

ABSTRACT

Many organizations consider procurement functions as key to their competitive advantage. This is because procurement takes nearly 65% of every organizations/country budget every financial year. Ethical procurement practices are key to every organization's performance. Most procurement processes in public sectors are still faced with unethical behaviors. Homa Bay County is not able to deliver services it pledged to the people. Projects are being launched and are not being implemented, contractors/suppliers are not being paid on time as required and this has made most of them not willing to do business with the county hence low rate in development/customer satisfaction. Without ethical procurement, there would be no customer satisfaction in the county hence there is need to establish the relationship between ethical procurement practices and performance of the county. The purpose of this study was to determine the relationship between ethical procurement practices and performance of Homa bay county government. The objectives were to: determine the relationship between transparency, compliance to procurement rules and quality sourcing; and performance: of Homa Bay County. The study was based on public value theory and Four pillars model theory. Correlation research design was adopted. A sample of 108 was picked from a target population of 150 using Krejcie-Morgan (1970) table. Stratified random sampling technique was used to pick a sample from each 'strata'. The study used both primary and secondary data. Primary data were collected using structured questionnaires. The research supervisor gauged the validity of the instruments used. Reliability was tested using Test retest. Correlation analysis revealed that there was a significant positive relationship between transparency and performance ($r=0.206$, $p<0.01$), there was a significant positive relationship between compliance to procurement rules and performance ($r=0.332$, $p<0.005$) and that there was a positive significant relationship between quality sourcing and performance ($r=0.219$, $p<0.01$) the study concluded that transparency, compliance to procurement rule and quality sourcing have significant relationship with performance. The study recommended that county government should enhance transparency, compliance to procurement rule and quality sourcing as ethical procurement practices since they influence performance positively. Stakeholders in county governments and specifically procurement departments may use the study findings when planning their performances.