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EFFECTS OF NEGOTIATION PRACTICES ON PUBLIC PROCUREMENT PERFORMANCE IN TANZANIA: A CASE OF NATIONAL HEALTH INSURANCE FUND (NHIF)-HEAD OFFICE, DODOMA REGION

This study evaluated the effect of effective negotiation practices on performance of public sector procurement. This study was carried out at the National Health Insurance Fund (NHIF). The results demonstrated that a negotiating plan is crucial for successful negotiations in improving public procurement performance, with a p-value of 0.000 ($p < 0.005$). With a p-value of 0.000 ($p < 0.005$), the findings show a substantial and positive association between negotiating skills and successful negotiation for improving public procurement performance. The results showed that negotiation ethics lead to effective procurement negotiation, thereby improving in public procurement performance, with a p-value = 0.000 ($p < 0.005$). The results indicated that negotiation plan, negotiation skills, and negotiation ethics have a major contribution to make as practices of effective negotiation lead to improvements in public procurement performance. The majority of respondents agreed that if there is a proper negotiation plan, a skilled negotiation team, and compliance with negotiation ethics, effective negotiation in procurement increases and hence improving public procurement performance operations. The study concluded that negotiation plan, negotiation skills, and negotiation ethics have a significant influence on the public procurement undertakings, with a significant value of 0.000 ($P < 0.05$). The study recommended that organizations should ensure there is a proper negotiation plan within the organization, employ skilled staff, and enhance compliance with negotiation ethics during negotiation in order to improve public procurement performance.

Key words: Negotiation Practices, Public Procurement Performance, Tanzania.

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Танзаниядағы келіссөздер жүргізу тәжірибесінің мемлекеттік сатып алу тиімділігіне әсері: Ұлттық медициналық сақтандыру қорының мысалы (ҰМСҚ) – бас кеңсе, Додома аймағы

Бұл зерттеу тиімді келіссөздер әдістерінің мемлекеттік сектордағы сатып алу тиімділігіне әсерін бағалады. Бұл зерттеуді Ұлттық медициналық сақтандыру қоры (ҰМСҚ) жүргізді. Нәтижелер келіссөздер жүргізу жоспары р-мәні 0.000 ($p < 0.005$) болатын мемлекеттік сатып алулардың тиімділігін арттыру бойынша табысты келіссөздер үшін өте маңызды екенін көрсетті. Р мәні 0.000 ($p < 0.005$) кезінде алынған нәтижелер мемлекеттік сатып алудың тиімділігін арттыру үшін келіссөздер жүргізу дағдылары мен табысты келіссөздер арасындағы елеулі және оң байланысты көрсетеді. Нәтижелер келіссөздер этикасы тиімді сатып алу келіссөздеріне әкелетінін көрсетті, осылайша р мәні = 0.000 ($p < 0.005$) болатын мемлекеттік сатып алу тиімділігін жақсартады. Нәтижелер келіссөздер жоспары, келіссөздер жүргізу дағдылары және келіссөздер этикасы маңызды үлес қосатынын көрсетті, өйткені тиімді келіссөздер тәжірибесі мемлекеттік сатып алу көрсеткіштерінің жақсаруына әкеледі. Респонденттердің көпшілігі тиісті келіссөздер жоспары, білікті келіссөз жүргізушілер тобы және келіссөздер этикасын сақтай отырып, сатып алу саласындағы келіссөздердің тиімділігі артады, демек, мемлекеттік сатып алу саласындағы қызмет көрсеткіштері жақсарады деп келісті. Зерттеу келіссөздер жоспары, келіссөздер жүргізу дағдылары және келіссөздер этикасы Мемлекеттік сатып алу кәсіпорындарына айтарлықтай әсер етеді деген қорытындыға келді, олардың мәні 0.000 ($P < 0.05$). Зерттеу ұйымдарға ұйым ішінде тиісті келіссөздер жоспарының болуын қамтамасыз етуді, білікті қызметкерлерді жалдауды

және мемлекеттік сатып алудың тиімділігін арттыру мақсатында келіссөздер кезінде келіссөздер этикасын сақтауды күшейтуді ұсынды.

Түйін сөздер: Келіссөздер жүргізу тәжірибесі, Мемлекеттік сатып алудың тиімділігі, Танзания.

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Влияние практики ведения переговоров на эффективность государственных закупок в Танзании: пример Национального фонда медицинского страхования (НФМС) – головной офис, регион Додома

В этом исследовании оценивалось влияние эффективных методов ведения переговоров на эффективность закупок в государственном секторе. Это исследование было проведено Национальным фондом медицинского страхования (НФМС). Результаты показали, что план ведения переговоров имеет решающее значение для успешных переговоров по повышению эффективности государственных закупок, с p -значением 0.000 ($p < 0.005$). При p -значении 0.000 ($p < 0.005$) полученные результаты свидетельствуют о существенной и положительной связи между навыками ведения переговоров и успешными переговорами для повышения эффективности государственных закупок. Результаты показали, что этика ведения переговоров приводит к эффективным переговорам о закупках, тем самым улучшая эффективность государственных закупок, с p -значением = 0.000 ($p < 0.005$). Результаты показали, что план ведения переговоров, навыки ведения переговоров и этика ведения переговоров вносят важный вклад, поскольку практика эффективных переговоров приводит к улучшению показателей государственных закупок. Большинство респондентов согласились с тем, что при наличии надлежащего плана переговоров, квалифицированной команды переговорщиков и соблюдении этики ведения переговоров эффективность переговоров в сфере закупок повышается и, следовательно, улучшаются показатели деятельности в сфере государственных закупок. В исследовании был сделан вывод о том, что план ведения переговоров, навыки ведения переговоров и этика ведения переговоров оказывают значительное влияние на предприятия по государственным закупкам со значительным значением 0.000 ($P < 0.05$). В исследовании рекомендовалось, чтобы организации обеспечивали наличие надлежащего плана ведения переговоров внутри организации, нанимали квалифицированный персонал и усиливали соблюдение этики ведения переговоров во время переговоров с целью повышения эффективности государственных закупок.

Ключевые слова: практика ведения переговоров, эффективность государственных закупок, Танзания.

Introduction

Worldwide negotiation has played a significant role in accomplishing the most value for money during public procurement through improved quality, reduced unnecessary delays, and reduced procurement costs. Although the nature and magnitude of negotiation differ according to circumstances since some negotiations focus on reducing misunderstandings during contract management and improving procurement achievement in regard to time, cost, and quality, as well as obtaining value for monetary investment (Andrea, 2019; Muinde, 2022). Moreover, it has enabled the government to reduce procurement risks such as conflicts, and misunderstandings, between clients and suppliers, contractors, or service providers in different stages of procurement, such as before contract signing (Grega, 2019; Ackah, 2016; Brett & Thompson, 2016).

In developing countries successful procurement negotiation is attributed by procurement negotiation skills include integrative skills, persuasive skills, distributive skills, and planning abilities. Furthermore, trust, flexibility, honesty, and emotion are statistically required characteristics for procurement negotiation to facilitate value for money (Changalima, 2021). Moreover, (John and Rose 2021; Mwakaleja, 2021) suggested that negotiation planning is important in ensuring effective negotiation in public procurement since without planning there would be no value and the organization would lose financial resources due to ineffective negotiation. Additionally, negotiation plan in procurement will lead to effective performance of the organization in terms of time, cost, and quality.

In Tanzania negotiation abilities, excellent negotiation strategies and appropriate negotiating styles are criteria crucial in procurement and

contract management (Kakwezi & Nyeko, 2019). Despite its essential in procurement, most procuring entities in Tanzanian have avoided it prior to and/or during procurement contract administration (Mochoge, 2017). Furthermore, the creation of specifications and/or terms of reference is one of the primary areas where discussions have not been appropriately utilized. Moreover, Mwakaleja (2022) negotiation practices such as negotiation plans, skills and ethics during negotiation have not been well considered since negotiation plans are not prepared timely and negotiation parameters are not well scrutinized, which results in poor procurement performance in terms of duration, price, and supply quality. Therefore, due to inadequacy finding on the effect of negotiation practices the study fills the gap by assess the effects of negotiation practices in value for money in public procurement at NHIF-Head Office.

This study findings provides useful facts for improving or taking decisions at the NHIF Head Office and other procuring entities. Also, policymakers, and planners may use the findings for their research, planning, management, and budgeting purposes in instilling the negotiation plans, negotiation skills, and negotiation ethics in every procuring institution and the government as a whole.

Literature review

Theoretical Literature Review

In this study the negotiation theory and transaction cost theory were used to illustrate three dimensions of negotiation practices. Negotiation theory was developed by Druckman, 1986 while transaction cost theory was developed by Oliver Williamson in the early 1970s (Rindfleisch, 2020). Negotiation theory point out those negotiations is built on a variety of approaches, including structural evaluation, strategic analysis, process evaluation, and integrative research.

The structural analysis features are based on the distribution of power among the two parties engaged in the discussion. Similarly, the process analysis identified divergence as one of the approach's structures, while maintaining that departure can be gradual in a departure from the agreement. Also, integrative analysis is the final strategy in negotiation theory. Instead of defining points, this strategy separates the negotiation procedure into steps. The approaches pushed the bargaining stage back to when the parties first met. The result is

explained by the performances of the performers at various stages. Stages include pre-negotiations, selecting the distribution formula, peak behavior, and settlement.

Moreover, transaction cost theory focused on how best to structure economic interactions to reduce costs, maintain buyer-supplier connections, and account for mutual advantages. These considerations included opportunities to earn the business in the future (planning and skills) and human behavior (ethics) (Rindfleisch, 2020). The theory has the potential to considerably improve total negotiation planning, assist negotiators in comprehending how a negotiation is progressing, and, most importantly, provide opportunities to modify strategy in order to achieve a better outcome. A set of costs that simulate diverse life scenarios is at the core of transaction cost theory. It can be best described as an investigation of the techniques employed by reasonable, intelligent decision-makers. This concept proposes that the contractor and the owner of the work collaborate in a system that communicates information between the two parties and must consider transaction costs, including search costs, bargaining costs, monitoring costs, and enforcement costs.

Furthermore, according to the transaction cost theory, the supplier, contractor, and project owner must all have a comparable awareness of the costs associated with economic transactions that go beyond the cost of the goods or services that are being exchanged. Given that negotiation plans, skills, and ethics all have a substantial impact on the costs associated with transactions in public procurement. As a result, the contractor or supplier must assure effective negotiations by planning effective discussions, identifying all potential hurdles to the negotiation, and hiring skilled people who add value to the public organization in order to reduce cost and improve public procurement performance.

Therefore, transaction cost theory aids in figuring out how far procurement managers of the NHIF-head workplace effectively indicate their entity when participating in discussions with their vendors to achieve successful negotiating within different negotiation parameters, thereby releasing value for money. The investigation of theory will figure out how negotiating contracts can decrease costs of business due to negotiation effectiveness via well-planned negotiation activity, staff ability in discussions, and compliance with negotiation ethics, which results in high buying efficiency in regards to time, expense, quality, and client satisfaction.

Empirical Literature Review

Negotiation Practices and Public Procurement Performance

Negotiation practices are all issues which require to be considered in order to ensure effective negotiation such as negotiation skills, negotiation plan, negotiation ethics, negotiation styles, negotiation skills and negotiation process which increases the value for money in public procurement (Robert 2008; Lenders et al., 2006; Ghauri, 2018; Kaman, 2019; William, 2017). Therefore, this means negotiation is a strategic discourse that tackles an issue in a way that is acceptable to both parties (Johnson, 2019). Meanwhile, relationship between negotiation practices and public procurement performance is crucial for achieving optimal outcomes in government contracts and purchases. Effective negotiation practices can significantly impact the efficiency, transparency, and value for money in public procurement processes.

Negotiation practices play a vital role in achieving cost savings in public procurement. Skilled negotiators can secure better deals, lower prices, and favorable terms from suppliers or contractors, ultimately leading to cost-effective procurement outcomes. Negotiation practices can influence the quality and standards of goods and services procured by public entities. By negotiating specifications, performance requirements, and service levels effectively, procurement professionals can ensure that the procured items meet the required standards and specifications.

The performance of negotiation practices in public procurement can be measured and evaluated based on predefined criteria such as cost savings, contract compliance, stakeholder satisfaction, and procurement outcomes. Monitoring and evaluation help identify areas for improvement and enhance the effectiveness of negotiation strategies over time. In general, effective negotiation practices are essential for optimizing public procurement performance by achieving cost savings, ensuring quality and time in complying with legal and regulatory requirements, and measuring performance

Moreover, Kim and Segev (2015) investigated the factors that influence negotiation effectiveness in Thailand. The results demonstrated a substantial positive link between negotiation talents and negotiating efficiency in business operations, and point out that negotiation skill should be focused on by discussion workers in order to ensure the effectiveness of bargaining actions in business operations. Also, Sanchez (2018) investigated

Namibia's challenges to effective negotiations in public procurement. Findings demonstrated a strong positive relationship between negotiation approach and bargaining organization efficacy, with a p value =0.005 ($p=0.05$) and point that successfully designed of negotiation plan facilitate achievement of negotiation activities during business operations.

Moreover, Thompson (2020) in a study of effectiveness of negotiation in Canadian company operations. The results showed that there are significant favorable effects among negotiating plans and negotiation effectiveness in firm operations, with a p value of =0.005 ($p=0.05$). The study discovered that full compliance with bargaining ethics is essential to improving negotiating efficacy in procurement operations.

Similarly, Mwakaleja (2022) conducted a study on the effects of effective negotiation on achieving procurement goals in Tanzania. Findings also revealed that negotiation plan plays a significant role in successful negotiation, which increases procurement goal achievement, and that there is a strong and beneficial connection between negotiation plan and procurement accomplishing objectives with a P-value of 0.000 ($P 0.005$). Also, Lum (2018), support these findings by revealed that a negotiation strategy is vital in effective negotiation, which promotes procurement goal accomplishment, and that there is a positive and strong association between a negotiation plan and procurement goal achievement, with a p-value = 0.000 ($p = 0.005$).

Research Gap

Over the world, negotiation has been recognized as a tool for which public procurement performance will attribute attributes. Past studies have tried to evaluate negotiation on the effects of negotiation skills on the effectiveness of the procurement process and the effects of negotiation practices on the performance of public procurement. To this point, nothing has been addressed on the effect of negotiation in public procurement performance by PEs. Therefore, this study filled a knowledge gap by assessing the effects of negotiation practices on the public procurement performance in NHIF head office, Dodoma region.

Research methods

Study Area

The study was conducted at NHIF- head office in which descriptive research design was used because it allowed for the simplified collection of the

necessary information. By conducting a case study on NHIF (specific area) and its population, which directly interacted with the researcher, the design facilitated the assessment of the factors influencing the adoption of strategic procurement in Tanzania (Kothari, 2017). The reason for the choice of the study area was because negotiation practices such as negotiation plans, selection and appointment of negotiation committees and consideration of ethics during negotiation have not been well considered by procuring entity in Tanzania in which NHIF is included (Mwakaleja, 2022).

Target population

The study target population was 216 NHIF-Head Office employees. The target population of this study included PMU staff, tender board members, finance department, legal department,

ICT department, internal audit department, and user departments.

Sampling Procedure and Sample Size

The researcher employed non-probability sampling methods known as judgmental sampling techniques in this study since the selected respondents assisted in providing important information about the investigation. The goal of using a judging technique was to gather appropriate answers by engaging with respondents who have knowledge, skills, and experience in the studied field. The sample size of 167 respondents was used for the study. Furthermore, since the population was highly heterogeneous, cluster sampling selected 167 respondents from NHIF. Moreover, the study used 58% of the target population as the sample size.

Table 1 – Sample Size Distribution

Department	Targeted population	Sample Size	% sample size
Procurement Management Unit (PMU)	18	11	6.7
Tender Board	7	7	4.2
Internal audit Department	15	10	6
Accounting department	30	18	10.7
User Departments	132	80	47.9
ICT Departments	10	8	4.7
Legal departments	6	5	3
Marketing and Sales department	34	12	7.2
Human reNote s	36	16	9.6
Total	288	167	100

Note – Field Data (2023)

Data Collection Methods and Approach

The method used to collect data is a vital component of this inquiry. Using a number of data-gathering instruments, as stated by Burn and Groves (2016), increases credibility and enhances the study. The data for this study involves primary data in which the investigator gathered the essential information for this study by employing two (2) techniques of data collection, such as questionnaires and the review of documents, as detailed in the parts that proceed. The questions were sent to members of the NHIF-Head Office employees, comprising the finance division, the tendering board and procurement management unit, and the transportation department. A closed-

ended questionnaire was used. The questionnaire was used by the researcher since it is free of bias, has a low cost, and saves time.

Data Validity and Reliability

The validity of the questionnaires was assessed in this study through pre-testing with the selected sample. The pre-test exercise was performed at the researcher's convenience. Moreover, this study's reliability results were reported in a range from 0 to 1, where reliability results close to 1 were considered to have good dependability and those close to 0 to have low reliability. All variables in this study were acceptable as they had excellent

reliability and a reliability correlation value of at least 0.7. This was corroborated by Drost (2015), who predicted that variables with a minimum point

of 0.7 are trustworthy for additional statistical investigation. Table 2 indicates the reliability test results.

Table 2 – Reliability Test

Variables	No. of items	Cronbach's Alpha	Conclusion
Negotiation Plan	5	0.865	Accepted
Negotiation Skills	5	0.912	Accepted
Negotiation ethics	5	0.864	Accepted
Public Procurement Performance	3	0.742	Accepted

Note – Field Data (2023)

Methods of Data Analysis

In this inquiry, data was evaluated using quantitative methodologies. Descriptive, correlational, and multiple analyses were used to evaluate quantitative data acquired in the field. The acquired data was sorted, processed, and examined with Statistical Packages for Social Sciences (SPSS-version 22) due to the various variables. Correlation and multiple regression analysis were used to examine and validate the link between variables that are both independent and dependent. Tables and statistics were utilized to present the analyzed data. The next subsections describe the data collection methods.

Descriptive Analysis

The use of descriptive analysis of data was critical in this study since it allowed the researcher to offer an accurate account of information, including participant characteristics and demographic information and break down vast amounts of data into manageable chunks (Hayes, 2017). The study provided an overview of the research variables' descriptions using percentages and occurrences provided in the Tables.

Correlation Analysis

The purpose of correlation analysis was to determine the direction of the relationship among the variables within the investigation. According to Gogtay and Thatte (2017) define -0.1 to -0.5 as a strong negative correlation, -0.5 to 0 as a weak link, 0 to +0.5 as a weak favorable association, and +0.5 to 1.0 as a high beneficial correlation between the variables in issue. As a result, Pear-

son correlation was employed to determine the direction as well as the magnitude of the association between both the dependent and independent variables in the study.

Regression Analysis

The use of a regression model was the best method in this study to enable the achievement of the study's specific objectives, as the study targets revealed the extent to which negotiation plans, negotiation skills, and negotiation ethics affect the public procurement performance. The study involved the use of the below regression model to facilitate the revealing of such an extent. To operationalise the extent to which negotiation plans, negotiation skills, and negotiation ethics affect the public procurement performance, the following equation will be used (Where $B^1=0$, $B^2=0$, and $B^3=0$):

$$PPP = \beta_0 + \beta_1(NP) + \beta_2(NS) + \beta_3(NE) + \varepsilon \quad (1)$$

where: PPP = Public Procurement Performance; NP = Negotiation Plan; NS = Negotiation Skills; NE = Negotiation Ethics;

Results and Discussions

Negotiation Plan on Public Procurement Performance

Descriptive analysis was done to assess effects of negotiation plan on Public Procurement Performance. This objective was assessed using various sub-variables including but not limited to compliance to the proper negotiation, negotiation

procedures to be followed, timely predation of negotiation plan, and qualities of negotiation plan and negotiation guidelines in achieving value

for money. Descriptive statistics were based on mean and standard deviations. Table 3 indicated descriptive results of the same.

Table 3 – Descriptive Statistics for Negotiation Plan

S/N	Details	N	Mean	Std. Deviation
1	Negotiation Area	167	3.8	1.25
2	Negotiation Tactics	167	3.89	1.23
3	Negotiation Objectives	167	4.04	0.952
4	Negotiation Range	167	3.91	1.39
5	Negotiation Team	167	3.85	1.35
6	Performance Public Procurement	167	3.26	1.32
Valid N (list wise)		167		

Note – Field Data (2023)

With reference to the above results based on mean and standard deviations, the findings showed that the standard deviation is low which indicated that standard deviation is centered on the mean. This empirical research suggested a favorable relationship between a negotiation strategy and successful negotiations in procurement within the organization.

Table 3 above indicated that compliance to proper negotiation plan has a mean of 3.53 and a standard deviation of 1.09, indicating that most respondents agreed with proper negotiation plan increases effective negotiation in procurement and finally lead to high achievement of procurement goals in terms of economy, efficiency and effectiveness. The findings also indicated negotiation procedures to be followed has a mean of 3.13 and standard deviation of 1.16 which showed that most of the respondents agreed that negotiation procedures to be followed has significant effect on the effective negotiation in procurement of public procurement organization.

The findings also indicated that majority of respondents disagreed that timely preparation has no effect on effective negotiation in procurement in Tanzania as the mean was 2.46 with standard deviation of 1.30 although there was no high diversion rate in the standard deviation. Also the findings showed that quality of negotiation has positive effect on effective negotiation in procurement in public procurement as the mean was 2.26 and standard deviation of 1.32 which range on the acceptable range.

Furthermore, researcher wanted to understand the effect of negotiation guidelines in during negotiation process increases the effectiveness of negotiation hence effective negotiation in procurements the results showed that most of the respondents agreed with average mean of 3.69 and standard deviation of 1.38. This implied that majority of respond responded positively that negotiation guidelines in procurement negotiation increases in effectiveness of negotiation hence increase effective negotiation in procurement within the organization.

Generally, the findings found that majority of respondents agreed that negotiation plan during procurement negotiation process has a significant impact on effective negotiation in procurement in public sector in Tanzania which was evidenced by an average mean of 3.8 and standard deviation of 1.25 and therefore, its importance for the organization to proper negotiation guidelines in order to increases effectiveness of negotiation in terms of timelines, quality of audit report and conformance to procurement negotiation.

The findings we supported by (Thompson, 2000) who propounded that negotiation becomes a key decision-making approach used to reach consensus whenever the partners cannot achieve their business goals. Also the findings of this study were supported by Brett (2000) who argued that while discussing the concept of negotiation, it is important to understand that negotiation that involves certain types of criteria in which if there is compliance by the organization is adhered to increase effective

negotiation in procurement within the organization in terms of cost, time, and quality.

Negotiation Skills and Public Procurement Performance

Descriptive analysis was done to assess the effect of skills of procurement negotiation team and effective negotiation in procurement in Tanzania's public sector for achieving value for money. This

objective was assessed using various variables which include but not limited to staff experience on negotiation, negotiation training, negotiation team expertise, ethics of negotiation team and competent negotiation team with regard to effective negotiation on effective negotiation in procurement. Descriptive statistics was based on mean and standard deviations. Table 4 indicates descriptive results of this objective.

Table 4 – Descriptive Statistics for Negotiation Skills on Public Procurement Performance

Details	N	Mean	Std. Deviation
Distributive Skills	167	3.95	1.17
Integrative Skills	167	3.94	1.09
Persuasion Skills	167	3.67	1.39
Problem-solving Skills	167	4.90	1.35
Adoptability Skills	167	4.01	1.15
Valid N (list wise)	167		
Average		3.89	0.23

Note – Field Data (2023)

Results from Table 4 above show that the negotiation team's talents have a mean of 3.95 and a standard deviation of 1.17, meaning that most respondents agreed with this statement that experience possessed by negotiation team increases the effectiveness of negotiation hence increase effective negotiation in terms of timelines, quality of negotiation report and compliance.

The findings in Table 4 also indicated that training of negotiation team results to effective negotiation team hence increase effective negotiation in procurement had a mean of 4.94 and standard deviation of 1.09 which showed that most of the respondents agreed that training of negotiation team has significant effect on the effective negotiation in procurement in public procurement.

The findings in Table 4 indicated that majority showed that professionalism to the negotiation personnel has high effect on the effective negotiation in Public procurement as the mean was 4.90 and standard deviation of 1.35 which range on the acceptable range. However, partly of respondents disagreed that negotiation experience has major effect on effective negotiation goals as the mean was 3.67 with standard deviation of 1.39. This implies increase effective negotiation in Tanzania is most depend on professionalism to the negotiation personnel public procurement and the results showed

that most of the respondents agree that competent personnel lead to effective Furthermore, researcher wanted to understand the effect of competent personnel on effective negotiation in negotiation in Public sector. The results were evidenced by a mean of 4.01 and average value of 1.15 which implied that majority has agreed on the statement.

Finally, the findings indicated that majority of respondents agreed that competent procurement personnel has a significant contribution to the effective negotiation in Public sector in Tanzania which was evidenced by an average mean of 3.89 and standard deviation of 0.23 and therefore, its importance for the organization to employ competent negotiation committee which in turn increases effective negotiation which increase achievement of procurement goals in terms of time, quality of report and cost reduction.

The act of negotiating is complicated in the actual world (Thompson 2017). Numerous situations call for negotiation, including those in the home, the workplace, the government, and on a global scale. As the corporate environment becomes more dynamic, discussions between partners are necessary more frequently, according to (Kim and Segev 2015), who also noted that negotiation is a crucial component of purchasing and supply chain management.

Negotiation Ethics and Effective Negotiation in Procurement

The third objective of the study was to assess the negotiation ethics on effective negotiation in public procurement performance at National Health Insurance Fund (NHIF). This objective were measured using various sub variables which

included but not limited to confidentiality, conflict of interest, professional due care, accountability and transparency on effective negotiation in public procurement performance at NHIF who are mandated to take into consideration in the procurement performance. The results were presented in Table 5.

Table 5 – Descriptive Statistics for Negotiation Ethics

Details	N	Mean	Std. Deviation
Confidentiality	167	3.87	0.97
Conflict of interest	167	3.88	0.99
Professionalism	167	4.15	1.04
Accountability	167	3.95	0.93
Transparency	167	4.34	0.83
Valid N (list wise)	167		
Average		4.04	0.952

Note – Field Data (2023)

Findings in Table 5 above showed that the incompetent negotiation team had a mean of 3.87 and a standard deviation of 0.97, which indicates that the majority of respondents agreed with this statement and strongly agreed that incompetent negotiation team decreases the effectiveness of negotiation which affect negatively on public procurement performance within the organization. The findings also indicated that poor negotiation plan on various issues regarding with procurement negotiation had a mean of 3.88 and standard deviation of 0.99 which showed that most of the respondents disagreed that poor negotiation team influence effective negotiation on various issues that has negative significant effect on effective negotiation in public procurement within the organization.

The findings also indicated that majority of respondents disagreed that absence of clear negotiation strategies in the organization has negative effect on the effective negotiation which increase public procurement performance as the mean was 4.15 with standard deviation of 1.04 and also there were no high diversion rate in the standard deviation. Also the findings showed that failure for negotiation committee to sign personal covenants of the parties has negative effect on effective negotiation which increase effective negotiation in public procurement as the mean was 3.95 and standard deviation of 0.93 which range on the acceptable range.

Furthermore, researcher wanted to absence of negotiation parameters has negative effect on effective negotiation which increases effective negotiation in public procurement as the results showed that most of the respondents agree and strongly agreed that absence of negotiation parameters reduces efficiency and effectiveness of public procurement performance. The results were evidenced by a mean of 4.34 and average value of .83 which implied that majority had agreed on the statement.

Finally, the results indicated that majority of respondents agreed that incompetent negotiation team, poor negotiation planning, absence of clear negotiation strategies, failure for negotiation committee to sign personal covenants and absence of negotiation parameters has negative significant effect on effective negotiation which affects the performance of procurement in public sector in Tanzania.

The results was evidenced by an average mean of 4.04 and standard deviation of 0.952 and therefore, its importance for the management of the organization and the government to mitigate these challenges in order to ensure effective negotiation within the organization and result to achievement of public procurement performance such as time, quality and cost.

In the actual world, negotiating is a complicated process (Thompson 2017). According to Kim and

Segev (2015), negotiation can take place on a range of levels, including in business, government, and international diplomacy. Additionally, negotiating is a crucial component of supply chain management and purchasing. Partner negotiations are increasingly necessary as the corporate environment grows more dynamic (Cerquides and Sanchez, 2018).

Performance in Public Procurement

Descriptive analysis was conducted to assess public procurement performance through effective negotiation. The dependent variable is public procurement performance and it was measured through timelines, quality and cost reduction through realized through effective negotiation. Descriptive statistics were based on mean and

standard deviations. Table 6 that indicate descriptive results of this variable.

Descriptive statistics indicated in Table 6 above concerned with timely negotiation, quality of supplies and cost reduction through quotation as the measure of achievement of procurement goals in Tanzanian public sector. The findings observed that majority of respondents agreed that there was timely negotiation resulted from good cooperation among the negotiation team, there was quality of supplies resulted from good relationship the parties and cost reduction through effective negotiation increases achievement of procurement goals within the organization. This result was evidenced by a mean of 3.77, 3.71 and 3.87 with a standard deviation of 1.43, 1.16 and 1.08 of the sub variables depicted in the Table 6 above respectively.

Table 6 – Descriptive statistics Achieving Procurement goals

Details	N	Mean	Std. Deviation
Time	167	3.77	1.43
Cost	167	3.71	1.16
Quality	167	3.87	1.08
Valid N (list wise)	167		
Average		3.78	1.22

Note – Field Data (2023)

Generally, most of the respondents indicated that there is achievement of procurement goals resulted from good negotiation plan and competent negotiation team and affected by some challenges such as poor negotiation plan, incompetent personnel, insufficient negotiation expertise and inadequate experience to the negotiation personnel due to the presence of timelines, quality and costs in which is justified by an average mean of 3.78 and standard deviation of 1.22 respectively.

There have been numerous researches on negotiation in procurement, but few have examined the connection between negotiation abilities and material pricing. For instance, Nyile (2015) examined the impact of choosing the right location for a negotiation on the final outcome of buyer-supplier agreements. Martina (2011) researched several academic works as well as the techniques and tactics of successful negotiating in public procurement.

Summary of Descriptive Statistics

This part provided the overall descriptive results based on mean and standard deviation on all independent variables such as negotiation plan, negotiation skills, and negotiation ethics to the dependent variable which is public procurement performance. The average mean for each independent variable was as negation plan, negotiation skills and negotiation ethics to the dependent variable which is the effective negotiation. The average standard deviation for each independent is negotiation plan (1.24), negotiation skills (1.22) and negotiation ethics (0.862). Consider the Table 7 that indicated the summary of descriptive results. There has been numerous researches on negotiation practices in procurement, but few have examined the connection between negotiation practices and public procurement performance. For instance, Nyile (2015) examined the impact of choosing the

right location for a negotiation on the final outcome of buyer-supplier agreements. Martina (2011) researched several academic works as well as the techniques and tactics of successful negotiating in public procurement.

Correlation Analysis

Researcher also sought to establish the relation between these two variables so as reveal statistically

the significance, degree and direction of the effect of negotiation plan, negotiation skills and negotiation ethics on effective negotiation in public procurement in achieving value for money. The perfect positive correlation of the variables is shown by a correlation coefficient value of 1, while the perfect negative correlation is indicated by a correlation coefficient value of -1. Table 8 provides a correlation analysis and outcomes.

Table 7 – Summary of descriptive statistics

Details	Mean	Std. Deviation
Negotiation Plan	3.8	1.25
Negotiation Skills	3.89	0.23
Negotiation Ethics	4.04	0.95
Public Procurement Performance	3.78	1.22
Note – Field Data (2023)		

Table 8 – Correlations Results

Details		Negotiation Plan	Negotiation Skills	Negotiation Ethics	Public Procurement Performance
Negotiation plan	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	167			
Negotiation skills	Pearson Correlation	0.222**	1		
	Sig. (2-tailed)	0.004			
	N	167	167		
Negotiation ethics	Pearson Correlation	0.661**	-0.007	1	
	Sig. (2-tailed)	0.000	0.930		
	N	167	167	167	
VFM in procurement	Pearson Correlation	0.876**	0.310**	-0.470**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	167	167	167	167
** . Correlation is significant at the 0.01 level (2-tailed).					
Note – Field Data (2023)					

Analysis of Table 8 above revealed a relationship between the negotiation plan and public procurement performance was $r = 0.876$ which reveal that negotiation plan has strong positive effect on achieving public procurement performance and the improvement of negotiation plan within the organization positively influence public procurement performance as the study's p-

value, which is less than the 0.05 confidence level, indicates that it was statistically significant.

The Table 8 indicated that correlation between Negotiation skills and effective negotiation was $r=0.310$ which revealed that there is positive effect between negotiation skills in achieving public procurement performance through effective negotiation, where by an employing skilled

negotiator in lead to high effective negotiation in public organization. The results was evidenced by having a significant value of p- value of 0.000 which is less that the confidence level of 0.05.

The above Table 8 also indicated that correlation between negotiation ethics in public procurement performance is $r = -0.470$ which revealed that there is negative effect between negotiation ethics and effective negotiation in public procurement performance, where by an increase in the negotiation ethics in effective negotiation in public procurement performance. A significant value of p- value $=0.000$, which is less than the confidence threshold of 0.05, served as proof of the findings.

Multiple Regression Analysis

In order to analyze the significance contribution and the model's suitability for this study, multiple regression analysis was used to establish the

relationship between the independent variables (Negotiation Plan, Negotiation Skills and Negotiation Ethics) and the dependent variables (public procurement performance). It includes a model overview, variance and coefficient analysis.

Model Summary

The model summary output allows the researcher to ascertain the overall impact of each independent variable to each dependent variable (public procurement performance), including Negotiation Plan, Negotiation Skills and Negotiation Ethics.

The independent factors (negotiation plan, negotiation skills and negotiation ethics) contributed 0.833 to the public procurement performance, according to Table 9. These findings showed that additional factors not examined in this study contributed 17.7% to the achieving public procurement performance in public sector.

Table 9 – Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.912 ^a	0.833	0.827	0.17328
a. Predictors: (Constant), Negotiation Plan, Negotiation Skills and Negotiation Ethics				
Note – Field Data (2023)				

Analysis of Variance

The F- statistics and accompanying p-value are the focus of the ANOVA as indicated in Table 10.

While the F- statistical test demonstrates the model's overall significance, the p-value indicates whether the model is significant or not.

Table 10 – ANOVA Test for Model Fit

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.358	4	4.589	152.852	0.000 ^b
	Residual	3.693	123	0.030		
	Total	22.051	127			
a. Dependent Variable: Public Procurement Performance						
b. Predictors: (Constant), Negotiation Plan, Negotiation Skills and Negotiation Ethics						

Note – Field Data (2023)

Analysis of the variance (ANOVA) was used in the regression analysis, as shown in Table 10 above. The entire regression model fits the data well, according to the Table 10: $F(5, 95) = 152.852$, $p = 0.000$ (0.05). This is referred to as a "goodness-of-fit test." Since the significance

value for this finding is less than 0.05, it is implied that the regression model fits the data and that the use of negotiation plan, negotiation skills and negotiation ethics had a beneficial impact on NHIF's public procurement performance operations.

Coefficient of Correlations

One of the most crucial results of a multiple regression analysis shows how much each independent variable contributed to the dependent variable. In Table 11, the coefficient result is shown.

The findings shown in Table 11 demonstrated that the public procurement performance at NHIF

was positively impacted by negotiation plan with a coefficient value of 21.6% and a significant value of 0.002 with ($p < 0.05$). The results showed that negotiation skills significantly ($p < 0.05$) contributed to the public procurement performance by 45.3%. With a significant value of 0.03 ($p < 0.05$), the results also revealed that negotiation ethics boosts public procurement performance by 15.7%.

Table 11 – Coefficients of correlation

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.236	0.184		-1.282	0.202
	Negotiation plan	0.216	0.069	0.199	3.143	0.002
	Negotiation skills	0.453	0.059	0.461	7.743	0.000
	Negotiation ethics	0.157	0.052	0.168	3.034	0.003

a. Dependent Variable: Public Procurement Performance

Note – Field Data (2023)

These findings support Pallant's (2010) contention that an independent variable is considered to be making a significant unique contribution to the prediction of the dependent variable if the Sig. value (p-value) is less than .05. If the value is higher than .05, you can infer that the variable does not significantly contribute in a unique way to the prediction of dependent variables. Table 11 shows the p-value is between 0.000 and 0.05. The results are then used to conclude that the NHIF's public procurement performance was significantly aided by negotiation plan, negotiation skills possessed by negotiation team and negotiation ethics. The following is a presentation of the multiple regression equation.

$$PPP = -0.236 + 0.216\beta_1 + 0.453\beta_2 + 0.157\beta_3 \quad (1)$$

where: PPP = Public Procurement Performance

Conclusion and Recommendations

The overarching goal of this study was to determine how well bargaining may help public sector organizations achieve their procurement objectives. Based on the study's goals, conclusions were drawn. Descriptive statistics, correlation, and multiple regression analysis were performed to

assess the effects of negotiation plan, negotiation skills, and negotiation ethics on public procurement performance using NHIF as a case study. Correlation and multiple regression results were used to conclude the findings of this study with regard to the significance and insignificance of the study. The subsections that follow each objective's conclusion are as explained below.

Negotiation Plan and Public Procurement Performance

The majority of respondents strongly agreed and agreed that negotiation plan contributes positively to public procurement performance with an average mean value of 3.8 and an average standard deviation of 1.25, which means that the study's conclusion that negotiation plan has a major influence on effective negotiation in procurement, hence public procurement performance resulted from effective negotiation, is influenced by an effective negotiation plan at NHIF. The correlation and regression results concluded that the public procurement performance as a result of effective negotiation depends on a proper negotiation plan in the public sector, with a significant value of 0.000 ($P < 0.005$), demonstrates that there is a positive and significant relationship between the negotiation plan and the public procurement performance.

Negotiation Skills and Public Procurement Performance

The study concluded that the skills of the negotiation committee have a significant impact on negotiations that public procurement performance process, as the majority of respondents acknowledged that the skills of the negotiation committee contribute positively to effective negotiation in public procurement performance with an average mean value of 3.89 and an average standard deviation of 0.23, which means that effective negotiation in achieving procurement goals is influenced by the skills of the negotiation team at NHIF. The findings also concluded that the skills of the negotiation committee in achieving procurement goals as a result of public procurement performance demonstrate that there is a strong and positive relationship between the negotiating committee's skills and the achievement of public procurement performance, with a significant value of 0.000 ($p < 0.005$).

Negotiation Ethics and Public Procurement Performance

The study concluded that negotiation ethics with an average standard deviation of 0.95 and a mean value of 4.04 indicate that negotiation ethics results from effective negotiation since an ethical negotiation committee during negotiation increases the effectiveness of negotiation, increasing public procurement performance in terms of time, costs and quality of NHIF's procurement processes. The findings also concluded that negotiation ethics, as a result of effective negotiation, increase public procurement performance with a significant value of 0.000 ($P < .005$), demonstrated that there is a positive and substantial relationship between ethical negotiation and achieving public procurement performance.

Recommendations of the study

NHIF and Other Public Organizations

This study recommended that management and employees at NHIF and other procuring entities should make sure that negotiation activity is thoughtfully organized with regard to the negotiation range, negotiation area, and negotiation tactics in order to come up with the best deal, hence increases public procurement performance. This study also

recommended that management ensure that ethical practices are essential to be complied with by the negotiation committee, including confidentiality of information, declaration of conflicts of interest, and adherence to the procurement code of ethics, to ensure that public sector procurement is cost-effective.

Government

The results of the study also had a significant impact on the government of the United Republic of Tanzania because they served as a warning that, in order to get the best results from the use of its reNotes, the government must prioritize putting a high priority on negotiation plans, negotiation skills, and negotiation ethics. The study also had significant implications for the government because it shows how Tanzanian procurement negotiation guidelines and processes are being followed there, which achieves public procurement performance.

Suggested areas for further studies

This study is limited to three negotiation practices aspects, that is, negotiation skills, negotiation plan, and negotiation ethics, from the literature that affect the public procurement performance in Tanzania. This therefore meant that the empirical review that supports the above variables among public entities in Tanzania was only limited to these three variables identified in the study. Therefore, similar study should be conducted with other variables that affect the negotiation practices and public procurement performance of other procuring entities. This study was also conducted in NHIF Headquarters in Tanzania and data was collected in Dodoma only. This study recommends that a similar study should be conducted in other procuring entities in Tanzania so as to come up with a variety of outcomes. Further studies on the effects of negotiation practices on public procurement performance could explore several interesting areas to deepen understanding and inform practice. Additional research should be done to ascertain the impact of other variables and the benefits of good negotiation on accomplishing procurement objectives in Tanzania's public sector in terms of collaborative negotiation models, technological innovation and cross-cultural negotiation.

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