

**RELATIONSHIP BETWEEN ETHICAL PROCUREMENT PRACTICES AND
PERFORMANCE OF HOMA-BAY COUNTY GOVERNMENT, KENYA**

BY

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SCHOOL OF BUSINESS AND ECONOMICS

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DECLARATION

This research project is my original work and has not been presented for award of a degree in any University.

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This research project has been submitted for examination with my approval as the University supervisor

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DEDICATION

This Research Project is dedicated to the Almighty God for this far He has brought me.

I also wish to dedicate this study to my late father Mr Charles Owala, mother and my wives and children for the moral support, patience and encouragements you gave during the study period.

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.

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ABBREVIATIONS AND ACRONYMS

PPDA	:	Public Procurement and Disposal Act
PPOA	:	Public Procurement Oversight Authority
KISM	:	Kenya Institute of Supplies Management
EACC	:	Ethics and Anticorruption Commission
PPEs	:	Public Procurement Entities
PPDR	:	Public Procurement and Disposal Review
PP	:	Public Procurement
GDP	:	Gross Domestic Product
HBC	:	Homa Bay County
NAPA	:	National Association of Purchasing Agents
AMA	:	American Management Association
EIPM	:	European Institute of purchasing Management
NYS	:	National Youth Service
IEBC	:	Interim Electoral and Boundary Commission
BVR	:	Biometric Voter Registration
SPSS	:	Statistical Package for Social Sciences
CEO	:	Chief Executive Officer

OPERATIONAL DEFINITION OF KEY TERMS

Ethical Procurement Practices: These are the required procedures/policies organizations should comply with as they carry out the acquisition of goods, works and services

Organizational Performance: This is the ability of an entity/organization to achieve its intended objectives to the stakeholders/residents by providing them with the services they require.

Ethical procurement: This is the process whereby organizations meet their requirements for goods, works and services in a way that achieves value for money on whole life basis with an aim of generating benefits to the organization, society or economy.

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CHAPTER ONE

INTRODUCTION

This chapter contains background of the study, statement of the problem, objectives of the study, research hypothesis, significant of the study, scope of the study and conceptual framework.

1.1 Background of the Study

Homa Bay County is one of the 47 Counties created in Kenya after promulgation of the new Constitution in the year 2010. The County is located in Western Kenya the former Nyanza Province. It borders Lake Victoria to the West and North and Counties like Kisumu and Kericho to the North East, Nyamira and Kisii to the East and Migori to the South. The county has 8 sub-counties namely, Ndhiwa, Homa-Bay town, Rangwe, Karachuonyo, Suba, Kasipul, Kabondo kasipul and Mbita with a total population of 1,038,858 (Kenya National Bureau Statistics, 2013).

The County was created with the aim of bringing services closer to the people and as one of the Counties in Kenya, its mandates are; to promote democratic and accountable exercise of power, foster national unity by recognizing diversity, give powers of self governance to the people and enhance participation of the people and making decisions affecting them, recognize the right communities to manage their own affairs and their developments, protect and promote the interest and rights of minorities and marginalized communities, promote social and economic development and the provision of appropriate easy accessible services throughout Kenya, ensuring equitable sharing of national and local resources, facilitate the decentralization of state organs, their functions and services to other parts, enhance checks and balances and separation of power among others(gabriellubale.com/an introduction to the county governments of Kenya).

Despite having all these mandates, resources from National Government and revenue from the residents, the County still has challenges like Inadequate infrastructure, poor Transport and communication, lack of supportive Industries and Development services, poor leadership towards development, misuse of resources, Inadequate participation of locals in projects planning and implementation, poor farming methods, poor health

services, poor marketing systems among others.(Homa Bay County Integrated Development Plan,2013-2017).

According to Transparency International Kenya (2014) “Procurement” is the acquisition of any type of works, services, and goods by purchase, rental, and lease tenancy or by any other contractual means. It entails the entire process of acquiring goods, works, service or Capital Assets and continues through the process of risk assessment, seeking and evaluating alternative supplies, contract award, delivery, payment and contract closure. Procurement also extends ultimate disposal of property at the end of its useful life Public Procurement and Disposal Act 2005 (PPDA, 2005).Public procurement means the process of acquiring goods, works and services by government procuring entities. The process includes purchasing, hiring, leasing or any other contractual means of engaging suppliers in provision of public services to the public. The public procurement goals include; satisfying the customer in terms of cost, quality and in timely manner, minimizing administrative operating costs, conducting business with integrity, fairness and openness and fulfilling public objectives.

Public procurement in Kenya is estimated to be spending nearly Kshs. 100 billion annually in Procurement of goods, works, services and Capital Assets. Public Procurement Oversight Authority (PPOA, 2013). Due to the amount of money involved in public Procurement and the fact that such monies come from the public. There is need to have value for money, accountability, transparency at every stage within the procurement cycle (PPDA 2005). Based on the above, a well-functioning Public Procurement system should be based on transparency, accountability, competition, economy and efficiency. It is good for the public procurement to possess the above principles for good economic management and addressing leakage or waste of government funds allocated for procurement. Poor management in procurement system will lead to waste of public funds and increased poverty among residents of that particular county. Procurement in Kenya is regulated by the laid down procurement laws and regulations through PPDA 2005 and regulations having in mind that the key principles of procurement like accountability, competition, transparency, value for money among others.

According to European Bank (2014) Procurement practices/policies are the rules and regulations that are set in place to govern the process of acquiring goods, works, services or capital assets needed by an organization to function efficiently. Despite having PPDA 2005 and PPOA whose main objectives are to guide and advice organizations facing challenges in the process of carrying their procurements, the county still has problems in procurement processes. The main objective of procurement rules and regulations is to enable the organization achieve the principles of procurement as it uses public funds in procurement. An efficient public procurement system is important to the advancement of a particular county. It is a concrete expression that counties commit to make the best possible use of public resources Payne & Weber (2013). According to Gavrea, Liniu& Roxana (2011) performance is a set of financial and nonfinancial indicators which offer information on the degree of achievements of objectives and results.

Public procurement system in Kenya has evolved from a crude system with no regulation to an orderly legally regulated procurement system where all the reforms were geared towards improving the public procurement system by enhancing confidentiality, transparency, fairness and loyalty and respect for rules and regulations among others with the aim of achieving value for money. According to British Institute of Facilities Management (2014), Ethics are the principles which define behavior as right, good and appropriate. Public servants are bound to uphold certain values. Any attempt to realize personal gain by conduct inconsistent with proper discharge of the employee's duties is a breach of the public trust. Ethical procurement prohibits breach of public trust by discharging a public employee from attempting to realize personal gain through conduct inconsistent with the proper discharge of the employee's duties.

The value of the transactions in the procurement process along with pressures at lower cost could result in bribery, nepotism and other practices which could be deemed unethical. Procurement in public sectors is required to be transparent, confidential, and fair, have value for money and the same should be done according to the laid down rules and regulations. The employees handling public procurement should always follow an ethical code which dictates their behavior and action while conducting business and it

should be extended to all stakeholders in the procurement cycle (PPOA 2013). Procurement professionals are required to adhere to a well-defined and established code of ethics. Public organizations have code of ethics for its employees to uphold and adhere to its commitment by all those whom they engage with. These principles include confidentiality, transparency, integrity and fairness and ensuring compliance to rules and regulations (KISM 2012).

County governments were created with the aim of bringing services closer to the people and has mandated to promote democratic and accountable exercise of power, foster national unity by recognizing diversity, give powers of self-governance to the people and enhance participation of the people and making decisions affecting them, recognize the right communities to manage their own affairs and their developments, protect and promote the interest and rights of minorities and marginalized communities, promote social and economic development and the provision of appropriate easy accessible services throughout Kenya, ensuring equitable sharing of national and local resources, facilitate the decentralization of state organs, their functions and services to other parts, enhance checks and balances and separation of power among others(gabriellubale.com/an introduction to the county governments of Kenya).

Despite having all these mandates, resources from National Government and revenue from the residents, the County still has challenges like Inadequate infrastructure, poor Transport and communication, lack of supportive Industries and Development services, poor leadership towards development, misuse of resources, Inadequate participation of locals in projects planning and implementation, poor farming methods, poor health services, poor marketing systems among others.(Homa Bay County Integrated Development Plan,2013-2017).

Procurement has become vital service to the performance of any organization and it has received much attention from the professionals and other stakeholders. The implementation of procurement policies will lead to high production, cost reductions, reduced lead time among others. It is lack of putting in place clear procurement practices as required by the law which leads to poor performance in organizations. The poor

performance of the county may have been caused by not applying procurement policies as required when carrying procurements. Based on this, procurement practices should not be seen as obstacles but as value addition process and have its full implementation as required by the law to improve the performance of Homa-Bay County government. It is on this ground that the study took to address the factors influencing performance of ethical procurement in Homa-Bay.

Procurement as a function is carried out in both private and public sectors. Its role has changed from just a clerical duty to a value addition process. Procurement is about adding value by reducing costs through minimizing wastes thereby increasing revenue. It is also away by which producers dispose their products (KISM, 2015).

Homa Bay County was found not to be reducing wastages and maximizing revenue in that projects are launched and are not being implemented to enable the people maximize benefits hence there is low pace of development in the County and therefore the study was to determine the influence of ethical procurement on performance of the County. The study considered transparency, compliance to procurement rules and quality sourcing on performance of Homa Bay County as its objectives.

1.2 Statement of the Problem

Public procurement spends nearly 65% of the Kenyan budget in every financial year. With the existence of the Act, regulations and other professional bodies like KISM among others, it was expected that the regulatory and activities of public procurement were aligned to the latter of the objectives of every organization and for this to happen, all organizations were to practice ethical procurement. This is still a challenge facing many organizations around the globe Homa Bay County Government inclusive. Public procurement has undergone several changes/reforms like introduction of e-procurement with the aim of improving service delivery to the stakeholders. Despite all these efforts, most public entities are still faced with unethical procurement practices of which some are under investigation by EACC. Homa Bay County Government is not left out since it has many projects launched several years back and to date there are no structures on the ground yet some amount were spent on them like Agri-City project which is said to have costed Ksh 200 million. The delay in payment of Contractors/Suppliers is forcing some

of them out of business since they are being auctioned by banks due to delay in repaying their loans most of which were used to offer services to the County and this has made most of the service providers not willing to do business with the County government hence low performance of key activities by the county hence low customer satisfaction. Studies realized that ethical procurement practices lead to quality service delivery hence customer satisfaction. This study was to establish the influence of ethical procurement practices on performance of Homa bay county government.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of the study was to establish the relationship between ethical procurement practices and performance of Homa-bay County government.

1.3.2 Specific Objectives

The study specifically seeks to:

- i. Determine the relationship between transparency and performance of Homa-bay County government.
- ii. Establish the relationship between compliance to procurement rules and performance of Homa-bay County government.
- iii. Assess the relationship between quality sourcing and performance of Homa-bay County government.

1.4 Research Hypotheses.

HO₁: Transparency does not have significant relationship with performance of Homa bay County Government

HO₂: Compliance to procurement rules does not have significant relationship with performance of Homa bay County Government.

HO₃: Quality sourcing does not have significant relationship with performance of Homa bay County Government

1.5 Significance of the Study

This study will be of importance to various stakeholders among them procurement departments of other County governments, other Organizations, procurement professionals, policy makers in both private and public sector and scholars. Procurement departments will appreciate the factors influencing performance of ethical procurement among various County governments. It will therefore be possible for the management to know the areas within their procurement functions which will require improvement.

Procurement as a profession is dynamic and is experiencing new improvements on a regular basis. The findings of this study will inform procurement professionals on areas that require their attention both at their work places and in their other professional engagements. For example there are many aspects of procurement which will need to be included in the organizational performance metrics in order to appreciate the contribution of procurement to the overall organizational performance and effectiveness. Procurement involves many stakeholders and therefore it is driven by policy interventions. The findings of this study will inform policy makers on the areas and aspects of procurement that will require policy interventions for the purpose of improving procurement efficiency.

This study is scholarly in nature and hence will be of value to researchers and scholars both in academia and industry. The study will identify gaps that can be advanced in the interest of further scholarly discourse in the area of procurement measurement. Specifically the findings of the study will identify academic gaps that will trigger further studies on procurement measurement.

1.6 Scope of the Study

The study focused on establishing factors influencing performance of ethical procurement in Homa-bay County government. It drew its findings from the procurement staff at the county government of Homa-bay as well as the prequalified suppliers and contractors at the procurement department. The sample size from these populations made it possible to get useful and reliable information on the subject of the study. Proper care was taken during sampling and instrument design to make the findings more representative. The

study was carried out in the area over a two month period. A thorough training of research assistants on the required data greatly enhanced the response rate and reliability of data collected. Homa-bay County government was chosen as a research site because of its convenience, accessibility and low pace of development as compared to other counties.

1.7 Conceptual Framework

The conceptual framework shown below guided this study with the aim of providing the relationship between independent variables of Ethical procurement practices like transparency, compliance to procurement rules, quality sourcing and dependent variables of performance like efficiency and effectiveness and customer satisfaction.

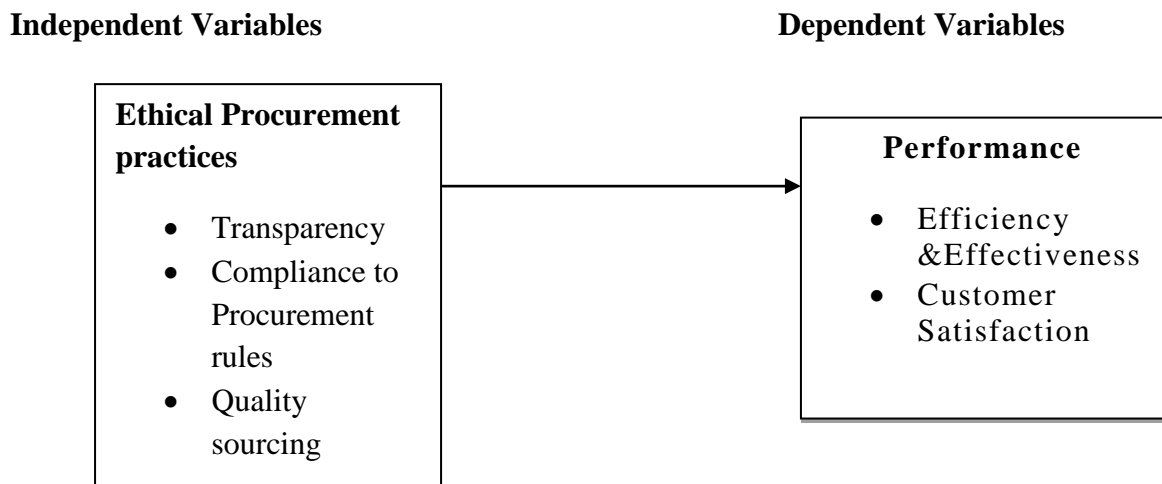


Figure 1: Conceptual framework on Ethical procurement practices and Performance of Homa bay County government

Source: (Self conceptualization, 2017)

Transparency: It implies to openness, communication and accountability in every action one is performing. It is one of the ethical practices required to be practiced in public sectors as they carry out their procurement functions. Transparency guides an organization’s decision and policies on the disclosure of information to its employees and other stakeholders or intended recipients of the information hence managers should

actively infuse greater disclosure, clarity and accuracy into their communications with stakeholders. Transparency in procurement should be practiced right from tender notification stage to the tender award stage so that all the suppliers get equal chance participates in the tender process.

Compliance to procurement rules: Since public organizations use public funds to procure goods, works and services, there is need for accountability, value for money, transparency and economy. This can only be done if there are laid down rule and regulations guiding the procurement. Based on the above, the government introduced PPDA2005 which was later improved to PPDA 2015 and its relevant regulations to guide the practitioners as they carry out their procurements.

Quality Sourcing: This is the acquisition of goods, works and services in consideration of specification and value for money. There are varieties of quality solutions that reduce costs and risk throughout the sourcing process. Organizations should make it known to the service providers the quality they want in their organizations and these can be done at product development stage, supplier selection, manufacturing, and supplier management among others

Efficiency and Effectiveness: Efficiency is performing or functioning in the best possible manner with the least waste of time and other resources. Efficient employees and managers complete tasks in the least amount of time possible with the least amount of resources possible by utilizing certain time saving strategies and inefficient employees take the long road while effectiveness is the degree to which objectives are achieved and the extent to which targeted problems are solved. It is determined without reference to cost. Employees who demonstrate effectiveness in the work place help produce high quality results. The Effectiveness of a workforce has an impact on the quality of an organization's products or services which often dictates the reputation of the organization and customer satisfaction.

Customer Satisfaction: This is a measure of how the products and services supplied by an organization meet or surpass the expectations of its target customers. It is a key performance indicator within any organization and is often part of a balanced scorecard. Customer satisfaction is one of the strategies an organization may use to out way its

competitors in a competitive marketplace. Organizations generally ask customers whether their products/services has met or exceeded their expectations/needs. Expectations are key factors behind satisfaction since when customers have high expectations and these are not met, they will be disappointed and will likely rate their experience as less than satisfying.

CHAPTER TWO

LITERATURE REVIEW

This chapter discusses the concept of ethical procurement as well as the link between transparency, compliance to procurement rules and quality sourcing as well as ethical procurement. It also presents the theories and existing literature on ethical procurement practices, critique of the studies, summary of literature review research gaps and conceptual framework.

2.1 Theoretical Literature

2.1.1 Public Value Theory

This theory was formulated by Moore in 1995 and its main aim was to enable public sector managers understand the constraints and opportunities within which they operate and the challenges to create publically valuable outcomes. Moor (2010) argue that Public Value Theory outlines manager's purpose as going beyond just implementation of policy and adherence to institutional rules but it also includes seeking out opportunities to make significant improvements to the lives of the public. Public entities are directly accountable to the citizens and their democratic representatives. The study applied this theory to establish the influence of ethical procurement practices on performance of Homa bay county government in terms of good service delivery, quality goods and services, accountability with the aim of increasing customer satisfaction.

2.1.2 Four Pillars Model

This model was developed by World Bank, Development Assistance Committee of the Organization for Economic Cooperation and Development and other developing countries to assess the quality and effectiveness of national public procurement systems in 2005. The model has four pillars namely; Legislative and regulatory framework which is based on the existence, availability, quality and use of legal frameworks from the top to the subordinates at the operational level, Institutional framework and management pillar which is based on procurement system as defined by the legal framework above. It operates through the institutions and management systems and practices that form the public governance. The third pillar is procurement operations and market practices which

is based on the operation of the systems at the implementation level of the entity and the market at large. The fourth pillar is Integrity and transparency pillar which is based on procurement systems that rely on mechanisms like effective control and audit system, information sharing system which enable other stakeholders to conduct social audit and effective ethics and anti-corruption measures which detects and addresses flaws in the procurement systems. This study applied this theory to detect the level of ethical procurement at the County in terms of compliance to the procurement rules, integrity and quality sourcing of goods and services.

2.1.3 Ethical Procurement

According to Trevino, Weaver & Reynolds (2006) ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position. It is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny. Public officials should always behave ethically and fairly, including in their business undertakings. Ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government marketplace. Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration (Winter, 2003).

An important and effective way to maintain ethics awareness in agencies is to provide training for employees (Velasquez, 2001). Ethics training and seminars can be provided, along with training in more specific areas, such as procurement procedures, record keeping, records management, and accountability and administrative law. Regular reviews or audits of procurement processes can be done to ensure probity is being considered and achieved (Amos and Washington, 2008). Providing health facilities with drugs and medical supplies is a complex process involving both the private and public sectors. Governments and health Ministries often lack the management skills required to write technical specifications, supervise competitive bidding, and monitor and evaluate the contract performance. Financial malpractices also could occur at any stage of the

process and influence decisions on the model of procurement (direct rather than competitive), on the type and volume of procured supplies, and on specifications and selection criteria ultimately compromising access to essential quality medicines.

Effective application of procurement ethics is a major challenge facing many organizations around the globe. The level of application of procurement ethics has been used as a measure of the state of organization corporate image and corporate social responsibility practices hence supply chain management ethics is nowadays considered a core factor for business success. Low level of procurement regulations compliance by government ministries and lack of effective enforcement of regulations implementation by the government encourages cases of unethical procurement practices in Kenya.

Supply chain management and procurement in Kenya is associated to a number of unethical business practices that violates codes of conduct. For instance when tendering processes is not executed in a transparent manner, then suppliers may have chances and vantages to solicit for consideration by advancing bribes and other forms of corruption. Transparency, fair treatment in bidding and awards of tenders, accountability and responsible purchasing and supply have a positive implication on procurement processes in any organization and could thus result into increased performance and delivery. This is not possible without employing ethical theories.

According to Rwoti, (2005) compliance with the formal elements gives an indication of knowledge of the rules. Procurement managers will comply with the rules if they perceive them as clear. Lack of clarity increases the possibilities for procurement regulations noncompliance. Lack of familiarity with procurement rules results into poor compliance levels and this leads to inefficiency which negatively affects organizations performance. In the year 2005, before the enactment of the Public Procurement and Disposal act 2005 an independent procurement review was carried out jointly by Kenya and European Union. Several critical problems were identified with the 2001 regulations. Among the limitations were weak oversight institutions, lack of transparency, poor linkages between procurements and expenditures, delays and inefficiencies and poor record management. All this deals with ethical practices in the process.

Procurement Ethics are the guidelines or rules of conduct by which we aim to live on. Organizations like individuals have ethical standards and frequently ethical codes. The ethical standards of an organization are judged by its actions and the actions of its employees, not by pious statements of intent put out in its name. The pressures which the marketplace exerts on purchasing departments and on individual buyers make it essential that top management, purchasing and supply managers, buyers and all other members of the procurement system recognize and understand both professional and ethical standards required in performance of their duties.

According to Canon (2000), it emphasizes on procurement ethics being important in procurement for the following reasons: procurement staffs are the representatives of their organization in dealing with suppliers, sound ethical conduct in dealing with suppliers is essential to the creation of long-term relationships and the establishment of supplier goodwill, it is impossible to claim professional status for procurement without reference to a consideration of its ethical aspects.

According to Campbell (2005), there is a belief that the individual has somehow lost the will to act ethically. Solutions tend to center on the need to indoctrinate students from the earliest ages through college, in the finer points of their civic and ethical responsibilities. In virtually every case, when a company improved quality ethics also improved. Ethical standards are a person's basis for differentiating right from wrong. Leaders and their key associates, play key role in shaping and defining the ethical standards that become absorbed into and shape the culture of the organization they lead. This emphasizes on the need for training on procurement ethics.

2.1.4 Organizational Performance.

The main purpose of any organization is to consistently outperform its rivals and deliver sustained and good returns to its owners and satisfying the needs of other shareholders. The measurement of how successful organizations are at achieving this obligation has become a key element in modern public sector governance (Verbeeten & Bonns, 2009). Many countries in the world have introduced performance management as a means of measuring organizational efficiency in order to ensure that their organizations meet their

needs. Performance measurement is a graceful way of calling an organization to account for its resources and in public sector it involves accountability (Heinrich, 2007). Performance measurement is viewed as a warning, diagnosis and control system that is used to keep track of economy, efficiency and effectiveness. (Teelken & Smeenk, 2003). Performance measurement is not easy for organizations with multiple objectives of profitability, employee satisfaction, productivity, growth, social responsibility and ability to adapt to the changing environment. Performance has been traditionally conceptualized in terms of financial measures; some scholars proposed a broader performance contrast that incorporates non-financial measures including other market shares, product quality and company image (Obong'o, 2009).

Public entities operate under an environment that affects their performance (Bolton, 2006). The external factors affecting the implementation of ethical procurement are political, economical, social and technological factors.

Since the 1930s, procurement performance has been attracting great attention from practitioners, academicians and researchers. In 1931, the National Association of Purchasing Agents (NAPA) in the United States of America (USA) organized a contest on the topic. In 1945, a committee was set up by NAPA to draft guidelines on procurement performance. In 1962, the American Management Association (AMA) funded a survey to assess performance of the procurement function (Lardenoije, Van Raaij, & Van Weele, 2005). In the 1970s and 1980s, scholars conducted independently studies in American and Dutch companies on purchasing performance in which they established scores of performance.

On 2nd March, 2004, the European Institute of Purchasing Management (EIPM) organized a conference “Measuring Purchasing Performance” and the issues that were tackled in the conference included: measurements of intangibles as opposed to tangibles, financial measurements as opposed to other indicators, how to link measurements with everyday actions and strategy implementation, what you should know for developing a measurement system, the scope of measurement systems, limits of measurement systems, process and results measurements, measurements for driving actions towards

measurements for reporting, links of purchasing measurements systems with business systems and individual performance, and tactical and strategic measures indicating that institutions and academic bodies acknowledge the importance of measuring purchasing performance (The European Institute of Purchasing Management, 2004).

Apparently the issue is still not solved in developed countries. There is still a knowledge gap on how the procurement process can contribute to improved performance of the procurement function in developing countries. Chief Executive Officers (CEOs) of organizations are often heard saying “the procurement function is not performing well”. The issue of generalizing that the procurement function is not performing without indicating the criteria used to reach that conclusion or just basing it on financial statements is not reasonable. Only when the procurement function is well planned, it is easy to identify areas where it is performing well, and where there is need for improvement (Department of Public Works, Queensland Government, 2007).

In addition, organizations have concentrated on costs or savings as the sole indicator or measure of performance. If costs decline, the purchasing function will be praised, while if savings decline, the purchasing function will be queried. It is as if the purchasing function is established to focus on minimizing costs while maximizing efficiency. Financial measures ignore market dynamics and increased complexity in acquisition of goods and services for public entities (Lardenoije, Van Raaij, & Van Weele, 2005). With recent developments in purchasing, it is significant that what is measured is not only important to the entity/organization but should also cover all core areas and activities of procurement (Department of Public Works, Queensland Government, 2006). Though purchasing performance may mean different things to different people (CIPS Australia, 2005), its focus on financial and non-financial benefits, efficiency of procedures, and effectiveness, and ability to establish a range of measures to evaluate procurement activities, is noticed by many (Department of Public Works, Queensland Government, 2006). However, coming up with a precise meaning of purchasing performance is still difficult. This is because purchasing performance covers broader areas of procurement, for instance: performance of the purchasing function, the purchasing department, the

purchasing process on a given contract, employees of the procurement department, the supplier base and many others (Knudsen, 1999).

2.2 Empirical Literature Review

2.2.1 Transparency and Performance

The study conducted by United Nations Procurement (2012) on transparency and public procurement revealed that in public procurement the goals of fairness, competition and economic value are paramount and to achieve all these, effective and efficient procurement processes must be put in place. This includes incorporating adequate controls to promote competition and minimize risk of fraud, corruption, waste, and mismanagement of public funds. Based on the above, transparency is considered to be one of the most effective tools to deter corruption and ensure value for money. Transparency in procurement is required at all stages within the procurement process including the following publishing procurement policies, advance publication of plans, advertising of tender notices, disclosure of evaluation criteria in solicitation documents, publication of contract awards and price paid among others. In this regard, there is broad agreement that effectiveness of transparency can further be strengthened by empowering monitoring and oversight organizations within civil society to scrutinize procurement, as they can play an important role as watchdogs for public sector integrity. The oversight practices can be effective in raising questions on timely basis, reducing risks in contracts, strengthening procurement and contracting practices, holding public officials accountable and strengthen governance.

According to Kinyanjui (2010), transparency is also an effective tool in addressing challenges facing SMEs in public procurement. Without transparency, open competition cannot be realized in public procurement, corrupt dealings can proliferate and other failings in the procurement process may be covered. Transparency to SMEs leads to tangible results like saving time and money on finding and processing of bids, it also deter culture of corruption and creating conditions for open competition. Transparency can improve access to public procurement opportunities through disclosure, publication and dissemination of information on available tenders. Clarity and increased disclosure of guidelines and documentation can decrease time needed to submit the bids particularly

prohibitive for SMEs thus saving them valuable time and money and the tangible benefit will include cost and time savings and this will translate to improved effectiveness and efficiency of the organization as well as increase in revenue resulting from access to new market or new business opportunities.

2.2.2 Compliance to procurement rules and Performance

Public procurement has its policy to be followed which is anchored in the Kenyan Constitution 2010. PPDA, 2015 explains clearly what procurement professionals are suppose to do as they carry out their activities. According to PPDA, 2015, there are procurement principles like value for money, efficient, effective and ethical use of public resources, accountability and transparency. Value for money is the most core principle underpinning principle in the act. This means that government officials need to be satisfied that the best possible outcome has been achieved taking into account all relevant cost benefits over the whole procurement cycle. This provides the achievement of value for money by providing practical information on managing procurement activities which enable organizations enter into agreement with suppliers. The Act, 2015 also explains why procurement record should be maintained for six years to enable the records be scrutinized based on the factors and principles that inform decisions.

Since the establishment of PPDA, 2015, its regulations and other relevant authorities like KISM, Kenya has in place a clear and comprehensive framework for public procurement with clear hierarchical methods to be applied, advertising rules and each activity has its time limit to take, tender contents, technical specifications, tender opening, evaluation award, submission procedure, receipt of tenders and goods, works and services and also how and where to channel complains. Despite all these, public procurement is still faced with unethical procurement practices like bribery, gift giving and entertainment have been and are being used to induce procurement personnel to favour particular suppliers rather than guided solely by factors such as price, quality and delivery dates and this makes organizations not to reduce cost and maximize revenue to enable them achieve value for money which is the core principle in the Act.

According to Lyson and Farrington (2006), compliance with the rules will give an indication that the rules are well known to the practitioners. It also explains that procurement practitioners will comply to the rules only if they understand them clearly. Lack of clarity is believed to increase the possibility of non compliance to the rules. Education and training of procurement practitioners is an effective tool for increasing the level of compliance to the rules.

The PPOA (2015) found out that procurement staff in many public entities suffers from lack of information about legal frame-work, principles, procedures and processes of procurement and the same was confirmed by KISM, 2008 that in many public entities personnel capacity constraints relate to poor records management, knowledge of the rules and its application in the procurement process. Thus familiarity with procurement rules improves compliance hence the performance of the organization will improve in relation of service delivery to the people and this will explain the influence of ethical procurement practices on performance of an entity.

2.2.3 Quality Sourcing and Performance

Quality is the ability of a product to meet its customer needs/requirements. Its characteristics are; performance, reliability, serviceability, conformance, reliability among others. Sourcing is the process of identifying, selecting and developing suppliers. Sourcing has the following stages; Needs identification, define requirements, decide to make or buy, identify purchase type, conduct market analysis, identify possible suppliers, prescreen possible suppliers, evaluate supply base, choose suppliers, deliver products and evaluate performance, (Lyson and Farrington 2006). Quality sourcing will enable an organization to achieve these capabilities, foster close working relationship with limited number of suppliers who will be trustworthy in terms of quality, quantity, delivery time, place, source among others, promote open communication among supply chain partners and the will enable the suppliers to know exactly what the customer needs are and will produce what the customer wants, develop long-term strategic orientation to achieve mutual gains and all the capabilities will enable the organization to have sustainable competitive advantage (Chen, Paulraj &Lado 2004).

The strategic role of purchasing and supply as a lever for sustainable development is much more manifested than they were before. Commercial practices show that business organizations and partners are focusing their procurement strategies on reducing the environmental risks of their procurement and supply chain activities. The need to improve organizational efficiency, reduce waste, overcome supply risks and achieve competitive position has made organizations to start considering quality sourcing an important activity (Hussein & Shale, 2014).

2.3 Summary of Literature Gaps

With the existence of various documents on best practice in procurement like PPDA 2015, and Organizations like Kenya Institute of Supplies Management and Public Procurement Regulatory Authority among others. Procurement best practice is still a challenge in most public entities and that is why the government has been losing a lot of money in relation to procurement of goods, works and services. The main cause in loss of public funds in terms of procurement is caused by unethical procurement practices like bribery, conflict of interest, corruption and these will deny an organization its capabilities like ability to foster close working relationships with a limited number of suppliers, promote open communication among supply chain partners and develop long term strategic orientation to achieve mutual gains.

These capabilities will enable an organization to have sustainable competitive advantage hence customer satisfaction. According to PPDA 2015, all public organizations must practice transparency, competition, economy, integrity, value for money and these can only be done when organizations practice ethical procurement. Even though the researchers have done studies on ethical procurement practices like transparency, compliance to procurement rules, quality sourcing among others in various organizations, they failed to explain the relationship between these practices and the performance of an organization. In my view, ethical procurement practices influences the performance of an organization. Transparency will enable an organization to treat the suppliers/contractors equally by providing them with the same information hence the suppliers will have opportunity to compete among themselves and this will enable the organization to award the tender to the lowest evaluated bidder hence value for money in the organization.

Quality sourcing will enable the organization to procure quality goods, works and services which will enable an organization to get value for money in the final product. Compliance to the procurement rules will enable the practitioners to know how they are suppose to carry out their activities and this will help them practice ethical procurement which shall add value to the organization. Based on the above, organizations should practice ethical procurement practices to enable them add value to their organizations to meet their customer's needs and compete with others.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses the methodology that was followed in the fulfillment of the research objectives. It outlines the research design, area of study, study population, sample and sampling techniques, data collection techniques, validity, reliability.

3.1 Research Design

A research design is the layout, arrangement and strategy of a research to help a researcher find answers to the questions related to variables under study. In consideration to the objectives of this study, the study will use correlation research design (Kothari 1985). This is because Correlation research design is used when there is need to establish the relationship between two or more variables. The study described the relationship between ethical procurement practices and performance of Homa Bay county government.

3.2 Study Area

Homa-bay County is located in the South Nyanza region. It borders Kisii, Kisumu and Migori Counties. Homa Bay county government has been chosen because of low pace of development as compared to other counties surrounding it. Homa bay County government was also selected based on its convenience, accessibility and willingness of the researcher to find out what could be the cause of low pace of development and poor quality works in Homa Bay County.

3.3 Target Population

According to the records available at County Procurement and Human resource departments as at 20th March, 2017, the county has a total of 118 firms prequalified in various categories as suppliers and contractor for 2015/2017 financial year and 32 staff working in procurement department at various departments. The respondents totaling to 150 comprised of the managers/ Directors of the prequalified firms as well as county procurement staff at various levels.

Table 1: Target Population

S/No	Category of population	Number of people
1	Prequalified Suppliers/Contractors	118
2	Procurement staff	32
	Total	150

Source: Adaptor, 2017

3.4 Sample Frame

Sampling process is defined as a procedure of selecting element from a population in such a manner that all the elements in the sampling frame have an equal chance of being selected (Mugenda&Mugenda, 2003). The sample size is a representative of the population on which the study generalized the findings. The sample size should be small enough to meet and minimize financial and economic constrains (Amin, 2005). The study took a sample of 108 for its study. The sample size was derived using a table from Krejcie (1970) model and generated by Morgan (1990) for sample size estimation. This represented a sample ratio of 72% of the population size. According to Kothari 2009 a sample ratio of 14% and above is appropriate enough to generate the most representative and relevant set of data for a study.

Table 2: Sample size

S/No	Category of population	Population	Proportions	Sample
1	Prequalified Suppliers/Contractors	118	$118/150*108$	85
2	Procurement staff	32	$32/150*108$	23
	Total	150		108

Source: Adaptor, 2017

The study adopted stratified random sampling technique with the sample being divided into strata with each stratum capable of being studied independently. Stratified random sampling ensured that each unit in the category had an equal chance of being selected thereby eliminating the biases associated with research.

3.5 Data Collection Methods

Primary data were used in this study. The data were collected using structured questionnaires and the collected data were analyzed using qualitative techniques.

3.5.1 Data Source

The data used in the study were derived from primary and secondary data. Primary data came from original data that had never been collected before, the instrument for primary data were questionnaires. Secondary data are information that had been collected and analyzed by others and the main sources are books, journals among others.

3.5.2 Data Collection Procedure

The data collection instruments for the study were questionnaires. The study adopted stratified Random Sampling procedure to get the respondents to whom the questionnaires were administered. Stratified Sampling enabled the researcher to group the respondents into strata depending on their levels for ease of distribution of the instruments. The researcher had frequent communication with the respondents on as and when need arises with a view to making clarifications and explanations.

3.5.3 Data Collection Instruments

The study used mainly closed and open ended questionnaires. According to Kothari (1985) questionnaires are the most preferred method used to diagnose if organizations are meeting their objectives. Questionnaires are structured set of questions that can be used to obtain the opinions of the respondents. Questionnaires were used because of ease of recording, coding, classifying and reconciliation and analysis. The questionnaires were pre-tested prior to administration purposely to determine their strengths and weaknesses based on the questions format, wording and order. The secondary data was used by collecting through scrutiny of existing literature on effects of ethical procurement practices on performance of public institutions. Open-ended questionnaires have advantage in that they permit greater depth of response and are also simpler to formulate. Closed ended questionnaire was used because it facilitates easier analysis, easier administration and economical with respect to time and money. The study used this

instrument because it enables data collection from a wider population, easy to use and formulate and confidentiality was upheld.

3.5.4. Validity

Validity is concerned with the objectivity of the data collection instruments and measures the instrument's ability to produce good result. In order to ensure the validity of the data collection instruments of questionnaires, a t-test and f-test with regression analysis computation was carried out.

3.5.5 Reliability

The instrument reliability is a way of ensuring that any instrument used for measuring variables give the same results every time. This was done using test-retest method of reliability. A pilot study was undertaken to determine the reliability of the data collection instrument. The reliability aspect was concerned with internal consistencies as to the results of the instruments. An instrument was considered reliable when it produced same or similar results when administered under the same condition at different times.

3.6 Data analysis

The data collected were coded before analyzed using Statistical Package for Social Sciences (SPSS). This helped in addressing the research objectives and hypothesis in terms of relationship between the variables. The data was then summarized using descriptive statistics like mean, mode, standard deviations, frequencies and percentages. The interpretation was also done using 5 point Likert Scale where 5 represents the highest score and 1 represents the lowest score. Pearson product moment correlations coefficient was used to analyze the data.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter presents the results discussion of the data analyzed from the questionnaires. The data was analyzed based on the research objectives and questionnaire items using a statistical tool, to generate frequency distribution tables, means, charts, graphs and the results of analysis presented.

4.1 Response Rate

Koltler (1997) defines the response rate as the extent to which the final set of data includes all sample members and it is calculated as from the number of people with whom interviews are completed divided by the total number of people in the entire sample, including those who refused to participate and those who were unavailable.

From a sample size of 108 respondents issued with questionnaires, 106 of them were returned dully filled giving a 98.1% proportion. This was as a good percentage that can represent the sample size.

4.2 General Information

In section I of the questionnaire, the researcher asked the respondents some of the basic information in order to establish the grounds for the study. The following are some the results that were obtained with regard to the general information.

The Table 4.1 below shows the results when the respondents were classified by their gender. The results showed that 75.5 %(80) were male and 24.5 %(26) were female.

Table 4. 1: Gender

	Frequency	Percent	Cumulative Percent
Male	80	75.5	75.5
Female	26	24.5	100.0
Total	106	100.0	

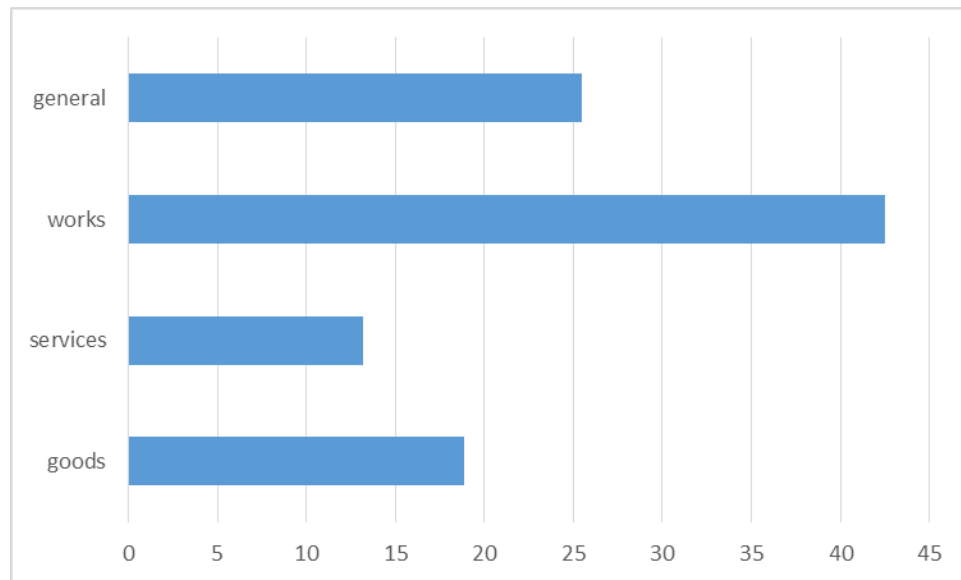
The Table 4.2 below shows the results when the respondents were asked their former occupation, 56.6% (60) were business persons and 43.4% of them were employed.

Table 4. 2: Former occupation

	Frequency	Percent	Cumulative Percent
Business person	60	56.6	56.6
Employed	46	43.4	100.0
Total	106	100.0	

Source: Research data, 2017

The Figure 4.1 below shows the results when the respondents were asked the type of business they were venturing in, 18.9% (20) of them were dealing with goods, 13.2% (14) were offering services, 42.5% (45) dealt in different works while 25.5% (27) of them were in general business.



Source: Research data, 2017

Figure 4. 1: Types of business

The Table 4.3 below shows the results when the respondents were asked to give the size of business, 57.5% (61) of them were sole proprietor, 13.3% (14) of them were in partnership and 29.2% (31) of them were in limited company.

Table 4. 3: Size of business

	Frequency	percentage	Cumulative Percent
sole proprietor	61	57.5	57.5
Partnership	14	13.3	70.8
limited company	31	29.2	100.0
Total	106	100.0	

Source: Research data, 2017

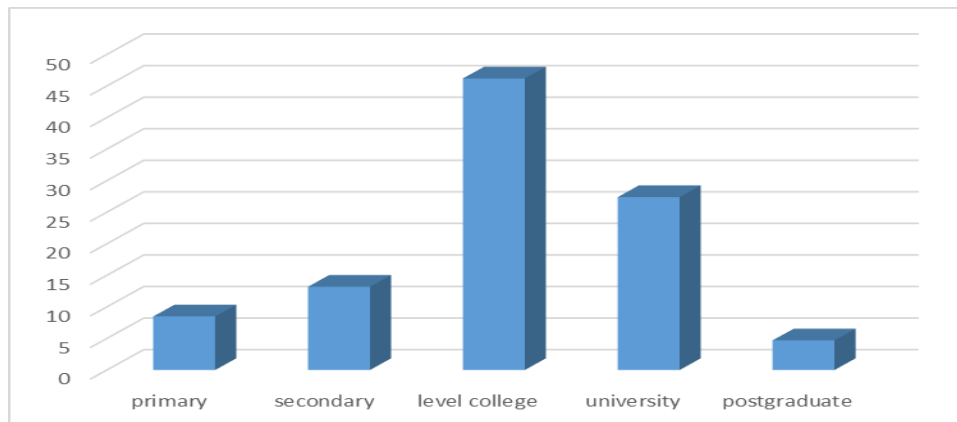
The Table 4.4 below shows the results when the respondents were asked the number of employees in their business, 57.5% (61) of them had between 5 to 10 employees, 42.5% (45) of them had between 10 to 100 employees in their business.

Table 4. 4: Number of employees

	Frequency	Percent	Cumulative Percent
5-10	61	57.5	57.5
10-100	45	42.5	100.0
Total	106	100.0	

Source: Research data, 2017

The Figure 4.2 below shows the results when the respondents were asked their level of education, 8.5% (9) of them were primary level of education, 13.2% (14) had secondary education, 46.2% (49) of them managed to go to college, 27.4% (29) were university graduates while 4.7% (5) of them had post graduate qualifications.



Source: Research data, 2017

Figure 4. 2: Level of education

The Table 4.5 below shows the results when the respondents were asked to state their experience, 35.8% (38) of them had between 1 to 5 years of experience, 34.9 (37) of the respondents had between 6 to 10 years of experience while 29.2% (31) had over 10 years of experience.

Table 4. 5: Years of experience

	Frequency	Percent	Cumulative Percent
1-5	38	35.8	35.8
6-10	37	34.9	70.8
over 10	31	29.2	100.0
Total	106	100.0	

Source: Research data, 2017

The Table 4.6 below shows the results when the respondents were asked whether they have knowledge of ethical procurement, 90.6% (96) of them said yes and 9.4% (10) said no.

Table 4.6: Knowledge of ethical procurement

	Frequency	Percent	Cumulative Percent
yes	96	90.6	90.6
no	10	9.4	100.0
Total	106	100.0	

Source: Research data, 2017

The Table 4.7 below shows the results when the respondents were asked how they got the knowledge on ethical procurement, 52.8% (56) of the respondents said they got the knowledge through education, 4.7% (5) of them through the media and 42.5% (45) of them said through work experience.

4.3 Relationship between Ethical Procurement Practices and Performance

Table 4.7: Correlation results

	Performance	Transparency	Compliance	Quality sourcing
Performance	1			
Transparency	.206*	1		
Compliance	.332**	.542	1	
Quality sourcing	.219*	.673	.436	1

*correlation is significant at the 0.01 level (2-tailed)

**correlation is significant at the 0.05 level (2-tailed)

4.3.1 Results on the Relationship between transparency and performance.

Objective one sought to determine the relationship between transparency and performance. From Table 4.7, it is clear that there was a significant positive relationship between transparency and performance ($r=0.206$, $p<0.01$). This implies that whenever the county government concentrated on transparency as ethical procurement practice, the overall performance would increase.

The findings concur with those of Kinyanjui (2010), transparency is also an effective tool in addressing challenges facing SMEs in public procurement. Without transparency, open competition cannot be realized in public procurement, corrupt dealings can proliferate and other failings in the procurement process may be covered. Transparency to SMEs leads to tangible results like saving time and money on finding and processing of bids, it also deter culture of corruption and creating conditions for open competition. Transparency can improve access to public procurement opportunities through disclosure, publication and dissemination of information on available tenders. This finding supports the findings of Edward,(2009) that transparency is an effective way of improving value for money by reducing opportunities for corrupt practices towards improving organization's performance.

4.3.2 Results on the Relationship between compliance to procurement rules and performance.

Objective two sought to establish the relationship between compliance to procurement rules and performance. It is clear from Table 4.7 above that there was a significant positive relationship between compliance to procurement rules and performance ($r=0.332$, $p<0.005$). This is an indication that whenever the county government put in place compliance to rules as an ethical procurement practice, their overall performance would increase.

This finding agrees with those of Lyson and Farrington (2006) who argued that compliance with the rules will give an indication that the rules are well known to the practitioners. It also explains that procurement practitioners will comply to the rules only if they understand them clearly. Lack of clarity is believed to increase the possibility of noncompliance to the rules. Education and training of procurement practitioners is an effective tool for increasing the level of compliance to the rules.

4.3.3 Results on the Relationship between quality sourcing and performance.

Objective three sought to establish the relationship between quality sourcing and performance of county government. It was revealed that there was a positive significant relationship between quality sourcing and performance ($r=0.219$, $p<0.01$). This implied that whenever the county government invested in quality sourcing as an ethical procurement practice, the performance would rise. The findings are in tandem with those of Chen, Paulraj & Lado (2004) who argued that Quality sourcing will enable an organization to achieve these capabilities, foster close working relationship with limited number of suppliers who will be trustworthy in terms of quality, quantity, delivery time, place, source among others, promote open communication among supply chain partners and the will enable the suppliers to know exactly what the customer needs are and will produce what the customer wants, develop long-term strategic orientation to achieve mutual gains and all the capabilities will enable the organization to have sustainable competitive advantage.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary of findings, conclusions and recommendations on the Influence of ethical procurement practices in performance of Homa bay County government.

5.1 Summary of the Findings

Objective one sought to determine the extent of influence of transparency in performance of Homa-bay County government, it was established that there was a significant positive relationship between transparency and performance,

Objective two sought to establish the extent of influence of compliance to procurement rules in performance of Homa-bay County government, it was established that there was a significant positive relationship between compliance to procurement rules and performance,

Objective three sought to assess the level of influence of quality sourcing in performance of Homa-bay County government, it was established that there was a positive significant relationship between quality sourcing and performance,

5.2 Conclusions

Based on the finding of objective one that there was a significant positive relationship between transparency and performance, the study concludes by not accepting the null hypothesis that transparency does not have significant relationship with performance of Homa bay County Government.

Based on the finding of objective two that there was a significant positive relationship between compliance to procurement rules and performance, the study concluded by not accepting the null hypothesis that compliance to procurement rules does not have significant relationship with performance of Homa bay County Government.

Based on the finding of objective three that there was a positive significant relationship between quality sourcing and performance, the study concludes by not accepting the null hypothesis that quality sourcing does not have significant relationship with performance of Homa bay County Government

5.3 Study Recommendations

Based on the conclusion on objective one that transparency has significant relationship with performance of Homa bay County Government, the study recommends that the county government should put more effort in enhancing transparency as an ethical procurement practice.

Based on the conclusion on objective two that compliance to procurement rules has significant relationship with performance of Homa bay County Government, the study recommends that the county government should put more effort in enhancing procurement rules as an ethical procurement practice.

Based on the conclusion on objective three that quality sourcing has significant relationship with performance of Homa bay County Government, the study recommends that the county government should put more effort in enhancing quality sourcing as an ethical procurement practice.

5.4 Limitations of the Study

The limitation is used in the context of this study to implies limiting conditions or restrictive conditions encountered during the study in conducting research (Mutua,2006).A number of limitations were identified in conducting this research. First, the study was limited to county i.e. Homabay county which comprises its global generalizability. Therefore the study advices the readers to restrict generalization of result within this county otherwise outside the county but with care. Next, the data collection instrument comprising structured questions were used for every likert scale question to obtain further information from the respondents. Lastly, in first visit to respondents, the study encountered low response rate. This was attributed to the nature of respondents. This study arranged repeat visits to counter this there by achieving the desired rate

5.4 Suggestions for Further Research

Based on the findings and conclusions of the study, the researcher suggest further study to be done on other ethical procurement practices which were not coved by this study

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APPENDICES

Appendix I: Introductory Letter

To whom it may concern

RE: RESEARCH QUESTIONNAIRES

This is to inform you that am a student of Maseno University pursuing Master of Business Administration (Procurement and Supply Chain Management Option) course in the school of Business and Economics, currently undertaking research work. Based on the above, i wish to request for your assistance in filling the questionnaire

The questionnaire has been designed to gather information on **“INFLUENCE OF ETHICAL PROCUREMENT PRACTICES ON PERFORMANCE OF HOMA BAY COUNTY GOVERNMENT”**.

The information you will provide shall be purely for academic purposes and treated with confidentiality.

Thank you

George Okeyo Owala

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QUESTIONNAIRE

Appendix II:

Preamble

The study is being carried out in order to determine the influence of Ethical Procurement Practices on Performance of Homa Bay County Government, Kenya and is strictly for academics only. You are therefore requested to participate in its data collection. The opinion you will give shall represent the opinion of other **suppliers/contractors**. The information you give shall not be used to identify you and shall be treated with strict confidentiality.

In case of any question while filling the questionnaire, kindly contact the designer through his mobile No. 0722948100.

Part 1: Background Information

Instruction: Kindly Tick (√) as appropriate

1. Name of Business (optional).....
Position in the Business.....
Physical address and Location.....
2. Gender: Male [] Female []
3. Former Occupation: Business Person [] Employed []
4. Type of Business: Goods [] Services [] Works [] General []
5. Size of Business: Sole proprietor [] partnership [] Limited Company []
6. Number of Employees: 5-10 [] 10-100 []
7. Level of Education: Primary [] Secondary [] Medium level Colleges []
University [] Post graduate []
8. Year of experience in running the business: 1-5 [] 6-10 [] Over 10 years []

Part 11: General Questions

9. Do you know about Ethical procurement practices?: Yes [] No []
10. How did you know about ethical procurement practices?
Through education [] Through Media [] Through work experience []
11. Do you trade with public entities?: Yes [] No []
12. How often do you conduct business with public entities?

More often [] Often [] Not Often []

13. Do you practice procurement functions under the public procurement act 2015?

Yes [] No []

Level of Transparency in procurement within Homa Bay County Government

This section will enable the researcher obtain information on whether the respondent has been practicing ethical procurement practices or not.

14. Have you ever participated in public procurement tenders?: Yes [] No []

15. If yes, what type of tender was it?

Open [] Restricted [] Negotiated [] RFQ []

16. How often do you participate in public tenders?

Always [] Sometimes [] Not participating []

17. Has your participation in public tenders brought any impact in your business?

Yes [] No []

18. If yes, what nature of impact?: Positive [] Negative [] Non []

19. How does public tender influence the investment pattern in your business?

Increases [] Decreases [] No influence []

20. Briefly explain your response in question 17 above

.....
.....

21. To what extent do you agree that transparency contributes to performance of an organization?

Highly agree [] moderately agree [] Agree [] Disagree [] Moderately disagree []

22. To what extent do you agree that participating in public tenders contributes to positive development of an organization?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

23. To what extent do you agree that participating in public tenders contributes to negative development of an organization?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

24. List the ways in which you think transparency in County tenders will lead to the performance of the Homa Bay county government.

1.....2.....3.....4.....

Establish the level at which compliance to procurement rules contributes to performance of an entity

This section aims at obtaining information from the respondents on the level at which compliance to procurement rules leads to performance of an entity.

25. In your business operations, have you ever complied to public procurement rules?

Yes [] No []

26. How often do you comply to the rules?: Always [] Sometimes [] Not complying []

27. Has your business complying to the rules bring any impact in the organization?

Yes [] No []

28. If yes, what is the nature of impact brought by compliance to the rules?

Increased opportunity [] Decreased opportunity [] Neutral impact on opportunity []

29. Briefly explain your answer to question 27 above

.....
.....

30. To what extent do you agree that compliance to procurement rules has an impact to the business?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

31. To what extent do you agree that compliance to procurement rules contributes to a positive impact in Homa Bay county government?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

32. To what extent do you agree that compliance to procurement rules contributes to a negative impact in Homa Bay county government?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

33. List ways in which you think compliance to procurement rules can lead to development of Homa Bay county government?

1.....2.....3.....4.....

Relating quality sourcing with performance of an entity

This section aims at obtaining information from respondents on influence of quality sourcing and business development. Please tick the appropriate box.

34. Have your business been practicing quality sourcing?: Yes [] No []

35. If yes, what is the nature products?

Goods [] Services [] Works [] Both []

36. How often do you practice quality sourcing?

Always [] Sometimes [] Not practicing []

37. Has your practicing quality sourcing contributed to the development of your business?

Yes [] No []

38. If yes, what is the nature of impact realized by the business through quality sourcing?: Positive [] Negative [] Non []

39. Briefly explain your response for question 37 above.....

40. To what extent do you agree that quality sourcing has an impact to business development?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

41. To what extent do you agree that quality sourcing has a positive impact to the business?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

42. To what extent do you agree that quality sourcing has a negative impact to the business?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

43. List ways in which you think quality sourcing can lead to development of Homa Bay county government?

1.....2.....3.....4.....

CONFIRMATION QUESTIONS

44. State your agreement that transparency in procurement leads to performance of Homa Bay county government

Strongly agree [] **Agree** [] **Disagree** [] **Strongly disagree** []

45. State your agreement that compliance to procurement rules leads to performance of Homa Bay county government

Strongly agree [] **Agree** [] **Disagree** [] **Strongly disagree** []

46. State your agreement that quality sourcing leads to performance of Homa Bay county government

Strongly agree [] **Agree** [] **Disagree** [] **Strongly disagree** []

QUESTIONNAIRE

Appendix III:

Preamble

The study is being carried out in order to determine the influence of Ethical Procurement Practices on Performance of Homa Bay County Government, Kenya and is strictly for academics only. You are therefore requested to participate in its data collection. The opinion you will give shall represent the opinion of other **Staff** who will not participate in this data collection. The information you give shall not be used to identify you and shall be treated with strict confidentiality.

In case of any question while filling the questionnaire, kindly contact the designer through his mobile No. 0722948100.

Part 1: Background Information

Instruction: Kindly Tick (√) as appropriate

1. Name of Employee (optional).....
Job group.....
2. Gender: Male [] Female []
3. Level of Education: Primary [] Secondary [] Medium level Colleges [] University [] Post graduate []
4. Year of experience in running the business: 1-5 [] 6-10 [] Over 10 years []

Part 11 : General Questions

5. Do you know about Ethical procurement practices?: Yes [] No []
6. How did you know about ethical procurement practices?
Through education [] Through Media [] Through work experience []
7. Do you trade with private entities?: Yes [] No []
8. How often do you conduct business with private entities?
More often [] Often [] Not Often []
9. Do you practice procurement functions under the public procurement act 2015?
Yes [] No []

Level of Transparency in procurement within Homa Bay County Government

This section will enable the researcher obtain information on whether the respondent has been practicing ethical procurement practices or not.

10. Do you participate in procurement tenders?: Yes [] No []

11. If yes, what type of tender was it?

Open [] Restricted [] Negotiated [] RFQ [] Both []

12. How often do you participate in these tenders?

Always [] Sometimes [] Not participating []

13. Has your participation in tenders brought any impact in Homa Bay County government?: Yes [] No []

14. If yes, what nature of impact?: Positive [] Negative [] Non []

15. Do these tenders influence the investment pattern in Homa Bay County?

Increases [] Decreases [] No influence []

16. Briefly explain your response in question 14 above

.....
.....

17. To what extent do you agree that transparency contributes to performance of Homa Bay county government?

Highly agree [] moderately agree [] Agree [] Disagree [] Moderately disagree []

18. To what extent do you agree that your participation in tenders contributes to positive performance of Homa Bay County?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

19. To what extent do you agree that your participation in tenders contributes to negative performance of Homa Bay County?

Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []

20. List the ways in which you think transparency in County tenders will lead to the performance of the Homa Bay county government.

1.....2.....3.....4.....

Establish the level at which compliance to procurement rules contributes to performance of an entity

This section aims at obtaining information from the respondents on the level at which compliance to procurement rules leads to performance of Homa Bay County government.

- 21. In your daily operations, have you ever complied to procurement rules?
Yes [] No []
- 22. How often do you comply to the rules?
Always [] Sometimes [] Not complying []
- 23. Has your compliance to the rules bring any impact in Homa Bay County?. Yes [] No []
- 24. If yes, what is the nature of impact brought by compliance to the rules?
Improved service delivery [] Reduced service delivery [] No impact []
- 25. Briefly explain your answer to question 24 above
.....
.....
- 26. To what extent do you agree that compliance to procurement rules has an impact to the performance of Homa Bay County government?
Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []
- 27. To what extent do you agree that compliance to procurement rules contributes to a positive impact in Homa Bay county government?
Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []
- 28. To what extent do you agree that compliance to procurement rules contributes to a negative impact in Homa Bay county government?
Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []
- 29. List ways in which you think compliance to procurement rules can lead to development of Homa Bay county government?
1.....2.....3.....4.....

Relating quality sourcing with performance of an entity

This section aims at obtaining information from respondents on influence of quality sourcing and business development. Please tick the appropriate box.

30. Have you been practicing quality sourcing in Homa Bay County?. Yes [] No []
31. If yes, in what products?. Goods [] Services [] Works [] Both []
32. How often do you practice quality sourcing?
 Always [] Sometimes [] Not practicing []
33. Has your practicing quality sourcing contributed to the development of Homa Bay County? Yes [] No []
34. If yes, what is the nature of impact realized by the County through quality sourcing? Positive [] Negative [] Non []
35. Briefly explain your response for question 34 above.....

36. To what extent do you agree that quality sourcing has an impact in performance of Homa Bay County?
 Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []
37. To what extent do you agree that quality sourcing has a positive impact in performance of Homa Bay County?
 Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []
38. To what extent do you agree that quality sourcing has a negative impact in performance of Homa Bay County?
 Highly agree [] Moderately agree [] Agree [] Disagree [] Moderately agree []
39. List ways in which you think quality sourcing can lead to development of Homa Bay county government?
 1.....2.....3.....4.....

CONFIRMATION QUESTIONS

40.State your agreement that transparency in procurement leads to performance of Homa Bay county government

Strongly agree [] Agree [] Disagree [] Strongly disagree []

41.State your agreement that compliance to procurement rules leads to performance of Homa Bay county government

Strongly agree [] Agree [] Disagree [] Strongly disagree []

42. State your agreement that quality sourcing leads to performance of Homa Bay county government

Strongly agree [] Agree [] Disagree [] Strongly disagree []

**Appendix IV:
WORK PLAN**

Steps in the research plan	Deadline for completion	
Proposal Development and presentation	May 2017	
Design and testing of questionnaire	May 2017	
Design of a final questionnaire/schedules	May 2017	
Interviews/posting of questionnaires	May 2017	
Editing of completed questionnaires, grouping and coding of data, data entry	June 2017	
Design and testing of a computer program	June 2017	
Draft analysis of qualitative data	July 2017	
Analysis of data	August 2017	
Report Writing	August 2017	
Presentation of final research project	September 2017	

BUDGET

Appendix V:

No.	Item	Description	Unit cost	Total
1.	Stationary	3 Reams of photocopying papers	600	1,800.00
2.	Transport/Accommodation	Meeting supervisor	Lumpsum	65,000.00
3.	Printing	Printing and binding		6,000.00
4.	Communications	Bundles, airtime		10,000.00
5.	Data collection			10,000.00
6.	Software			3000.00
7.	Contingency	10%		9,580.00
	Total			105,380.00

KREJCIE- MORGAN-SAMPLE –SIZE TABLE

Appendix VI

Table for determination of Sample size of a known Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size

Source: Krejcie &

Morgan, 1970