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Ethics and Governance in Supply Chain Management for Economic Development

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Supply chain management is experiencing lack of direction, poor coordination and unfair competition, transparency and accountability as well as fraud in the public sector, consequently lack of qualified supply chain management specialists to perform and carry out supply chains activities competently, at the right time and cost effectively has negatively affected the performance of supply chain in the public institutions. In addition to inflexible and bureaucratic delays, increased and exaggerated costs as well as irregular procurement activities in public institutions create a loophole to fraud public resources.

Most of the public supply chain activities suffer from overlooked, improper guidance, poor coordination, unfair competition and transparency, accounting officers forcing the procurement specialists to undertake activities that are noncompliant due to conflict of interests.

Supply chain vulnerability, supplier nonconformity and inconsistency in supplier production quality can seriously affect country's revenue. Increased production cost, threaten country's image and reputation on investors and donors hence affecting country's economic development. Inhibitors of good supply chain governance from the other functions of public institutions include inadequate knowledge, poor communication, lack of good working relationships, conflict of goals and lack of directions from the senior management.

The government should therefore embrace good supply chain governance which improves operational supply chain performance hence good service delivery to citizens at minimal cost and promptly. An effective supply chain management ensures right goods and services are available in the right quantities, at the right time, at the right place and at the reasonable prices and in the right quality. Good supply chain governance go along with cost reduction, profit maximization, reasonable lead times and lean supply chain for supplies, quality improvements and competitive advantage in the organization.

Ethics of good supply chain management practices include transparency and accountability, where the competitive supply, demands that procurement be carried out in fair competition by use of correct procurement methods at the right time, proper record management in supply chain which helps in increasing accessibility of suppliers' information transparency and accountability as well as managing supply chain risks, Supply chain planning, procurement disposal procedures, procurement record management, procurement code of ethics and market price index are the amongst others will help the government to establish sound public procurement policies

and practices among the essential elements of good governance in supply chain management for economic development.

In addition, public officials should always observe a code of ethics fairly in whatever they do. Ethical behavior promotes transparency and accountability in a procurement process and gives suppliers, investors and well-wishers confidence to engage in the supply chain in the public sector hence reducing the cost of managing risks such as fraud, theft, corruption and other improper behavior. This enhances confidence in public administration

Therefore, the government should enhance effectiveness in service delivery through good supply chain governance because with effective supply chain governance programs in place, it can follow every activity in the procurement process and detect any malpractice early enough and proactively work to avoid further damage.