

**FACTORS AFFECTING SUPPLY OF DRUGS IN PUBLIC HOSPITALS; CASE  
OF MANDERA DISTRICT HOSPITAL, MANDERA COUNTY, KKENYA**

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the Award of Masters in Project Planning and Management of the University of  
Nairobi**

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## DECLARATION

This research project is my original work and has not been presented to any other institution.

Sign..... Date.....

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**L50/8321/2017**

This research project has been submitted for defense with my approval as The University of Nairobi Supervisor.

Sign..... Date.....

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## **DEDICATION**

I dedicate this project to my beloved Parents, brothers and Sister who encouraged me during the course of the study

## **ACKNOWLEDGMENT**

I would like to thank the almighty God for his guidance during the study period. Special thanks also go to my supervisor, Dr. Florence Mbiti of University of Nairobi for painstaking reading through the work and offering technical and insight advice. Lastly I thank the management of Mandera District Hospital for allowing me to carry out the research in their facilities.

## **ABSTRACT**

The purpose of the study was to investigate factors affecting supply of drugs in public hospitals in Kenya. The study objectives were to identify how budget allocation, store management, procurement procedures and transparency affects supply of drugs in public hospitals. The study was hoped to significant to management team of Mandera District Hospital because they were able to understand factors affecting supply of drugs in public hospitals in Kenya and seek ways to enhance the positive factors. The researcher adopted descriptive research design and stratified random sampling technique. A target population of 150 and a sample of 45 respondents were selected. Data was collected by the use of a semi structured questionnaire that used both closed and open ended questions. Data was analyzed using Microsoft excel and presented using tables and percentages. The researcher concludes that effective procurement process ensures the availability of the right drugs in the right quantities, available at the right time, for the right patient and at reasonable prices, and at recognizable standards of quality. An ideal store management should provide the optimum relationship among efficiency, floor area and manufacturing process. The organization should ensure they follow the laid down procedures since lack of transparency creates opportunities for corruption. The researcher concludes resource planning and budgeting are fundamental ingredients of integrated planning. The researcher recommends that the organization should allocate enough money in public entities so that the organization can procure their goods without limiting efficiency in supply; that the organization location of the store an ideal store management should provide the optimum relationship among efficiency, floor area and manufacturing process. The researcher recommends that management should ensure that the procurement process upholds integrity by ensuring that there are no malpractices; informed decision making, which requires public bodies to base decisions on accurate information; and that the government puts in place strategies to help increase transparency through information systems which measure how inputs are used to produce outputs and include watchdog organizations; performance incentives to reward good performance; and sanctions for poor performance.

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## **LIST OF ABBREVIATIONS**

<b>HDU</b>	High Dependency Unit
<b>KIPPRA</b>	Kenya Institute for Public Policy Research and Analysis
<b>WIP</b>	Work in Progress
<b>JIT</b>	Just in Time
<b>IT</b>	Information Technology
<b>ROI</b>	Return on Investment

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

Given the impact of procurement activities on the operation and effectiveness of public sectors in Kenya, it is essential that these activities be performed by qualified staff with high professional and ethical standards and using sound procedures anchored in appropriate policies and regulations. Supply is an important part of efficient drug management and procurement and is critical for all levels of health care institutions. An effective supply process ensures the availability of the right drugs in the right quantities, available at the right time, for the right patient and at reasonable prices, and at recognizable standards of quality.

Waters, (2004) notes that there are four main operational principles of drug quantification, registration, selection and efficient management. Thus, procurement is not simply the act of buying but encompasses a complex range of operational, business, information technology, safety and risk management, and legal systems, all designed to address an institution's needs (Ombaka, 2009). Specifically, management of medicines procurement determine, accredit, and monitor appropriate supply sources; evaluate suppliers' performance; choose a buying strategy or approach; monitor drug delivery; assess clinical and use outcomes; and evaluate new products and the drug market. Successful hospital procurement is also a collaborative process, involving people with skills in purchasing, finance, management, clinical and nursing specialties, pharmacy, quality control, and even the end user: the patient.

One of the basic rules of supply management is that in the end, it is important to think in terms of the total cost of ownership. This includes not only the purchase price, but also time and resources that are expended in the pursuit of the ownership. By understanding the steps involved with procurement, it is possible to get a better understanding of the real cost involved with attaining any good or service (Baily et al 2004). Many supply chain activities suffer from neglect, lack of direction, poor co-ordination, lack of open

competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialists, who are competent to conduct and manage such procurements, in a professional, timely and cost effective manner. Inflexible and bureaucratic systems of procurement contribute to unacceptable contract delays, increased costs, the potential for manipulation of contract awards and lack of fair competition, all of which create the perception in the population at large, that public expenditure is slow, ineffective, expensive and often corrupt.

Information is critical to an effective and efficient procurement process, on the other hand financing is the engine that drives it. In the case of Kenya for example, (World Bank 2007) ensuring adequate financing for the procurement of pharmaceuticals remains an important part of medicines procurement. Pharmacists involved in hospital procurement of medicines, whether directly or indirectly, must be knowledgeable about medicines as well as the interacting issues and the many stakeholders who can potentially affect the process or who may have legal responsibility. Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. This has adversely impacted the rate and quality of progress in realizing the objectives of national development, especially in developing and transition countries. Transparent management is another concept, which is closely related to accountability and Kenya leaves a lot to be desired in this facet. The idea behind transparency is that by actively disclosing information on how decisions are made, as well as measures of performance, we can improve public deliberation, reinforce accountability and inform citizen choice. In addition, transparency helps to document and disseminate information on the scope and consequences of corruption, information which can help build support for anti-corruption programmes and target enforcement efforts.

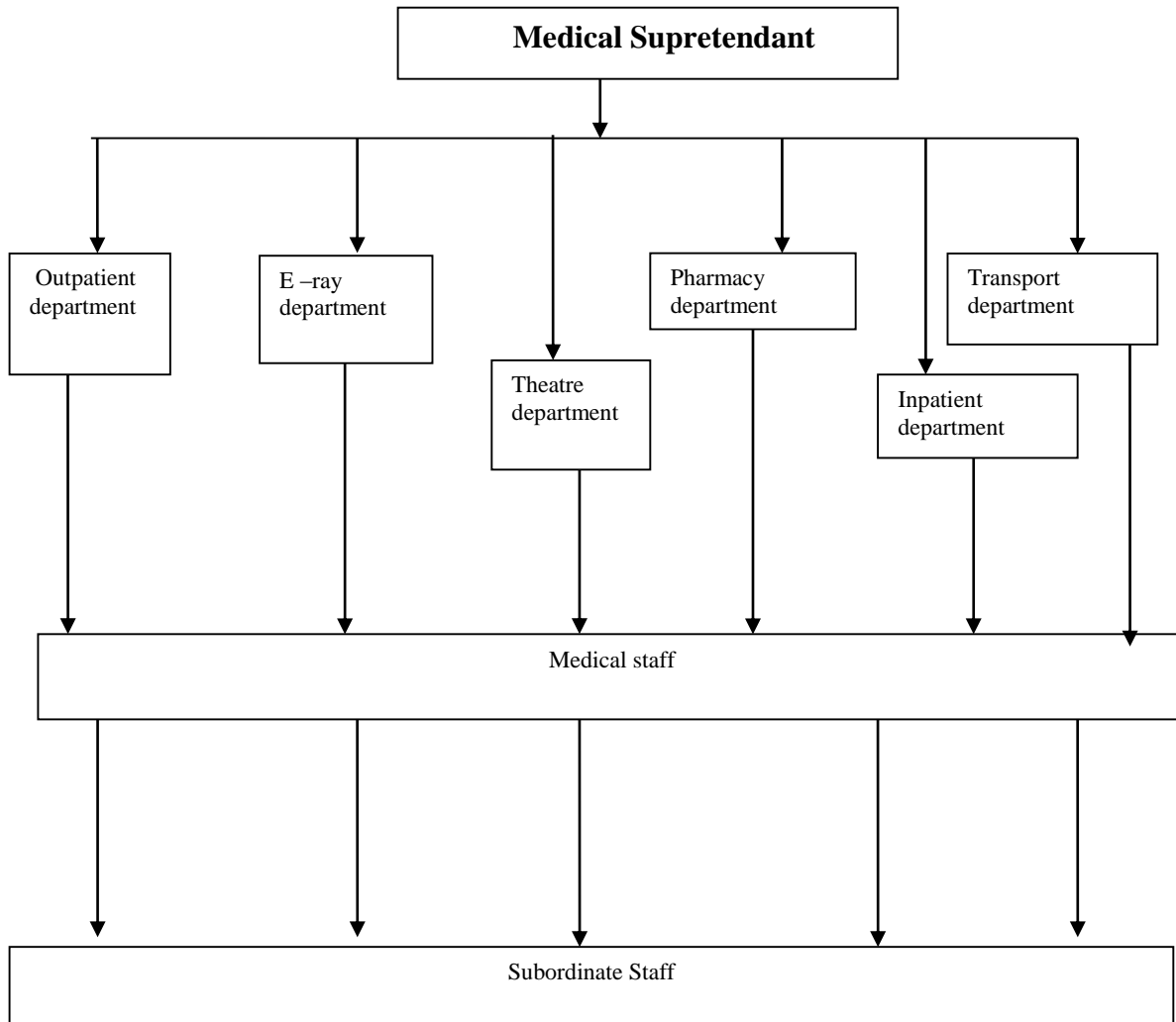
### **1.1.2 Organization Profile**

Mandera District Hospital is dedicated to the provision of high quality, affordable and accessible healthcare. The Hospital was founded in 1976, since then it has grown to a 70 bed, private health facility located in Mandera, dedicated to providing high quality medical care at a reasonable price. The Hospital Facilities Include: 24 hour Outpatient Department, General Medical HDU, Private rooms, Operating theatres for major and minor surgery, X-ray and ultrasound services, Ambulance and patient transport services, Pharmacy & Clinical laboratory services, A refrigerated mortuary. Appeal's Procedure & Patient's Rights and Surgical wards, Pediatric ward, A secure and self-contained Psychiatric ward, Maternity ward with nursery. It is Avenue Hospital's goal to give care to the patient's satisfaction. We believe that second opinions and appeals should be as easy and painless as possible.

Our mission is to provide of high quality medical services at a reasonable price. Success for our customers is the single most important determinant of our success. Our people are the key to our success. We must be a company with the highest standards of moral and ethical conduct. We have a responsibility to society and in the performance of community service.

Our motto is to respect for all human beings regardless of financial status, race, tribe, and national origin, religious or political beliefs. This applies to our clients as well as in interpersonal relations among staff. We are committed to provide the best service to patients, relatives and friends, doctors and company clients. We strive to improve and achieve excellence in the provision of medical services.

**Figure 1.1: Organization Structure**



### **1.2 Statement of the Problem**

Supply of drugs in hospitals is an important area in a supply chain management in public entities. However there are immense issues of concern which ought to be addressed like the transparency of the procurement process, storage management that is the stores should be equipped with the necessary tools, the budget allocation which is sometimes un-equivalent resulting to delays in procurement and low supply of drugs. Failures to effectively put stern measures to curb drug inefficiencies results to liquidation of many public entities in Kenya. Therefore the researcher wants to carry out a project to establish these factors.



### **1.3 Purpose of the Study**

The purpose of the study was to investigate the factors affecting supply of drugs in public hospitals in Kenya; A case of Mandera District hospital Mandera County. The researcher intends to investigate the level of knowledge of residents on supply of drugs in the hospital, attitudes of residents on supply of drugs.

### **1.4 Objectives**

- i. To establish how procurement procedure affects supply of drugs in public hospitals.
- ii. To determine the how store management affects supply of drugs in public hospitals.
- iii. To determine how transparency affects supply of drugs in public hospitals.
- iv. To investigate how budget allocation affects supply of drugs in public hospitals.

### **1.5 Research Questions**

- i. To what extent does procurement procedure affects supply of drugs in public hospitals?
- ii. How does store management affect the supply of drugs in public hospitals?
- iii. To what extent does transparency affect the supply of drugs in public hospitals?
- iv. How does budget allocation affect the supply of drugs in public hospitals?

### **1.6 Significant of the Study**

The study will be significant to management team of Mandera District Hospital because they will be able to understand factors affecting supply of drugs in public hospitals in Kenya and seek ways to enhance the positive factors.

It will enable other researchers to carry out further research on other organizations concerning the problem.

## **1.7 Limitation of the Study**

Researcher experienced the following challenges while carrying out the study:

This study was limited by respondent's lack of honesty in discussing the supply and its influence on the supply of drugs in Mandera hospital if the data was published it was to expose some of weaknesses of use of supply which result to failure in procurement in public institutions.

### **1.7.1 Fear**

The fear of competitors and industrial espionage especially by top and middle management on giving critical company information seemed to preoccupy them but the researcher assured them on confidentiality of their names and information given since it was to be used solely for educational purposes.

### **1.7.2 Confidentiality**

Respondents especially support staff were not willing to give information that would touch on management issues because of fear. Fear of reproach from management led many respondents to decline on giving information but assurance from the researcher that the information they gave was kept confidential and used solely for educational purposes only.

## **1.8 Delimitation of the Study**

The study was carried out at Mandera District Hospital which is located at Mandera town in Mandera County which was convenience for the researcher.

## **1.9 Assumptions of the study**

The researcher had the following assumptions during the study;

- i) That the respondents will be willing to respond to the questionnaires
- ii) That the sample will be an accurate representative of the target population

## **1.10 Definition of Significant Terms**

<b>Suppliers</b>	These are the companies supplying goods and services to Mandera Hospital
<b>Resources</b>	It includes money, physical facilities and human and information technology resources.
<b>Procurement Process</b>	They are the activities in the selection of suppliers and the purchase of goods and services.
<b>Procurement-</b>	The acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise or by any other contractual means of any type of works, assets, services or goods including livestock or any combination.
<b>Inventory</b>	refers to the goods and materials that a business holds for the ultimate purpose of resale (or repair).
<b>Inventory Management</b>	is primarily about specifying the size and placement of stocked goods. Inventory management is required at different locations within a facility or within multiple locations of a supply network to protect the regular and planned course of production against the random disturbance of running out of materials or goods.

## **1.11 Organization of the study**

This study was organized in to five chapters. Chapter one covered background of the study, statement of the problem, the purpose of the study, objectives of the study, research questions, significant of the study, limitations of the study as well as the definitions of significant terms and organization of the study. Chapter two consist of

literature review of researches done by other researchers on the topic, theoretical review and conceptual frame work .chapter three dealt with the research design ,target population ,sample and sampling techniques, the research instruments and data analysis techniques. Chapter four captures the data presentation, analysis and interpretation while chapter five gives the summary of the findings of the study, conclusions and recommendations of the study and suggestions for further studies. This is followed by references and appendices sections.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The aim of this literature review is to acknowledge the contribution of other people in the proposed area of study. It brings out the previous studies done by other scholars in the same areas to enlighten the researcher know the measure to be taken in order to face and overcome the challenges and improved the process of running the organizing correctively.

#### **2.2 theoretical framework**

##### **2.2.1 Consequentialist Theory**

According to Jeremy Bentham [6], correct moral conduct is determined solely by a cost-benefit analysis of an action's consequences under the principality of consequentialism which refers to an action that is morally right if the consequences of that action are more favourable than unfavorable. Consequentialist normative principles require that first, both the good and bad consequences of an action are tallied and then follows the determination of whether the total good consequences outweigh the total bad consequences. If the good consequences are greater, then the action is morally proper. If the bad consequences are greater, then the action is morally improper. Consequentialist theories believe the end result of an action as the sole determining factor of its morality. Public finances are meant to benefit all citizens not as a favour but as their right. Public officials charged with the responsibility of manning those resources therefore must act for the common good of all citizens and must be true custodians of the laws put in place to protect those who cannot exercise their rights directly. Diseases are inevitable and medicines used to alleviate them must be easily and always accessible to all citizens especially in public health facilities for which budgetary allocations have been made by the treasury.

### **2.2.2 Systems Theory**

Systems theory was proposed by Ludwig Bertalanffy who emphasized that rather than reducing an entity to the properties of its parts or elements, systems theory focuses on the arrangement and relations between the parts which connect them into a whole. In order for the whole to perform, its parts must equally perform so that in fact the failure of the individual parts culminates into the failure of the whole. The systems theory well describes the procurement of essential medicines not only in Mandera County but the entire country. Public health facilities should have a collaborative network involving all supply chain players in terms of ordering, stocking and consumption of medical supplies with the aid of information communication technologies under the control of public procurement law because if there were a collaborative network between public health facilities and all the involved stakeholders, there would be no issues such as dead stock and wastage of public finances as information would freely flow back and forth the supply chain leading to timeliness of all procurement activities.

### **2.3.1 Procurement procedure and supply of drugs**

According to Lysons, (2003) procurement is an important part of efficient drug management and supply and is critical for all levels of health care institutions. An effective procurement process ensures the availability of the right drugs in the right quantities, available at the right time, for the right patient and at reasonable prices, and at recognizable standards of quality. Based on this document, are four main operational principles of drug quantification, registration, selection and efficient management. Thus, procurement is not simply the act of buying but encompasses a complex range of operational, business, information technology, safety and risk management, and legal systems, all designed to address an institution's needs. Specifically, management of medicines procurement determine, accredit, and monitor appropriate supply sources;

evaluate suppliers' performance; choose a buying strategy or approach; monitor drug delivery; assess clinical and use outcomes; and evaluate new products and the drug market.

Successful hospital procurement is also a collaborative process, involving people with skills in purchasing, finance, management, clinical and nursing specialties, pharmacy, quality control, and even the end user: the patient. One of the basic rules of procurement is that in the end, it is important to think in terms of the total cost of ownership. This includes not only the purchase price, but also time and resources that are expended in the pursuit of the ownership. By understanding the steps involved with procurement, it is possible to get a better understanding of the real cost involved with attaining any good or service (Baily et al 2004).

Many public procurement activities suffer from neglect, lack of direction, poor coordination, lack of open competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialists, who are competent to conduct and manage such procurements, in a professional, timely and cost effective manner. Inflexible and bureaucratic systems of procurement contribute to unacceptable contract delays, increased costs, the potential for manipulation of contract awards and lack of fair competition, all of which create the perception in the population at large, that public expenditure is slow, ineffective, expensive and often corrupt. Information is critical to an effective and efficient procurement process, on the other hand financing is the engine that drives it. In the case of Kenya for example, (World Bank 2007) ensuring adequate financing for the procurement of pharmaceuticals remains an important part of medicines procurement.

Ombaka(2010), notes that pharmacists involved in hospital procurement of medicines, whether directly or indirectly, must be knowledgeable about medicines as well as the interacting issues and the many stakeholders who can potentially affect the process or who may have legal responsibility. Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. This has adversely impacted the rate and quality of progress in realizing

the objectives of national development, especially in developing and transition countries. Transparent management is another concept, which is closely related to transparency and Kenya leaves a lot to be desired in this facet. The idea behind transparency is that by actively disclosing information on how decisions are made, as well as measures of performance, we can improve public deliberation, reinforce transparency and inform citizen choice. In addition, transparency helps to document and disseminate information on the scope and consequences of corruption, information which can help build support for anticorruption programmes and target enforcement efforts.

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004).

Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). The irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001), the basic principles of good procurement practice include transparency, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation. The process should also uphold integrity by ensuring that there are no malpractices; informed decision making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for



transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003).

Procurement staff will need training, particularly in how to resolve dilemmas and competing priorities in drug supply. Useful monitoring and due diligence tools include Supplier Engagement Forums and supplier questionnaires during tendering and at other stages of the relationship such as contract renewal. Public officials should not accept benefits of any kind from a third party which might reasonably be seen to compromise their personal judgment or integrity. According to Thomson & Jackson, (2007), the actions of public officials must be above suspicion and not give rise to any actual or potential conflict of interest and their dealings with commercial and other interests should bear the closest possible scrutiny. It is not possible to give guidelines for every conceivable situation that may arise but if a doubt arises about a particular situation line management should be consulted.

Wymer, (2005) procurement process in Kenyan Government Ministries for health care supplies was affected by factors such as; transparency to a very great extent and justification of results to internal or external monitors to a moderate extent. The government officials used discretion to license and accredit facilities, providers, services and products, opening risk of abuse of power and use of resources. High amounts of discretion without adequate controls could create opportunities for corruption. Performance incentives to reward good performance increased transparency at Kenya government ministries and that the boards or other civic organizations to demand explanation of results increased transparency at Kenya government ministries.

### **2.3.2 Store Management and supply of drugs**

According to Kuijpers, (2003), store management ideally involves allocation of space and arrangement of equipment in such a manner that overall operating costs are minimized. Store management is an important decision as it represents long-term commitment. An ideal store management should provide the optimum relationship among efficiency, floor area and manufacturing process. It facilitates the production process, minimizes material handling, time and cost, and allows flexibility of operations, easy production flow, makes

economic use of the building, promotes effective utilization of manpower, and provides for employee's convenience, safety, comfort at work, maximum exposure to natural light and ventilation. It is also important because it affects the flow of material and processes, labour efficiency, supervision and control, use of space and expansion possibilities.

According to Jessop (2004), to cope with the enormous variety of drugs held in store of all kinds, an extensive range of storage equipment has been developed. It is proposed to consider here the more conventional types, but it must be understood that there are many special applications for which individual storage fixtures or containers can be and have been designed. Firms must place raw materials, WIP in storage until they need those items in the manufacturing process. Unlike the warehousing of finished goods, which often occurs in the field, items awaiting use in the production process are usually either stored in site, that is, at the point of manufacture, or delivered as needed by a JIT supplier. Various equipment are being used for storage of materials.

According to Jessop (2004), large quantities of drug purchase are best dealt with by simple floor storage and the same may apply to sheet, although sheet is often kept on pallets if the size is suitable. Sometimes, however, where stocks are not extensive it may be desirable to have specially designed racks for these materials. Light plate or sheet can be stored horizontally or vertically in a rectangular angle-iron framework, but this arrangement allows manual handling only. Heavier items can be accommodated vertically in a rack made of steel joists or channels along the floor with uprights of 'A' frames at intervals to act as spacers. One incidental advantage of this method is that, if steel plate is kept outside, vertical storage allows the rain to drain off quickly and minimizes corrosion. Where mechanical handling is necessary for heavy plate, the best method is to use a crane with a special attachment known as a plate clamp, which can be fixed on the edge of the plate to allow it to be lifted.

Jessop and Morrison, (2004) argue that the use of portable receptacles in stores has greatly increased in recent years, especially as mechanical handling in production shops has been extended. Mention has already been made of loose trays and pallets, but there are other variations, ranging from ordinary wooden crates to specially designed tote-

boxes. Tote-boxes are usually made of sheet metal or plastic. They are arranged to hold a standard quantity of materials or components and often have special internal fittings. They vary in size and shape to match the particular materials and handling methods in use, and can be stacked on top of each other, fully or empty. The use of tote-boxes in Warehouses is very frequently associated with the standardization of this equipment throughout the whole of the production shops.

A rack is the generic name given to any kind of storage fixture which cannot be classified as shelving or binning. Racks for the accommodation of palletized goods, are the commonest types encountered in store management, but there are many racks designed for special purposes, example shovels, 'V' belts, chains and a wide variety of heavy stores. Racks have further been classified into: wherever practicable, goods carried on flat pallets are stacked without the assistance of a storage fixture of any kind. This is quite easy boxed items or regular shape which will not be damaged by the weight of loads placed on top of them, example, bricks, and metal ingots but the practice has its limitations, (Bailey, 2004).

Morrison, (2004) notes that palletized stores which are of irregular shape or which are liable to damage if stacked cannot be kept only on the floor that would waste an enormous amount of storage space. Racks are therefore provided for goods of this nature. There are three main types of pallet racks. Fixed pallet rack: which consists of a strong frame made of angle-iron, steel section, with shelves of the same material or of solid steel plate. Adjustable pallet rack: it is designed that the shelves may be set at any required height and moved easily when necessary. The reason for using adjustable racks is to save space. When storing palletized goods of assorted sizes and shapes, the rack opening can be arranged to the minimum necessary to accommodate each individual item. Drive-in pallet racks: these do not have shelves upon which pallets are placed, but brackets at either side of the opening which are bridged by a pallet in place. With pallets removed a forklift truck can enter the opening without restriction, and can access pallets held in a second row of racking immediately behind the first, thus enabling a much greater storage density.

### **2.3.3 Transparency and supply of drugs**

Transparency is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs. Lack of transparency creates opportunities for corruption. Brinkerhoff (2004) identifies three key components of transparency, including the measurement of goals and results, the justification or explanation of those results to internal or external monitors, and punishment or sanctions for non-performance or corrupt behavior. Strategies to help increase transparency include information systems which measure how inputs are used to produce outputs; watchdog organizations, health boards or other civic organizations to demand explanation of results; performance incentives to reward good performance; and sanctions for poor performance. In South Africa, a district health planning and reporting system was used to improve management control and hold government agents accountable for their decisions. By combining financial and service data, the reporting system drew attention to clinics and programmes that had unusual indicators, and helped officials to explore root causes for performance differences, including possible corruption (Collins 2006).

Brinkerhoff (2004) public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental "value for money" considerations. This has adversely impacted the rate and quality of progress in realizing the objectives of national development, especially in developing and transition countries. Employees may neither engage in, nor give the appearance of engaging in, dishonest or unethical actions. Both are injurious to the public's perception of honest government. As a government employee, you might have access to procurement and other nonpublic information that could affect a contract bid or the award process. Improper disclosure of such protected information could violate numerous laws, as well as transparency rules. It also could subject you to administrative actions, as well as civil or criminal penalties. Management in contracting authorities should ensure that there is an appropriate focus on good practice in purchasing and, where there is a significant procurement function that procedures are in place to ensure compliance with all relevant guidelines. Officials involved in procurement must not make improper use of their position. Officials may

have access to very confidential and/or market sensitive information. It is unethical to use inside information provided to the agency as part of a tender process, either for the material benefit of the official or for another person. Criminal sanctions apply to such behaviour.

According to Wee (2002) transparency are the moral principles or values that guide officials in all aspects of their work. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position. Ethical behavior is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny. Public officials should always behave ethically and fairly, including in their business undertakings. Ethical behavior supports openness and transparency in a procurement process and gives suppliers confidence to participate in the Government marketplace. Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration (Wee, 2002).

An important and effective way to maintain transparency awareness in agencies is to provide training for employees. Transparency training and seminars can be provided, along with training in more specific areas, such as procurement procedures, record keeping, records management, and transparency and administrative law. Regular reviews or audits of procurement processes can be done to ensure probity is being considered and achieved. Providing health facilities with drugs and medical supplies is a complex process involving both the private and public sectors. Governments and health Ministries often lack the management skills required to write technical specifications, supervise competitive bidding, and monitor and evaluate the contract performance. Financial malpractices also could occur at any stage of the process and influence decisions on the model of procurement (direct rather than competitive), on the type and volume of procured supplies, and on specifications and selection criteria ultimately compromising access to essential quality medicines (Miles and Breen, 2005).

Barrett, (2000) transparency shows how the public interest has been protected in the expenditure of public funds. Maintaining integrity in public procurement is one of the most important pillars of modern national procurement systems. Ensuring the transparency of procurement officials is perhaps the most essential aspect of this goal. The transparency of procurement officials is not only important from a public or administrative law perspective, but also has economic implications. Transparency is all about what is morally right and morally wrong, so procurement transparency is concerned with what is morally right in procurement as profession. This is very important in procurement management because procurement staffs deal with suppliers represents the whole organization and that will determine the face of the organization towards the suppliers which may create goodwill or destroy it.

#### **2.3.4 Budget Allocation and supply of drugs**

Tan, and Salomone, (2004), resource planning and budgeting are fundamental ingredients of integrated planning. Plans are only as good as the financial and human resources that support them. Annual budgetary planning is the instrument through which resources are allocated to enable the execution of strategies and the development of organizational capacity necessary to achieve the vision outlined in the strategic plan. The annual budget plan is also the instrument for annual refinement in strategies over time. The alignment of operational unit plans and budgets with institutional strategies is imperative.

According to Veiga, (2001), budgeting is the process of calculating the costs of starting a small business begins with a list of all necessary purchases including tangible assets (for example, equipment, inventory) and services (for example, remodeling, insurance), working capital, sources and collateral. The budget should contain a narrative explaining how you decided on the amount of this reserve and a description of the expected financial results of business activities. The assets should be valued with each and every cost. All other expenses are like labour factory overhead all freshmen expenses are also included into business budgeting The budget of a company is often compiled annually, but may not be a finished budget, usually requiring considerable effort, is a plan for the short-term future, typically one year. While traditionally the Finance department compiles the

company's budget, modern software allows hundreds or even thousands of people in various departments (operations, human resources, IT, etc.) to list their expected revenues and expenses in the final budget.

According to Ngetich (2005), development policy should carry a clause that stipulates how the budget allocation for training and development of human resources is arrived at and it is a form of review. The review should be done regularly to accommodate changing needs and requirements. A training and development manager is responsible for developing and training budget that can demonstrate to senior management a good return on investment (ROI) for your company to improve. To prove that the company has a good ROI you need to show the link between employees' educational proficiency and corporate earnings.

Station (2001), start by outlining the total cost of the training program and assessing the potential benefits of your organization. The budget must find training that is both in line with your organizations requirements and adequate for your employees need. After you complete the needs assessment, it's a good idea to compare several implementation plans and to determine the most cost effective plan. Finally you budget, by using on ROI approach to develop your training budget and by comparing various scenarios to determine the most cost efficient method of delivering a training program, you are more likely to win the support necessary to implement your program.

According to Armstrong (2008), the importance of training budget in an organization: Forecasting; Trainings main purpose is to ensure that the work force has the knowledge skills and abilities to execute the organization strategic plan. Technology changes, service and products, product support initiatives and new market entries within the plan highlight competency. The first step in establishing a training budget, workforce planning focuses on human resources intentions on activities that drive plan achievement. Then compare the knowledge skills and abilities demanded by the plan with what is in place and establishes learning priorities to forecast training needs based on the capabilities gap. Without the need for a budget, this beneficial step may be overlooked, learning the organization unprepared and incapable of meeting its objectives.

Planning; the training budget covers many learning areas: professional compliance, sales, customers' service, interpersonal, managerial and supervisory skills, software applications and executive development. Once priorities are set, attaching a price to them brings. Establishing cost estimates requires comparing and selecting format, content and location options. Line – item costs to consider include trainer salary and time consultant fees, materials, expenses ( travel, meals and accommodation ) facility and equipment rental, trainee salary and times well as the cost of any loss of productivity due to participant being absent from their jobs. A ROI analysis supports funding request by showing the dollar benefit training programs will bring. The budget must communicate the organization workforce development plan to managers who then account for training costs that may be charged to their department budgets, (Station, 2001).

It provides a benchmark against which to measure expectations against reality. Though the budget development process, the organization identifies benefits which to measure expectations against reality. Though the budget development process the organization identifies benefits the various components training provides; improved accuracy, fewer accidents, increased productivity, improved attitudes, efficiency from new skills and more worker independence. Tracking the effectiveness of the training provided against these anticipated results through customer surveys direct observation and employee questionnaire allows for adjustment and refinements throughout the year, (Cole 2006).

#### **2.4 Summary and Gaps to Be Filled**

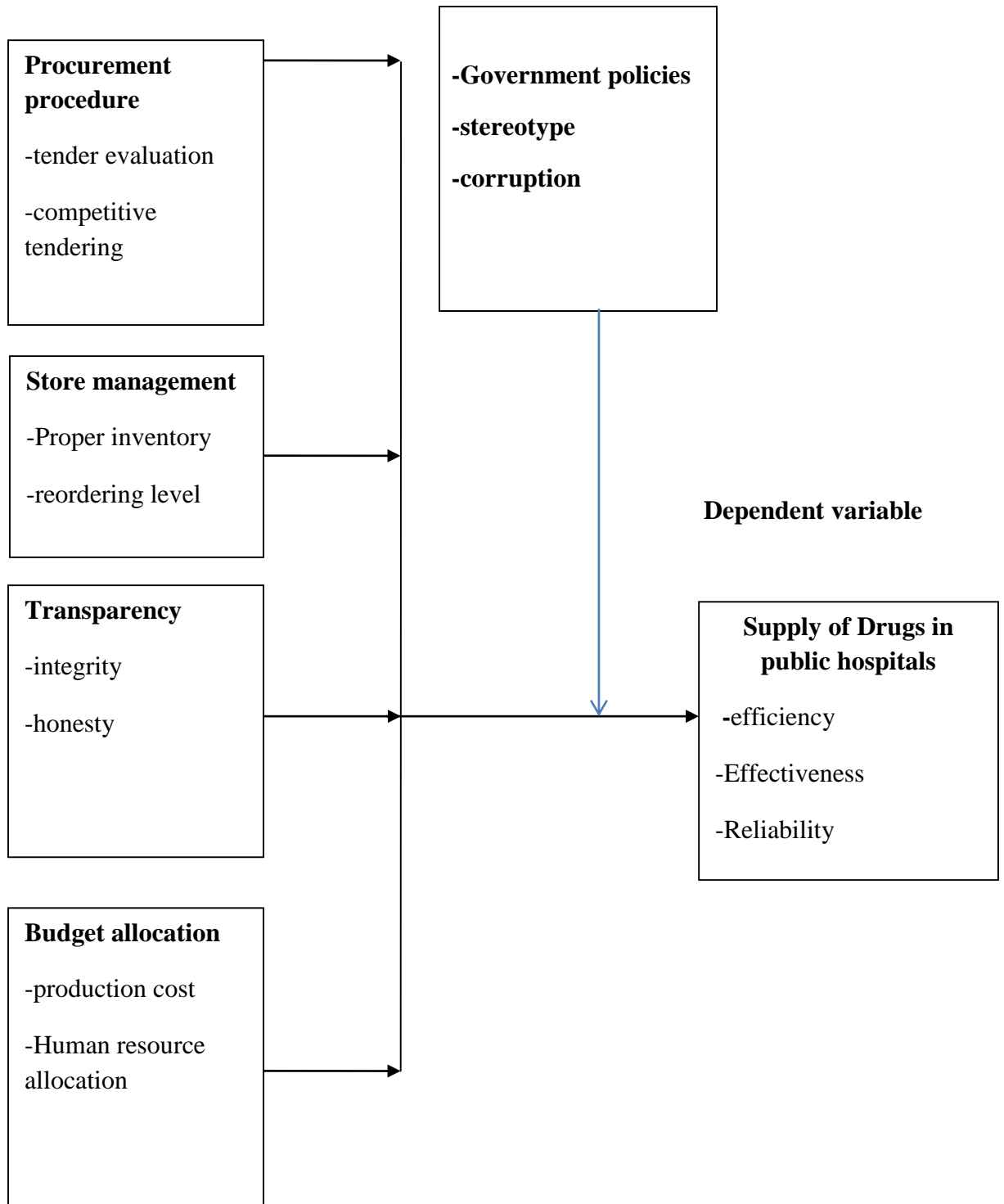
Monitoring budget gives an organization means of controlling learning activity and investments. Allocating funds for training with a budget also gives the organization flexibility in their use while training proponents such as the meadows argue against targeting training when market conditions require reduction in overhead, the training budget does have built in flexibility to adapt to corporate belt- tightening programs can be downsized and external classes can become brought on by unanticipated changes to the strategic plan.



## 2.5 Conceptual Frame Work

## Moderating variables

### Independent Variables



### **2.5.1 Procurement procedure**

Procurement is an important part of efficient drug management and supply and is critical for all levels of health care institutions. An effective procurement process ensures the availability of the right drugs in the right quantities, available at the right time, for the right patient and at reasonable prices, and at recognizable standards of quality.

### **2.5.2 Store Management**

Store management ideally involves allocation of space and arrangement of equipment in such a manner that overall operating costs are minimized. Store management is an important decision as it represents long-term commitment. An ideal store management should provide the optimum relationship among efficiency, floor area and manufacturing process.

### **2.5.3 Transparency**

Transparency is government's obligation to demonstrate effectiveness in carrying out goals and producing the types of services that the public wants and needs. Lack of transparency creates opportunities for corruption.

### **2.4.4 Budget Allocation**

Resource planning and budgeting are fundamental ingredients of integrated planning. Plans are only as good as the financial and human resources that support them. Annual budgetary planning is the instrument through which resources are allocated to enable the execution of strategies and the development of organizational capacity necessary to achieve the vision outlined in the strategic plan.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

This chapter provides information on the methodology will be used in the study, research design, population of the study, sample and sampling methods and study instruments used. It also explains data collection procedures and analysis.

#### **3.2 Research Design**

Descriptive survey design was used in the study. Kothari (2004) defined descriptive design is a process of collecting data in order to test hypothesis or to answer questions concerning the current status of the subjects under study. The advantage of this design according to many researchers is that being a scientific method, it helps minimize bias judgments and opinions, and also have factual data. This is because it allows the researcher to be flexible in data collection exercise. According to Mugenda and Mugenda (2003) this is a design that describes the phenomena as it is without manipulation.

#### **3.3 Target Population**

Research population is the aggregate of all that conforms to a given specification, (Mugenda and Mugenda, 2003). The target population of the study was 150 employees in Mandera District Hospital as per the information given by hospital records clerk. . The study targeted the employees from Mandera district hospital that comprised of management and subordinate staff.

**Table 1.1 Target Populations**

<b>Category</b>	<b>Target Population</b>	<b>Percentage (%)</b>
Management	12	8
Subordinate staff	138	92
<b>Total</b>	<b>150</b>	<b>100</b>

### **3.4 Sample size and sampling procedure**

Cooper and Schindler (2000) state that the sample size is the selected element or subset of the population that is to be studied. To ensure that the sample accurately represents the population, Cooper and Schindler (2000) further recommend that the researcher must clearly define the characteristic of the population, determine the required sample size and choose the best method for selecting members of the sample from the larger population. A sample of forty five (45) workers was selected to participate in the study which was thirty percent (30%) of the target population as is recommended for research studies by Mugenda, O. & Mugenda, A. (2008). stratified sampling technique, was used to group the workers according to their job titles.

**Table 3.2 Sample Size**

<b>Category</b>	<b>Target Population</b>	<b>Sample Size</b>	<b>Percentage (%)</b>
Management	12	4	11
Subordinate staff	138	41	89
<b>Total</b>	<b>150</b>	<b>45</b>	<b>100</b>

### **3.5 Research instruments**

Researcher used both questionnaires and interview guide to aid in collection of data. Semi structured questionnaires with both open ended and closed ended questions were used. Duration of one week was set by the researcher for the respondents to fill in the questionnaires. The questionnaires were collected by the researcher; the questionnaire method of data collection was used since it is the most appropriate in obtaining important information about the problem.

#### **3.6.1 Validity of the Instruments**

Mulusa (1990) defines validity as extend to which the item measures or describes what it is supposed to measure or describe. To enhance validity of instrument, pilot study was done using respondents from target population who did not form part of the respondents during actual carrying of the study. Content validity was used to determine content

validity index where all objectives were assessed for the clarity of instrument to be checked so item found not effectively presented were discarded or modified in order to improve the quality of items used during the study. New modification and items was added in the questionnaires. The questions appropriateness and relevance to the objectives were validated by specialists in research methods and academic supervisor to judge their stability, correctness and appropriateness

### **3.6.2 Reliability of the Instruments**

Mugenda and Mugenda (2003) refer reliability as a measure of the degree to which a research instruments yields same results on repeated trials. Reliability in research is influenced by random error, which is deviation from a true measurement. Questionnaires were tested using test retest technique. The pilot study enabled the researcher to assess the clarity of the questionnaire items so those items found inadequate or vague were modified to improve the quality of the research instrument thus increasing its reliability. The reliability of the results were tested through repeating the process to see if same conclusion was arrived at with different respondents at different time.

### **3.6 Data Analysis**

The raw data was organized, coded edited and analyzed for accuracy, uniformity, consistency and acceptability. Errors and omissions detected were corrected. The collected data was analyzed using Microsoft excel and presented using of frequency tables and percentages.

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION AND PRESENTATION

#### 4.1 Introduction

This chapter covers research findings from the case study. Data analysis and information was collected using questionnaires. The data has been presented mainly by tables, graphs and pie-charts then analyzed and interpreted under headings.

#### 4.2 Presentation of Findings

Out of 45 questionnaires administered, only 39(87%) were filled and returned to the researcher while, 6(13%) were not returned.

##### 4.2.1 Response Rate

Table 4.1 below shows responses according to rate.

**Table: 4.1 Response Rate**

<b>Questionnaires Distributed</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Returned	39	87	87
Not returned	6	13	100
<b>Total</b>	<b>45</b>	<b>100</b>	

Table 4.1 and figure 4.1 above indicate 87% of the questionnaires administered were fully filled, while 13% were not returned. Since the response rate was more than 75%, this gave room for data analysis.

##### 4.2.2. Gender of Respondents

Table 4.2 below shows responses according to gender.

**Table 4.2 Response on Gender**

<b>Gender</b>	<b>Response</b>	<b>Percentage %</b>	<b>Cum.%</b>
Male	24	62	62
Female	15	38	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.2 above shows the percentage distribution of respondents according to their gender. It shows that 62% of the respondents were male while 38% were female. Majority of the respondents were male.

#### **4.2.3 Age Bracket of the respondents**

Table 4.3 below indicate age bracket of the respondents:

**Table 4.3 Age Bracket**

<b>Age bracket</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Cum.%</b>
18- 24 yrs	5	13	13
25-30 yrs	9	23	36
31-34 yrs	11	29	65
Over 35 yrs	14	35	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.3 and figure 4.3 above shows the respondent percentage by age bracket. It shows that 13% of the respondents were between 18-24 years, 23% were between 25 - 30 years, 29% were between 31-34 years, while 35% were over 35 years. Majority of the respondents were over 35 years.

#### **4.2.4 Analysis According to Level of Education**



Table 4.4 below indicate the level of education of the respondents;

**Table: 4.4 Level of Education**

<b>Level</b>	<b>No of Respondents</b>	<b>Percentage %</b>	<b>Cum.%</b>
Degree	21	53	53
Diploma	15	38	91
Certificate	3	9	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.4 and figure 4.4 above shows the response of respondents by their level of education. It shows that 53% of the respondents had degree as the highest level of education, 38% had diplomas, while 9% had certificates. Majority of the respondents were degree holders.

#### **4.2.5 Response According To Number of Working Years in the firm.**

Table 4.5 below indicate years of experience;

**Table 4.5 Number of Working Years**

<b>No of years worked</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Less than 5 years	7	19	19
6-10 years	17	43	62
Over 10 years	15	38	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.5 above shows responses 19% of the respondents had worked in the organization for less than 5 years, 43% for less than 10 years, while 38% for over 10 years. Therefore majority of the respondents had worked in the organization for less than 10 years.

#### **4.2.6 Analysis on Position held**

**Table 4.6 Analysis on Position held**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>	<b>Cum.%</b>
Head of department/unit/division	4	9	9
Assistant head	9	24	33
Human Resource Supervisor	1	2	35
Others	25	65	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.6 above indicate 9% of the respondents were heads of

other position in the organization. Therefore majority of the respondents held other position in the organization.

#### **4.2.7 Analysis on the Extent to Which Procurement procedure affects Supply of drugs in the Public Sector**

Table 4.7 below shows an extent to which procurement process affects supply of drugs in the public sector

**Table 4.7 Extent to Which Procurement procedure affects Supply of drugs in the Public Sector**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Very great extent	16	42	42
Great extent	14	35	77
Moderate extent	6	16	93
Little extent	3	7	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.7 above indicate that 42% of the respondents agreed that the extent procurement process affects supply of drugs in the public sector was to a very great extent, 35% great

extent, 16% said it was to moderate extent, while 7% said it was to a little extent. Therefore majority of the respondents agreed that the extent procurement process affects supply of drugs in the public sector was to a very great extent.

#### **4.2.8 Analysis on whether Government officials must utilize Procurement procedure in order to enhance the effective supply in the public sector**

**Table 4.8 Government officials must utilize Procurement procedure in order to enhance the effective supply in the public sector**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	19	48	48
Agree	10	27	75
Moderately agree	5	14	89
Disagree	3	7	96
Strongly disagree	2	4	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.8 indicate 48% of the respondents strongly agreed government officials must utilize procurement procedure in order to enhance the effective supply in the public sector, 27% agree, 14% moderately agree, 7% disagreed, while 4% strongly disagreed. Majority of the respondents strongly agreed government officials must utilize procurement procedure in order to enhance the effective supply in the public sector.

#### **4.2.9 Analysis on whether public authorities were expected to provide excellent service to their constituents in an effective and transparent manner.**

**Table 4.9 Public authorities are expected to provide excellent service to their constituents in an effective and transparent manner**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	22	56	56
Agree	9	24	80
Moderately agree	5	13	93
Disagree	2	5	98
Strongly disagree	1	2	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.9 above indicate 56% of the respondents strongly agreed that public authorities are expected to provide excellent service to their constituents in an effective and transparent manner, 24% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Therefore majority of the respondents strongly agreed that public authorities are expected to provide excellent service to their constituents in an effective and transparent manner.

**4.2.10 Analysis on whether public authorities are implementing scalable communication infrastructures to promote economic development**

**Table 4.10 Public authorities are implementing scalable communication infrastructures to promote economic development**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	21	52	52
Agree	10	28	80
Moderately agree	5	13	93
Disagree	2	5	98
Strongly disagree	1	2	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.10 above indicate 52% of the respondents strongly agreed that public authorities were implementing scalable communication infrastructures to promote economic development, 28% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Therefore majority of the respondents strongly agreed that public authorities were implementing scalable communication infrastructures to promote economic development.

#### **4.2.10 Analysis on Whether Store Management Affects Supply of Drugs in Kenya**

Table 4.10 and figure 4.10 below shows an analysis on whether store management affects supply of drugs in Kenya.

**Table 4.10 Store management affects supply of drugs in Kenya**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Yes	35	90	90
No	4	10	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.10 above shows 90% of the respondents agreed that store management affects supply of drugs in Kenya, while 10% said it does not. Therefore, majority of the respondents agreed that store management affects supply of drugs in Kenya.

#### **4.2.11 Analysis on the Extent to Which Store Management Affect Supply of Drugs in the Public Sector in Kenya**

Table 4.11 and figure 4.11 below shows an analysis extent to which store management affects supply of drugs in the public sector in Kenya.

**Table 4.11 Extent to Which Store Management Affect Supply of Drugs in the Public Sector in Kenya**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Very great extent	27	68	68
Great extent	7	19	87
Moderate extent	4	10	97
Little extent	1	3	100
<b>Total</b>	<b>39</b>	<b>100</b>	

From the table 4.11 above 68% of the respondents agreed that the extent to which store management affect supply of drugs in the public sector in Kenya was to very great extent, 19% said was to great extent, 10% said it was to a moderate extent, while 3% said it was a little extent. Therefore majority of the respondents agreed that the extent to which store management affect supply of drugs in the public sector in Kenya was to very great extent.

#### **4.2.12 Analysis on extent to which transparency affects supply of drugs in the public sector**

**Table 4.12 Extent to transparency affects supply of drugs in the public sector**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Very great extent	16	42	42
Great extent	14	35	77
Moderate extent	6	16	93
Little extent	3	7	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.12 above indicate that 42% of the respondents agreed that the extent transparency affects supply of drugs in the public sector was to a very great extent, 35% great extent, 16% said it was to moderate extent, while 7% said it was to a little extent. Therefore majority of the respondents agreed that the extent transparency affects supply of drugs in the public sector was to a very great extent.

#### **4.2.13 Analysis on whether transparency affects supply of drugs in public sectors in Kenya**

**Table 4.13 Transparency affects supply of drugs in public sectors in Kenya**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Yes	33	85	85
No	6	15	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.13 and figure 4.13 above shows 85% of the respondents agreed that transparency affects supply of drugs in public sectors in Kenya, while 10% said it does not. Therefore, majority of the respondents agreed that transparency affects supply of drugs in public sectors in Kenya.

#### **4.2.14 Analysis on whether ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position**

**Table 4.14 Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	19	48	48
Agree	10	27	75
Moderately agree	5	14	89
Disagree	3	7	96
Strongly disagree	2	4	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.14 indicate 48% of the respondents strongly agreed ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position, 27% agree, 14% moderately agree, 7% disagreed, while 4% strongly disagreed. Majority of the respondents strongly agreed ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position.

**4.2.15 Analysis on whether regular reviews or audits of procurement processes were done to ensure probity is being considered and achieved**

**Table 4.15 Regular reviews or audits of procurement processes were done to ensure probity is being considered and achieved**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	22	56	56
Agree	9	24	80
Moderately agree	5	13	93
Disagree	2	5	98
Strongly disagree	1	2	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.15 and figure 4.15 indicate 56% of the respondents strongly agreed regular reviews or audits of procurement processes were done to ensure probity is being considered and achieved, 24% agreed, 13% moderately agreed, 5% disagreed, while 2%



strongly disagreed. Majority of the respondents strongly agreed regular reviews or audits of procurement processes were done to ensure probity is being considered and achieved.

#### **4.2.16 Analysis on whether separation of key internal functions contributed to professionalism, transparency and an efficient procurement system**

**Table 4.16 Separation of key internal functions contributed to professionalism, transparency and an efficient procurement system**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	25	63	63
Agree	9	24	87
Moderately agree	5	13	100
Disagree	-	-	-
Strongly disagree	-	-	-
<b>Total</b>	<b>39</b>	<b>100</b>	

**Source: Author (2014)**

Table 4.16 indicate 56% of the respondents strongly agreed that separation of key internal functions contributed to professionalism, transparency and an efficient procurement system, 24% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Majority of the respondents strongly agreed that separation of key internal functions contributed to professionalism, transparency and an efficient procurement system.

#### **4.2.17 Analysis on whether officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable**

**Table 4.17 Officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	25	63	63
Agree	9	24	87
Moderately agree	5	13	100
Disagree	-	-	-
Strongly disagree	-	-	-
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.17 indicate 56% of the respondents strongly agreed that officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable, 24% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Majority of the respondents strongly agreed that officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable.

#### **4.2.18 Analysis on whether tender bids evaluation take longer than expected due to allegations of corruption**

**Table 4.18 Tender bids evaluation take longer than expected due to allegations of corruption**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	19	48	48
Agree	11	29	77
Moderately agree	6	15	92
Disagree	2	5	97
Strongly disagree	1	3	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.18 indicate 48% of the respondents strongly agreed that tender bids evaluation take longer than expected due to allegations of corruption, 29% agreed, 15% moderately agreed, 5% disagreed, while 3% strongly disagreed. Therefore majority of the

respondents strongly agreed that tender bids evaluation take longer than expected due to allegations of corruption.

#### **4.2.19 Analysis on the extent to which budget allocation affects supply of drugs in the public sector**

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**Table 4.19 Extent to which budget allocation affects supply of drugs in the public sector**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Very great extent	23	58	58
Great extent	9	23	81
Moderate extent	5	13	94
Little extent	2	6	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.19 above indicate 58% of the respondents agreed that the extent budget allocation affects supply of drugs in the public sector was to a very great extent, 23% said it was to a great extent, 13% said it was to a moderate extent, while 6% said it was to a little extent. Therefore majority of the respondents agreed that the extent budget allocation affects supply of drugs in the public sector was to a very great extent.

#### **4.2.20 Analysis on whether budget allocation affects supply of drugs in public sectors in Kenya**

**Table 4.20 Budget allocation affects supply of drugs in public sectors**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Yes	30	77	77
No	9	23	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.20 above indicate 77% of the respondents agreed that budget allocation affects supply of drugs in public sectors, while 23% did not agree. Therefore majority of the respondents agreed that budget allocation affects supply of drugs in public sectors.

#### **4.2.21 Analysis on whether professional and job-related responsibilities were placed before personal gain and individual interest**

**Table 4.21 Analysis on whether professional and job-related responsibilities were placed before personal gain and individual interest**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	21	52	52
Agree	10	28	80
Moderately agree	5	13	93
Disagree	2	5	98
Strongly disagree	1	2	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.21 above indicate 52% of the respondents strongly agreed that professional and job-related responsibilities were placed before personal gain and individual interest, 28% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Therefore majority of the respondents strongly agreed that professional and job-related responsibilities were placed before personal gain and individual interest.

#### **4.2.22 Analysis on whether employees engaged in or unethical actions**

**Table 4.22 Analysis on whether employees engaged in or unethical actions**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	22	56	56
Agree	9	24	80
Moderately agree	5	13	93
Disagree	2	5	98
Strongly disagree	1	2	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.22 above indicate 56% of the respondents strongly agreed that employees engaged in or unethical actions, 24% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Therefore majority of the respondents strongly agreed that employees engaged in or unethical actions.

**4.2.23 Analysis on whether value for money was the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources**

**Table 4.23 Value for money was the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	14	36	36
Agree	20	51	87
Moderately agree	3	8	95
Disagree	2	5	100
Strongly disagree	-	-	-
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.23 above indicate 36% of the respondents strongly agreed that value for money was the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources, 51% agreed, 8% moderately agreed, while 5% disagreed.

Therefore majority of the respondents agreed that value for money was the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources.

#### **4.2.24 Analysis on whether officials involved in procurement must not make improper use of their position**

**Table 4.24 Officials involved in procurement must not make improper use of their position**

<b>Response</b>	<b>Frequency</b>	<b>Percentage %</b>	<b>Cum.%</b>
Strongly agree	19	49	49
Agree	14	36	85
Moderately agree	3	8	93
Disagree	2	5	98
Strongly disagree	1	2	100
<b>Total</b>	<b>39</b>	<b>100</b>	

Table 4.24 above indicate 49% of the respondents strongly agreed that officials involved in procurement must not make improper use of their position, 36% agreed, 8% moderately agreed, 5% disagreed, while 2% strongly disagreed. Therefore majority of the respondents strongly agreed that officials involved in procurement must not make improper use of their position.

#### **4.3 Summary of Data Analysis**

From the findings 90% of the respondents agreed that store management affects supply of drugs in Kenya, while 10% said it does not. Therefore, majority of the respondents agreed that store management affects supply of drugs in Kenya.

From the findings 77% of the respondents agreed that budget allocation affects supply of drugs in public sectors, while 23% did not agree. Therefore majority of the respondents agreed that budget allocation affects supply of drugs in public sectors.

From the findings 85% of the respondents agreed that transparency affects supply of drugs in public sectors in Kenya, while 10% said it does not. Therefore, majority of the respondents agreed that transparency affects supply of drugs in public sectors in Kenya.

From the findings 56% of the respondents strongly agreed that officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable, 24% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Majority of the respondents strongly agreed that officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter covers summary of findings from the analyzed data, the conclusions and the recommendations.

#### 5.2 Summary of Findings

##### 5.2.1 To what extent does procurement procedure affect the supply of drugs in public hospitals?

From the findings 42% of the respondents agreed that the extent procurement process affects supply of drugs in the public sector was to a very great extent, 35% great extent, 16% said it was to moderate extent, while 7% said it was to a little extent. Therefore majority of the respondents agreed that the extent procurement process affects supply of drugs in the public sector was to a very great extent.

##### 5.2.2 How does store management affect the supply of drugs in public hospitals?

From the findings 90% of the respondents agreed that store management affects supply of drugs in Kenya, while 10% said it does not. Therefore, majority of the respondents agreed that store management affects supply of drugs in Kenya.

##### 5.2.3 How does transparency affect the supply of drugs in public hospitals?

From the findings 56% of the respondents strongly agreed that officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable, 24% agreed, 13% moderately agreed, 5% disagreed, while 2% strongly disagreed. Majority of the respondents strongly agreed that officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable.



#### **5.2.4 To what extent does budget allocation affect the supply of drugs in public hospitals?**

From the findings 77% of the respondents agreed that budget allocation affects supply of drugs in public sectors, while 23% did not agree. Therefore majority of the respondents agreed that budget allocation affects supply of drugs in public sectors.

### **5.3 Conclusions**

The researcher concludes that effective procurement process ensures the availability of the right drugs in the right quantities, available at the right time, for the right patient and at reasonable prices, and at recognizable standards of quality. Store management is an important decision as it represents long-term commitment. An ideal store management should provide the optimum relationship among efficiency, floor area and manufacturing process. The organization should ensure they follow the laid down procedures since lack of transparency creates opportunities for corruption. Components of transparency, including the measurement of goals and results, the justification or explanation of those results to internal or external monitors, and punishment or sanctions for non-performance or corrupt behavior. Strategies to help increase transparency include information systems which measure how inputs are used to produce outputs; watchdog organizations, health boards or other civic organizations to demand explanation of results; performance incentives to reward good performance; and sanctions for poor performance. The researcher concludes resource planning and budgeting are fundamental ingredients of integrated planning. Plans are only as good as the financial and human resources that support them.

### **5.4 Recommendations**

#### **5.4.1 Procurement Procedure**

The researcher recommends that management should ensure that the procurement procedure upholds integrity by ensuring that there are no malpractices; informed decision making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met.

#### **5.4.2 Store Management**

The researcher recommends that the organization location of the store an ideal store management should provide the optimum relationship among efficiency, floor area and manufacturing process. It should be able to facilitate the production process, minimizes material handling, time and cost, and allows flexibility of operations, easy production flow, makes economic use of the building, promotes effective utilization of manpower, and provides for employee's convenience, safety, comfort at work, maximum exposure to natural light and ventilation.

#### **5.4.4 Transparency**

The researcher recommends that the government puts in place strategies to help increase transparency through information systems which measure how inputs are used to produce outputs and include watchdog organizations, health boards or other civic organizations to demand explanation of results; performance incentives to reward good performance; and sanctions for poor performance. Better health planning and reporting system should be used to improve management control and hold government agents accountable for their decisions. Ethical behavior supports openness and transparency in a procurement process and gives suppliers confidence to participate in the Government marketplace.

#### **5.4.4 Budget Allocation**

The researcher recommends that the organization should allocate enough money in public entities so that the organization can procure their goods without limiting efficiency in supply. Management ensuring adequate financing for the procurement of pharmaceuticals remains an important part of medicines procurement.

#### **5.5 Suggestions for Further Studies**

The researcher suggests further studies to be done on effects of technology on management of public entities in Kenya.

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## **APPENDIX**

### **APPENDIX 1: LETTER OF INTRODUCTION**

ADAN ABDIRAHMAN MOHAMED,  
P.O BOX 263-90400  
MANDERA

Dear Sir/Madam,

#### **RE: REQUEST TO PARTICIPATE IN ANSWERING A QUESTIONNAIRE**

I am a student undertaking Masters in project planning and management in the University of Nairobi .I am conducting a research on the factors affecting supply of drugs in public hospitals; case of Mandera district hospital, Mandera county Kenya, i therefore kindly request you to answer the questions in the attached questionnaire which will be used for analysis in the research. The information so obtained will be treated with uttermost confidence and will not be used for any other purpose other than research

Thanks in advance

Adan Abdirahman Mohamed

## APPENDIX 1I: QUESTIONNAIRE

This questionnaire consists of two parts; kindly answer all the questions by ticking in the appropriate box or filling in the spaces provided.

### SECTION A: GENERAL INFORMATION

1. Indicate your gender

Male

Female

2. Your age bracket (Tick whichever appropriate)

18 – 24 Years

25 - 30 Years

31 - 34 years

Over 35 years

3. What is your highest education level? (Tick as applicable)

Certificate

Diploma

Degree

4. Years of service/working period (Tick as applicable)

Less than 5 year

6-10 years

Over 10 years

5. Please indicate your designation

Head of department/unit/division

Assistant head

Human Resource Supervisor

Others (specify).....

## SECTION B

### Procurement Procedure

6. To what extent does procurement process affect supplies in the public sector?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

Not at all [ ]

7. What is your level of agreement with the following statements that relate to the effect of procurement process on of supplies in the public sector? Use a scale of 1-5 where 1= strongly agree and 5= strongly disagree.

Statements	1	2	3	4	5
Government officials and elected leaders have increasingly come to realize that public agencies must utilize Procurement procedure in order to enhance the effective supply in the public sector.					
Public authorities are expected to provide excellent service to their constituents in an effective and transparent manner					
Public authorities are implementing scalable communication infrastructures to promote economic development					

### Store Management

8. Does store management affect supply of drugs in Kenya?

Yes [ ]

No [ ]

9. To what extent does store management affect supply of drugs in the public sector in Kenya?

Very great extent [ ]



Great extent [ ]

Moderate extent [ ]

Little extent [ ]

Not at all [ ]

10. Explain other effects of store management on supply of drugs in public sector in Kenya?

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**TRANSPARENCY**

14. To what extent does transparency affect supplies of drugs in the public sector?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

Not at all [ ]

15. Does transparency affect supply of drugs in public sectors in Kenya?

Yes [ ]

No [ ]

<b>16. What is your level of agreement to the following statements that relate to transparency on supplies of drugs in public sector? Use a scale of 1</b>						5 where 1= strongly agree and 5= strongly disagree.
<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position.						
Regular reviews or audits of						

<p>procurement processes can be done to ensure probity is being considered and achieved</p>	
<p>Separation of key internal functions contributes to professionalism, transparency and an efficient procurement system.</p>	
<p>Officials conducting procurement need to be able to demonstrate that their decisions are fair and equitable, and made in accordance with the law, agency rules and guidelines, and conditions of contract.</p>	
<p>Tender bids evaluation take longer than expected because the Kenyan tender committee is investigated for allegations of corruption.</p>	

### **Budget allocation**

11. To what extent does budget allocation affect supplies of drugs in the public sector?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

Not at all [ ]

12. Does budget allocation affect supply of drugs in public sectors in Kenya?

Yes [ ]

No [ ]

13. To what extent do you agree with the following statements on budget allocation on supplies of drugs in Mandera Hospital? Use a scale of 1-5 where 1= strongly agree and 5= strongly disagree.

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Professional and job-related responsibilities are placed before personal gain and individual interest					
Employees may neither engage in, nor give the appearance of engaging in, dishonest or unethical actions					
Value for money is the core principle underpinning public procurement, incorporating ethical behavior and the ethical use of resources.					
Officials involved in procurement must not make improper use of their position					



