The Influence of E-Procurement on Ethical Conduct Improvement in Mzinga Corporation, Tanzania

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ABSTRACT
The advancement of science and technology has caused a revolution in procurement processes among public organisations worldwide. The purpose of the study was to examine the influence of e-procurement on ethical conduct improvement in Mzinga Corporation. The case study design was employed to collect qualitative data from the departments of procurement, stores, ICT, and Human Resource Management in Mzinga Corporation. A total of 45 participants were involved in interviews and Focus Group Discussions. Data analysis involved thematic analysis. The findings of the study showed that the use of e-procurement has an influence on employee ethical conduct. E-procurement, unethical conduct such as reduced collusion and corruption, having a single platform for all procurement activities and all specifications are open in the procurement system. All these reduced unethical conduct related to corruption and theft. Furthermore, it was found by the study that the use of e-procurement had reduced conflicts through strengthening relationships, observing equality and equity for bidders/suppliers, and reducing bureaucratic complexities. It was concluded that e-procurement is an important tool and a platform that links the pool of suppliers with public organisations. Mzinga Corporation has ethical standards to guide the employees to act ethically and one of the benefits of e-procurement is that it can control the behaviour of the employees in the public service. It is recommended that the procurement system should be open and accessible to all employees so as to strengthen participation and inclusion for the best of the institution in managing the resources.

APA CITATION

CHICAGO CITATION

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INTRODUCTION
Public procurement is one of the many functions of the government that present good potential for assisting the government in attaining its numerous goals (Komakech, 2016). Worldwide, good procurement is considered to be devoid of corruption and based on well-known procurement practices that promote efficiency and effectiveness which is the vehicle for better service delivery (Dlakusen et al., 2018). The government uses at least 70% of its budget to provide timely, efficient, and effective public goods and services such as health, education, defence and infrastructure so as to return services to the taxpayers from whom a large portion of the funds is collected (Bashka & Kabatereine, 2013; Afolabi et al., 2020). This is due to the reason that the well-spent public funds will benefit the majority of the citizens through good services (Komakech, 2016). The final cause for the government to have good procurement practices is to deliver effective and efficient services to the citizens. In this regard, the services become accessible, available, and affordable to citizens.

Ethics in both the public and private sectors is a component of good governance (Perry, 2014). The question of ethical misconduct has been mentioned by different studies to be rampant and negatively affect the growth of companies. For instance, in 2018, about 30% of employees in the U.S. personally observed misconduct by their supervisors at work in the past 12 months (Carraquillo & Taniushka, 2018). The misconducts included manipulating numbers in a report or spending company money on inappropriate activities, bullying, accepting inappropriate gifts from suppliers, or customers/suppliers asking the employee to skip a standard procedure just once (Chen et al., 2018; Richards, 2019). It was noted by Richards (2019) that most of these ethical breaches often occur unreported or unaddressed and when totalled, can command a heavy cost. Some statistics by Ethics and Compliance Initiative (2018) showed that in the U.S. and globally, the most common types of observed misconduct included favouritism, management lying to employees, and conflicts of interest. Additionally, 79% of U.S. employees and 61% of global employees reported experiencing retaliation (Carraquillo & Taniushka, 2018). The implication here is here is that ethical misconducts and breaching are global problems that require special attention from the stakeholders and policymakers in human resource management.

The rapid changing operational activities due to the advancement of science and technology in the globalised world have exerted much pressure on organisations both in the public and private sectors to adopt technology in procurement activities (Eadie et al., 2011). Currently, electronic procurement (e-procurement) has become a must for organisations that intend to attain efficiency and effectiveness. In the digitalised world, organisations are enjoying the use of digital tools such as smartphones, laptops, and so on to perform their procurement activities such as sourcing new qualified suppliers and the management of catalogue purchases of goods and services (Belisari et al., 2020). It is argued by some scholars that e-procurement has a far-reaching
impact not only on organisations but on other stakeholders such as suppliers, customers, clients etc. (Dlakusen et al. 2018). Basically, e-procurement impacts the overall organisational value chain, being directly related to firm performance, efficiency, and effectiveness. It is moreover considered to impact business processes transformation through the facilitation and automation of the overall procurement process of goods and services by simplifying and shortening procurement activities; reducing red tape and administrative burdens, and increasing transparency by making the organisation more sustainable-oriented (Eadie et al., 2011; Afolabi et al., 2020).

In Tanzania, e-procurement was recently adopted in the public sector through the Procurement Act of 2011. The key reason for this adoption was to have in place new technology to serve the public sector for the efficient and effective delivery of good services to the public (Suleiman & Karim, 2015). Some studies such as Issa and Ntimbwa (2020) and Shatta et al. (2020a) have revealed that in Tanzania’s public sector, e-procurement has more preference over traditional procurement as it brings transformations and improves performance. The sad story is that the public sector has been ineffective due to ethical misconduct among the public servants leading to a loss of at least twenty% of the budget expenditure in the procurement process (Maagi, 2020). Changalima et al. (2020) analysing the report of the Controller and Auditor General (CAG) 2018 revealed a mismatch between annual procurement plans and actual expenditure hence resulting in unnecessarily high costs in the procurement process. Despite government efforts to fight against unethical conduct that involved the adopted public service code of ethics as a behaviour guiding tool for public servants against maladministration practices, ethical misconduct such as corruption have been reported to persist (Nkyabonaki, 2019). The influence of e-procurement in the improvement of employee ethical conduct has rarely been researched and documented. This study, therefore, was motivated to study and document the influence of e-procurement on improving ethical conduct such as observing good governance principles by avoiding corruption, being accountable, being responsive etc., for civil servants in Tanzania, more particularly in Mzinga Corporation.

For a long time, employee ethical misconduct in Tanzania’s public sector has been a national tragedy. Some studies such as Suleiman (2015); Shatta et al. (2020a); Shatta et al. (2020b); Salum and Ntimbwa (2020); Dello and Yoshida (2017) have addressed the effectiveness of e-procurement in the public sector particularly such as determinants of e-procurement; suppliers’ attitude towards e-procurement; and adoption of e-procurement. However, these studies have been too general and fell short of addressing the influence of e-procurement on ethical conduct among public employees. The study objective was to examine the influence of e-procurement on ethical conduct improvement in Mzinga Corporation.

METHODOLOGY

This study was undertaken in Mzinga Corporation in Morogoro Municipality, more particularly in the departments of procurement, stores, ICT, and Human resources. Mzinga Corporation was selected to host the study because it is one of the public institutions that have adopted the use of technology in procurement activities. Despite this technological adoption, Mbelenge (2020) found some problems in e-procurement implementation in the corporation as some procurement made in the year 2018/2019 was not included in the APP, flaws in detailed specifications from users resulted in noncompliance delivery and expansion beyond the estimated budget in construction project contracts and fraud in the use of public funds. This study therefore, sought to dig deep down to investigate how e-procurement is practised and how it helps the organisation to improve the ethical conduct of the employees.
This study used a case study design to collect qualitative data from 45 participants selected from the departments of procurement, stores, ICT and Human Resource by using interviews and Focus Group Discussions. The study used an interpretative analysis in analysing data, meaning that it must test the assumptions about the word, but the assumptions were reproduced. The researcher interpreted the respondent’s views and the analysed data were matched with literature and empirical findings from other studies for detailed discussion.

**FINDINGS OF THE STUDY**

The interest of the study was to investigate how e-procurement practices in Mzinga Corporation influenced employee ethical conduct. In this section, the study sought to answer the question, “What is the influence of e-procurement on ethical conduct in Mzinga Corporation?” To obtain appropriate data, the study employed interviews and Focus Group Discussions with the officials of Mzinga in the departments of procurement, ICT, and Human Resource Management. The influence of e-procurement on the ethical conduct of the employees is analysed and discussed hereunder:

**Prevented Ethical Breaching**

The interest of the study was to investigate how e-procurement prevented ethical breaching among the officials in the departments of ICT and procurement. The officials were asked to tell how the e-procurement process prevented ethical breaching. The data collected were thematically coded as follows; Reduced Collusion and Corruption (RCC); Single Platform for all Procurement Activities (SPPA); All specifications are open in the procurement system (SOPS)

**Table 1: Verbatim quotes of respondents on ethical breaching**

<table>
<thead>
<tr>
<th>Verbatim quotes of respondents</th>
<th>Theme</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>E-procurement prevents unethical behaviour of collusion and corruption among the officials. This is because the process is done online. Physical contact between the officials and the supplier is not entertained. For example, in tendering phase, all tendering documents are written by all members through online evaluation of the bid up to contract award is monitored by all members</em></td>
<td>Reduced Collusion and Corruption</td>
<td>RCC</td>
</tr>
<tr>
<td><em>E-procurement enhances the transparency of the procurement process. In this sense, it provides a single platform for all procurement activities. This means that any ethical breaching can easily be identified and stopped before causing major harm to the organisation</em></td>
<td>Single Platform for all Procurement Activities</td>
<td>SPPA</td>
</tr>
<tr>
<td><em>Procurement officers cannot easily hide confidential information from others as all of the technical specifications are posted in a procurement portal/system and the officer cannot add extra specifications for private benefits</em></td>
<td>All specifications are open in the procurement system</td>
<td>SOPS</td>
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</table>

**Reduced Collusion and Corruption**

It was found by the study that with e-procurement, Mzinga Corporation was able to reduce ethical vices of collusion and corruption to improve the behaviour of the employees. During the interviews with the human resources officials of Mzinga corporation, one of the interviewees had this to say:

_E-procurement prevents unethical behaviour of collusion and corruption among the officials. This is because the process is done online._
Physical contact between the officials and the supplier is not entertained. For example, in tendering phase, all tendering documents are written by all members through online evaluation of the bid up to contract award is monitored by all members.

The researcher noted some changes brought by e-procurement. The current situation has been different for e-procurement has enhanced transparency as what is done in Morogoro is open to the head office in Dar es Salaam. It has also done away with the physical contracts between the suppliers and the official. Before the introduction of e-procurement, the corporation used paperwork with a number of errors that could be misplaced, leaving corruption unnoticed. There were physical meetings between the employees and the suppliers and bargaining could be possible. A number of corruption cases were rampant. However, after the introduction of e-procurement, fraud and corruption are noticed before they are undertaken. For example, there were two cases whereby corruption was planned, but before it happened, it was caught up.

These findings are comparable to those of Neupane et al. (2014) that found that e-procurement enhances transparency in procurement practice by addressing two concerns with manual procurement practices: collusion among bidders; and corruption. E-procurement reduces collusion among bidders by providing information about tenders to a wide range of interested firms, allowing more firms to participate, and breaking up local bidding cartels. E-procurement also mitigates corruption by reducing the degree to which government officials withhold information from non-favoured bidders. By ensuring public access to all procurement data, e-procurement also enhances transparency and the possibility of public oversight.

The implication of the findings is that with e-procurement, the unethical behaviour of corruption and collusion can be reduced as the whole process is open and transparent. The e-procurement process is done online with the involvement of the members and it is transparent that all actions are open to all members. In this regard, e-procurement becomes the central instrument to assist the efficient management of public resources from the abuse of unethical employees. It is the process that supports the work and service of the government and covers all acquisitions from simple to complex acquisitions.

**Single Platform for all Procurement Activities**

It was found by the study that with e-procurement processes, there was a single platform for all public procurement activities. It was revealed that e-procurement had replaced the traditional procurement that embraced multiplicity platforms and each platform standing on its own. In traditional procurement, the bidders were not connected. Each bidder applied individually and physically; they visited the office and submitted their papers. With e-procurement, there is a platform where the bidders can meet with their organisation together. Before e-procurement, it was difficult to follow up on the whole process. However, e-procurement was important for public procurement activities as it was easy for supervision and audit. During the interviews with the ICT head of department, it was said:

*E-procurement enhances the transparency of the procurement process. In this sense, it provides a single platform for all procurement activities. This means that any ethical breaching can easily be identified and stopped before causing major harm to the organisation.*

It was noted by the researcher that before the introduction of e-procurement, each supplier applied individually alone with several physical contacts with the employers. Since the introduction of e-procurement, everything has been done online with no paperwork, with no contract and more importantly, open and transparent. This is a great
improvement as the participants fear technology breaking the procurement rules. With e-procurement, nothing is hidden as far as the procurement process is concerned.

These findings are in line with those of Otieno and Iravo (2014) that found that in Kenya, e-procurement was a single platform that made it easy to monitor and provide supervision for better performance. That is, e-procurement has become an important instrument for monitoring the performance of procurement activities from any place and at any time. With e-procurement, time is efficiently managed since the official documents are electronically generated, while at the same time, storage and retrieval of information are easier and faster.

The implication of these findings is that with e-procurement, ethical breaching can easily be detected with the assistance of technology without delay. The findings suggest that the public procurement offices are centralised as they can be monitored by the supervisors who are physically far avoiding physical contact with the suppliers for planning evils.

Reduced Conflicts

The interest of the study was to investigate how e-procurement prevented ethical breaching among the officials in the departments of ICT and procurement. The officials were asked to tell how the e-procurement process reduced conflicts among the employees and between the employees with their supervisors. The data collected were thematically coded as follows; Strengthened Relationships with Supervisors (SRS), Equality to all Bidders (EAB), and Reduced Bureaucracy (RB).

Table 2: Verbatim quotes of respondents on reduction of conflicts

<table>
<thead>
<tr>
<th>Verbatim quotes</th>
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<th>Code</th>
</tr>
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<tbody>
<tr>
<td>E-procurement has improved the relationship between employees and their supervisors. Since e-procurement is open and transparent to all parties, it has reduced the baseless doubts some supervisors can have about their subordinates. In this way, e-procurement has reduced conflict and strengthened good and strong relationship</td>
<td>Strengthened Relationship with Supervisors</td>
<td>SRS</td>
</tr>
<tr>
<td>E-procurement enhances equality among bidders. With e-procurement, the tenders are open to all registered bidders/suppliers and the tender is given to the supplier in accordance with merit without favouritism and openly. The whole process is open satisfactorily.</td>
<td>Equality to All Bidders</td>
<td>EAB</td>
</tr>
<tr>
<td>E-procurement has reduced the bureaucratic process that used to take a long time to be completed. It is a process that is fast, secure, and reliable. It does not involve paperwork and no need to regular visit the office physically.</td>
<td>Reduced Bureaucratic Complexities</td>
<td>RBC</td>
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Strengthened Relationship with Superiors (SRS)

It was found by the study that due to the use of e-procurement, there was an improved relationship between the employees and their supervisors. This was a big step made to reduce conflicts in the working place and strengthen communication between the supervisors and their subordinates. This means that managers were able to communicate work-related information to their lower-level subordinates via the e-procurement system channels.

The strengthened relationship between the supervisors and their subordinates was witnessed in the way they supported each other to plan and try...
their best to attain the planned goals. The researcher found that what brought them work together was the implementation of OPRAS. E-procurement and improved ethical conduct were the issues that were planned to be met. Through the implementation of e-procurement, the supervisors and the subordinates worked together to attain their objectives and the objectives of the organisation.

It was found that each employee had to set goals in collaboration with the supervisors. The employees were to set challenging but attainable goals. The researched departments of human resource management, stares, procurement, and ICT were members who had to set goals. Among the goals set included the improvement of e-procurement. It is through this that the communication between the supervisor and the subordinates was implemented.

During the interviews with the officials from the department of the human resource management of Mzinga Corporation, one had this to say:

*E-procurement has improved the relationship and effective flow of communication between the employees and their supervisors. Since e-procurement is open and transparent to all parties, it has reduced the baseless doubts some supervisors can have about their subordinates. In this way, e-procurement has reduced conflict and strengthened good and strong relationship*

The importance of good relationships and effective communication in the development of organisations cannot be overstated. The organisation can share information, solve problems, and collaborate to achieve the planned goals in a timely, direct, and efficient manner with effective relationships and communication. Setting a plan and putting in efforts to attain the planned goals was due to the strengthened relationship between the supervisors and the subordinates. It was found that it was this relationship that had brought changes to the organisation. The changes included the welcome of electronic procurement in replacement of paperwork which was used before. The use of electronic procurement in replacement of paperwork reduced efficiency as some papers would be lost sometimes, and some would be misplaced. The lost or misplaced papers caused misunderstandings between the supervisors and the subordinates. With the advent of electronic procurement, they no longer depend on paper that can be easily destroyed or lost, but all of the information is uploaded and stays safe and can be retrieved at any time and place.

These findings are in line with those of Bergman (2020) that revealed that members of an organisation could work as a team to coordinate tasks, collaborate, and resolve conflicts when there is an effective flow of communication. Communication occurs formally in meetings, presentations, and formal electronic communication in modern organisations, especially public organisations, and informally in other, more casual exchanges within the office.

The availability of communication channels is critical because it influences employee satisfaction and, as a result, retention. An open-door policy, for example, communicates to employees that the manager welcomes impromptu conversations and other forms of communication. Employees are more likely to feel satisfied with their level of access to upward communication channels and less hesitant to communicate with their superiors as a result of this.

The findings suggest that the employees that are subordinates and supervisors had good relationships to the extent that they were able to share information in a friendly way so that the goals that are set are attainable despite the fact that they can be challenging. The two parties are expected to act in a way that is ethical to plan together, implement together, and assess together with full and active participation as far as e-procurement is concerned. It is obvious that ethical aspects require the employees to be transparent to both subordinates and supervisors; nothing is assumed or done in darkness. With this, unethical doings can be avoided.
and the employees can work ethically as everything is done openly with good intentions. Without good relationships in working place, ethical standards, norms, values, rules, and regulations cannot be effective and successful. The findings contradict the findings by Anaclet (2015) that found that relationship in public, especially between the employees and their heads of school was not good leading to poor performance and employee truancy. The implication here is that the organisation that does not observe good relationship among the employees, especially between the employees with their supervisors, are likely to lose their talented employees for turnover and attrition.

Equality to All Bidders (EAB)

It was found by the study that e-procurement was a tool that enhanced equality for the registered suppliers/bidders. The transparency and openness provided equal opportunities to the registered bidders to apply for tender without discrimination as the process was open and transparent.

The study found that because e-procurement was open/transparency to all registered bidders, it was accessed to call them at a time. The whole bidding process was open and accessible to all bidders without segregating some of them. Transparency is one of the characteristics of good governance. As far as e-procurement is concerned, e-procurement has brought some elements of good governance to Mzinga Corporation. Before the advent of e-procurement, things were different. The process was not transparent as it is today because procurement used the traditional method of paperwork and physical contact between the bidders and the employees. The traditional method lacked efficiency and it was difficult to treat the bidders equally. The distance also caused difficulties in treating the bidders with equality. The bidders who were around the organisation were likely to be treated better than those who were far. Electronic procurement has done away with the physical distances as the bidders can access the process from any point of the world and they can apply from there. During the interviews with the officials from the department of stores, the heard of stores department had this to say:

E-procurement enhances equality among bidders. With e-procurement, the tenders are open to all registered bidders/suppliers and the tender is given to the supplier in accordance with merit without favouritism and openly. The whole process is open satisfactorily.

The findings suggest that with e-procurement, Mzinga Corporation was able to increase supplier diversity. This is very important for Mzinga to widen the pool of bidders and result in more creative and cost-effective proposals. In this way, Mzinga Corporation is able to meet with potential new contractors and identify barriers to entry for smaller businesses by finding out why they do not respond to advertisements or invitations to tender. It also enables Mzinga to improve the e-tendering systems, supplier portals and accreditation systems to simplify the tender process, reduce the bureaucratic burden for all suppliers, make it easier to tender for all suppliers, and so improve smaller organisations’ ability to bid.

Reduced Bureaucratic Complications (RBC)

It was found by the study that the use of e-procurement had reduced bureaucracy in the procurement process. It was found that before the advent of e-procurement, the bidders had to follow all of the procedures of visiting the Mzinga offices and meeting the officers physically. This was not good as it was likely to cause corruption and favouritism. It was also likely to delay the process as one had to present the papers to be signed by a number of officers. However, the advent of e-procurement has caused less bureaucracy as the bidders are not obliged to physically visit the offices. They can access the tender online and apply online without meeting the officers physically.
It was revealed in the study that bureaucracy that was caused by the use of papers and travel of the bidders from one place to another searching for the signing of the officials of Mzinga caused wastage of resources such as money and time. After the introduction of e-procurement, there is an economic use of resources as no longer travelling, no longer much time to wait as the tender is accessed online and it is filled and sent online. With e-procurement, one can finish the application in a few hours, unlike what happened before e-procurement, where several more than six months passed before the application was completed.

During the interviews with the head of department ICT, it was revealed that the e-procurement process was entirely done online without paying physical visits to the offices and signing papers. With e-procurement, the process was to be uninitiated and completed online. The head of the ICT department said:

*E-procurement has reduced the bureaucratic process that used to take a long time to be completed before the adoption of e-procurement. With e-procurement, the process is fast, secure, and reliable. It does not involve paperwork and no need to regular visit the office physically.*

The reduction of bureaucratic procedures in procurement activities is advantageous for the administration of the Mzinga Corporation. One of the known advantages of the reduced bureaucracy in procurement is that e-procurement systems are increased efficiency by automating processes, which enhance inclusion and participation of all beyond traditional contracting parties and reduce corruption. The implication of the findings is that the adoption of e-procurement in Tanzania has reduced the wastage of government resources as bureaucracy is shortened.

With open and transparent procurement, authorities have the capacity to disclose procurement plans and evaluate outputs, signed contracts, milestones as well as payment schemes in any procurement project. Adequate transparency in the tendering process not only strengthens the capacities of authorities to follow up various procurement stages but also has beneficiaries and broader members of the public assist in monitoring projects across the country with lessened bureaucracy, which makes it a long process.

**CONCLUSION**

Based on the findings, a number of conclusions can be drawn. Firstly, it can be concluded that e-procurement is an important tool and a platform that links the pool of suppliers with public organisations. This tool is there for the transformation and sustainability of the management of government resources for the best of the country. Secondly, it is concluded that Mzinga Corporation has ethical standards as the principles to guide employees to act ethically. That is, in order to make people act ethically, there must be guiding principles as the measure or benchmarks for acts. Thirdly, it is concluded that one of the benefits of e-procurement is that it controls the behaviour of the employees in public service. Since it is open and transparent, e-procurement if effectively used, can bring about good governance in terms of accountability, inclusion, and responsibility.

**Recommendations**

Based on the study findings and conclusions, the following can be recommended:

- It was found that only registered employees can participate in the procurement process. It is recommended to Mzinga Corporation that the procurement system should be open and accessible to all employees so as to strengthen participation and inclusion for the best of the institution in managing the resources.

- It was found that e-procurement was the platform for information sharing between government officials and businesses about the...
procurement process. It is recommended to the government to strengthen infrastructure in all parts of the country so that it can be inclusive and give room for the participation of all citizens even those in rural areas.

- The findings revealed that e-procurement is one of the important factors for improving employee ethical behaviour. It is, therefore, recommended to the government of Tanzania to employ the same strategy in all public organisations in order to improve the ethical behaviours and undertakings of the employees in order to serve the nation diligently and ethically.

- It was revealed that a working environment with a formal and written code of conduct could be a motivating factor for the public servant to act ethically. It is recommended that the government and other stakeholders should improve the working environment in public organisations so as to attract the employees to positive and ethical behaviours and avoid unethical and vice behaviours.

- It was found by this study that good and positive relationships among the employees and between the employees and the management as the cradle for ethical behaviour in the organisation. It is recommended to the managers and directors of the public organisations in Tanzania to ensure that there is a good and positive relationship among the employees and between the employees and with the management of the organisations so as to ensure ethics and integrity at work.

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