

The Efficacy of Procurement Staff Professionalism in the Implementation of Preference and Reservation Policy in the Professional Regulatory Bodies in Kenya

Bob Evans Ochieng

School of Business and Human Resource Development,
Rongo University,
P.O. Box 103-40404, Rongo, Kenya



Abstract - World Bank economic surveys have indicated that Kenya spends heavily on public procurement with losses attributed to poor procurement regulations implementation being approximated at 20% per year. According to PPOA annual report of 2015, poor procurement practices like non-compliance to PPDA regulations have been identified as a challenge to the procurement process. This study sought to evaluate effect of procurement staff professionalism on implementation of preference and reservation policy in the public sector in Kenya. The study used a descriptive survey as the study research design. The target population comprised of 116 managers drawn from the following departments in the 29 professional societies operating in Kenya; ICT department, Human Resource department, procurement department and finance department. A census was conducted on all the 116 respondents. The study used descriptive statistics such frequency distributions, percentages, frequency tables and pie charts to summarize and relate variables obtained from the administered questionnaires and inferential statistics of correlation and regression to show the relationship between the independent and dependent variables. The results of the study showed that procurement staff professionalism positively and significantly influenced implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya. The study recommended that in order to improve implementation of preference and reservation procurement policy, professional regulatory bodies in Kenya should pay attention to indicators of procurement staff professionalism such as professional competency, procurement staff skills, procurement staff integrity, procurement staff code of conduct and procurement staff knowledge on procurement regulation.

Keywords – Procurement; Professionalism; Implementation; Regulatory Bodies.

I. INTRODUCTION

In the contemporary business world, public procurement process is deemed a vital component of financial system with economic and social outcomes ([1]). It is seen as an objective and efficient way of contracting between the state and private entities ([2]) and is widely used to enhance a country's development agendas, such as the economic development of disadvantaged social groups ([3]). The manner in which community services are delivered as well

as the governance level of a country are dependent on public procurement efficiency because this process pervades all aspects of government planning, executions of various government programs as well as allocation of public resources. It is therefore, an important market in any economy as it consumes a substantial percentage of public revenue of a country ([1]).

The public procurement market worldwide deals with a wide range of supplies. Countries have hence sought to

come up with Procurement legislations to manage their procurement procedures. However, resistance and challenges in implementation of the procurement procedures is evident, regardless of the country in question. For the case of European countries, legislations targeting improvement in public procurement processes have been greatly stifled on two fronts which are the influence of political class and public administrators and government procurement officials.

There are several factors that have been identified to account for the increasing resistance to these legislations. Firstly, these legislations have met by persistent complaints directed at the intricacy of specific procurement directives as they are purported to lack flexibility. Second, these legislations are also presented in complex and unfeasible terms that spell public participation during procurement process. Third, these legislations fail to spur any meaningful and adequate integrative and innovative outcomes of the entire procurement process. Procurement legislations are lastly faulted for the complex nature of their administration and application ([4]). In Jordan, attaining sustainable procurement in the country has been adversely affected by paltry procurement performance measures, absence or unsuitability of benchmarking processes as well as unproductive systems that are in place ([5]). These restraining factors are also reinforced by lack of a thoroughly well formulated regulatory framework to encourage best practice.

Developing countries on the other hand have tried to reform their public procurement regulations. Integrated efforts by the World Bank, ITC, WTO and UNCTAD as cohorts for development of the African states have spurred the procurement reforms that differ from one African country to another ([6]). The procurement reform process in Africa has not yet fully achieved procurement efficiency and effectiveness of the whole process due to existence of undermining factors such as corruption, incompetence and other destabilizing factors ([7]). Despite the concerted efforts of the African countries to reverse the trend, there are still huge amounts of public resources that are wasted due to inefficient and ineffective procurement processes.

A study was conducted and sought to assess compliance with the Public procurement legislations in Ghana ([8]). The study used questionnaires to collect primary data from employees of public entities and after regression analysis, it was realized that the main determinant of poor procurement practices in Public Entities in Ashanti Region of Ghana was lack of appropriate professionals([8]). The study presents a contextual knowledge gap since the focus was on public

entities in Ghana. The findings cannot be generalized to Kenyan setting and hence a need to conduct a study in Kenya.

II. MATERIALS AND METHODS

Quantitative research approach was used in carrying out this research. The study used a descriptive survey which can be able to answer the research questions which were asked in form of ``wh'' ([9]). The main reason for adopting this design was because it supports the use of questionnaires and establishes a cause effect relationship. In this research, the target population comprised of 116 managers sampled from the 29 professional societies operating in Kenya. The departments were ICT department, Human Resource department, procurement department and finance department. The choice of the managers was justified on the basis that they are responsible for formulation and implementation of preference and reservation procurement policy in these bodies. The unit of analysis was 29 professional societies operating in Kenya while the unit of observation comprised of 116 managers from the departments stated above. The summary of the target population is presented in Table 1.

Table 1: Target Population

Department	Population
ICT Department	29
Human Resource Department	29
Procurement Department	29
Finance Department	29
Total	116

Source: Professional Bodies, Human Resource Reports (2018)

All the managers were eligible for inclusion, hence the study adopted a census approach where no sampling was conducted. The census approach was used because the sample size was not big enough for sampling ([10]). When the target population is small (less than 200), there is no need of sampling if time and resources allow and this increases reliability ([10]). Furthermore, there is a need to have an in-depth opinion from each of the respondents and to achieve that, a census is suitable. The use of a census is also justified on the argument that a census approach can be adopted for a population less than 200 ([11]).

A questionnaire was more suitable for this study as the instrument of collecting data. It was structured in a likert form to capture quantitative data ([12]). A pretest was critical to indicate whether the questionnaire was valid and reliable. Reliability was done to ensure consistency and validity was done to ensure meaningfulness of the data ([13]). Pre-testing enabled the study to correct and improve the research instruments thus performance of data collection. Data analysis is the process of organizing the data collected in order to come up with results that can be interpreted by the researcher ([14]). The following multivariate regression was adopted;

$$Y = \alpha + \beta_1 X_1 + \varepsilon$$

Where:

Y = Implementation of Preference and Reservation Procurement Policy

X₁ = Procurement Staff professionalism

ε = Error term

α = regression constant

β = coefficient of independent variables (unknown parameters to be determined)

III. RESULTS AND DISCUSSION

3. Demographic Characteristics

The study sought to establish the characteristics of the study respondents in terms of their age, highest level of education, their working experience in the professional body and the department in the professional body. The section therefore presents the results of these characteristics that are presented in the following sections.

3.1 Age of the respondents

The study purposed to examine the age of the respondents of the study. As indicated in Figure 1, the results of the study showed that majority of the study respondents, 51.1%, were aged between 40-50 years followed by 26.6% of the respondents were aged between 30-40 years. Only 5.3% of the study respondents were aged below 30 years. The implication of the results is that there was fair representation of all age groups in the study.

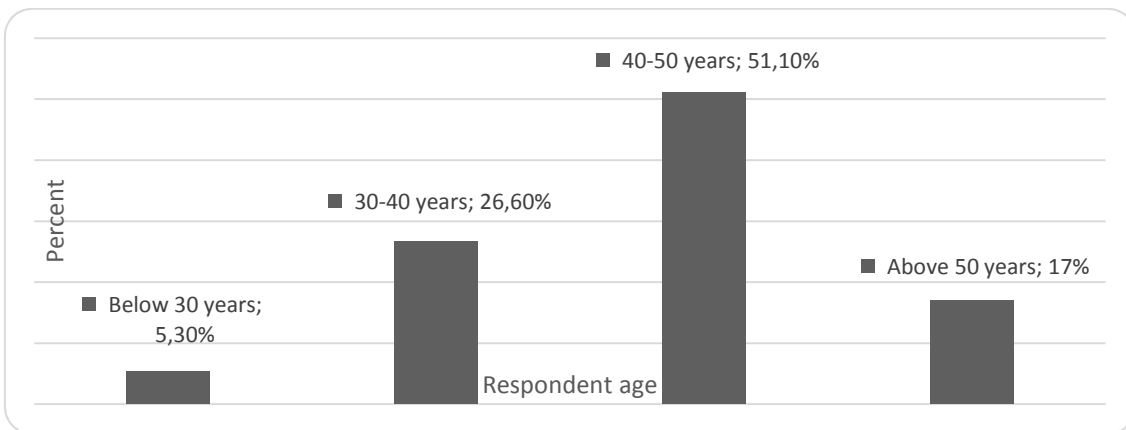


Figure 1 : Respondent Age

3.2 Respondent Highest Level of Education

The study also purposed to examine the highest level of education of the respondents of the study. As indicated in Figure 2, the results of the study showed that majority of the study respondents, 56.4%, had undergraduate academic qualifications followed by 21.3% of the respondents were postgraduates. Only 8.5% of the managers had certificate

academic qualifications. This implies that majority of the respondents had adequate level of academic qualification and were therefore reliable in providing accurate information for the study. This is in accordance with the argument that high education level enhances response rate and reliability of the information provided ([15]).

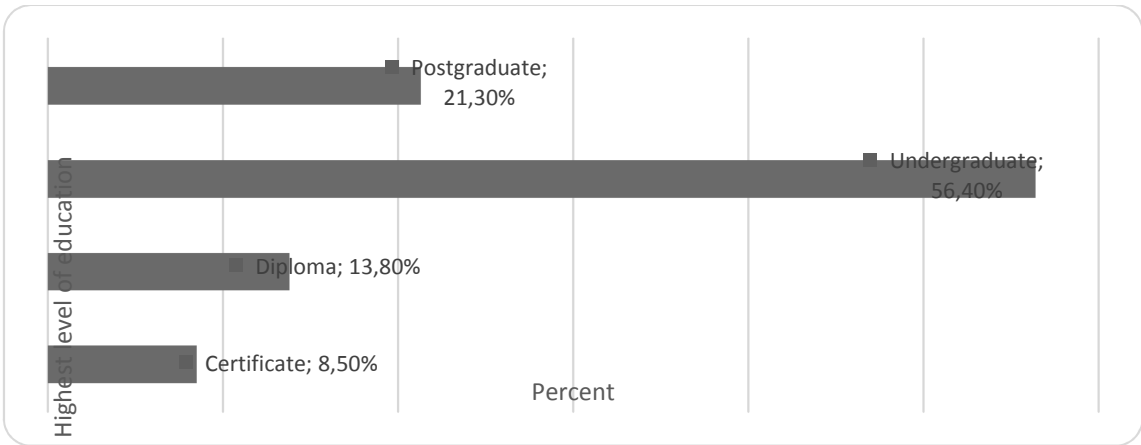


Figure 2 : Highest Level of Education

3.3 Working experience of respondents

The study further examined the working experience of the respondents in the professional regulatory body. As indicated in Figure 3, the results of the study showed that majority of the study respondents, 52.1%, had a working experience of between 2-10 years, 22.3% had a working experience of 11-20 years with a further 5.3% of the respondents having a working experience of above 20 years.

The results imply that majority of the respondents had worked in the professional regulatory body long enough and were therefore conversant with the procurement practices in the organization. This also implies that they respondents provided reliable information as far as implementation of preference and reservation policy is concerned.

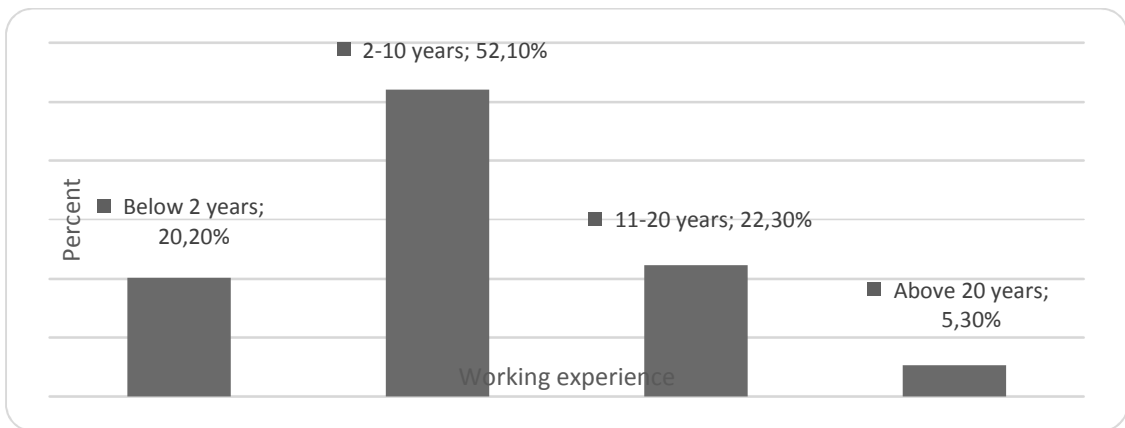


Figure 3 : Respondent Working Experience

3.4 Department

The study further examined the department of the respondent in the professional regulatory body. As indicated in Figure 4, the results of the study showed that majority of the study respondents, 31.9%, were from procurement department, 26.6% of the respondents were from human

resource department, 23.4% were from ICT and 18.1% from finance. This implies fair representation of all departments during the study for the purpose of collecting relevant information.

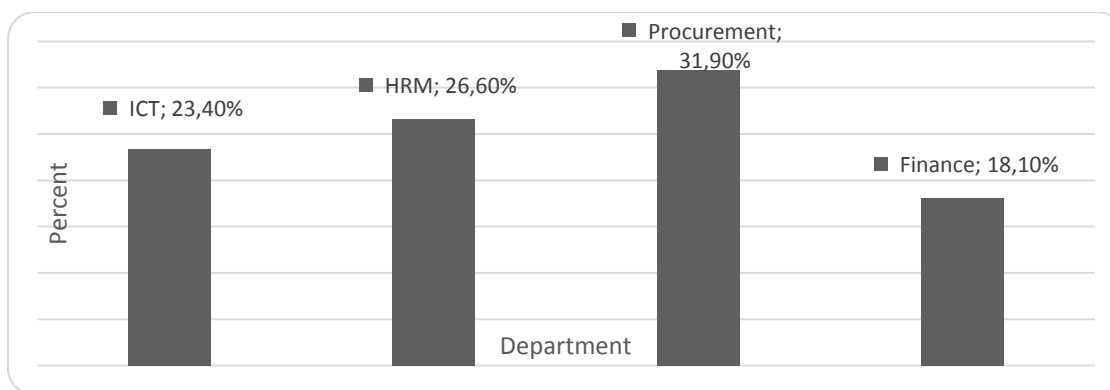


Figure 4 : Respondent Department

3.5 Procurement staff professionalism

The study sought to test the relationship between procurement staff professionalism and implementation of reservations and preference policy in the professional regulatory bodies in Kenya. Respondents rated various statements on Procurement Staff Professionalism based on the rating of 1-5 (5= Very Large Extent; 4 =Large Extent; 3= Moderate Extent; 2= Low Extent and 1= Very Low Extent). Majority of the respondents, 67% and mean 4.45, indicated that professional competency influenced implementation of procurement preference and reservation policy in the professional regulatory bodies in Kenya to a very large extent followed by 14.9% of the respondents indicated large extent. Only 2.1% of the respondents indicated that professional competency influenced implementation of procurement preference and reservation policy in the professional regulatory bodies in Kenya to a large extent. The standard deviation value of 0.91 implies low variation of the responses to this statement.

Majority of the respondents, 84% and mean 4.81, indicated that procurement staff skills influenced implementation of procurement preference and reservation policy in the professional regulatory bodies in Kenya to a large extent followed by 12.8% of the respondent who indicated large extent. A standard deviation value of 0.47 denotes low variation of the responses towards this

statement. The results of the study also showed that majority of the respondents, 46.8% and mean 3.67, indicated that procurement staff integrity influenced implementation of procurement preference and reservation policy in the professional regulatory bodies in Kenya to a large extent supported by 10.6% of the respondent who indicated large extent. On the same note, majority of the respondents, 41.5% and mean 3.66%, procurement staff code of conduct influenced implementation of procurement preference and reservation policy in the professional regulatory bodies in Kenya to a large extent.

Finally, majority of the respondents, 68.1% and mean 3.88, indicated that procurement staff knowledge on procurement regulation influenced implementation of procurement preference and reservation policy in the professional regulatory bodies to a large extent. On average, the mean of 4.09 indicated that procurement staff professionalism affects implementation of reservations and preference policy in the professional regulatory bodies in Kenya. The results of the study are consistent with the findings that public procurement is faced with the challenge of creating procurement structures and recruiting appropriate personnel to manage procurement process which limits the scope for efficiency and value for money implying that appropriate procurement personnel improves procurement performance ([8]). The average responses are as shown on Table 2.

Table 2 : Procurement Staff Professionalism

Statement	1	2	3	4	5	Mean	Std Dev
Professional competency	2.10%	0.00%	16.00%	14.90%	67.00%	4.45	0.91
Procurement staff skills	0.00%	0.00%	3.20%	12.80%	84.00%	4.81	0.47

Procurement staff integrity	14.90%	7.40%	20.20%	10.60%	46.80%	3.67	1.49
Procurement staff code of conduct	12.80%	4.30%	28.70%	12.80%	41.50%	3.66	1.39
Procurement staff knowledge on procurement regulation	3.20%	1.10%	13.80%	68.10%	13.80%	3.88	0.77
Average						4.09	1.01

The study also established the regularity of training top management staff on procurement legislation. As presented in Table 3, majority of the respondents, 44.68% indicated that the professional regulatory bodies train top management staff on procurement legislation annually followed by

29.79% of the respondents who indicated that the professional regulatory bodies train top management staff on procurement legislation biannually. This implies that professional regulatory bodies train top management staff on procurement legislation on a regular basis.

Table 3 : Frequency of training top management staff on procurement legislation

Regularity of training top management staff on procurement legislation	Frequency	Percent
Biannually	28	29.79
Annually	42	44.68
After 3 years	18	19.15
After 5 years	6	6.38
Total	94	100

The correlation analysis results also indicated a positive and significant association between procurement staff professionalism and implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya (R = 0.370, P=0.000<0.05) as shown in Table 4. This implies that an improvement in various indicators of procurement staff professionalism such as professional competency, procurement staff skills, procurement staff integrity, procurement staff code of

conduct and procurement staff knowledge on procurement regulation results to positive and significant change in implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya. The results are consistent with findings that professional ethical values, awareness and training influence the compliances of procurement regulations in public secondary schools ([16]).

Table 4 : Correlation Analysis

Correlations		Procurement Staff Professionalism
Procurement Staff Professionalism	Pearson Correlation	1
	Sig. (2-tailed)	
Implementation of Preference and Reservation Procurement Policy	Pearson Correlation	.370**
	Sig. (2-tailed)	0.000
	N	94
** Correlation is significant at the 0.01 level (2-tailed).		
* Correlation is significant at the 0.05 level (2-tailed).		

The results also indicated that procurement staff professionalism positively and significantly influenced implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya (Beta = 0.173, $p=0.006<0.05$). This implies that a unit improvement in indicators of procurement staff professionalism such as professional competency, procurement staff skills, procurement staff integrity, procurement staff code of conduct and procurement staff knowledge on procurement regulation results to 0.173 significant improvement in implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya. This is consistent with the argument that procurement personnel conduct affects procurement process of health care supplies in the public sector to a great extent ([17]).

IV. CONCLUSIONS AND RECOMMENDATIONS

The study concluded that procurement staff professionalism positively and significantly influenced implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya. This implies that an overall improvement in the indicators of procurement staff professionalism such as professional competency, procurement staff skills, procurement staff integrity, procurement staff code of conduct and procurement staff knowledge on procurement regulation results to improvement in implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya.

The study also recommends that in order to improve implementation of preference and reservation procurement policy, professional regulatory bodies in Kenya should pay attention to indicators of procurement staff professionalism such as professional competency, procurement staff skills, procurement staff integrity, procurement staff code of conduct and procurement staff knowledge on procurement regulation.

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