

Effects of supplier selection and supplier monitoring on public procurement efficiency in Tanzania: a cost-reduction perspective

Ismail Abdi Changalima and Ismail Juma Ismail
*Department of Business Administration and Management,
The University of Dodoma, Dodoma City, United Republic of Tanzania, and*

Alban Dismas Mchopa
*Department of Procurement and Supply Chain Management,
Moshi Co-operative University, Moshi, United Republic of Tanzania*

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Abstract

Purpose – This study aims to examine the role of supplier selection and supplier monitoring in public procurement efficiency in terms of cost reduction in Tanzania.

Design/methodology/approach – A structured questionnaire was used to collect cross-sectional survey data from 179 public procuring entities in Tanzania. Structural equation modelling (SEM) was used to analyse the collected data.

Findings – The findings revealed that supplier selection and supplier monitoring are positive and significant predictors of public procurement efficiency in terms of cost reduction.

Research limitations/implications – This study was conducted in Tanzanian public procurement contexts, so generalisations should be made with caution. Also, this study collected cross-sectional data; other studies may consider longitudinal data.

Practical implications – This study provides procurement practitioners with insights into selecting the proper suppliers and embracing supplier monitoring to achieve procurement efficiency in terms of cost reduction.

Originality/value – This study examines the effects of supplier selection and supplier monitoring on procurement cost reduction as a measure of public procurement efficiency in the Tanzanian context. Consequently, it provides empirical evidence of supplier management practices in the public procurement context.

Keywords Supplier selection, Supplier monitoring, Procurement efficiency, Public procurement, Cost reduction, Tanzania

Paper type Research paper

Introduction

Public procurement is the function that the government conducts through its public organisations by acquiring items necessary to enhance public organisations' operations

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