profits, 28.8% of the respondents strongly agree with the statement in question because due to increased sales and profits within Nkozi hospital there is an increase in assets especially infrastructures and equipment, 12.5% of the respondents are not sure whether the assets increased due to increased sales and profits while 6.2% of the respondents strongly disagree and disagree with the statement because the assets of the hospital haven't increased due to increased sales and profits within Nkozi hospital according to the response from respondents. This shows that Nkozi hospital's assets have increased due to increased sales and profits since majority are in agreement therefore the hospital should monitor the performance of employees.

Table 4.10.3: Asset accumulation has a positive impact on the organization

Statements	frequency	Percent %
Strongly agree	7	8.8
Agree	13	16.2
Not sure	33	41.2
Disagree	10	12.5
Strongly disagree	17	21.2
Total	80	100.0

Source: Primary data, 2015

The table 4.10.3 above, 41.2% of the respondents are not sure whether asset accumulation has a positive impact on the organization, 21.2% of the respondents strongly disagree with the statement because asset accumulation doesn't have a positive impact on the hospital, 16.2% of the respondents agree with the statement because accumulation of assets has a positive impact on Nkozi hospital, 12.5% of the respondents disagree with the statement reason being that accumulation of assets doesn't have a positive impact on the hospital while 8.8% of the respondents strongly agree because asset accumulation has a positive impact on Nkozi hospital.

In conclusion

This chapter discussed the research from the case study whereby the researcher analyzed the data using SPSS. Therefore different respondents responded differently and it was found out that most of them were in agreement with the statement especially procurement planning and monitoring while majority were not sure about evaluation and performance of private hospitals.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This final chapter covers a summary finding in Chapter 4 based on the study objectives. They are presented in sections of the summary of findings, conclusion, and recommendations derived from the study findings and lastly the suggestions for the further research. This research was carried out following the procurement management and financial performance of Nkozi hospital. The research sets out procurement management and the financial performance of private hospitals in Uganda.

5.1 Summary of the findings

The findings revealed that the greatest number of employees were females in Nkozi hospital with 52.5% while males with 47.5%. The findings showed that the greatest number of employees are between the age of 25 years or less with a percentage of 42.5% for Nkozi hospital. The researcher discovered that majority of the employees are single with 62.5% while 37.5% of the employees are married, majority of the employees attained diploma with 41.2% while 26.2% of the employees attained degree, majority of the employees have worked in Nkozi hospital for less than 5 years with a percentage of 51.5%. The findings revealed that Nkozi hospital uses different ways to promote procurement management and financial performance.

5.1.1 Procurement planning and the financial performance of private hospitals

The research showed that if the organization looked at the procurement planning as the majority of respondents agree with the procurement planning and performance though some had different views about it. As regards to the reporting of planning, majority of the

respondents agreed with the statement with different percentages, 51.2%, 55.0%, 61.2%, 50.0%, 41.2%, 57.5%, 42.5% while others had different views.

5.1.2 Monitoring and financial performance of private hospitals

The findings revealed that the hospital monitors procurement management and the performance as majority of the respondents agreed with the statement with the following figures 45.0%, 48.8%, 41.2%, 46.2% while others viewed it with different opinions. With monitoring, most of the respondents agreed as it will enhance the financial performance of the Nkozi hospital.

5.1.3 Evaluation and financial performance of private hospitals

The findings showed that evaluation, majority of the respondents are not sure represented with the following figures 48.8%, 49.4%, 47.5%, 50.0% while others have different opinions with the statements.

5.1.4 Assets and performance of private hospitals

The findings showed that assets, majority of the respondents were in agreement with the highest figures 40.0%, 58.8%, 38.8% while others had different opinions with the statement.

5.1.5 Profits and performance of private hospitals

The findings showed that profits, majority of the respondents were in agreement with the highest figures 51.2%, 46.2% while others had different opinions with the statements.

5.2 Conclusions

Objective one of the study which is to evaluate the effect between procurement planning and financial performance of private hospitals was found out that involvement in procurement

planning positively impacts on the financial performance of private hospitals in Uganda. This therefore implies that private hospitals should emphasize getting involved in procurement.

The second objective which is to assess the relationship between monitoring and financial performance of private hospitals was also found out that there exists a positive relationship between monitoring and financial performance of private hospitals. This therefore implies that hospitals should consistently monitor the procurement process and the employees so that procurement management and performance develop within the hospital.

The last objective which is to examine the relationship between evaluation and financial performance of private hospitals. It was found out that evaluation negatively affects the financial performance of private hospitals. This implies that hospitals should get involved in evaluation of employees so that you get to know how employees perform within the organization.

Generally, it was found out that procurement management positively affects the financial performance of private hospitals therefore improving the financial performance of private hospitals in Uganda.

5.3 Recommendations

From the findings on the first objective which is to evaluate the effect between procurement planning and financial performance of private hospitals, Nkozi hospital and other institutions should continue carrying out such practices as it has been seen in chapter four. According to the researcher, agree had the highest figure compared to others because majority of the respondents were in agreement with the statements.

Basing on the findings from the second objective which is to assess the relationship between monitoring and the performance of private hospitals, the researcher recommends Nkozi

hospital and other institutions to ensure that monitoring is made the major focus among the other elements of procurement management as monitoring is seen to be the major determinant of any hospital's performance.

From the findings of the last objective which is to examine the relationship between evaluation and financial performance of private hospitals, the researcher recommends Nkozi hospital and other institutions to continue evaluating the employees as this attracts people to the organization.

However, Nkozi hospital and other institutions should take an extra step to carry out procurement management in most parts of the country since some respondents were not sure about evaluation.

5.4 Areas of further research

The research was however focused on private hospitals; this therefore calls for further research on the same topic concerning both the private and public hospitals in Uganda.

Given the limited time for carrying out this research, the researcher suggests that further research be carried by different institutions on this topic so as to address procurement management and financial performance of private hospitals.

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APPENDICES

Appendix i

PROCUREMENT MANAGEMENT AND FINANCIAL PERFORMANCE OF PRIVATE HOSPITALS IN UGANDA

RESEARCH QUESTIONNAIRES

PART ONE

Dear respondent

I am **NAKIGOONYA ANGELLA** a student of Uganda Martyrs University in the faculty of business administration and management I am doing a research in partial fulfillment of a degree of bachelor of business administration and management. The research is about procurement management and financial performance of private hospitals in Uganda. I am soliciting your contribution to this undertaking by requesting you to answer these questions for me. All information will be treated with confidentiality and I will be grateful for your contribution.

Thank you for your cooperation and kindness.

INSTRUCTIONS

Fill in the spaces provided or indicate the response corresponding to appropriate choice of response where applicable.

PART ONE:

A) General Information

1. Responsibility

.....

Please tick your choice in the appropriate box provided

2. Gender

a) Male

b) Female

3. Age group

a) 25years or less

b) 26-35 years

c) 36-45 years

d) 46 and above

4 Marital

a) Married b) Single

5 Educational qualifications

Certificate	Diploma	Degree	postgraduate	Others

6. Duration worked in Nkozi hospital

a) Less than 5 years b) 5-10years d) over 10 years

PART TWO

Please tick your appropriate choice in the space provided using the keys given below;

1. S.A Strongly Agree **2. A-** Agree **3. N.S-** Not Sure **4. D-** Disagree **5. S.D-** Strongly Disagree

PROCUREMENT MANAGEMENT	1	2	3	4	5
a)Procurement Planning					
The organization’s purpose and activities meet community needs.					
The procurement planning process identifies the critical issues facing the organization.					
The procurement plan sets goals and measurable objectives that address these critical issues.					
Through procurement, work plans, human and financial resources are allocated to ensure the accomplishment of the goals timely.					
The procurement plan is communicated to all stakeholders of the agency, service recipients, board, staff, volunteers and general community.					
The procurement plan establishes an evaluation process and					

performance indicators to measure the progress towards the achievement of goals and objectives.					
The procurement plan is developed by researching the internal and external environment.					
The value statement includes standards of ethical behavior and respect for other's interests.					
b) Monitoring					
The organization has monitoring criteria it uses in managing the procurement process.					
The monitoring criteria are followed within the organization.					
The staff is aware about the monitoring policy the organization uses.					
The procurement process is frequently monitored.					
Monitoring identifies performance problems early and corrects them.					
Proper monitoring enables the organization get quality products.					
Effectiveness and efficiency enables proper monitoring.					
Procurement monitoring enables the organizations obtain information about the supplier production and performance.					
c) Evaluation					
Evaluation should possess the skills and experience relevant to procurement.					
The organization frequently evaluates, by soliciting inputs whether its mission and activities provide benefit to the community.					
Evaluate the bids using the criteria stated.					

The principle of equitable and fair assessment is applied.					
Evaluation criteria should be made known to all bidders.					
Evaluation bidding should be assessed against the same criteria.					
Evaluation report is presented with award recommendation.					
FINANCIAL PERFORMANCE					
a) Profits					
Profit maximization is the main aim of the organization.					
The organization has made lots of development due to increased profits.					
The organization's profits have grown over the years.					
The workers are awarded according to the level of profits earned by the organization.					
b) Assets					
The assets have accumulated over the years.					
The assets of the organization have increased due to increased sales and profits.					
Asset accumulation has a positive impact on the organization.					

What are the challenges faced in procuring and the planning process?

.....

.....

.....

.....

Appendix ii: Work Plan

ACTIVITY	DATE	PERSON	PLACE
Proposal writing	October-December 2013	Researcher	UMU Nkozi
Developing and piloting of instruments	December 2013	Researcher	UMU Nkozi
Pre testing the instruments	December 2013	Researcher	UMU Nkozi
Data collection	January 2014	Researcher	Nkozi hospital
Data organization, analysis and interpretation	February 2014- March 2015	Researcher	UMU Nkozi
Consultations with the supervisor and the lectures	March 2014-March 2015	Researcher	UMU Nkozi
Typing/editing/report writing and submission	June 2014-April 2015	Researcher	UMU Nkozi

Appendix iii: Introductory letter

Uganda
Martyrs
University



making a difference

Office of the Dean
Faculty of Business Administration and Management

Your ref.:
Our ref.:

Nkozi, 22nd January, 2015

To Whom it may Concern

Dear Sir/Madam,

Re: Assistance for Research:


Greetings and best wishes from Uganda Martyrs University.

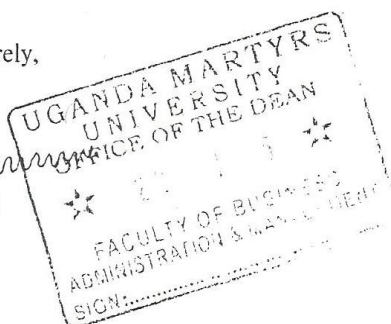
This is to introduce to you WAKIGOONYA ANGELLA who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research on a selected case study such as a firm, governmental or non governmental organization, financial or other institutions.

The purpose of this letter is to request you permit and facilitate the student in this survey. Your support will be greatly appreciated.

Thank you in advance.

Yours Sincerely,


Moses Kibrai
Dean



- 80
- 150