

**THE EFFECTS OF E-PROCUREMENT ON THE EFFICIENCY OF THE
PROCUREMENT PROCESS**

A CASE STUDY OF AGA KHAN HOSPITAL

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ABSTRACT

The study sought to establish the effects of e-procurement on the efficiency of procurement processes, a case of Aga Khan Hospital. The study sought to achieve the following objectives: to establish the effect of accountability on efficiency of procurement processes, to examine the effect of internal processes on efficiency of procurement processes, to determine the effect of removal of bureaucracy on efficiency of procurement processes and to find out the effect of innovation on efficiency of procurement processes. The target population comprised 34 employees from both the accounting and the procurement departments of the hospital. The study adopted a descriptive research design. The sample size was 50% of the target population. Stratified sampling was used to select the population from which a sample was drawn. The study used both quantitative and qualitative techniques to analyze data from the questionnaire. Quantitative and qualitative data was analyzed using descriptive statistics and later summarized and represented in frequencies, tables and percentages using Statistical Package for Social Sciences (SPSS).

the study revealed that E-Procurement enhances accountability through elimination of corruption, errors and hence ensuring efficiency of procurement systems. The study also revealed that a unit increase in accountability would enhance efficiency of procurement process, E- Procurement ensures that there is technology to monitor and ensure that internal processes are in place and they are function, the study also established that a unit increase in internal processes would enhance efficiency of procurement process by factors of 0.436, E-Procurement system enhances coordination of procurement process and hence reduces bureaucracy which enhances efficiency of organisations; E- Procurement system eliminates overlapping or conflicting jobs or duties, E- Procurement system eliminates overlapping or conflicting jobs or duties and behavior of the system which is predicable, The research revealed that Innovation is crucial in the procurement process through definition of the contents of the procured item and its goals and that Utilizing ICT enhance innovation process thus enhancing the procurement processes in the public sector,

The study concludes that adoption of E-procurement enhanced innovation process, it also enhanced accountability which increased the efficiency of procurement process in the organization, adoption of E- procurement enhanced a internal processes which increased the efficiency of procurement process in the organization and that adoption of E- procurement decreased the level of bureaucracy in the organisation which enhanced the efficiency of procurement process.

The study recommends that both the private organisations and Parastatals should consider adoption of ICT in their business process, as this was found to enhance accountability levels, removal of bureaucracy, enhancement of process innovation and efficiency. It is very important that the procurement function in the institution is discharged with probity, transparency and accountability in a manner that secures best value for the organisation. Purchasing professionals should take the time to understand the fundamentals of ethical behavior when selecting and managing suppliers as well being aware their own personal responsibilities and demonstrate integrity at all times, and that the top management should ensure consistency and timely allocation of procurement funds to the procurement department