

**DETERMINANTS OF PUBLIC PROCUREMENT PERFORMANCE IN KENYA: CASE  
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**ABSTRACT**

Public procurement has always been a big part of the developing countries' economy accounting for 10-40% of their GDPs. However, concerns on the way in which public organizations use the resources that are given to them has often raised doubts that value for money has not been realized. The overall problem in this study was that despite the fact that there has been reforms initiative in the public procurement system in Kenya since mid-1990s, the government still lost billions of money through procurement irregularities with the Ministry of Water and Irrigation leading by 38% of the reported cases in 2010/2011 and 33% in 2011/2012. The overall objective was to explore determinants of public procurement performance in Kenya. The specific objectives included the effect of the legal framework on procurement performance, to establish how professional ethics affects procurement performance in Kenya, to ascertain how ICT affects procurement performance in Kenya, determine the influence of senior management support on procurement performance in Kenya and establish the moderating effect of government policy on public procurement performance in Kenya. This study took on a descriptive design approach. It was conducted at the Ministry of Environment, Water and Natural Resources headquarters. The respondents were sampled from all the departments within the Ministry. The office has 11 departments with a total of three hundred and twenty members of staff at the head office that constituted the target population of the study. The study sampled 25% of the population totaling 80 respondents. The study utilized questionnaires and unstructured observation in data collection. It conducted data collection systematically beginning with seeking permission from the relevant authorities through sample determination, actual data collection all the way to data analysis and presentation. The study adopted both qualitative and quantitative data analysis techniques. Data was edited after collection, classified and analyzed using SPSS and Microsoft Word tools, interpreted and presented using tables, graphs, narrations and statistical tools. Both descriptive and inferential statistical analysis was utilized in the analyzing and presenting of data.

The major findings were that legal framework, management support; professional ethics, ICT and government policies are strongly correlated with procurement performance in Kenya with correlation coefficients of 0.959, 0.919, 0.879, 0.839 and 0.799 respectively.

**Key Words:** *Public Procurement, Professional Ethics, Information Communications Technology, Supply Chain Management*

## Introduction

The study sought to explore the various factors influencing performance of procurement in the public sector in Kenya. According to Agaba and Shipman (2008) the Organization for Economic Cooperation and Development (OECD) estimates the value of government procurement in the world to be over US\$ 2,000 billion equivalent to 7% of world GDP and 30% of global merchandise trade. Kenya Education Staff Institute (KESI) states that procurement of goods and services in the public sector has been a very sensitive issue world over because procurement involves huge amounts of public money (RoK, 2011). As a result, several cases have been reported touching on irregularities and loss of public resources through procurement. Aketch (2013) says that public procurement plays a significant role in the generation of country's wealth since it accounts for approximately 16% of most countries' GDPs. The United States of America, the world's largest public purchaser with over \$200 billion procurement budget and over 21% of the amount involving small and micro businesses has been rocked with endless protests in its public procurement contracts management forcing the government to keep reviewing its procurement regulations to redress the grievances raised (Owegi *et al*, 2006).

Njiraini and Moyi (2006) argue that most MSEs rarely participate in government purchasing in Peru due to lack of information about the market and therefore forcing the government expedite the dragging reforms in order to promote information flow on public purchasing contracts to enable fair competition among suppliers. Kanter (2009) observes that the Jamaican government is reviewing its procurement procedures in a bid to reform and prevent cost escalations and violation of the rule of law in an effort by the government to make public purchasing more reliable and efficient for better service delivery. The Office of the Contractor-General (OCG) reveals that poor planning and weak management of procurement procedures has resulted in cost exaggerations costing the tax payers over J\$3.1 billion on public works contracts.

According to Anderson (2009) there is need for radical change in procurement operations in the United Kingdom Ministry of Defense (MoD). The report on defense procurement indicates that the MoD is wasting a lot of public money on incompetent procurement decisions resulting from improper costing and irregular frequent changes to specifications. Juma (2009), argues that in developing countries, the public procurement sector is often the largest domestic market. The procurement system is the bridge between public procurement and private sector providers. This gives the government the obligation of providing goods, works and services to meet a variety of

citizen needs. Saunders (1997) states that concerns on the way in which public organizations use the resources that are given to them raises doubts that value for money has not been realized. This as well as commitment to the discipline of the market have influenced policy initiatives that have been taken and that have had significant effect on the structure of the public sector and the methods of management and control of the operations in the public sector organizations. In Uganda, the need for procurement reforms became urgent in mid-1990 because of internal and external pressure given the fact that the Government was losing in excess of Ush 300 billion annually in poorly managed procurement processes (Eyaa & Oluca, 2011).

According to Agaba and Shipman (2008) Sub-Sahara Africa channels between US\$ 30-43 billion to the procurement market in the region. This calls for a well-functioning public procurement system particularly for the developing countries where procurement usually accounts for high proportion of total expenditure at 40% against the global average of 12-20%. In Slovenia, the government is reviewing its public procurement system to enhance compliance to the law and address the rising malpractices (Kostanjevec & Muehle, 2010). The review includes introduction of judicial remedies, public procurement inspection and decreasing complaints review fees to enable aggrieved parties to channel their grievances efficiently for legal redress. According to Tinyu (2011) and Owegi *et al* (2006) South African government with total procurement of SAR 56 Billion, approximately 13% of its GDP is reforming its public procurement procedures and simplifying the purchasing laws in effort to reform the public procurement system which is cumbersome, inefficient and counter-productive to the economy.

In Kenya, PPOA states that public procurement system has been undergoing transformation consistent with the global trend since the mid-1990s (RoK, 2010). Owegi and Aligula (2006) argue that previous to these reforms, the legal framework governing public procurement was very amorphous, providing conducive environment for the perpetration of various ill practices in public procurement including the endemic corruption that characterized the system. Since Kenya's political independence in 1963, public procurement decisions were guided by a Supplies Manual written in 1978 and circulars issued by the by Treasury regularly. Procurement regulation was undertaken through various laws including general commercial laws such as Sale of goods Act, the Law of contracts and Government Contracts Act among a myriad of other statutes containing aspects of procurement and laws governing the practice of various professions.

The history of public procurement in Kenya can therefore be traced back to the British colonization in Kenya. Having attained its independence from Britain, the country lacked a system of procurement in place which forced the adoption of the then British system (Owegi *et al*, 2006). The public procurement at the time was done by the Crown Agency Company Limited (CACL) on behalf of the government because local firms lacked capacity to service the government with its needs mostly from the foreign sources at the time (Ochiri, 2011). An assessment conducted in 1997 by the Public Procurement Assessment Reform and Enhanced Capacity (PPAREC) project revealed serious shortcomings in the Kenyan public procurement

system, unearthing the centrality of public procurement in the economy and laid ground for Public Procurement Reforms launched in 1998 whose pillars of strengths were transparency, accountability and value for public money (RoK, 2010). With the official launch of Public Procurement Reforms, the country set on the reform path in the area of public procurement by first putting in place a unified and legal regulatory framework to guide the reforms which was realized through the gazettment of the Exchequer and Audit (Public Procurement), Regulations, 2001 which harmonized all treasury circulars and manuals governing procurement in the public sector. Secondly, an institution to oversee development and implementation of the public procurement policy in Kenya and improve transparency was put in place which was realized through the creation of the Public Procurement Directorate (PPD) to oversee the public procurement process in Kenya and the Public Procurement complaints, Review and Appeals Board (PPCRAB) to handle tendering disputes.

Despite this being a huge stride forward in the reforms, an independent Procurement Review (IPR) of the Kenyan procurement system carried out in 2005 pinpointed various weaknesses, top being the need for fundamental procurement principles in the procurement process to be anchored in an Act of Parliament rather than being relegated to Regulations (RoK, 2010). Thus, it was necessary to deepen the procurement reform process and have a sound legal fragment through an Act of Parliament to allow for proper enforcement and remedy the issues arising from (IPR) report. Owegi *et al* (2006) say that in the year, 2007 OECD, report on procurement in Kenya concluded that massive upgrading of qualification through training as well as an increase in the supply of specialized graduates was required to help fill the professional gap in the public procurement. However, the report did not present a case for professionalization of the function through the existing legislation of the Supplies Practitioners Management Act, 2007. Policy papers presented at the time ignored the importance of the individual procurement professionals working in an organized and disciplined environment.

This according to Mosoba (2012) and Aketch (2013) has been a contributory factor to public procurement in Kenya perpetually remaining vulnerable to all manner of irregularities with a spate of court cases and controversies continuing to plague procurement procedures for a number of public projects. However, Economic Recovery Strategy (ERS) paper shows that the government is still committed to implementing reforms to create a leaner, efficient, motivated and more productive public service, public procurement included (RoK 2003-2007).

The research was conducted at the Ministry of Environment Water and Natural Resources headquarters which is a public office pursuant to Public Procurement and Disposal Act, 2005 which defines a public procuring entity as an organization making a procurement to which the Act applies including Government Ministries, Departments and Agencies (MDAs) (RoK, 2005). According to the Ethics and Anti-Corruption Commission (EACC) report, government lost over Ksh. 13 billion through procurement irregularities with the ministry of Water and Irrigation comprising 38% of the reported cases (RoK, 2010/2011). In the year 2012, the EACC report

states that over Ksh. 15 billion was lost with the Water Resources ministry accounting for 33% (RoK, 2011/2012).

PPOA report states that although public procurement reforms have been on-going for a long time, procurement operations still experience problems in virtually all public entities (Rok, 2010). This is associated with the loopholes in the procurement law and other infrastructural weaknesses in the system. Despite the government efforts to reform the Public Procurement system, it lacks adequate administrative input at the implementation phase. The introduction of the Integrated Financial Management Information Systems (IFMIS) in public procurement is a noble idea to drive e-procurement as a reform measure, but only if it is implemented in a transparent, accountable manner and to its fullest with adequate relevant administrative structures and resources deployed to support the process (Owegi *et al*, 2006). According to the Accountant General Department's service charter, the IFMIS software was procured in 1998 to provide modern systems for effective financial management and accounting (RoK, 2009). However, the process of implementing has been slow because, out of thirteen modules, only three have been partially configured and operating in few MDAs, a factor that has remained retrogressive force to the procurement reforms initiative that has been on for close to two decades.

Reform initiatives in Kenya have centered on making the government procurement process more efficient, essentially by blocking the legal loopholes believed to be avenues for waste and rent seeking in the system. Consequently, much effort has been devoted in bringing together existing procurement regulations and directives into a single document, the Public Procurement and Disposal Act, (PPDA), 2005 (Njiraini *et al*, 2006). However, streamlined legislation and IFMIS roll out have seemingly failed to sufficiently reform and improve the performance of public procurement in Kenya (Owegi *et al* 2006). The research questions sought to be answered by the study were What influence does the legal framework have on public procurement performance in Kenya?, Do professional ethics affect public procurement performance in Kenya?, Does ICT have impact on public procurement performance in Kenya?, Does senior management support influence public procurement performance in Kenya? and Do government policies affect procurement performance in Kenya?

### Statement of the Problem

According to Aketch (2013) public procurement plays a key role in the generation of country's wealth as it accounts for approximately 16% of most countries' GDPs. In Uganda for instance, Woolcock (2008) states that public purchasing accounts for up to 70% of total government spending. Malawi spends over 40% of its budget on procurement while it is estimated that between US\$ 30-43 billion in the procurement market is likely to be misappropriated in Sub-Saharan Africa due to procurement impropriety (Agaba & Shipman 2008). In order to improve management of public procurement operations, many countries came up with reforms initiatives in the last decades of the twentieth century (Eyaa *et al*, 2011). According to Owegi *et al* (2006) these reforms were initiated by the World Bank's Institutional Development Fund (IDF)

programme to promote efficiency, economy, accountability and transparency in the public procurement system. In Uganda, an estimated US\$ 300 billion, equivalent to Ksh. 10 billion are lost annually according to African Peer Review Mechanism report (APRM, 2009). Kenya loses on average Ksh. 14 Billion annually according to EACC reports (RoK, 2010/2011 & 2011/2012)

According to the Crown Agency Company limited (CACL), public procurement reforms aim to reduce corruption rate in Kenya (CACL, 2009). However, according to the Ethics and Anti-Corruption Commission (EACC) report, government lost over Ksh. 13 billion through procurement operations with the ministry of Water and Irrigation comprising 38% of the reported cases (RoK, 2010/2011). In the year 2012, the EACC report states that over Ksh. 15 billion was lost with the Water Resources ministry accounting for 33% ahead of Ministries of Lands' at 20% and Special Programs at 14% (RoK, 2011/2012).

What has influenced public procurement performance in Kenya? Studies conducted on reforms in public procurement include (Odhiambo *et al* 2003; Owegi, *et al* 2006; Eyaa, *et al* 2011). Others which centered on public procurement procedures include (Juma, 2010; Wanja, 2012). However, none explains why the reforms initiated way back in the last decade of the twentieth century according to (Eyaa, *et al* 2011; Juma, 2010; Odhiambo, *et al* 2003; RoK, 2011-2013) have failed to materialize. However, Owegi and Aligula (2006) say that negative impacts on reforms may be explained, in part, by weak implementation of the existing legislation, information sharing systems, change management and professional ethics.

## Theoretical Review

### Institutional Theory

Eyaa *et al* (2011) observe that there is no single universally agreed definition of institution or institutional theory. Accordingly, institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. The three pillars of institutions include regulatory, normative and cultural with by all MDAs. cognitive. The regulatory pillar emphasizes use of rules, laws and sanctions as enforcement mechanism, with expedience as a basis for compliance. The normative pillar refers to norms and values, social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding. In Kenya, public procurement is guided by PPDA, 2005 and PPDR, 2006, treasury circulars and guidelines which are issued from time to time and PPOA regulations which must be complied

Scott (1995) says that one cognitively oriented view is that a given institution is encoded into an actor through a socialization process which when internalized transforms a patterned behavior. When the actor behaves according to the pattern the institution is enacted. In the same manner, institutions are produced or reproduced. After some time the institution becomes sedimented and taken for granted which might make it hard to realize that the behavior within the institution is controlled and hence causing non-compliance to the set rules and regulations. According to

Meyer and Rowan (Undated) institutional environment can strongly influence the development of formal structure in an organization which if they improve technical efficiency in first adopting organizations becomes legitimized within the environment. However, these formal structures of legitimacy can reduce efficiency in performance and hinder the organization's competitive position in the technical environment. DiMaggio and Powell (Undated) conclude that to reduce the net negative effect, organizations adopt homogenous structures because of pressures. In the public sector for instance, coercive pressures from legal mandates or influence from other entities they are dependent upon such as donors and development partners arise during high uncertainty times causing need for change in organizational functioning. This theory sheds light on institutional and organizational efficiency (Bartle, 2002)

### Normative Ethical Theory

Darwall (Undated) says that philosophers use normative ethical theory to refer broadly to principles, concepts and ideals that can be cited in support of ethical judgments about cases. As such, the investigation of normative ethical theory is unavoidable if we are to think about ethical issues with any case. This is because the part of ethics we call morality is modeled on law, even if other parts are not. What is wrong in a person's undertaking is what one can appropriately be held accountable for doing and that it warrants blame where there is no adequate and justified reason. Thomason (2013) says that managers are often responsible for making a variety decisions which affect both internal and external stakeholders for an organization. It is therefore the management's responsibility when making decisions to act ethically guided by the ethical or moral principles defined by society. Darwall (Undated) says that a procurement manager held accountable for wrongdoing should be capable of accepting the judgment in some sense, of being brought to see that it is a reasonable judgment to have been made. This can help to foster integrity and moral dealings among public procurement personnel. Eyaa *et al* (2011) argues that the level of professionalism in public procurement is low or even non-existent. This according to Mosoba (2012) is the reason why procuring entities brought before the PPARB in Kenya continue ignoring the advice of the Board and commit the same mistakes while blaming the law instead of their own deliberate interests. In response, several cases and controversies have characterized tendering for public projects including those in critical social areas such as the General Elections, water and human relief services. For instance, Ngirachu (2013) says reports that procurement of sub-standard BVR poll kits cost the tax payer over Ksh. 7.2 billion only to collapse leading to delay of the release of election results by the IEBC who resorted to controversial manual tallying method. However, Land, Riley and Cayer (2005) argue that finding, hiring and retaining dedicated, energetic and ethical employees with requisite skills has remained difficult especially in the public sector.

### Transaction Costs Theory

According to Njiraini *et al* (2006) transaction cost theory can be useful in unraveling sources of barriers to firms intending to participate in public procurement. Such costs include among other things the cost incurred in obtaining and verifying information about the quantity and quality of

goods and services and the quality of property rights to be transferred including legal and contractual framework. According to Bartle (2002) transaction costs originate from different backgrounds which include bounded rationality in decision making, opportunistic tendencies of agents and market uncertainties. Bounded rationality is the result of human limitations on the ability to gather and process information. Opportunism is the result of self-interest while uncertainty is the result of unforeseen difficulties embedded in every transaction. Njiraini *et al* (2006) says that transaction costs relating to public procurement are those costs that enterprises incur in trying to access a contracts. In most cases, communication costs are higher for MSE than large organizations which hinder effective, fair and open competition among suppliers. Mumo *et al* (2013) observes that ten years after the e-government directorate was set to manage ICT in the government, Kenyans are still struggling with the manual access of government services making it difficult for the private sector to engage profitably with the government. This facet has led to exploitation of the procuring entities resulting in poor service delivery to the public besides perpetuating other malpractices such as corruption.

### Theory of Bureaucracy

Jones *et al* (2000) says that the theory of bureaucracy was developed by Max Weber to help Germany gain global competitiveness by becoming efficient and effective through government control of its operations after World War II. In bureaucratic systems of administration, obedience is owed to a manager because the manager occupies a position that is associated with a certain level of authority and responsibility. Authority is the power to hold people accountable for their actions and to make decisions concerning the use of organizational resources which gives the manager the right to direct and control their subordinates' behavior to achieve organizational goals. If bureaucracies are not managed well, many problems can result. When managers rely too much on rules to solve problems and not on their skills and judgment, their behavior becomes inflexible which may harm the organization and stifle creativity, innovation and implementation of constructive change. According to Otieno (2013) unwillingness to change is a recipe for corruption in government institutions which stifles the attainment of Kenya Vision 2030 blue print. Rigidity in the public sector comes as a result of bureaucratic structures in use. This has increased red tape (Jones 2000) and lackluster performance in the public service.

### Agency Theory

The principal agent theory as advocated by Donahue (1989) explains that procurement managers in public sector play the relationship role. It helps to explain the role of public procurement personnel in discharging their mandate. Prier (undated) explains that an agency relationship is a contract under which one or more persons (principals) engages another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent. It is merely assumed that the principal and the agent do not share the same levels of information, and as such, the agent can opportunistically take advantage of the situation, sometimes to the detriment of the principal. Therefore, procurement managers take on the role of agent for elected representatives, (Eyaa *et al*, 2011). This theory holds that shirking is likely to

occur when there is disagreement between policy makers and bureaucracy. The democratic perspective focuses on responsiveness to citizens and their representatives (Strom, 2000). However, Soundry (2007) identifies this principle-agent relationship among the possible risks whereby procurement managers show apathy towards principal preferred outcomes or even overriding of the principal's preferences thus resulting into non-compliance. Njiraini *et al* (2006) states that the proponents of this theory argue for increasing participation of the publics in the procurement processes. Such participation is likely to enhance the scope of monitoring and enforcement of procurement decisions by public agents and shift the responsibility from the elected representatives to the taxpayers, who are the main principals.

### Methodology

Kothari (2002) defines methodology as a way to systematically solve the research problem. It is a stepwise approach adopted by a researcher in studying a specific problem along with the logic behind them. This chapter contains the study design, target population, sample and sample design, data collection methods, data analysis design and data presentation. It gives the roadmap to solving the stated research problem. The study adopted a descriptive research design with case study approach of the Ministry of Environment, Water and Natural Resources. As distinct to other study designs done in controlled environment, this study is largely descriptive with quantitative data resulting from responses of the target sample. Kombo and Tromp (2006) say that descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals. Descriptive studies are not only restricted to fact findings, but may often result in the formulation of important principles of knowledge and solution to significant problems (Mugenda & Mugenda, 2003), which was the basic purpose of the study.

The study targeted all public procuring entities as defined under the PPDA 2005 (RoK, 2005) with case study of Ministry of Environment, Water and Natural Resources. According to the IPPD statistics, the Ministry has 11 departments with 320 members of staff who constituted the target population of the study (RoK, 2013). All staffs in these departments including all levels of management were candidates for data collection. The study did not exclude any candidate because it sought to obtain all-inclusive views on the problem since all departments are involved in one way or another with purchasing processes which impacts purchasing performance yet the complex inter-relationships make it difficult to segregate the effect of that influence (Baily *et al*, 2005).

In this study, the criterion utilized in sample determination was that the subjects must be public officers as defined by the POEA, 2003 (RoK, 2003) and working at the Ministry of Water headquarters. The study targeted 25% sample of the population totaling to 80 respondents. Kothari (2002) infers that a sample is a representative of total population nominated for analysis. However, 85 questionnaires were issued to cater for any eventuality and increase the degree of confidence for the final results. Kothari (2004) argues for at least 10% of the target population as representative while Ogachi (2011) says that use of a reasonable sample is appropriate because it

is quick, inexpensive, efficient and accurate means of assessing information about the population. Kothari (2002) says that a sample size should neither be excessively large nor too small but optimal and representative. Systematic stratified random sampling procedure was employed in determination of respondents. Aiyabei (2013) says that this method is appropriate when getting a sample from heterogeneous population. This aimed to eliminate skewedness. In order to mitigate bias, the departments were the basic units for sample determination in which they were considered strata while the sections under the departments constituted sub-strata. Random number tables were utilized to select the sample. The 25% rule applied in all circumstances so as to keep consistency and maintain the sample size.

### Sample and Sampling technique

Sampling refers to the procedure a researcher uses to gather people, places or things to study (Kombo *et al*, 2006). The study employed probability sampling technique. This owed to the randomized approach of the study as it was a descriptive research design study. The study gave each subject in the target population an equal chance of being selected as it aimed to draw conclusions affecting the population as a whole indiscriminately. Kombo *et al* (2006) argue that if the purpose of the research is to draw conclusions or make predictions affecting the whole population, probability sampling is appropriate. The study utilized questionnaires and unstructured observation as instruments for data collection. This was because use of questionnaire has capacity to collect enormous amount of information over a large sample within reasonably little time. Besides questionnaires, unstructured observation technique was used to gather data in order to give an intuitive understanding of what is happening in the culture under study. Unstructured observation approach was premised on the strength that the researcher was unfamiliar with the organization and had limited time in the establishment.

### Data Collection and Analysis

The study carried out data collection through a systematic sequence of events. The sequence began by first seeking permission from the Accounting Officer in order to avoid any possible hitch that might have arisen from lack of permission to conduct the research. This was followed by sample selection based on the departments as explained in the sampling technique above. For effective approach of the respondents, the researcher made a self-introduction and requested for consent of the respondents in taking part in the exercise. Questionnaires were then distributed to the selected and willing respondents from the sample. Fortunately, no respondent excluded themselves from taking part in the study. The study did not employ research assistants because the expected sample size was manageable not to warrant for assistants. Respondents were given five days in order allow ample time for them to answer the issues raised without undue haste to enhance objective and reasonable responses. Data from observation was collected during the normal visits by the researcher.

After editing the data, the remaining portion was coded for easier classification and avoidance of mixing up facts during the writing of the final report. Alpha-numeric codes were preferred because of their convenience and memorability besides being elastic. Classification based on the

question and nature of responses. After coding and classifying data, the study tabulated the results of the findings for comparison and cross referencing with related information for realistic reporting in a Dell laptop computer-Inspiron. To realize accuracy and effectiveness in the analysis of data, Statistical Package for Social Sciences (SPSS) software version 21 was utilized. Both descriptive and inferential statistics were used to analyze the large amounts of data collected. Kothari (2002) says that inferential statistics also known as sampling statistics is concerned with the process of generalization of the sample results to the population. It addresses the problem of the estimation of population parameters and the testing of statistical hypothesis. Descriptive statistics dealt with development of indices from the raw data for the purpose of developing the inferential statistical analysis. In order to sufficiently and critically analyze the significance of each independent variable in the study and based on large data expected, stepwise regression model was utilized. This based on building model by adding and/or removing the independent variables based on t-statistics of their estimated coefficients. Multivariate linear regression model was applied in the analysis of data. Pearson's coefficient correlation was used to determine the degree of significance between the independent and dependent variables at 95% confidence level and 5% degree of significance.

### Research Findings

The study presented data using a combination of narrations, statistical and graphical approaches. Statistical tools such frequency distributions, measures of central tendency and measures of dispersion were used alongside graphical and tabular presentations. Narrations were used to explain and interpret the findings from the other tools. From the data collected, the study was able to receive a total of 63 questionnaires out of 80 given out to the sample population. This was approximately 79% of the sample. The response rate of 79% is significant and representative. This enabled the study to have factual reporting on the problem under consideration. Mugenda *et al* (2003) state that a 50% response rate is adequate, 60% good and above while 79% rated very good to enable the study to make informed findings, conclusions and recommendations.

Deducing from the findings, Administration department had the highest response rate at 33% while Economic planning took the least response at approximately 2%. However, the representativeness of the data obtained by the study remained intact. The response rate in each department was convincingly representative giving the study objective and factual findings spread across the views of the majority respondents.

In relation to the period of service in the organization, it emerged that majority of respondents had been there for less than five years at 54%. With this kind of respondents, it was considered that the findings of the study would be objective. This was because the majority respondents were deemed to have been not part of the system at the time of high level of procurement's poor performance and hence, they had considered themselves part of solution to the problems and not accomplices.

Academically, a huge chunk of respondents were diploma holders at 45% while first degree holders stood at 38%. Masters and post graduates constituted 16%. In Kenyan public sector, there are well educated and trained personnel. This caliber of employees is well placed and capable of championing the government procurement objectives due to their intelligence prowess. The study therefore got opportunity to interrogate enlightened population meaning it generally got reasonably true reflection of the feelings of the majority of public servants on procurement performance in Kenya. However, there is a possibility that other public organizations may not be sufficiently staffed with equally learned staff. According to Land *et al* (2005) finding, hiring and retaining dedicated, energetic and ethical employees with requisite skills has remained an uphill task in the public sector which the study findings have a different dimension about.

The study established that on average, 60% of public employees were of male gender. The female gender was approximately 40%. From this finding, it may be concluded that public procurement management is dominated by the male gender. Although it has not been proved by any study that males are associated with poor procurement performance, it may be assumed that with change in gender imbalance, most avenues for procurement malfunction may be averted. However, this may constitute a study problem for another research.

### Inferential Analysis

Inferential statistics was conducted through the use of correlation analysis to determine the relationship between the independent and the dependent variables. Pearson correlation was carried out to determine relationship within variables. Pearson's correlation indicates the degree of linear relationship between two variables. It ranges from +1 to -1. A correlation of +1 means that there is a perfect positive linear relationship between variables (Wanja, 2012). As presented in table 1 below, all the independent variables had a strong positive correlation with public procurement performance. The table shows that all independent variables had a significant positive correlation with procurement performance (p-values < 0.05). the legal framework had strong positive correlation with execution of procurement procedures ( $r = 0.959$ ). This correlation was found to be statistically significant at 95% significance level (p-value = 0.000). Professional ethics was also found to have a fairly strong positive correlation with procurement performance ( $r = 0.879$ , p-value = 0.000). ICT had a strong positive correlation with procurement performance ( $r = 0.839$ ). The relationship was found to be statistically significant at 76% significance level (p-value = 0.000). Management support had a strong positive correlation with procurement performance ( $r = 0.919$ ). The relationship was found to be statistically significant at 76% significance level (p-value = 0.000). Government policies had equally a strong positive correlation with procurement performance ( $r = 0.799$ ). The relationship was found to be statistically significant at 70% significance level (p-value = 0.000). The strong correlations indicate that legal framework, professional ethics, information communications technology, management support and government policies significantly affected performance of procurement in public sector organizations in Kenya.

**Table 1:** Correlation Analysis

Variables		Procurement	Legal framework	Ethics	ICT	Management support	Government policies
Procurement	Pearson Correlation	1	.959**	.879**	.839**	.919**	.799**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
Legal framework	Pearson Correlation	.959**	1	.916**	.874**	.958**	.833**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
Ethics	Pearson Correlation	.879**	.916**	1	.955**	.956**	.909**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
ICT	Pearson Correlation	.839**	.874**	.955**	1	.913**	.952**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
Management support	Pearson Correlation	.919**	.958**	.956**	.913**	1	.869**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
Government policies	Pearson Correlation	.799**	.833**	.909**	.952**	.869**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.05 level (2-tailed).							

### Conclusions

Generally, legal framework was identified to have strong influence on procurement performance. However, in Kenya, it was reported to have contributed to poor performance due to its ambiguities and bureaucracy. The study also established that professional ethics influences procurement performance. However, the level of professional ethics among the public procurement personnel was found to be low despite the existence of comprehensive code of conduct in Kenya. It was ascertained that ICT has influence on procurement performance. However, it was also established that ICT is still inadequately deployed in public service

delivery in Kenya. The government should cultivate positive culture on ICT among the public servants and provide adequate funding with sufficient infrastructural systems in order to increase its influence and acceptability in public service delivery. Based on majority of respondents' feedback, senior management support has strong influence on procurement performance. It therefore shows that public procurement performance strongly depends on senior management input in charting its course of action. With serious executive interference in awarding of public procurement tenders in Kenya, public procurement performance has been relegated to the brinks of poor results. Government policies have influence on procurement performance, according the majority of respondent's views. With the weak and incoherent procurement policies that Kenya has as established by the study, the public procurement system has continuously been visited with public hue and cry by the.

### **Recommendations**

The study recommends among other things that the government reviews all prohibitive legislations relating to public procurement and information management in order to make itself an open system where information can be accessed by the public without restrictions. This will enable effective public participation in procurement decision making and assist in promoting positive performance, severe and punitive disciplinary measures should be meted to all procurement malpractices including the PPOA's ineffectiveness to reign in on all irregularities reported to them. This should include repossession of irregularly acquired assets, complete overhaul of PPOA and stiffer penalties.

Kenya Institute of Supplies Management (KISM) should be empowered to deal with professionalism among procurement personnel and should be accorded the status equivalent to those of similar bodies like Institute of Certified Public Accountants of Kenya (ICPAK), Nursing Council of Kenya (NCK) and Law society of Kenya, (LSK). The government should make KISM as its employment agency for public procurement personnel in order to ensure that unregistered persons are not allowed to practice. This to will enhance the enforcement of the provisions of SPMA, 2007.

The government should review its policies to align with the current technological levels in order to embrace ICT as an inherent tool for effective service delivery in public affairs management. The culture and stereotype of status quo perpetuated by ICT phobia among public servants should be adequately addressed in order to make the adoption of ICT in public procurement and entire public service delivery successful. Although convincing efforts have been made to create buy-in and dedication to the reforms momentum in public procurement, loyalty to the process by most stakeholders is yet to be achieved. Management in public entities should institute, enhance and deliberately persuade stakeholders to embrace change in attitudes, mindset and cultural beliefs through relevant training and broad spectrum awareness forums to create loyalty and genuine commitment to the process.

Considering the economic importance of public procurement, the government should establish a full-fledged ministry headed by a Cabinet Secretary to take charge of procurement matters instead of placing the function as a section under the Financial Secretary at the National Treasury. The ministry should be staffed with technically qualified and professionally competent personnel who are vetted in accordance with chapter six of the Constitution for their suitability to hold public office. There is need for urgent policy changes to allow ICT to be utilized to facilitate free and expeditious flow of real time information within the government agencies responsible for ensuring efficiency and economy of the exchequer. This will facilitate automatic detection and prompt action on suspect expenditures by public entities.

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