

**IMPACT OF ORGANISATION AND MANAGEMENT ON PUBLIC DISTRIBUTION
SYSTEM EFFICIENCY. (A CASE STUDY OF JOINT MEDICAL STORE)**

**BY
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**A RESEARCH DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND
MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE AWARD OF BACHELOR'S DEGREE IN SUPPLIES AND
PROCUREMENT MANAGEMENT OF KAMPALA
INTERNATIONAL UNIVERSITY**

MAY, 2011

DECLARATION

I **OYELLA CATHERINE** do hereby declare that this dissertation presented is my own work and it has never been presented to any academic institution for any academic qualification.

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APPROVAL


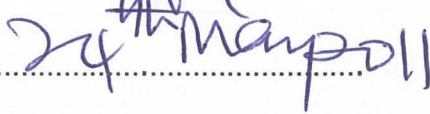
This is to confirm that the research work by Miss. Oyella Catherine has been done under my supervision and subsequently approved by me for submission to the school of Business and Management of Kampala International University.

SUPERVISOR

MR. BARASA HENRY

SIGNATURE.....

DATE.....

DEDICATION

This research proposal is dedicated to God the almighty, for His Grace and blessing to me. To my parents Mr. Okwonga Omona William, Mrs. Obwot Santa Omona, my brothers and sisters, my supervisor Mr. Barasa Henry and to all those who made this research become a success.

ACKNOWLEDGEMENT

I wish to register my sincere gratitude to all the people especially the staff of Joint Medical Stores Kampala for the co-operation they extended to the research. Ministry of Health officials who assisted me in various ways to accomplish this research. In a special way, I wholeheartedly extend my appreciation to the top officials i interviewed in this study for having willingly consented under difficult situations.

Special thanks honor and sincere appreciation goes to my supervisor, Mr. Barasa Henry, for rendering all the necessary guidance towards the success of the research.

Finally, my sincere appreciation and truthful gratitude goes to all those who gave a helping hand during my research in the course of time in one way or another. Their professional support and guidance greatly helped me to produce this research paper.

ABSTRACT

This study was conducted to investigate the impact of organisation and management on public distribution in Joint Medical Stores.

The research had some objectives which it aimed to achieve, among which are:

- i. To identify the impact of organization and management on public distribution
- ii. To identify alternatives for improving the distribution system efficiency in Joint Medical Stores.
- iii. To develop a procurement plan for the acquisition of strategic public health supplies

Therefore, to achieve this, an in depth analysis was carried out using the review of related literature as secondary data and the responses from the respondents as the sources of the primary data (questionnaires and interviews) were used here.

Data was analysed by the use of descriptive methods such as percentage distribution and frequency distribution. The findings were then presented in tables and discussed where it was possible.

ACRONYMS

| | |
|-----------|-----------------------------------|
| MoH..... | Ministry of Health |
| ORS..... | Oral Dehydration Solutions |
| WHO..... | World Health Organization |
| JMS..... | Joint Medical Stores |
| HC..... | Health Centre |
| RRT..... | Rapid Response Team |
| NGO..... | Non Governmental Organization |
| UCMB..... | Uganda Catholic Medical Bureau |
| UPMB..... | Uganda Protestant Medical Bureau |
| MoH..... | Ministry of Health |
| CMS..... | Central Medical Stores |
| RDTs..... | Rapid Diagnostic Tests |
| UMCs..... | Health Unit Management Committees |
| MoPs..... | Ministry of Public Service |

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

1.1 Background of the Study

The JMS was founded in 1979 as a joint venture between the Uganda Catholic Medical Bureau (UCMB) and the Uganda Protestant Medical Bureau (UPMB). The aim was to supply quality medicines, medical equipment and related health care and training services to the people of Uganda at an affordable price and to the glory of God. JMS was initially set up to supply medical relief to the health facilities owned by the Protestant and Catholic churches. With time, however, JMS evolved into a not-for-profit wholesale enterprise, procuring, storing and selling over 2000 products. These products include pharmaceuticals, medical and surgical sundries, medical equipment/instruments and laboratory supplies. JMS has expanded its regular customer's base to include church founded health facilities, national and international NGOs, government health units, private clinics and hospitals, private pharmacies and schools.

The Procurement process includes: the quantification of medicines and supplies; selection of the most appropriate purchasing method; development of procurement plans detailing product specifications, purchase conditions and quality assurance criteria for medicines and supplies; and the evaluation of services and products provided by suppliers.

The distribution process should guarantee the quality of all supplies stored in the warehouse, storeroom, or pharmacy: storage areas can effectively control the movement of stock by ensuring adequate physical infrastructure for the storage of product, and the implementation of stock management and administrative procedures,

including procedures governing the management of staff and environmental storage conditions.

The Distribution process ensures the delivery of supplies in a timely manner to health facilities in accordance with procedures that ensure the quality of supplies during transfer. Rational use ensures the therapeutically sound and cost-effective use of medicines and public health supplies by health professionals and consumers. National medicines supply models are cyclical systems in which each function or process depends on, and is supported by the previous function. For example, the selection of medicines is based on the assessment of medicines needs and use, and products to be purchased are identified based on decisions made during the selection process. If individual processes are executed independently of each other and not as part of an integral system, product costs increase and stock shortages occur more frequently, ultimately leading to poorer quality in service delivery and patient care. At the core of the supply management cycle is a set of administrative support processes that include organizational management, financing, information management, and administration of human and physical resources, all critical to ensure the sustainability of the supply system.

1.2 Statement of the Problem

Over the last few decades, health has attained worldwide recognition as a crucial component of human development and poverty eradication. This recognition springs, in part, from the realization that one third of the world population lacks access to essential medicines. This critically contributes to further poverty, mortality, morbidity and indebtedness (WHO, 2004). The 2009 Report of the Special United Nations Rapporteur on the Right to Health, for example, observes that the diseases of the poor – that is, communicable, maternal, prenatal, and nutritional diseases – still account for 50 percent of the burden of disease in developing countries (nearly 10 times higher than in developed countries). Second, improving access to medicines alone could save 10 m lives a year – four m in Africa and south Asia. Third, the right to health is an inclusive

right, which extends not only to the timely delivery of medicines, but also the underlying determinants of health. Garrison, R.H. and Noreen, E.W. (2000)

During FY2008/09 Government allocated US\$628.5 bn to the health sector which was an increase from US\$428.26 bn in the previous financial year. In FY2009/10, sector funding will be further increased to consolidate past achievements and execute strategies for obtaining even better results. Specifically, government increased the allocation to PHC from US\$130.6bn in FY2007/08 to US\$157.6bn in FY2008/09 and the increase will be sustained in FY2009/10. Public spending per capita was US\$ 8.2 in 2007/2008 for the health sector, which is equivalent to 9.6 percent of government expenditure. While spending more on health is a welcome development, Uganda is yet to achieve good health outcomes.

1.3 Purpose of the Study

The purpose of this study is to determine the impact of organization and management of public distribution. A case study of joint medical stores

1.4 Research Objectives

1.4.1 General objective

The major objective of this research is to establish the impact of organization and management of public distribution system efficiency in Joint Medical Stores.

1.4.2 Specific objectives

- iv. To identify the impact of organization and management on public distribution
- v. To identify alternatives for improving the distribution system efficiency in Joint Medical Stores.
- vi. To develop a procurement plan for the acquisition of strategic public health supplies.

1.4.3 Research questions

- i. What are the impacts of organization and management on public distribution?
- ii. What are the alternatives for improving the distribution system in Joint Medical Store?
- iii. How to set up a procurement plan for the acquisition of strategic public health supplies?

1.5 Scope

Content scope: The study focused on the major objective of this research is to establish the impact of organization and management of public distribution

Geographical and time scope: The study was carried out in Joint Medical Stores for the period from 2011.

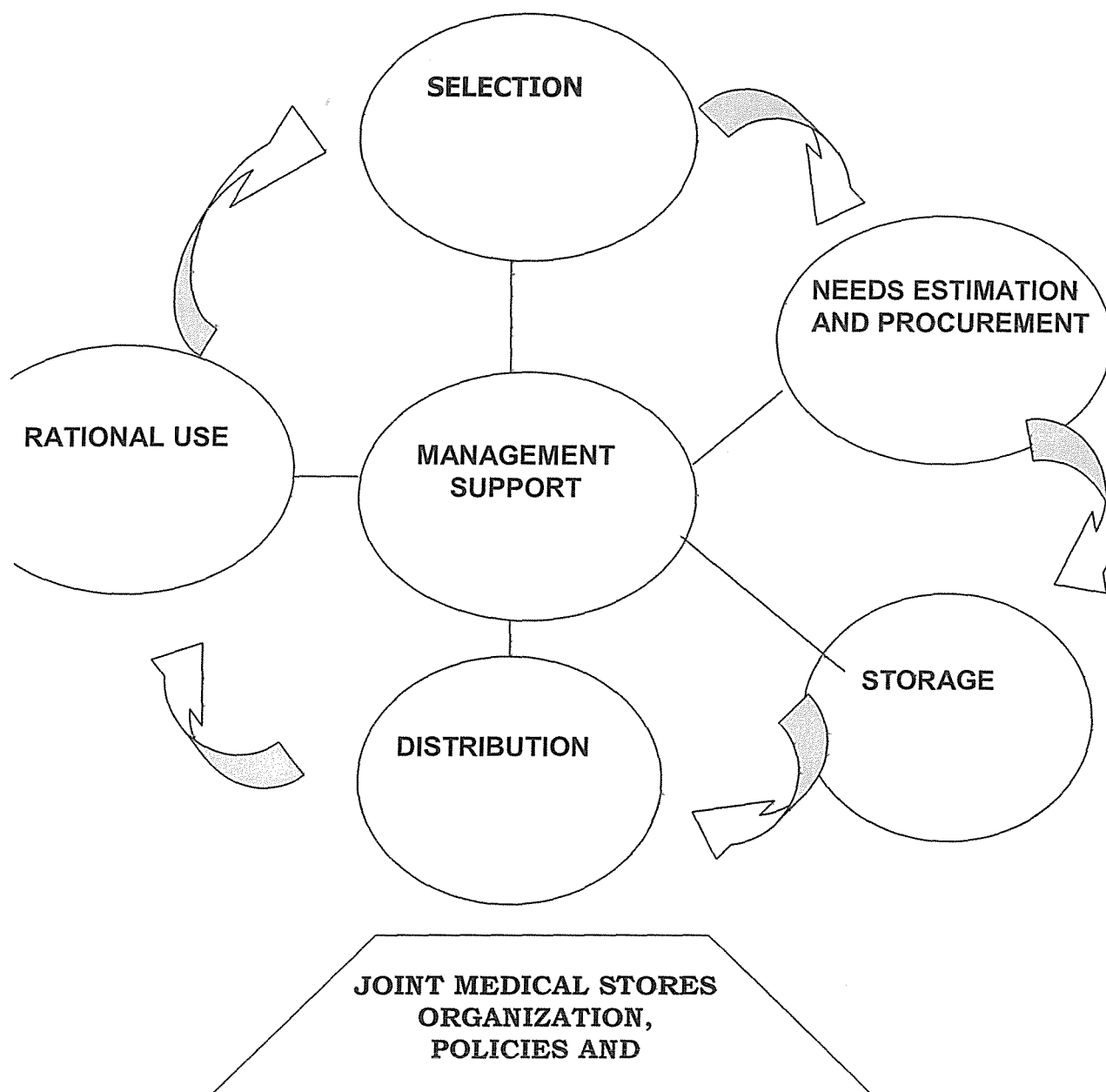
1.6 Significance of the Study

This finding of the study is beneficial to many different categories of people and many different ways;

- i. **To the researcher:** this study is to help the researcher to serve as partial requirements for the award of degree in Supplies and Procurement Management of Kampala International University.
- ii. **To organization:** this study is to help the medical company to know its strengths and impact of organization management and public distribution systems and to take appropriate measures to improve effectiveness and efficiency of the operation.
- iii. **To further researchers:** the study is to contribute to the available knowledge as well as act as a basis for further research on the same subject.

1.7 Conceptual Framework

Figure. 1. Schematic Representation of a Comprehensive Model for Essential Medicines Supply Management. From *"Drug Supply Management"*. Management Sciences for Health, World Health Organization, Boston, 2002. Modified by the authors.



Source: Joint Medical Stores Records:1990

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

This chapter is where by the researcher tries to acknowledgement the views of others scholars and incorporate them with other sources of information gather and can therefore be both secondary and primary source of data collected by researcher and documented with the clear citation indicating the source of information documented.

2.1 Definition of major terms

2.1.1 An organization is an entity where two or more persons work together to achieve a goal or a common purpose. There are so many organizations around us. Daily we visit and see many organizations like hospitals, colleges, factories, farms and government offices. Mosque/church is also an example of an organization. People go there and say prayers and activities of praying are to achieve a certain goal. Similarly, any unit in which two or more persons are working together for some purpose is called an organization. Bill Dorotinsky (2007).

If there is an organization, then there must be some people who work as a whole for a common purpose, so there must be a defined purpose. If an organization does not have any purpose, it will not survive in the long run. To achieve the purposes by using people, the processes are needed. Without any process, you cannot achieve any type of purpose or goal. If we see in our daily life, we have some goals.

2.1.2 Management is a universal phenomenon. It is a very popular and widely used term. All organizations - business, political, cultural or social are involved in management because it is the management which helps and directs the various efforts towards a definite purpose. According to Harold Koontz, "Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-

operate towards attainment of group goals". According to F.W. Taylor, "Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way".

Management is a purposive activity. It is something that directs group efforts towards the attainment of certain pre - determined goals. It is the process of working with and through others to effectively achieve the goals of the organization, by efficiently using limited resources in the changing world. Of course, these goals may vary from one enterprise to another. E.g.: For one enterprise it may be launching of new products by conducting market surveys and for other it may be profit maximization by minimizing cost. Hofstede, G.H. (1998),

2.1.3 Distribution, According to Charles T. Horngren,(2000) **Distribution** process ensures the delivery of supplies in a timely manner to health facilities in accordance with procedures that ensure the quality of supplies during transfer. Rational use ensures the therapeutically sound and cost-effective use of medicines and public health supplies by health professionals and consumers. National medicines supply models are cyclical systems in which each function or process depends on, and is supported by the previous function. For example, the selection of medicines is based on the assessment of medicines needs and use, and products to be purchased are identified based on decisions made during the selection process.

2.1.4 Procurement process includes: the quantification of medicines and supplies; selection of the most appropriate purchasing method; development of procurement plans detailing product specifications, purchase conditions and quality assurance criteria for medicines and supplies; and the evaluation of services and products provided by suppliers. Garrison, R.H. and Noreen, E.W. (2000).

The **distribution** process should guarantee the quality of all supplies stored in the warehouse, storeroom, or pharmacy: storage areas can effectively control the movement of stock by ensuring adequate physical infrastructure for the storage of

product, and the implementation of stock management and administrative procedures, including procedures governing the management of staff and environmental storage conditions. Garrison, R.H. and Noreen, E.W. (2000).

2.2 The impact of organization and management of public distribution system efficiency.

2.2.1 Physical access versus actual access: Government investment in HCs (II- IV) dramatically improved physical access to the health facilities. Today, 72 percent of households live within 5km of a health facility (public or NGO). The challenge is that while physical access improved, effective access to medicines has not. Evidence shows that utilization is limited because of inadequate medicines and health supplies, worsened by the low functionality of wards at HC IVs, the shortage of qualified health workers, and the demonization of the few that exist.

2.2.2 Economists have long believed that public distribution is an effective way to improve management and therefore productivity. Adam Smith remarked "monopoly is a great enemy to good management"². Analyzing this relationship is hampered by two factors: first, the endogeneity of market structure and second, credibly measuring management. Identifying the causal effect of competition is challenging, but the fact that exit and entry are strongly influenced by politics in a publicly run healthcare system, like the UK NHS, offers a potential instrumental variable – the degree of political competition. Closing down a hospital is deeply unpopular and since the governing party is deemed to ultimately run the NHS, voters tend to punish this party at the next election if all or part of their local hospital closes down. A vivid example of this was in the 2001 General Election when a government minister was overthrown by a political independent, Dr. Richard Taylor, who campaigned on the single issue of "saving" the local Kidderminster Hospital (where he was a physician) which the government planned to scale down.

2.2.3 Quality improvement

Implementing a quality improvement and safety culture in the JMS is essential to reduce harmful variation. Processes of care that may be part of a quality improvement program include appropriate evaluation of patients for thromboembolic and stress ulcer prophylaxis, analgesia and sedation management, steps to minimize catheter-related bloodstream infections, and ventilator associated pneumonia prevention. The different steps to initiate a quality improvement program include motivation, strong leadership, support of teamwork, prioritization of a project, performance of an environmental scan, creation of data collection systems and data reporting systems, and introduction of effective strategies to change clinicians' behavior. Strategies most effective to change behavior are multifaceted and include leadership, education at the time of guideline implementation, continuing interactive educational meetings for all team members, reminders, and audit-feedback (with positive incentive to change or sustain initial changes). Information technology is a potentially useful tool for implementation of these strategies. Advantages include the ability to not only provide clinical reminders, facilitate availability and use of clinical practice guidelines, and facilitate communication but also reduce errors of orders. Several studies on quality improvement programs in the JMS were associated with increased compliance to bundle targets, improved patient outcomes, and sustainability. Quality improvement through regional outreach is a strategy in

2.3.4 Rapid response teams

Prompt diagnosis and therapeutic intervention are associated with improved outcomes in many critically ill patients, such as those with severe sepsis. However, early identification of patients at risk remains a challenge. To improve the diagnosis and early management of patients, many hospitals have introduced rapid response teams (RRTs, also known as medical emergency teams, or outreach teams). The goal of these teams is to evaluate and appropriately treat patients who are showing evidence of worsening illness, with the emphasis on early intervention and triage (as needed) to higher levels of care.

2.3.5 Medicines versus underlying determinants of health:

Medicines undoubtedly offer a simple, cost-effective solution to medical ailments, provided they are available, affordable, and properly used. However, evidence from this study shows that neither the flow nor the usage of medicines can be boosted unless the underlying determinants of good health are addressed. The supportive/auxiliary infrastructure (e.g. staff housing; solar power; phone network coverage; the quality of roads; water and sanitation; and the quality of schools) was found to be inadequate. During fieldwork it was observed that the 'hard-to-reach' areas are hard to reach precisely because of poor auxiliary infrastructure.

2.3.6 Stock outs of medicines:

A top JMS II policy target was increasing the percentage of health facilities without any stock outs of first line anti-malarial drugs, measles vaccine, Depo Provera, Oral Rehydration Solution (ORS) and cotrimoxazole from 40 percent in 2003/04 to 100 percent in 2009/10. This policy target has not been attained. The in-charges of the public health facilities reported (in nine out of every 10 cases) that they experienced stock outs of anti-malarial and basic medical supplies – such as gloves within the six months that preceded the visits. This is worse than the MoH report that "72 percent of government health units experience stock outs of at least one indicator medicines". Some dissatisfied patients who were being asked to purchase medicines and medical supplies satisfied from private drugs shops alleged that health workers were diverting public medicines to their private clinics/drug shops. No concrete evidence of this was found. What is clear is that drug stock outs are a huge obstacle that must be overcome if people's access to medicines is to improve dramatically.

2.3.7 Decentralized health delivery system:

Uganda currently has a complex decentralized health system. It consists of the district health infrastructure consisting of Village Health Teams/Health Centre I (VHTs or HC Is), HCs II, III and IV plus general district hospitals. Beyond the district, the health system has Regional Referral Hospitals and National Referral Hospitals. Such a complex system calls for proper coordination, support supervision and inspection. Health facility

in-charges reported that while MoH was doing a commendable job in policy formulation, and provision of nationally coordinated services such as epidemic control, more serious support supervision and inspection were needed. Weak inspection was reported to be a top factor in explaining why credit line and PHC medicines do not always reach the beneficiaries. The CAOs, DHOs, DHTs and HSD medical officers partly need to increase the scale, scope and regularity of support supervision in their areas of jurisdiction.

2.3.8 Shortage/low motivation of health workers:

Inadequate human resources have constrained the ability of Uganda's health sector to fulfill its mandate. In November 2008, 51 percent of the approved positions in the public health service were filled (MoH, 2009b). Moreover, wide variations exist among districts. For example, Pader had 35 percent of the posts filled. Butologo HC II in Mubende district (a difficult to reach area located 25 miles from Mubende town), had only one nurse (Elizabeth Iripa), who was observably overworked. Shortages of critical staff such as nurses, doctors, nutritionists, and anaesthetic and laboratory workers, have greatly constrained the provision of medicines and health services in general. Some districts (such as Rukungiri) are more able than others (such as Hoima, Kamuli and Mubende) to advertise vacant positions, fill them, and cause their health workers to access the payroll. According to an interviewee, Rukungiri recruited even when there was a ban on recruitment, and their health workers accessed the payroll. In Rukungiri, support staff such as guards and cleaners, were on government payroll. In Kamuli, nursing assistants were observed mopping the floor of health facilities (there was no money to pay cleaners). In Hoima, a night guard at Kikuube HC IV had stopped working because his monthly salary of Ushs40, 000 (which was paid from PHC funds) was in arrears for four months. At the time of fieldwork, the solar panel at the health facility had been stolen.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter looks at the research design, population, sampling procedures, research instrument, data analysis, sources of data, validity and reliability, data quality control, research procedures data and limitation of the study.

3.1. Research design

The study used descriptive, longitudinal and analytical research design. Which helped help the researcher to find answers to questions on who, what, when and how things happen in the organizations while seeking to answer the research questions. When the design is used, data was collected using either interviews or questionnaires were analyzed descriptively and analytically or using both methods. Structured questionnaires were used. Each of the selected categories of the respondent had a questionnaire designed for it.

3.2. Study Population

The population of the study will consist of top officials and support staffs, corporate and walk-in clients. The numbers of respondent expected to participate in the research is 150.

3.3. Sampling and sample size

The sample size of the study was 45 and consisted of different categories of respondent who included 10 top officials, 15 support staffs and 20 customers.

This sample is 10% of total population, according to Mugenda and Mugenda (2003), the sample size more than 10 % is considered representative. For a study to be conducted.

Table 3.3: Sample size distribution

| Respondents | Frequency | Percentage |
|--------------------|------------------|-------------------|
| Top Officials | 10 | 22,2 |
| Support staffs | 15 | 33.3 |
| Clients | 20 | 44.5 |
| Total | 45 | 100.0 |

Source, author 2009

3.4 Data collection Methods and Instruments

The researcher used data from two sources; primary field (using administered questionnaires, oral interviews, and observation) and secondary data which was got from the review of Joint Medical Stores reports, manuals and other documents from libraries and internet sources.

The data collection instruments were basically self administered questionnaires, interviewing method and observation. These sources were of great importance as the research design used were descriptive and they enabled the researcher to have a foundation research.

3.5 Questionnaire

These were carefully designed instruments for collecting data in accordance with the specification of the research questions. It was an efficient data collection mechanism as the researcher knows exactly what was required and how to measure the variables of interest. Questionnaires were administered personally or mailed to respondents for this case study. The use of questionnaires was preferred because they were less expensive than the other methods. They were stored for future references and gave straight forward answers. They covered a wide geographical area since the researcher approached the respondents more easily and is easy to evaluate (Amin, 2005).

3.5.1 Interviewing

Interviewed is defined as a method where the investigator gathers data through direct verbal interactions with participants. An interview was used, an interview guide especially with the head of advertising in the company, top management and customers. The advantage of this method was that the researcher carried face to face with the respondents.

3.5.2 Observation

According to Anthony, R.N. and Govindarajan, V. (2004), observation is a method of data collection that employs vision as its main means of data collection, it is a process in which one or more persons examine what is happening in some real life situation and the classified plus recorded partitioned happenings according to some planned scheme. The advantage of this is that the information given by the respondent is protected and there was confidentiality of information and better recommendations based on personal observations.

3.5.3 Validity and Reliability of instruments

The researcher used quality checks such as use of different methods like questionnaires, oral interviews, and observation method to carry out the research. The researcher pre-tested the research instruments such as the questionnaires before actually using them in the field for the purpose of data collection. This was to ensure that the quality of data collected by the questionnaire and other tools is of high quality.

The researcher also ensured that the respondents fully participated in the research by minimizing non response rate. The researcher also made sure that there was a good representation of the respondents across the age, gender, and other characteristics in choosing the sample population.

3.5.4 Data Quality Control

The need for data made the researcher to use quality checks such as the use of methodological triangulation that is the use of several research methodologies in the research.

The researcher also pre-tested the research instruments such as the questionnaires before actually taking the questionnaires to the field. This made sure that the quality of data collected by the questionnaires is of great quality.

The researcher ensured that the respondents fully participated in this research and dropout rates are fully minimized. The researcher also ensured that there was a good representation across age, gender and other variability is taken into consideration in choosing the sample population.

3.6 Researcher Procedure

The researcher got an introductory letter from the dean school of business and management of Kampala International University introducing the researcher to carry out research on the impact of organization and management on public distribution a case study of Joint Medical Stores. The introductory was to seek permission to interview respondents who shall participate in the research.

3.7 Data analysis

The respondents used questionnaires. The filled questionnaires are to be corded, edited, analyzed and recorded in a summary tabled in computer program. The statistical program for social sciences (SPSS) is to be used to determine the different weights or responses given and with the program reduced the massive paper work.

3.8 Ethical consideration

A letter of introduction stating the purpose of the research was obtained from the head of department, Kampala International University. In addition, permission was sought from the Joint Medical Stores Administration and the local authorities of the study area before the collection of data. Confidentiality was assured to the respondents before the interview started. To maintain integrity of the information to be presented in the research report, reference was made to all information collected from already documented texts.

3.9 Limitations of the study

Some of the respondents were likely not willing to share with researcher some of the information that they may consider as confidential to them but the researcher shall promise to keep the information got as confidential and shall only used for academic purpose. Language barrier was expected as a problem where some of the respondents could not express themselves well and some of the questions were likely misunderstood, but the researcher interpreted the questions to the respondents.

Limited literature on information technology and quality service delivery in libraries around made the study restricted to use a few literature materials that researcher managed to access.

CHAPTER FOUR

FINDINGS AND INTERPRETATIONS

4.0 Introduction

This chapter is a presentation, interpretation and discussion of the field results. The results are presented in tables and in form of frequency counts and percentages. The results and discussions are centered on the set objectives of the study.

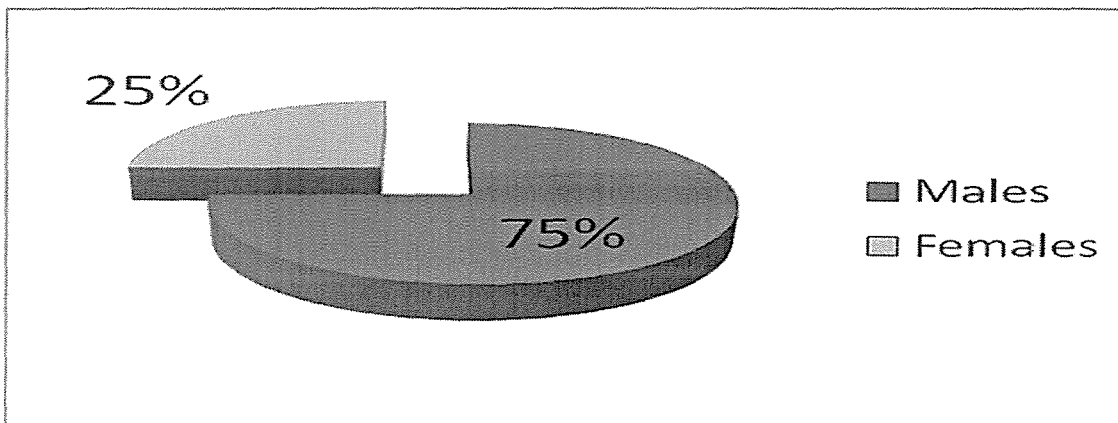
4.1 Demographic Characteristics of Respondents

Table 4.1: Distribution of the Respondents by Sex

| Sex | Respondents | Percentage |
|--------------|-------------|-------------|
| Males | 15 | 75% |
| Females | 5 | 25% |
| Total | 20 | 100% |

Source: Primary Data

Figure 4.1: Distribution of the Respondents by Sex



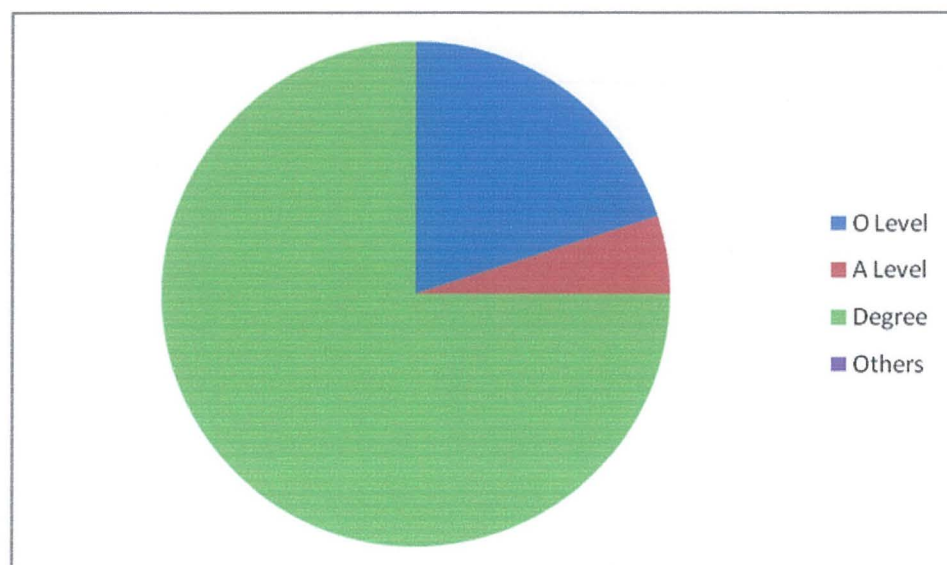
Most of the respondents were male 15(75%). Only 5 (25%) were female. This was because the majority of departmental heads are males in the company under study and the study considered only departmental heads who are involved in the distribution process.

Table 4. 2: Level of Education

| Level of education | Respondents | Percentage |
|--------------------|-------------|------------|
| "O" Level | 3 | 20% |
| "A" Level | 7 | 5% |
| Degree | 10 | 75% |
| Others | 0 | 0 |
| Total | 20 | 100 |

Source: primary data

Figure 4.2: Level of Education



The majority of respondents had a degree qualification. This was attributed to the fact that the respondents were in top management of the organization and were supposed to be more qualified than other employees.

Table 4.3: Years of service in the organization

| Level of education | Respondents | Percentage |
|--------------------|-------------|------------|
| 1 | 4 | 12.5% |
| 2-5 | 3 | 10% |
| 6-9 | 8 | 65% |
| 10 and above | 5 | 12.5% |
| Total | 20 | 100 |

Source: primary data

The majority of the workers 8(65%) had spent between three to six years on the job. This means most employees had the experience needed to serve the organization.

Table 4.4: The distribution process in this company starts with a review of the market plan.

| Response | Frequency | Percentage |
|--------------|-----------|-------------|
| Agree | 5 | 25% |
| Not sure | 5 | 25% |
| Disagree | 10 | 50% |
| Total | 20 | 100% |

Source: primary data

Table 4.4 shows that the majority of the respondents 20 (50) did not agree with the statement that the distribution process in the company starts with a review of the market plan. This thus means that the distribution process in not properly followed.

The respondents were in agreement with the statement that the revenues dominate the budget since this is a profit making organization. The goals of the budget are in percentages so if the revenues are very good the cost can increase a little.

Table 4.5: The distribution is very detailed and goes down on hour level.

| Response | Frequency | Percentage |
|--------------|-----------|-------------|
| Agree | 13 | 62.5% |
| Not sure | - | - |
| Disagree | 7 | 37.5% |
| Total | 20 | 100% |

Source: primary data

Results from the table 4.8 indicate that the respondents are in agreement with the statement that the distribution is very detailed and goes down on hour level. So those who are responsible are able to react quickly.

Table 4.6: when the distribution process is finally done it is done and it isn't upgraded during time.

| Response | Frequency | Percentage |
|-----------------|------------------|-------------------|
| Agree | 15 | 75% |
| Not sure | - | - |
| Disagree | 5 | 25% |
| Total | 20 | 100% |

Source: primary data

The findings from table 4.10 confirmed the statement that when the distribution is finally done it is done and it isn't upgraded during time, even if new information should come to awareness.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

In this chapter, the conclusions from the study and the recommendations made are presented. The study used both qualitative and quantitative methods of analysis.

5.1 Summary

The aim of this report was to find out how the impact of organization and management on public distribution at Joint Medical stores.

From the company's data (information collected through phone interviews and questionnaire), I found out the following impacts of the organisation and management on public distribution as to be discussed in summary.

Physical access versus actual access: Government investment in HCs (II- IV) dramatically improved physical access to the health facilities. Today, 72 percent of households live within 5km of a health facility (public or NGO). The challenge is that while physical access improved, effective access to medicines has not. Evidence shows that utilization is limited because of inadequate medicines and health supplies, worsened by the low functionality of wards at HC IVs, the shortage of qualified health workers, and the demonization of the few that exist.

Economists have long believed that public distribution is an effective way to improve management and therefore productivity. Adam Smith remarked "monopoly is a great enemy to good management"². Analyzing this relationship is hampered by two factors: first, the endogeneity of market structure and second, credibly measuring

management. Identifying the causal effect of competition is challenging, but the fact that exit and entry are strongly influenced by politics in a publicly run healthcare system, like the UK NHS, offers a potential instrumental variable – the degree of political competition. Closing down a hospital is deeply unpopular and since the governing party is deemed to ultimately run the NHS, voters tend to punish this party at the next election if all or part of their local hospital closes down. A vivid example of this was in the 2001 General Election when a government minister was overthrown by a political independent, Dr. Richard Taylor, who campaigned on the single issue of “saving” the local Kidderminster Hospital (where he was a physician) which the government planned to scale down.

Implementing a quality improvement and safety culture in the JMS is essential to reduce harmful variation. Processes of care that may be part of a quality improvement program include appropriate evaluation of patients for thromboembolic and stress ulcer prophylaxis, analgesia and sedation management, steps to minimize catheter-related bloodstream infections, and ventilator associated pneumonia prevention. The different steps to initiate a quality improvement program include motivation, strong leadership, support of teamwork, prioritization of a project, performance of an environmental scan, creation of data collection systems and data reporting systems, and introduction of effective strategies to change clinicians’ behavior. Strategies most effective to change behavior are multifaceted and include leadership, education at the time of guideline implementation, continuing interactive educational meetings for all team members, reminders, and audit-feedback (with positive incentive to change or sustain initial changes). Information technology is a potentially useful tool for implementation of these strategies. Advantages include the ability to not only provide clinical reminders, facilitate availability and use of clinical practice guidelines, and facilitate communication but also reduce errors of orders. Several studies on quality improvement programs in the JMS were associated with increased compliance to bundle targets, improved patient outcomes, and sustainability. Quality improvement through regional outreach is a strategy in

Prompt diagnosis and therapeutic intervention are associated with improved outcomes in many critically ill patients, such as those with severe sepsis. However, early identification of patients at risk remains a challenge. To improve the diagnosis and early management of patients, many hospitals have introduced rapid response teams (RRTs, also known as medical emergency teams, or outreach teams).

As Tim Blumentritt (2006) Medicines undoubtedly offer a simple, cost-effective solution to medical ailments, provided they are available, affordable, and properly used. However, evidence from this study shows that neither the flow nor the usage of medicines can be boosted unless the underlying determinants of good health are addressed. The supportive/auxiliary infrastructure.

Stock outs of medicines: A top JMS II policy target was increasing the percentage of health facilities without any stock outs of first line anti-malarial drugs, measles vaccine, Depo Provera, Oral Rehydration Solution (ORS) and cotrimoxazole from 40 percent in 2003/04 to 100 percent in 2009/10. This policy target has not been attained. The in-charges of the public health facilities reported (in nine out of every 10 cases) that they experienced stock outs of anti-malarial and basic medical supplies – such as gloves within the six months that preceded the visits. This is worse than the MoH report that “72 percent of government health units experience stock outs of at least one indicator medicines”. Some dissatisfied patients who were being asked to purchase medicines and medical supplies satisfied from private drugs shops alleged that health workers were diverting public medicines to their private clinics/drug shops. No concrete evidence of this was found. What is clear is that drug stock outs are a huge obstacle that must be overcome if people’s access to medicines is to improve dramatically.

Decentralized health delivery system: Uganda currently has a complex decentralized health system. It consists of the district health infrastructure consisting of Village Health Teams/Health Centre I (VHTs or HC Is), HCs II, III and IV plus general district hospitals. Beyond the district, the health system has Regional Referral Hospitals and

National Referral Hospitals. Such a complex system calls for proper coordination, support supervision and inspection.

5.2 Conclusion

The study findings do provide insights into the drug delivery mechanism in Uganda.

Some reforms in the health sector that directly impact on the system of delivering medicines have been discussed. It is evident from the study findings that these reforms seem to have yielded mixed results. More importantly, the study examined the institutional partnerships and the three modalities of drug delivery – credit line, PHC and third party. It is argued that health outcomes cannot make substantial improvement until delivery systems are well managed, including that of drugs. A lot of issues that affect drug delivery systems include tracking of public spending on medicines, institutional partnerships, conflicting regulations, expanding health infrastructure, without proportionate improvement in the soft infrastructure to name a few. All these introduce inefficiencies in the system.

5.3 Recommendations

Money for medicines (both credit line and PHC) should be transferred directly from MoFPED to JMS. This will involve two reforms. First, stopping the decentralization to districts of the 50 percent PHC funds meant for medicines. [This money should now go straight to JMS]. Second, the credit line fund should stop going through MoH to JMS. A valid concern has been raised, namely that this reform will effectively put the medicines and the money together as was the case during the days of the Central Medical Stores (CMS).

This will not be a problem if a third initiative is embarked on, namely, strengthening the supervisory capability of MoH. A strong inspection department in the MoH will ensure proper utilization of the money by JMS. Should this require revision of the JMS Statute, then it should be done expeditiously. Exceptions to this proposal would be hospitals (both referral and district hospitals) to which MoFPED should directly transfer money for medicine. The condition here should be that they purchase medicines from either the

NMS or JMS only. Any money for medicines that is not utilised should be returned to the MoFPED at the end of the financial year.

The line MoH should hold JMS managers personally accountable for what goes right or wrong in JMS. Tough measures must be put in place (by MoH, MoFPED and the President) to punish JMS management (a) if essential medicines (like anti-malarials) are inadequate; (b) if JMS delivers medicines that are not requested by clients; (c) if JMS dumps onto lower health facilities drugs that have less than three months' shelf-life; or (d) if JMS delays to deliver medicines on time. The aim of these tough interventions is to improve efficiency in delivery of medicines.

To overcome the widespread problem of drug stock outs, JMS should be given adequate capitalization to enable it procure 100 percent of the drugs requested by clients. Once JMS has financial autonomy and adequate capitalization, there should be zero tolerance to JMS's perpetual problem of non-availability of medicines. The JMS must purchase the medicines requested for from the market, including JMS and/or other private pharmacies in line with national procurement guidelines. In other words, JMS should be given an expanded mandate of procuring and distributing all medicines.

The abuses of drugs by individuals/households together with the associated problem of rising resistance to medicines were less serious where diagnostic facilities existed. Government must invest in laboratories and rapid diagnostic kits across the country. These are important and affordable.

A framework for coordinating donors in the health sector needs to be worked out expeditiously to avoid disruption of JMS activities. One way of doing this is by JMS creating a special unit to handle medicine supplies by "third parties". A clear procurement and distribution calendar of medicines supplied by third parties is necessary.

Operational funds for various levels of health units should be determined a priori and transferred from the MoFPED to the JMS and then directly to beneficiary health

institutions, which include the Office of the DHO, the health sub-district (HSD) and lower level health centres (HC IIs, HC IIIs and HC IVs). At the district level, the district health inspection system should be strengthened to ensure proper utilization of operational funds in lower level health centres. The MoH should not allow health units to pay wages for any category of workers from operational funds. All workers should be recruited and their wages paid directly by the Ministry of Public Service (MoPS).

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APPENDIX I

QUESTIONNAIRE SCHEDULE

Kindly respond to the statement below as objectively as possible making a tick (x) mark against any appropriate alternatives which mostly apply to you. Your responses will be treated in utmost confidence.

SECTION A (PERSONAL DATA)

(Tick in the appropriate space provided)

1) Name (Optional):.....

2) Sex:

(a) Male () (b) Female ()

3) Age:

(a) Between 18-20 years () (b) Between 20-30 years ()

(c) Between 31-50years () (d) Above 50 years ()

4) Religion:

(a) Christianity ()

(b) Islamic ()

(c) Traditionalist ()

(d) Others (specify)

.....

5) Level of Education (Qualification):

(a) "o" Level/school certificate ()

(b) "A" Level or Equivalent ()

(c) First Degree, Above ()

(d) Others (specify):

.....

6) Which of the following levels of management do you belong?

(a) Tactical Management Level ()

(b) Operational Level ()

(c) Strategic Management Level ()

7) Worker's experience

(a) Below I year ()

(b) 2 – 5 Years ()

(c) 6 – 9 Years ()

(d) 10 – 9 Years ()

(e) 10 and above ()

8) Is there a particular committee responsible for reviewing proposals from different departments?

Yes () No ()

9) What is the composition of the body?

.....

.....
10) Are its decisions final? Yes () No ()

11) If the answer to (12) above is No, then who makes the final decisions?
.....
.....

12) What distribution techniques are employed?
.....
.....

13) Distributing and Distributionary control process help to eliminate waste and serves as a performance monitoring tool? Yes () No ()

14) To what extent has your company practiced this system of distribution control and planning during the current year?
.....
.....

APPENDIX II
INTERVIEW GUIDE

1). How many departments are there in the company?

.....

.....

2). is there a separate department responsible for distribution operations?

Yes () No ()

3). If Yes, what is the name of the department?

.....

.....

4). who heads the department (Title of job holder)?

.....

.....

5). what are the staffing levels in this department?

.....

.....

6). To whom in charge?

.....

.....

7). who sets the performance targets?

.....

.....

8). what are the performance evaluation methods being adopted to ensure that these targets achieved?

.....

.....

9). what factors are taken into consideration in the setting of these are targets?

.....

.....

10). What are the management control processes adopted in your company?

.....

.....

11). Are conclusions being drawn and recommendations made as to how improvement could be made?

.....

.....

12).What role does JMS play in the distribution and planning process in your environment?

.....

.....

13). what are the motivational ingredients in your distribution process?

.....

.....

Thank you for your contribution and time.

APPENDIX IV

PROPOSED BUDGET FOR PROPOSAL AND REPORT WRITING

| ITEM | QUANTITY | RATE | TOTAL COST |
|---------------------------------------|----------------------------------|--------|-----------------|
| Ream of paper | 2 | 1000/= | 2000/= |
| Pens | 5 | 100/= | 500/= |
| Proposal Typing and Printing | 2 copies | 200/= | 4000/= |
| Transport | - | - | 30,000/= |
| Research Assistants | 2 | 4000/= | 8000/= |
| Proposal typing, printing and binding | 4 | 5000/= | 20,000/= |
| Miscellaneous | - | 5000/= | 5000/= |
| TOTAL | Uganda Shillings (Ug shs) | | 69,500/= |