ISSUES AFFECTING IMPLEMENTATION OF PROCUREMENT POLICIES IN GOVERNMENT INSTITUTIONS IN KENYA: CASE OF MINISTRY OF EAST AFRICAN, AFFAIRS COMMERCE AND TOURISM

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ABSTRACT
This study was intended to identify issues affecting implementation of public procurement policies in the government institutions. Procurement policies and procedures follow a logical pattern and are designed to ensure that the procurement process adheres to a company’s financial regulations and procurement law. The study objectives were to establish the effect of training on implementation of procurement policies, to identify the effect of change management on implementation of procurement policies, to determine the effect of ethics on implementation of procurement policies and to establish the effect of organizational culture on implementation of public procurement policies in the government ministries. The study used descriptive research design with the target population of 150 staff from Ministry of East African affairs Commerce and Tourism in Kenya. A stratified random sampling technique to ensure representativeness was employed to select a sample of 109 respondents. Questionnaires were used to collect data being an easy and faster method of data collection. Both quantitative and qualitative methods of data analysis were used to analyze the gathered data presented using bar charts, pie charts and tables. In conclusion, training is partially effective in the ministry; change has a dramatic effect on the ways in which the procurement policies are implemented; ethics is an important factor on implementation of procurement policies; and organizational culture determines how procurement system will be implemented. In recommendation, management of the institution should ensure that its entire staff is aware of training programs at hand; management should ensure that they carry out the change management process amicably and should involve all employees so that it will be effectively undertaken without resistance; management should ensure that principles of good ethics are followed and all employees should know what they are; the management should ensure that its organizational culture is efficient.

Key Words: Procurement Policies, Training, Organizational culture, Ethics, Change Management
Introduction

Public procurement refers to the acquisition of goods, services and works by a procuring entity using public funds (World Bank, 1995a). According to Roodhooft and Abbeele (2006), public bodies have always been big purchasers, dealing with huge budgets. Mahmood, (2010) also reiterated that public procurement represents 18.42% of the world GDP.

Procurement policies and procedures follow a logical pattern and are designed to ensure that the procurement process adheres to a company's financial regulations and procurement law. The main processes common to all procurements include supplier selection, requesting information, tender submission, tender evaluation, contract award and inspection (Steve, 2012).

The Office of Federal Procurement Policy (OFPP) within the United States Office of Management and Budget is charged with promoting efficiency and economic growth, as well as preventing waste and fraud in acquisition processes. The OFPP ensures federal agencies use ethical practices. In the United States government procurement requires individuals entering into commercial contacts to follow specific government laws and regulations. Although both parties are still allowed to set their own terms, they are not permitted to deviate from any government laws or regulations. The OFPP guarantees the implementation of proper government policies and practices in the federal government's acquisition of an estimated $350 billion each year in goods and services, and oversees the development of acquisition regulations, formulates and coordinates acquisition legislation, manages the government procurement data system and promotes participation of small businesses in government contracts (Neyestani, 2012).

In developing countries, public procurement is increasingly recognized as essential in service delivery (Basheka and Bisangabasaija, 2010), and it accounts for a high proportion of total expenditure. For instance, public procurement accounts for 60% in Kenya (Akech, 2005), 58% in Angola, 40% in Malawi and 70% of Uganda’s public spending (Wittig, 1999; Government of Uganda, 2006) as cited in Basheka and Bisangabasaija (2010). This is very high when compared with a global average of 12-20 % (Frøystadet al., 2010). Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is need for accountability and transparency, (Huiet al., 2011). Consequently, various countries both in developed and least developed countries have instituted procurement reforms involving laws and regulations. The major obstacle however, has been inadequate regulatory compliance. De Boer and Telgen (1998) confirm that non-compliance problem affects not only the third world countries but also countries in the European Union. This position is further supported by Geldermanet al., (2006) who contend that compliance in public procurement is still a major issue.

Hui et al., (2011) while analyzing procurement issues in Malaysia established that procurement officers were blamed for malpractice and non-compliance to the procurement policies and procedures. Citing Yukl (1989), Gelderman et al., (2006) stipulate that compliance occurs when
the target performs a requested action, but is apathetic about it, rather than enthusiastic, and puts in only a minimal or average effort. However, as an organizational outcome, compliance has traditionally been understood as conformity or obedience to regulations and legislation (Snell, 2004) cited in Lisa, (2010).

In Uganda, for example a wave of procurement reforms that begun in 1997, culminated into the enactment of the Public Procurement and Disposal of Public Assets (PPDA) Act 2003, and regulations 2003. Unfortunately, many central government ministries and agencies have since then not followed prescribed practices (Agaba & Shipman, 2007). The procurement audits carried out by the PPDA have revealed that out of 322 contracts audited at the end of 2005, only 7 (2%) were assessed as compliant. Other successive audit checks reveal that compliance in public procurement in Uganda is still inadequate (PPDA compliance reports, 2009; PPDA Baseline survey report, 2010; PPDA Capacity Building Strategy Report, 2011- 2014; World Bank Country Procurement Assessment Report, 2001) cited in Tukamuhabwa (2012).

In 2000, South Africa enacted the Preferential Procurement Framework Act. The Act established a policy of preferential procurement of services by people who are disadvantaged by unfair discrimination. The Act applies to contracts entered into by state agencies and departments. Prior to the adoption of the 1996 Constitution in South Africa, under an apartheid government, contracts were awarded based to the lowest bidder unless it was clearly evident that the individual or firm did not have the necessary experience to complete the contract. This practice of accepting the lowest bidder made it difficult for smaller firms to bid on government contracts because their cost was generally higher than larger firms. The former government's procurement practice was also discriminatory to economically disadvantaged groups. As a result, most government contracts were awarded to large, white-owned businesses (Beach, 2012).

Procurement remains to be a key sector in Kenya, which facilitates the acquisition and disposal of goods and services, thereby leading to smooth running of various institutions, both public and private. Therefore, with respect to green procurement process executed on the basis of ethical codes of conduct, reference is made to ethical purchasing, ethical procurement and ethical sourcing. In order to be fair during the bidding process, the Government, through the Public Procurement Oversight Authority (PPOA) has established guidelines when selecting a contractor. These guidelines include the hiring of minority owned companies which include female owned companies. The company has to have established Equal Opportunity hiring policies and must not have a history of unfair treatment of bidders. Another thing the Government must do when selecting a contractor is it must spread the wealth among the contractors. This assures that all contractors and their companies are fairly treated when being considered for a contract. The possibility is good that the smaller, minority owned companies will eventually be chosen to work on a contract. Now all we have to do is make sure that the person that awards the contract is also fair and impartial, and not influenced by outside parties (Githui, 2012).
According to Kenyanya et al., (2011), Kenya has undergone significant development in the past three decades. From being a system with no regulations in the 1960s to a system regulated by Treasury Circulars in the 1970s, 1980s and 1990s, the introduction of the Procurement Regulations of 2006 brought new standards for public procurement in Kenya. Many studies were carried out on procurement before the Public procurement and Disposal Regulations of 2006 to evaluate the efficiency of the procurement process in existence at the time, (Kipchilat, 2006). The major findings of the studies were that public procurement was not operating efficiently and that the state was losing a lot of money through shoddy deals.

These regulations became effective in Kenya on 1st January 2007 after the gazettement of the Public Procurement and Disposal Regulations Act 2005. The purpose of this Act is to establish procedures for procurement and the disposal of unserviceable, obsolete or surplus stores and equipment by public entities to achieve efficient management of public funds. The act contains eleven (11) parts. The Principal reason for the enactment of the Act was to have a legal regime that weeds out inefficiencies in the procurement process, remove patterns of abuse, and the failure of the public purchaser to obtain adequate value in return for the expenditure of public funds. However, these objectives have never been fully achieved in practice, (Wanyama, 2010). Wanyama notes further that key provisions of the Act and the Regulations are replete with textual weaknesses that have often been abused by procuring entities. The Regulations do not envisage contemporary market realities hence the need to continuously revise them to keep pace with these developments.

In a study conducted in Kenya by the PPOA (2007), the introduction of the legal and regulatory procurement framework; the establishment of the PPOA as an oversight body; the development of a framework for contract administration and the new appeals mechanism were among those aspects of the procurement system rated as having been positively affected by the Regulations. In contrast, the existing institutional development capacity in procuring entities and functioning of the procurement market were assessed as being among the weakest aspects of the system. The report noted that although procedures supporting systematic procurement planning have been established, research showed that these are far from always being complied with. It was found out, for example, that there was a low share of procurements that were done through open tendering. Another study by KPMG International carried out after the introduction of the Regulations, it was still found out that public procurement still suffers from fraud and misconduct (KPMG, 2008).

A study by KACC, also noted that public officials distort the Regulations to restrict the participation of interested firms in procurement, or still direct the outcome of others. Government institutions procurement systems are to be regulated by the Regulations. The Public Procurement and Disposal Act granted Accounting officers the power to control the tendering and procurement process in government Ministries by setting of Tendering Committees to oversee the whole process of procurement. Procurement and Disposal Regulations were
supposed to supplement towards this goal by making public procurement more transparent (PPOA, 2007). In a study by Kenyanya et al., (2011) found that the established legal and regulatory framework in government institutions in Kenya has added some strength to the public procurement system but weaknesses still exist in the framework.

**Literature Review**

According to Creswell, John (2007) a literature review is a text written by someone to consider the critical points of current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work. Also, a literature review can be interpreted as a review of an abstract accomplishment Cooper, H. (1998). In this study literature review analyze theoretical review, conceptual framework and empirical review, critique of the existing literature, summary of the study and research gap.

**Training**

Training of staff in procurement practices and the use of Procurement tools are critical to the success of a procurement initiative. The staffs of an organization need to acquire the necessary skills that can enable them to operate effectively and efficiently while using the new e-procurement system. If staff is not adequately trained, they may not be able to own the e-procurement system and this may contribute to failure. The success of e-Procurement initiative (and other procurement processes) depends on users and buyers making use of the new process and system. The solution must attract end users to view e-Procurement (and other procurement systems) as the preferred means by which to purchase goods and services (KPMG, 2001).

In all countries government is a substantial part of the national economy, and shifting its business activities of procurement and construction online has the potential to provide major impetus to the rollout of new technologies throughout the economy. However, the operational benefits of technology for the governance and efficiency of these business activities is beyond question. Installing new technology can be simple, but experience has shown that extracting maximum benefit involves governance, management, organizational and behavioral changes which are almost always complex. Moving technologies to core business processes is a challenging proposition. These changes affect management at all levels of the supply chain and potentially all businesses in the economy and need to be underpinned by appropriate legislation, infrastructure and training (Asian Development Bank et al., 2004).

Vendors should provide all procedural information, coaching, and hands-on experience to users before or on system procurement. This will furnish users with an operational knowledge of such systems, thereby creating some level of confidence in them to adopt the system. The result of this increase in knowledge and confidence in using the system will be a greater deployment of
systems that provide the most support (i.e. more sophisticated systems with decision-making capabilities), thus, minimizing the extent of the “productivity paradox” (Ndubisi and Richardson, 2002).

Ogachi (2011) conducted a research in Kenya about the procurement training and indicated that the procurement professionals’ reward (pay) affected the extent to which they adhered to procurement policies. With better pay the public procurement professionals tended to observe the professional code of ethics (Ogachi, 2011). Nyeko and Kakwezi (2011) study underscores the importance of the procurement cycle in fostering enhanced procurement policies adherence in Africa. The study concluded that a good procurement cycle encouraged competition among suppliers, professionalism, good business ethics and non discrimination in public procurement (Nyeko et al, 2011).

Latest studies provide that organizations heavily invest in Human Resource Development interventions to update and skill the employees in order to attain job performance, job satisfaction and job involvement. These skills can be imparted by providing necessary technical/non-technical training and coaching (Rowold, 2008). One of the major factors hindering the growth of African economies and organizations is the lack of capacity to carry out tasks that are necessary for such growth. It is therefore essential to engage in capacity building as a component of development. This suggests the importance of training. Given this importance, many African countries have launched initiatives to training employees in public sector organizations. These initiatives have been supported by the donor community which has similar views to those expressed in a World Bank Long-Term Perspective Study of Africa that identified capacity building as vital to the continent's growth and development. Thus, various policies on training and development have been developed and large amounts of money spent on them. An important issue, given such importance and expenditure, is to assess the effectiveness of training and development (Theresia at al 2010).

Training policy of Tanzania states that Tanzania should be self sufficient in trained and skilled manpower required to man its economy. Normally training should take place locally; however where local institutions have inadequate training facilities or where local facilities are non-existent, efforts will be made to secure and utilize training opportunities and scholarships that may be made available by friendly countries and International Organizations (Wangwe and Arkadie, 2000).

**Change Management**

Organizations must change and adapt regularly to maintain pace with competitors in a quickly changing business environment. Change can occur because of a variety of internal and external factors, over which organizational leaders sometimes have very little or no control. For example, a business might be forced to change its practices because of changing rules and regulations or
because of advancing technology. Effective change management is essential to streamlining the change process and reducing the negative impact on processes. When organizational changes are properly managed, workers perceive the benefits of a proposed change and accept the change (Amanda, 2012).

Evaluating new organizational policies (and also procurement policies) and procedures assesses the implementation of these new measures, as well as whether they achieve the objectives or alleviated the issues that led to their formulation. Policy evaluation is an important activity for businesses and nonprofit organizations (including government entities). Evaluations should occur on a regular basis, soon enough to intervene in any problems that may arise, but after the new procedures have had time to work. Evaluators of policies and procedures should solicit feedback from the target audience and from the personnel charged with implementing these new actions (Hall, 2012).

It is thus clear that issues related to purchasing have become of greater strategic importance and have other characteristics today than in the past. When purchasing is more important, the suppliers are more important not only in financial terms. Changes in purchasing activities are reflective of general developments on the supply side of companies in recent decades. Most firms have increasingly come to rely on outsourcing; they have enhanced co-operation with suppliers; and they have reduced the number of vendors in the supply base. Most companies today emphasize the potential for efficiency improvements through e-procurement. There is also the analysis of the impact of environmental factors on procurement operations and how these factors may determine the conditions for the coming decades (Monczka and Morgan, 2005).

Today's business environment, perhaps more than at any other time in modern history, demands a continuous search for new sources of competitive advantage. Lasting success requires steady and sometimes dramatic cost reductions, quality and delivery improvements, reduced cycle times, and improved responsiveness to customer, competitive and financial market demands. As organizations think about the best way to respond to these demands, the development of global strategies and approaches, including global sourcing strategies, will become an increasingly attractive option (Monczka et al, 2008).

Today's changing business climate, marked by ever increasing global competition, has greatly stimulated the growth in international sourcing. International sourcing emerged initially as a reactive strategy employed to neutralize the threat of foreign competition. Today, however, international sourcing is viewed increasingly as a proactive strategy capable of creating competitive advantage. One researcher observes that "The time has come to think of factories differently, not as giant, integrated places that produce a single finished product from beginning to end, but as a series of small modules located in different places, each contributing flexible portions of a constantly changing, disposable, or transportable whole (International Journal of Purchasing and Materials Management, 1993)."
Tyson (2006) notes that there are enormous pressures for change upon organisations, which can be found in the business environment: globalisation, customer demands for improved quality, technology innovations, demographic and social change. Organisations are changing as part of a dynamic aimed at making both the private sector companies and the public sector more responsive, with a strong capability to change. Acquisitions, joint ventures, mergers and demergers are producing a great variety of organisations structures. This organic approach means organisations are more fragmented, and in the abandonment of stability and the rationalistic formal relationships we can see as postmodernism in organisation theory.

Holbeche (2006) states that whatever their sector, today’s organisations are operating in a fast-changing market place. Change is everywhere. Global competition, rapid technological advances and more demanding consumers are putting pressure on organisations in every sector to provide high quality products and services and thereby lead to change. The rules of the game for organizations are every sector are changing and changing rapidly. Since change is now the norm, we should perhaps instead be thinking of how to manage “dynamic stability”.

In business organisations, no manager at the beginning of the twenty-first century would boast of being stable, constant, or maintaining the status quo. Even now stability is interpolated more as stagnation than steadiness, and organisations not in the business of major transformation and revolution are generally viewed as recalcitrant. The frightening uncertainty that has always accompanied major changes is now superseded by a fear of staying the same. All this is to say that the environment of the twenty-first century will be characterised by turbulence, gigantic change, rapid-fifteen decisions and chaos. No one will have time to read and analyse a case study. E-business has changed the rules of the game. It is now possible for competitors in almost any business to emerge on the internet within 24 hours. No one can predict the competitive environment anymore. Customers are no longer geographically constrained and standards for servicing them have changed completely. Rapid decision making, mostly without the benefit of adequate information and careful analysis, is becoming the norm (Whetten and Cameron, 2011).

In an era in which shorter product life cycle and changing process technologies are adding to the competitive nature of markets, innovation plays an increasingly important part in business strategies. This enhances the need for purchasing and supply management to focus attention on introducing changes in supply arrangements, including both the products and services being bought and the activities employed in their provision. It follows that the aim of cost reduction applies not only to existing products and operations, but also to new product and material developments and their supply arrangements (Saunders, 1997).

Armstrong (2009) defines change management as the process of achieving the smooth implementation of change by planning and introducing it systematically, taking into account the likelihood of it being resisted. Change as is often said, is the only thing that remains constant in organizations. Armstrong (2009) identifies three types of change. There is strategic change
which is concerned with broad, long-term and organization wide issues involving change. It is about moving to a future state that has been defined generally in terms of strategic vision and scope. It will cover the purpose and mission of the organization, its corporate philosophy on such matters as growth, quality, innovation and values concerning employees and customers, competitive positioning and strategic goals for achieving and maintaining competitive advantage and for product-market development.

Change takes place within the context of the external competitive, economic and social environment and the organization’s internal resources, capabilities, cultures, structure and systems. He also states that there is operational change which relates to new systems, procedures, structures or technology that will have an immediate effect on working arrangements within a part of the organization. But its impact on people can be more significant than broader strategic change and it has to be handled just as carefully. Finally, there is transformational change that takes place when there are fundamental and comprehensive changes in structures, processes and behaviours that have a dramatic effect on the ways in which the organization functions (Armstrong, 2009).

Ethics

Purchasing ethics is a subdivision of business ethics, which in turn is of general ethical principles in a commercial or industrial context. Purchasing are also related to professional ethics. Ethics as a general field of study may be defined as: The principles of conduct governing an individual or group; concern for wrong, good or bad. Business ethics is just the application of the above definition to the business relationships specifically. Professional ethics are guidelines or best practice that embody ideals that inform practitioners as to the principles and conduct they in certain situations. The main principles of professional ethics are: impartiality or objectivity; openness and full disclosure; confidentiality; due diligence, competency and a duty of care; fidelity to professional responsibilities; and avoiding potential or apparent conflicts of interest (Lysons and Farrington, 2009).

Ethics has always been an important topic for procurement and supply management professionals. After all, procurement teams are representatives of their companies and how they treat suppliers along the supply chain and behave in the global marketplace reflects back on the business and its success. Procurement is an ambassador for the business. So, it’s up to procurement teams to perform to the highest professional standards and to work to ensure that the entire supply chain meets the mark as well (Listello, 2013).

Procurement related scandals involving public officials in Uganda have become a common phenomenon, impacting negatively on the quality of social services that are intended to benefit of Ugandans. According to Anti-corruption Coalition Uganda (2005), Uganda loses USh200 billion annually, in corruption mostly through public procurement. It has been revealed that
corruption has led to significant losses of public funds through mishandled procurements and outright embezzlement. The above observation could be attributed to the fact that public officials seem to have forgotten their primary stewardship responsibility. They are stewards of public resources and guardians of a special trust that Ugandans have placed in them. In return for this confidence, they are expected to put public interest above self-interest. Avert unethical conduct like widespread public sector patronage, corruption, crony capitalism to mention but a few, calls for Professionalism in public procurement. Procurement professionalism encompasses values that guide the public procurement function to achieve Non-discrimination, transparency, accountability and fairness, competition, confidentiality, economy and efficiency, ethics. Although the vast majority of procurement officers may be ethical, at least in their ordinary morality but all of them pay the price for decreased public confidence and trust when there is little respect for procurement ethics. This is supported by incidents of procuring junk equipment, counterfeit drugs, air-supply and delivery of shoddy work at national and local government levels (Ntayi et al. 2011).

In recent years, (Hines, 2004), organizations have become aware of the ethical dimensions. Often the ethical consideration is made out of self interest. Bad press can have a major impact on a brand, product or organization. There have been a number of reported incidents that needed careful management to minimize the impact of the bad publicity generated from press reports. More recently in the food industry business are reflecting consumer concerns regarding animal welfare by clearly labeling produce from organic farming or welfare approved environments. One consequence of these reports has been for large organizations to enforce compliance measures on their suppliers to ensure that they meet ethical trading standard set by the buying organization.

Baily (2008) notes that allegations of corruption have long been a factor in business dealings and these have focused attention on business ethics. Without a rigid self-imposed and universally accepted ethical tradition, purchasing could not be regarded as a time profession. It is only to be expected, than, that the Chartered Institute of Purchasing and Supply should publish a code of conduct and coincide to good practice containing many references to basic ethical considerations.

The Association of Purchasing Agents as per Coltman (2010) has developed a code of ethics for its members, and hospitality industry purchasers should make sure they are familiar with this code. Most suppliers to the hospitality industry are scrupulously honest. Enough of them are selling most products to ensure that purchasers receive competitive prices. These honest suppliers are strict in their sales practices and train their sales representatives to resist purchasers who might try to request favors (such as kickbacks) to obtain the purchaser’s business. Nevertheless, unethical suppliers practice whatever deceit they can to make a sale. Sometimes suppliers who try to obtain business honestly are advised by purchasers that their success rate
would be improved if they provided the purchaser with free tickets to sporting events, paid for a membership in a social club, or even paid for a vacation trip.

Many things occur in the distribution channel that may be considered unethical (and thus affect prices), particularly in the fiercely competitive food supplier business where so many products are highly perishable. If they are not sold when fresh, they deteriorate and have to be sold for a reduced price or discarded. For example, is it ethical for a supplier to: Restrict the supply of nonperishable products in a monopolistic situation so that prices increase; refrain from providing negative information about a product (for example, the lack of freshness of produce) to a potential purchaser who does not specifically ask for this information; offer a kickback (an under-the-table payment) to product purchasers in exchange for that establishment’s exclusive business? A purchaser who takes a kickback has no choice but to accept whatever quality of goods are then shipped to the operation. When a potentially dishonest supplier does not gain business through honest means from an honest purchaser, the supplier’s next move is often to try to influence the purchaser’s supervisor with bribes that the honest purchaser resisted. Sometimes the chain of bribes rises to the property’s manager or owner (Coltman, 2010).

Aine (2012) notes that purchasing and supply management deals with storage, buying and monitoring of goods and services. Like all areas of business, ethics in purchasing and supply management is critically important as it can affect a company's bottom line. Organizations that are aware of the needs of their external environments (customers, suppliers, employees and communities) and those that perform in an ethical and socially responsible manner will gain a competitive advantage and secure long-term economic prosperity. Power is a vital component of supply relationships. It is fundamental that purchasing and supply management professionals know ways to use the purchasing power of their companies in the most appropriate manner.

Aine (2012) further states that undue influence and abuse of power, as well as acting unprofessionally, will not result in long-term value for money. It is also imperative that purchasing and supply management professionals adhere to all applicable laws governing this area. Purchasing and supply management professionals should abstain from any form of corrupt activity. If facing an ethical dilemma, supply management professionals have an obligation to alert senior management. In most countries, bribery is an offense. It is the responsibility of the purchasing and supply management professional to determine what ethical and unethical behavior between suppliers and colleagues is.

Kotschevar (1975) discusses reciprocity as an ethical matter, defining it as “a procedure in which a company may purchase from someone because it is advantageous for the company to do so. For instance, if a seller is given orders, he may be able to influence sales for the company or in some other way contribute to the company’s well-being.” For example, a supplier may allow its sales representatives to eat in the purchasing company’s restaurant and charge their meals to the supplier’s business on condition that the purchasing company reciprocates by buying most or all
of its needed products from that supplier. This practice limits the purchaser’s ability to shop around because the reciprocating supplier is automatically given the business. Where management condones this type of arrangement, it must understand what it is giving up in exchange and must not agree to it if it would be in violation of any laws. Unethical practices invariably result at some point in higher purchasing costs.

Organizational Culture

The contemporary definition of Organizational Culture includes what is valued; the leadership style, the language and symbols, the procedures and routines, and the definitions of success that characterizes an organization. It is a specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Here, organizational values are beliefs and ideas, about, what kinds of goals members of an organization should pursue and the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develops organizational norms, guidelines or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another. In the past 25 years, the concept of organizational culture has gained wide acceptance as a way to understand human systems. From an open system perspective, each aspect of organizational culture can be seen as an important environmental condition affecting the system and its subsystem. Increased competition, globalization, mergers, acquisitions, alliances, and various workforce departments have created a greater need for organizational culture. Thus, it has become an important pattern for the organization's development (Davis, 2007).

The mood or aura of a company's work environment is known in the business world as "corporate culture." There are profound differences between companies with a dismal culture versus one with an energetic culture. The building architecture, room or cubicle colors and employee dress code, amongst multiple other factors, set the backdrop for a business's corporate culture. When every employee follows the same basic rules, standards and procedures, certain camaraderie develops. This sense of being "in it" together and driven by the same basic goals creates an atmosphere of teamwork. Inevitably, success will follow for the company whose culture is based on fair expectations for every level of corporate officers and employees. Without a defined culture, disorganization is sure to erupt because company members are fending for themselves without a common sense of purpose with other employees (Cunningham, 2014).

In essence, organizational culture can be detected in behavior patterns linked to common beliefs and values. These common beliefs and values make it possible for an organization to coordinate its activities. Most systems of social organization attempt to have an influence on member behavior. Indeed, a social organization can be construed as a structure whose purpose is to transmit behavioral norms. These behavioral norms are sometimes referred to as culture and the
transmission of cultural values is common to all cultures. If the members of a social organization are not influenced by its transmission of beliefs and values, the organization will not thrive. Every member of a social organization is engaged, to a greater or lesser extent, in transmitting its culture to other individuals within the organization. Further, where a social organization has non-exclusive membership, members often attempt to influence non-members to join them, since a thriving social organization is a growing social organization. All social organizations have goals, explicit or implicit. The organization triumphs when one of these goals is achieved and members of the group can share in the success. Achieving goals helps to convey the message that the group is successful and worthwhile, a message that is attractive to potential new members (Luger, 2014).

Diversity in organizational culture, if used appropriately could help improve the group's efficiency. The key is knowing its benefit, having the ability to incorporate diversity-friendly procedures in an organization's policy and educating its impacts to members of an organization. The cooperation of members toward a common goal would also help enhance diversity in an organizational setting. Organizational diversity is defined as the differences of age, value, gender, education, ethnic groups, culture expectation and working habits in an organization. Embracing diversity in organizational culture is allowing these tangible and intangible differences to be nurtured and become a part of the culture. Organizational culture evolves as new members are added to the mix. The term is most frequently referred to as corporate culture. Managing cultural expectations does not require that we change each other. It also does not judge whether one set of expectations and standards is more valid than another. Managing cultural expectation ask that one recognizes and respects the fact that there are differences among groups of different age, gender and culture. The goal is to achieve a mutually accepted method of communicating and collaborating within the same organization (Lai, 2014).

Organizational culture and leadership are elements in a company that work in conjunction with one another toward organizational success. Both culture and leadership influence how the company will function and what will be achieved. Either culture will determine how leadership functions, or leadership will transform the organizational culture so that the culture supports the organizational values. Organizational culture is comprised of behaviors, values and beliefs. The behavior of employees is evident through observation. Factors such as work areas, tools that employees need to perform their job functions and tasks and responsibilities that supervisors assign to employees affect employee behavior. Many of these factors are more readily observed in small businesses, where the work teams tend to be smaller and the supervisors have fewer employees under their charge. Leaders observe employee behavior so they can understand the common attitudes, values and beliefs their workers display and what influences employee behavior (Lesco, 2014).

Changing an organization’s culture is one of the most difficult leadership challenges. That’s because an organization’s culture comprises an interlocking set of goals, roles, processes, values,
communications practices, attitudes and assumptions. The elements fit together as a mutually reinforcing system and combine to prevent any attempt to change it. Changing a culture is a large-scale undertaking, and eventually all of the organizational tools for changing minds will need to be put in play (Denning, 2011). Avoiding ineffective changes and implementing positive ones will promote a productive corporate culture and prevent organizational death (Uwujaren, 2012).

**Research Methodology**

The research study took descriptive research design and was aimed at establishing the effects of various variables that affects implementation of procurement policies. Descriptive research design was considered sufficient for this particular study since the researcher intended to find in-depth information on the issues affecting implementation of procurement policies. Little has been done on this and hence more in-depth study ought to be undertaken. The target population of the study was composed of 150 employees of various departments at the ministry of East African Affairs Commerce and Tourism with a sample size of 109 employees. The sample size was arrived at by using the statistical formula:

\[ n = \frac{N}{1+N(e)^2} \]

Where:

- \( n \) - is the sample size or required response
- \( N \) - is the target population or total population
- \( e \) -is the error limit given as +/- 0.05

The researcher used stratified random sampling method since the population was divided into three strata. Qualitative data analysis method was employed to analyze qualitative data gathered using open-ended questionnaires while statistical package for social sciences (SPSS) software was specifically used in analyzing quantitative data.

**Research Results**

**Regression Analysis**

The study also conducted a linear multiple regression analysis so as to test the relationship among variables (independent) on the dependent variable. The study applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.
Table 1 Model summary

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<td>0.776</td>
<td>0.602</td>
<td>0.615</td>
<td>1.20561</td>
<td>0.945</td>
<td>719.412</td>
<td>46</td>
<td>234</td>
<td>.01(b)</td>
</tr>
</tbody>
</table>

a) predictors: ( constant),= Training, change management, ethics and organizational culture
b) procurement policies

Adjusted R2 is called the coefficient of determination and tells us how the issues affects implementation of procurement policies in government institutions entities varies with variation of procurement policies. As shown in Table 1, the value of adjusted R2 is 0.615. This implies that, the variation in the regression model is 61.5% explained by the independent variables such as training, ethics, change management and organization culture. Hence this is a fairly good model. Thus, there was a variation of 61.5% of procurement policies with variation in issues affecting procurement policies in procurement entities which were through training procurement initiative depends on users and buyers making use of the new process and systems, ethics in purchasing and supply can affect a company bottom line, organization culture success follow the company whose culture is based on fair expectations for every level of corporate officers and employees and change management was used in evaluating new procurement policies and procedures assesses the implementation of new measures at a confidence level of 95%. The unexplained variation could be attributed to other factors not included in the model as well as random factors.

Analysis of Variance (ANOVA)

The strength of variation of the predictor variables affects the independence of the procurement policies variable at 0.03 significant levels, which in effect is statistically significant.

Table 2: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>df</th>
<th>mean square</th>
<th>f</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>26.335</td>
<td>2</td>
<td>6.584</td>
<td>4.53</td>
<td>0.03</td>
</tr>
<tr>
<td>Residual</td>
<td>104.652</td>
<td>35</td>
<td>1.454</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>130.987</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a) predictors: (constant),= Training, change management, ethics and organizational culture
b) procurement policies
Coefficients

\[ Y = 5.628 - 0.646X1 - 0.091X2 - 0.065X3 - 0.096X4 \]

Where:

- \( X1 \) = Organization culture
- \( X2 \) = Training
- \( X3 \) = Ethics
- \( X4 \) = Change management

From the above regression model, it was found that procurement policies would be at 5.628 holding issues affecting implementation of procurement policies in government institutions. Procurement entities constant were training, ethics, organizational culture and change management. A unit increase in lack of procurement systems affects organization culture record management by factor of 0.646 with a P Value of 0.01; a unit decrease in training affects efficient implementation of procurement policies. Procurement entities by factor of 0.091 with a P Value of 0.02, a unit decrease in ethics procurement scandals become a common phenomenon impacting negatively on the quality of social services by factor of 0.065 with a P Value of 0.03 while a unit decrease in change management dramatic effect on the ways in which the procurement policies are implemented by factor of 0.096 with a P Value of 0.04. This clearly indicates that there existed a strong relationship between the procurement policies and the issues affecting implementation of procurement that affects government institutions in procurement entities as they were statistically significant between organizational cultures with a P-Value of less than 0.05 at 95% confidence level.

**Table 3: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>unstandardized coefficients</th>
<th>standardized coefficients</th>
<th>t</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>5.628</td>
<td>1.165</td>
<td>4.83</td>
<td>0</td>
</tr>
<tr>
<td>Training</td>
<td>-646</td>
<td>0.182</td>
<td>-3.55</td>
<td>0.013</td>
</tr>
<tr>
<td>Ethics change</td>
<td>-91</td>
<td>0.084</td>
<td>1.076</td>
<td>0.22</td>
</tr>
<tr>
<td>management</td>
<td>-65</td>
<td>0.146</td>
<td>-447</td>
<td>0.031</td>
</tr>
<tr>
<td>Organization culture policy</td>
<td>-96</td>
<td>0.306</td>
<td>-314</td>
<td>0.044</td>
</tr>
</tbody>
</table>

Dependent variable: procurement policies
Correlation analysis

Correlation analysis was used to establish the strength of association between the variables. The strength of association between organization culture and training was strong and positive having scored a correlation coefficient of 0.765 at 95% precision level. The correlation was statistically significant since it had a P-Value of 0.001 which is less than 0.05 hence statistically significant. The study established that the strength of association between training and change management was strong and positive having scored a correlation coefficient of 0.612 at 95% precision level. The correlation was statistically significant since it had a P-Value of 0.001 which is less than 0.05. There existed a positive correlation between training and ethics with a correlation coefficient of 0.491 because organization effectively uses training towards realization of an effective implementation of procurement policies and organization culture is an important environmental condition affecting the system and its subsystems. The correlation was statistically significant since it had a P< 0.05 at 0.001. The study found that there existed a weak association between organization culture and ethics with a correlation coefficient factor of 0.254 a P-Value of 0.000 less than 0.05 because change occurs due to changing rules and regulations or advancing technology and ethics is an important factor on implementation of procurement policies. The study found that there existed a positive association between change management and ethics with a correlation coefficient of 0.382. The correlation was moderately significant with a P-value of 0.037 less than 0.05. There existed a positive correlation between organization culture and change management with a correlation coefficient of 0.541. The correlation was moderately significant with a P-value of 0.03 less than 0.05.

Table 4: Correlation Analysis

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Organization culture</th>
<th>Training</th>
<th>Change management</th>
<th>Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization culture</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sig. 2-tailed</td>
<td>0.001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>.765(**)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. 2-tailed</td>
<td>0.001</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change management</td>
<td>0.541(**)</td>
<td>.612(**)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>sig. 2-tailed</td>
<td>0.03</td>
<td>0.001</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Ethics</td>
<td>0.254(*)</td>
<td>.491(**)</td>
<td>.382(*)</td>
<td>1</td>
</tr>
<tr>
<td>sig. 2-tailed</td>
<td>0</td>
<td>0.001</td>
<td>0.037</td>
<td>0</td>
</tr>
</tbody>
</table>

Correlation Results

Maintaining integrity in Public Procurement is one of the most important pillars of national procurement systems (Arrowsmith, Linarelli & Wallace, 2000); and the public interest requires that government institutions be conducted in a manner guaranteeing that expenditures are made
in an economically rational way (Soudry, 2007). In this section, we present results on the issues affecting implementation of procurement policies in government institutions.

**Discussions**

On training, the staffs of an organization need to acquire the necessary skills that can enable them to operate effectively and efficiently while using the new procurement system. Training is an essential factor in implementation of procurement policies. It should be noted that skills enable employees to operate effectively and efficiently and thereby ensure that the operations of a business is at par with its competitors and that the systems within its operations are effective. These skills can be imparted by providing necessary technical or non-technical training and coaching which can be provided in the establishment or outside as and when needs arise. As new technologies are introduced and procured, policies do change and employees are required to receive training on its operations. Where local institutions have inadequate training facilities or where local facilities are non-existent, efforts will be made to secure and utilize training opportunities and scholarships from the outside institutions or plant visits. “Public procurement is an information-intensive function of government and has to satisfy requirements for goods, works, systems and services in a timely manner. Furthermore, it has to meet the basic principles of good governance: transparency, accountability and integrity (Wittig, 2003; Callender and Schapper, 2003)”. According to CGEC (2003), the two major obstacles to increasing support among users (and hopefully those in implementation process) are their level of technology awareness (training inclusive) and acceptance, and their willingness to change long-established internal business processes (and how the process will be done). Training then becomes one of the major factors in implementation of procurement policies.

**Change Management**

As change management, change can occur because of a variety of internal and external factors, over which organizational leaders sometimes have very little or no control. Since change is inevitable, management of the organization normally ensures that all employees conform to the change however hard it is. Effective change management is essential to streamlining the change process and reducing the negative impact on processes. Today's changing business climate, marked by ever increasing global competition, has greatly affected how procurement field is performing. It therefore has caused changes in its policies hence making public institutions to embrace change. These institutions have had to change and adapt regularly to maintain pace with competitors in a quickly changing business environment. As has been noted by Monczka and Morgan, (2005), changes in purchasing activities are reflective of general developments on the supply side of companies in recent decades while Tyson (2006) notes that there are enormous pressures for change upon organisations thus impacting a positive notion in policy changes. Holbeche (2006) states that change is everywhere, organizations management should thing of “how to manage dynamic stability” as far as change management is concerned.
Ethics

As of ethics, with better pay the public procurement professionals tended to observe the professional code of ethics. It should be noted here that the main principles of professional ethics are: impartiality or objectivity; openness and full disclosure; confidentiality; due diligence, competency and a duty of care; fidelity to professional responsibilities; and avoiding potential or apparent conflicts of interest. For an organization or institution to wade through the procurement field at ease, it must function ethically. Its staff must embrace good morals and must follow the set procurement and professional ethics. Being ethical has ensured that business activities are carried out well. Without a rigid self-imposed and universally accepted ethical tradition, purchasing could not be regarded as a time profession. As procurement field has grown, procurement related scandals have become a common phenomenon, impacting negatively on the quality of social services. It is in this sense that procurement ethics have been set.

Aine (2012) notes that it is the responsibility of the purchasing and supply management professional to determine what ethical and unethical behavior between suppliers and colleagues is and “sometimes suppliers who try to obtain business honestly are advised by purchasers that their success rate would be improved if they provided the purchaser with free tickets to sporting events, paid for a membership in a social club, or even paid for a vacation trip (Coltman, 1990).”

Organization Culture

On organizational culture, it has been referred to as specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization. Every contemporary institution and organization has its own unique set of rules, norms and beliefs. The way they do business is unique. It should be noted here that without a defined culture, disorganization is sure to erupt because company members are fending for themselves without a common sense of purpose with other employees. Most systems of social organization attempt to have an influence on member behavior. Every member of a social organization is engaged, to a greater or lesser extent, in transmitting its culture to other individuals within the organization and hence making implementation of new systems is simpler. Organizational culture and leadership are elements in a company that work in conjunction with one another toward organizational success. When implementation of procurement policies are carried out, both organizational culture and leadership has to be effective and work hand in hand. McNamara (2000) stated that culture is one of those terms that are difficult to express distinctly, but everyone knows it when they sense it and Denning (2011) concurs by noting that changing a culture is a large-scale undertaking, and eventually all of the organizational tools for changing minds will need to be put in play. (Uwujaren, 2012) concludes that overall change process should reflect a "win-win" situation for both the organization and its employees.
Conclusions

It is hereby concluded that training is an essential factor in implementation of procurement policies. It should be noted that skills enable employees to operate effectively and efficiently and thereby ensure that the operations of a business is at par with its competitors and that the systems within its operations are effective. Training should then be exhibited to all employees. On the other hand effective change management is essential to streamlining the change process and reducing the negative impact on processes. With due respect, all employees should be involved in decision making on the change management process since when the implementation of procurement policies are undertaken, resistance should be minimal. Ethics is an issue in most organizations and should be clearly defined. For an organization or institution to wade through the procurement field at ease, it must function ethically. Its staff must embrace good morals and must follow the set procurement and professional ethics. In this respect, when new policies are being set, principles of ethics should be paramount as it will define how the policies will be formulated. Every contemporary institution and organization has its own unique set of rules, norms and beliefs. It should be noted here that without a defined culture, disorganization is sure to erupt because company members are fending for themselves without a common sense of purpose with other employees. Organizational culture defines how the organization functions and how operatives within it relate. When new procurement policies are being implemented, organizational culture will be a decision factor as well.

Recommendations

Of importance to the existence of an organization and its enhanced customer satisfaction is to understand its customer satisfaction index. The management of the institution should ensure that its entire staff is aware of training programs at hand and should also define their training needs.

The study findings indicated that changing business climate has been marked by ever increasing global competition. The management should ensure that they carry out the change management process amicably and should involve all employees so that it will be effectively undertaken without resistance.

The pace of procurement field growth is high and related scandals have become a common phenomenon. It is recommended that management of should ensure that principles of good ethics are followed and all employees should know what they are. These principles should be placed on all notice boards for all to see and read.

Organizational culture is a driving force behind an organization’s success. Organizational culture and leadership are elements in a company that work in conjunction with one another toward organizational success. In order for implementation of procurement policies to be effective, the management should ensure that its organizational culture is efficient.
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