Determinants of Implementation of Procurement Practices in the County Governments in Kenya

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ABSTRACT
The main purpose of the study was to establish the determinants of implementation of procurement practices in the County Governments in Kenya. The study utilized the descriptive research design. The target population for this study was derived from employees in management positions that are directors, managers and assistant managers working in the Procurement, Finance and ICT departments of the county governments in Kenya. 14 counties (30% of the 47 counties) randomly selected to participate in the study. In total, the study targeted 126 respondents. The study used SPSS to establish the descriptive and inferential results regarding the mean, frequencies, standard deviation, regression and correlation. The results were presented in form of charts, graphs and tables. It is notable that there exists strong positive relationship between the independent variables and dependent variable as shown by R value (0.833). The data showed that the high R square is 0.693. It shows that the independent variables in the study were able to explain 69.30% variation in the implementation of procurement practices while the remaining 30.70% is explained by the variables or other aspects outside the model. This indicates that procurement planning, supplier management, ICT and professionalism need to be well adopted to enhance implementation of procurement practices in the county governments in Kenya. According to the study findings, the study concludes that implementation of procurement practices in the county governments in Kenya is affected by procurement planning, supplier management, ICT and professionalism. The study concludes that procurement planning is the first important factor that affects implementation of procurement practices in the county governments in Kenya. The procurement personnel in county governments need to carefully study and understand the applicable procurement thresholds in different situations and relevant procurement method applicable. The county governments should provide more training on their staff on the application of different systems and technologies applicable in procuring goods and services. The study recommends that procurement practitioners involved in procurement should be committed to high standards for professional conduct. Competence is expected of supply management professionals.

Keywords: procurement practitioners, supplier management, competence

INTRODUCTION
A major challenge of governments worldwide is reducing cost of public procurement and increasing procurement reforms are considered as unique means of achieving these lower costs. Today in most countries public procurement has become an issue of public attention and debate and has been subjected to reforms, restructuring rules and regulations (World Bank, 2010). The acquisition of goods and services has been shrouded in myriad of malpractices in the process of their procurement in virtually all government organizations that include Ministries, Departments and Agencies. Scholars have highlighted that engaging in public procurement has become the biggest earner for corrupt politicians, vendors, civil servants and other stakeholders who get involved in the tendering process for procurement of goods and services (Lewa & Lewa, 2010). Kulundu (2014) observed that taxpayers’ money goes to waste every year due to inefficient and ineffective procurement structures, policies and
procedures as well as failure to impose sanctions for violation of procurement rules thus resulting in poor service delivery.

**Global Perspective on Procurement Practices**

Worldwide, public procurement has become an issue of public attention and debate, and has been subjected to reforms, restructuring, rules and regulations (Mahmood, 2010). In India, Singhal, (2011) argues that poorly coordinated procurement practices do long-lasting damage to companies’ stock prices and profitability and need to be more thoroughly addressed by supply chain continuity planners. The World Bank (2011) indicated that only about a third of managers participate in advocating for structured procurement practices, which is what you would expect someone managing the supply chain to do. Just 20% claim to be communicating use of business insights in enhancing procurement practices; only 17% could even tell in what segment procurement practices fall in their companies. In the United Kingdom and the rest of the European Union, public procurement is not marred by many malpractices as it is governed by a number of statutes and regulations, which are then implemented in respective country’s national legislation effectively. The Procurement Directives and the corresponding United Kingdom Regulations oversee the effective implementation of procurement practices in all government bodies (Jefferson, 2013).

Hong Kong was one of the most corrupt counties in the 1960s and early 70s. It was widespread and regarded as a way of life. The turnaround for the country can be traced back after the establishment of the Independent Commission against Corruption. Within five years of operation, all the syndicated corruption was eradicated (Man-wai, Resource Material Series No.86).

**Regional Perspective on Procurement Practices**

Mahmood (2010) argues that public procurement has become a notable topic in developing counties and as part of the efforts to adopt a long-term and strategic view of their procurement practices, most African countries have resorted to developing regulations and laid down their annual procurement plans as a possible problem solver. In Uganda for instance, there was a need for procurement reforms which became urgent because of internal and external pressure given the fact that the Government was losing huge sums of money in poorly managed procurement processes that cost the tax payer a lot of money. All procurements and disposals handled by public procuring and disposing entities (PDEs) are now governed by the regulations in the PPDA Act (2003). Scholars however argue that even though this is the case, there is still noncompliance with public procurement regulations in Uganda as each year compliance reports produced by the Public Procurement and Disposal of Public Assets Authority report that there is noncompliance (Kakwezi and Nyeko, 2013).

In South Africa, prior to 1994, public procurement in South Africa was geared towards large and established contractors. It was difficult for new contractors to participate in government procurement procedures. However, public procurement in South Africa has been granted constitutional status and is recognized as a means of addressing past discriminatory policies and practices (Bolton, 2006). Although several African countries have taken steps to reform their public procurement systems, the process is still shrouded by secrecy, inefficiency, and corruption. In all these cases, huge amounts of resources are wasted (Odhiambo and Kamau, 2003).

**Local Perspective on Procurement Practices**

Kenya has over the years made significant strides in reforming public procurement in the country, all in an effort to make the system more transparent, fair and less prone to corruption. Procurement of public goods and services in Kenya is entrenched in the Constitution in article 227. Procurement practices in Kenya are regulated by the Act. The enactment of the Public Procurement and Asset Disposal Act has ensured a sound and comprehensive legal framework for public procurement. The PPADA clearly establishes the procurement methods to be applied, advertising rules and time limits, the content of tender documents and technical specifications, tender evaluation and award criteria, procedures for submission, receipt and opening of tenders, and complaints system structure and sequence. The PPDA was established in order to; maximize economy and efficiency, promote competition and ensure that competitors are treated fairly, promote the integrity and fairness of procurement procedures, increase transparency and
accountability in those procedures, increase public confidence in those procedures, facilitate the promotion of local industry and economic development (Mathew 2009). The Act established institutions such as the Public Procurement Oversight Authority (PPOA) which has been changed to Public Procurement Regulatory Authority (PPRA) and the Public Procurement Administrative Review Board (PPARB). The Act spells out the responsibilities of the Authority which include to ensure that procurement procedures are complied with; to monitor the public procurement system and recommend improvements; to assist in the implementation and operation of the procurement system; and to initiate public procurement policy and amendments to the Act. The Review Board was established to promote and uphold fairness in the public procurement system. The Review Board also offers general legal advice to the procurement stakeholders in relation to conflicts. The Kenyan procurement process involves several steps. Identification of requirements; procurement planning; definition of requirements; determination of source; evaluation and selection of vendor; contract award; contract implementation; storage; payment for goods and services; and disposal (EACC, 2015). Despite the Act being in place to regulate procurement practices in the public sector in Kenya, corruption continues to permeate all facets of public procurement process.

**County Governments in Kenya**

The County Governments in Kenya are geographical units envisioned by the 2010 Constitution of Kenya as the units of devolved government. The First Schedule of the Constitution of Kenya outlines the establishment of forty seven county governments in the Republic of Kenya. Article 202 of the Constitution stipulates that revenue raised nationally shall be distributed equitably among the national and county governments. In Kenya, public procurement is governed by the Public Procurement and Asset Disposal Act (PPADA), 2015 pursuant to article 227 of the Constitution of Kenya. On 5th April 2013 under Legal Notice No. 60, the Minister for Finance gazetted the Public Procurement and Disposal (County Governments) Regulations, 2013. This focused the Public Procurement and Disposal Act, 2005 on county governments, designed to promote local industries and support socio-economic development.

**Statement of the Problem**

Public procurement has, for long, been overshadowed with inefficiency, corruption and disregard of fundamental value for money considerations (Manyenze, 2013). New ways of malpractice are coming in and Onyango (2013) argues that the government is losing millions of shillings through fresh scandals that involve inflation of costs by its suppliers. In Kenya, the government spends about Kshs. 500 billion per year on public procurement with loses attributable to malpractices amounting to Kshs. 300 billion per year (World Bank, 2010). On annual bases, the government losses close to Ksh. 121 billion about 17 per cent of the national budget due to inflated procurement quotations (KISM, 2010). The country is considered among the most corrupt in the world and was ranked number 136 out of 175 in the Transparency International Corruption Perceptions Index (TI, 2014). Procurement is among the departments most prone to corruption at Kenya’s county government level (TI, 2015). Resulting from devolution, some county governments have been alleged to have wasted public resources and loss of funds running into millions of shillings mainly through procurement irregularities. The Auditor General’s reports of the years 2013 to 2016 on procurement point out some outrageous procurement expenditures in county governments. According to the Auditor General it is evident counties are not adhering to the procurement law and regulations. The Ethics and Anti-Corruption Commission has active investigations over procurement in various counties (Kenya National Integrity Alliance, 2016). Some county officials have been summoned for interrogation by the Ethics commission. From the reports there is a big challenge in how procurement practices in county governments are being conducted. Some of which revolve around the key principles underpinning public procurement which are: value for money, ethical standards, competition, transparency and accountability. It is evident the procurement practices in county governments in Kenya are not as per the laid down laws and regulations. The main objective of this study was to establish the determinants of implementation of procurement practices in the county governments in Kenya. The study sought to examine the contributions and influence of procurement planning, supplier management, information communication technology and professionalism in implementation of procurement practices in the county governments in Kenya.
Objectives of the Study
The purpose of the study was to establish the determinants of implementation of procurement practices in the County Governments in Kenya. The following were the specific objectives of the study:

i. To establish how procurement planning influence implementation of procurement practices in the County Governments in Kenya
ii. To assess how supplier relationship management influence implementation of procurement practices in the County Governments in Kenya
iii. To examine how information communication technology influence implementation of procurement practices in the County Governments in Kenya
iv. To find out how professionalism influence implementation of procurement practices in the County Governments in Kenya

1.4 Research Questions
i. How does procurement planning influence implementation of procurement practices in the County Governments in Kenya?
ii. Does supplier relationship management influence implementation of procurement practices in the County Governments in Kenya?
iii. What is the influence of information communication technology on implementation of procurement practices in the County Governments in Kenya?
iv. To what extent does professionalism influence implementation of procurement practices in the County Governments in Kenya?

LITERATURE REVIEW
Theoretical Review
This section specifically focuses on the theoretical foundation of the study, where the key purpose is to underscore all the important theories that help to explain the concept under study. Generally, theoretical literature focuses more on the theories and hypotheses but does not necessarily include practical application. A theory is “an integrated set of concepts, formed into propositions, that explains particular conditions or events in the world around us” (Schneider, 2006). The study is hinged on the Transaction Cost Economics Theory, The Resource Based View Theory, The Social Exchange Theory and The Technology Diffusion Theory.

Transaction Cost Economics (TCE) theory
The transaction cost theory was proposed by Coase (1937). This theory addresses questions about why firms exist in the first place (i.e., to minimize transaction costs), how firms define their boundaries, and how they ought to govern operations. According to Patrick, (2010) TCE was originally developed to help to determine the efficiency of governance structures in the private sphere.

Simon and Evenett (2005) argue that parties have to bid for the right quality of goods and services and the award has to go to the bidder offering the lowest price. Firstly, where competitive bidding can indeed be an effective way of determining the lowest cost supplier when the price of the good or service being procured is the buyer’s only concern, it works less well for complex goods and services where the buyer cares more for the quality, reliability, and other attributes of the procurement (Golinelli, 2009).

Secondly, because supplying public utility services typically requires large, durable investments in production and distribution facilities that are specialized to a particular market, the efficient governance of public utility transactions is likely to require long-term contracts to avoid the hazards of repeated haggling over the terms of trade once those investments are in place (McCrudden, 2008). Finally, uncertainty about cost and demand conditions over such long horizons and the complexity of public utility services will leave long-term contracts for public utility services inevitably incomplete (Tukamuhabwa, 2012).

The study used this theory to explain the significance of procurement planning in order to minimize costs and achieve value for money.
Resource Based View Theory
The resource based view theory perspective argues that sustained competitive advantage is generated by the unique bundle of resources at the core of the firm (Corner & Prahalad, 2007). According to RBV proponents, it is much more feasible to exploit external opportunities using existing resources in a new way rather than trying to acquire new skills for each different opportunity. In RBV theory, resources are given the major role in helping companies to achieve higher organizational performance. There are two types of resources: tangible and intangible. The first assumption is that skills, capabilities and other resources that organizations possess differ from one company to another (Barney, 1991). If organizations would have the same amount and mix of resources, they could not employ different strategies to outcompete each other. What one company would do, the other could simply follow and no competitive advantage could be achieved. This is the scenario of perfect competition, yet real world markets are far from perfectly competitive and some companies, which are exposed to the same external and competitive forces, are able to implement different strategies and outperform each other. Therefore, RBV assumes that companies achieve competitive advantage by using their different bundles of resources that are available to them (McIvor, 2009). The theory as used in the study underpins independent variable of professionalism. A firm with a strong workforce will perform better than its competitors.

The Social Exchange Theory
The Social Exchange Theory starts with the premise that humans interact in social behavior in order to maximize benefits and minimize costs, which then leads to a positive outcome (Hutchison & Charlesworth, 2003). The Social Exchange Theory is applicable in procurement and can be used as a valuable instrument when analyzing buyer-supplier relationships. The SET is applicable for the selection of supplier strategies and for decision making about how to deal with suppliers. A procuring entity, when engaging in an exchange, should make his organization interesting and focus on social norms like trust and commitment. Through a trustful exchange relationship the chance for a continuation of this relationship is higher, which translates to a steady continuous supply, privileged treatment and reduction in uncertainties. This theory in the study explains the influence of supplier management on procurement practices implementation in the county governments.

Technology Diffusion Theory
Technology diffusion theory is the common lens through which theorists study the adoption and development of new ideas. Diffusion is defined basically as the process by which an innovation is adopted and gains acceptance by individuals or members of a community (Rodgers, 1995). Technology revolution has impacted on purchasing; the drivers for change in purchasing function must include the objectives of eradicating paper transactions to a secure system that facilitates procure to pay as an objective of a world class procurement which is seen to enhance the performance of the procurement function (Lysons & Farrington, 2012). The Technology Diffusion theory is important in guiding the firm to initiate change and adopt technologies in procurement in the shift towards world class procurement. The use of ICT based procurement in public organizations is influenced by technological innovation. This implies the counties should have computer literate staff, level of automation is also key, type of procurement systems installed, nature of the ICT infrastructure and how e-procurement is employed in the county.

The government introduced the use of IFMIS which is an automated system that enhances efficiency in planning, budgeting, procurement, expenditure management and reporting in the National and County Governments in Kenya. This has ushered in a new era of a fully automated procurement process, from requisition, tendering, contract award, to payment. The shift from manual to e-procurement makes public procurement more efficient and effective. It also enhances visibility and accountability at all levels of the procurement process, for the benefit of all Kenyans. This theory in the study assesses the effect of information communication technology on implementation of procurement practices in the county governments.
Conceptual Framework
Sevilla et al (2007) defines a conceptual framework as a set of interrelated constructs, definitions and propositions that present a systematic view of phenomena by specifying relations among variables. Damon et al (2010), suggests that a conceptual framework is a novel framework developed by a researcher that links concepts from the literature. An independent variable is that variable which is presumed to affect or determine a dependent variable. A dependent variable is a variable dependent on another variable: the independent variable. A dependent variable is what one measures in the experiment and what is affected during the experiment. The dependent variable responds to the independent variable. As such the independent variables in this study are procurement planning, supplier management, information communication technology and professionalism. The dependent variable is implementation of procurement practices in the county governments. Below is a figurative representation of the variables to be explored by this study.

![Conceptual Framework Diagram]

**Independent variables**

**Procurement Planning**
- Procurement Methods
- Preparation of procurement plan
- Funds/Resource allocation

**Supplier Management**
- Supplier Development
- Supplier Relationships
- Payment of Suppliers

**ICT**
- E-procurement
- IFMIS adoption
- ICT Infrastructure

**Professionalism**
- Knowledge on procurement
- Professional and academic qualifications
- Ethical Values

**Procurement Practices**
- Reduction of costs
- Quality of goods and services
- Order fulfillment

**Dependent variable**

**Figure 2.1: Conceptual Framework**

**RESEARCH METHODOLOGY**

**Research Design**
Research design is a representation plan, the structure and the strategy of investigation that is used to gather, analyze, and answer the research questions. The study adopted a descriptive research design. According to Sekeran (2003), descriptive research design is a type of design used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation.
Population
The target population defines those units for which the findings of the study are meant to generalize (Churchill & Iacobucci, 2005). The study focused on employees in management positions that is one director, one manager and one assistant manager from each of the three departments in each of the 14 counties. This implies per county, procurement produced 3 employees, finance 3 employees and ICT 3 employees. Therefore every county among the 14 produced 9 respondents which translate to the target population of 126 respondents. These departments were chosen because they were directly involved in the procurement processes in the counties. The respondents in management positions were targeted because they were the people who approve and authorize various processes and operations in the county governments.

<table>
<thead>
<tr>
<th>Table 3.1 Target Population</th>
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<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Directors</td>
</tr>
<tr>
<td>Managers</td>
</tr>
<tr>
<td>Assistant Managers</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Sampling Frame
The sampling frame of this study consists of the list of employees in management positions from the procurement; finance and ICT departments. These departments are considered since they are directly involved in procurement processes in the counties. The unit of observation was comprised of 126 respondents in management positions (directors, managers and assistant managers) in the 14 county governments.

Sample Size and Sampling Technique
The study adopted a census to collect primary data. It is recommended that a census is used when the population (126) is small that is less than 200 and manageable to collect information for the study (Yin, 2013).

Data Collection Instruments
The study used a quantitative primary data collected using a closed ended questionnaire. The primary data was obtained directly from respondents through administration of self-completion questionnaires. The primary data provided firsthand information to this study in establishing the determinants of implementation of procurement practices in the county governments in Kenya. The use of questionnaires enables the respondents to remain anonymous and be honest in their responses (Saunders, 2011). The choice of the questionnaire is based on the fact that it is easy to analyze the collected data statistically. Further it is not biased and the responses are gathered in a standardized manner so they are more objective in their results.

Data Collection Procedure
The researcher administered the questionnaires by drop and pick method after obtaining a letter from the University. This helped to enhance reliability as the respondents were given more time to respond to the questionnaires. Out of the 126 questionnaires sent, 100 were fully filled contributing to a response rate of 79.36%.

Pilot Testing
A pilot study was conducted in order to establish the validity and reliability of data collection instruments (Saunders, Lewis & Thornhill, 2007). The questionnaires were pre-tested in on a pilot set of 5 respondents for comprehension, logic and relevance. The 5 respondents make up 5% of the sample population. According to Demers (2011), the respondents in a pilot test do not have to be statistically selected when testing the validity and reliability of the instruments. Mugenda and Mugenda (2003) argue that it is adequate to use 1% to 10% of the sample size for pilot study. Pilot study is conducted to detect the weakness in design and instrumentation, and to provide accurate data for sample selection (Ziewacz, 2009). All aspects of the questionnaires were pre-tested including question content, wording, sequence,
form and layout, question difficulty and instructions. The feedback obtained was used to revise the questionnaire before administering it to the study respondents.

**Reliability of the research instrument**

The reliability of the study measures will be assessed by computing Cronbach’s Alpha coefficient for all items in the questionnaire and the overall assessment was given (Sekaran & Bougie, 2010). The Cronbach’s alpha coefficient ranges between 0 and 1 with higher alpha coefficient values being more reliable. A questionnaire with a good internal consistency should have high alpha coefficients. All items that will return a Cronbach’s alpha coefficient of 0.7 or more will be considered reliable. Individual items in an instrument measuring a single construct should give highly correlated results which would reflect the homogeneity of the items. This can be tested using the Cronbach’s alpha, which tests all possible split halves. Values of the Cronbach’s alpha coefficient were: Procurement Planning (.735), Supplier Relationship Management (.776), ICT (.867), Professionalism (.776). The instrument was therefore found to be reliable.

**Validity of the Research Instrument**

The instrument’s validity can be regarded as the extent to which the instrument actually reflects the abstract construct being examined (Burns & Grove 2001). Pre-testing the measurement instrument before the collection of data further validates it. In order to test and enhance the validity of the questionnaire, the researcher will randomly select respondents and one research supervisor to discuss the content validity on the contents of the questionnaire. Based on their suggestions, the questionnaire was adjusted.

**Data Analysis and Presentation**

The data was then coded to enable the responses to be grouped into various categories. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The information was displayed by use of tables. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of statistical package for social sciences to establish the determinants of procurement practices implementation in the county governments in Kenya. Mugenda and Mugenda (2012), explains that SPSS is a comprehensive, integrated collection of computer programme for managing, analyzing and displaying data. Multiple regression analysis was used to establish the determinants of implementation of procurement practices in the county governments in Kenya. The Regression model was as follows:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \]

Where

- \( Y \) = Procurement Practices
- \( \beta_0 \) = Constant
- \( \beta_1, \beta_2, \beta_3 \) and \( \beta_4 \) are Coefficients of the independent variables
- \( \varepsilon \) = error term
- \( X_1 \) = Procurement Planning
- \( X_2 \) = Supplier Management
- \( X_3 \) = Information Communication Technology
- \( X_4 \) = Professionalism

**RESEARCH FINDINGS AND DISCUSSIONS**

**Procurement Planning**

The study sought to assess the influence of procurement planning on the implementation of procurement practices in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.1 presents the findings. The scores of ‘strongly disagree’ and ‘disagree’ have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of ‘Neutral’ has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of ‘agree’ and ‘strongly agree’ have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.
Table 4.1 presents the findings as tabulated, a majority of respondents were found to be neutral with the statement posed in regard to the influence of procurement planning on the implementation of procurement practices in Kenya. The study established that the procurement methods used in the county are in line with the Act (Mean=3.456). The county carries out procurement in accordance with the set procedures (Mean=3.250). The procurement plan is prepared early enough to allow for proper allocation of funds (Mean=3.862). The budget is first approved before any procurement is initiated ((Mean=3.446). The county ensures there is a procurement plan to avoid reckless and over spending of funds ((Mean=3.590). The study findings imply that procurement planning does influence implementation of procurement practices in the county governments in Kenya. The study findings are in tandem with literature review by Byokusheka (2010) and Basheka (2004) argued that employees involvement is very critical in formulation of procurement plans and the top management need to have necessary leadership skill which would enable them involve all employees in decision making. The study finally indicated that the procurement thresholds are being observed to a small extent especially in the deciding which procurement method should be applied. This implies that the organization is not fully adhering to the procurement rules relating to procurement threshold. The findings are contrary to PPADA(2015) which indicates that the organizations must fully comply to the laid down procurement rules and regulation.

**Table 4.1: Influence of Procurement Planning on Implementation of Procurement Practices**

<table>
<thead>
<tr>
<th>Resources</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The procurement methods used in the county are in line with the Act</td>
<td>3.456</td>
<td>1.356</td>
</tr>
<tr>
<td>The county carries out procurement in accordance with the set procedures</td>
<td>3.250</td>
<td>.528</td>
</tr>
<tr>
<td>The procurement plan is prepared early enough to allow for proper allocation of funds</td>
<td>3.862</td>
<td>1.524</td>
</tr>
<tr>
<td>The budget is first approved before any procurement is initiated</td>
<td>3.446</td>
<td>1.690</td>
</tr>
<tr>
<td>The county ensures there is a procurement plan to avoid reckless and over spending of funds</td>
<td>3.590</td>
<td>.580</td>
</tr>
</tbody>
</table>

**Supplier Management**

The study sought to assess the influence of supplier management on the implementation of procurement practices in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 4.2 presents the findings. The scores of ‘strongly disagree’ and ‘disagree’ have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of ‘Neutral’ has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of ‘agree’ and ‘strongly agree’ have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0.

Table 4.4 presents the findings as tabulated, a majority of respondents were found to be neutral with the statement posed in regard to the influence of supplier development on the implementation of procurement practices in Kenya. The study established that the county believes in supplier development to improve performance of its suppliers (Mean=3.335). The county focuses on building long lasting relationships with suppliers (Mean=3.532). The county makes timely payments to the suppliers after goods and service delivery (Mean=3.247). The county conducts supplier appraisals annually (Mean=3.217). The county conducts supplier appraisals annually (Mean=3.544). The study results imply that supplier management influence implementation of procurement practices in the county governments in Kenya. The study findings are in agreement with literature review by Ansari (2009) that supplier management allows firm to make better use of their suppliers capabilities and coordinating operational activities through joint planning also results to inventory reduction, smoothing production, improve product quality, and lead time reduction Browne (2004) contends that supplier relationship management is a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it uses. The goal of supplier relationship management (SRM) is to streamline and make more effective the processes between an enterprise and its suppliers just as customer relationship management.
(CRM) is intended to streamline and make more effective the processes between an enterprise and its customers.

Table 4.2: Influence of Supplier Management on Implementation of Procurement Practices

<table>
<thead>
<tr>
<th>Supplier Management</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The county believes in supplier development to improve performance of its suppliers</td>
<td>3.335</td>
<td>.528</td>
</tr>
<tr>
<td>The county focuses on building long lasting relationships with suppliers</td>
<td>3.532</td>
<td>.668</td>
</tr>
<tr>
<td>The county makes timely payments to the suppliers after goods and service delivery</td>
<td>3.247</td>
<td>.360</td>
</tr>
<tr>
<td>The county conducts supplier appraisals annually</td>
<td>3.217</td>
<td>.660</td>
</tr>
<tr>
<td>The county conducts supplier appraisals annually</td>
<td>3.544</td>
<td>.778</td>
</tr>
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</table>

Information Communication & Technology
The study sought to assess the influence of information communication and technology on the implementation of procurement practices in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree). Table 4.3 presents the findings. The scores of ‘strongly disagree’ and ‘disagree’ have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of ‘Neutral’ has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of ‘agree’ and ‘strongly agree’ have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0. Table 4.5 presents the findings as tabulated, a majority of respondents were found to be neutral with the statement posed in regard to the influence of information communication and technology on the implementation of procurement practices in Kenya. The study established that the county has embraced E-procurement (Mean=3.335). The IFMIS is fully adopted in the county (Mean=3.532). The county has invested in up-to-date ICT infrastructure (Mean=3.247). The county has computer literate employees (Mean=3.217). The county’s level of automation is commendable and up-to-date (Mean=3.544). The study results imply that information communication and technology influence implementation of procurement practices in the county governments in Kenya. These findings are contrary to the findings of Kishor (2006) which indicated that organizations had fully embraced e-Procurement in its procurement processes and this had resulted to enhance efficiency. The finding however is in agreement with Dai and Kauffman (2001) how argues that organizations are slowly implementing e-procurement in order to enhance the efficiency in procurement.

Table 4.3: Influence of Information Communication and Technology on Implementation of Procurement Practices

<table>
<thead>
<tr>
<th>Information Communication &amp; Technology</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The county has embraced E-procurement</td>
<td>3.542</td>
<td>.556</td>
</tr>
<tr>
<td>The IFMIS is fully adopted in the county</td>
<td>3.567</td>
<td>.680</td>
</tr>
<tr>
<td>The county has invested in up-to-date ICT infrastructure</td>
<td>3.118</td>
<td>.224</td>
</tr>
<tr>
<td>The county has computer literate employees</td>
<td>3.290</td>
<td>.568</td>
</tr>
<tr>
<td>The county’s level of automation is commendable and up-to-date</td>
<td>3.465</td>
<td>.008</td>
</tr>
</tbody>
</table>
Professionalism
The study sought to assess the influence of professionalism on the implementation of procurement practices in Kenya. This section presents findings to statements posed in this regard with responses given on a five-point likert scale (where 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5= Strongly Agree). Table 4.4 presents the findings. The scores of ‘strongly disagree’ and ‘disagree’ have been taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of ‘Neutral’ has been taken to represent a statement equivalent to a mean score of 2.6 to 3.4. The score of ‘agree’ and ‘strongly agree’ have been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0. Table 4.6 presents the findings as tabulated, a majority of respondents were found to be neutral with the statement posed in regard to the influence of professionalism on the implementation of procurement practices in Kenya. The study established that the procurement personnel in the county have proper knowledge on procurement (Mean=3.008). The procurement personnel are registered and licensed professionals (Mean=3.290). The procurement personnel possess proper academic and professional qualifications (Mean=3.905). The procurement personnel are familiar with the Act and regulations (Mean=3.804). The procurement personnel possess ethical and moral values (Mean=3.220). The study results indicate that professionalism influence implementation of procurement practices in the county governments in Kenya.

The study findings are in agreement with literature review by Kinyanjui (2010) who stated that some of the indicators of professionalism include skills based on theoretical knowledge, existence of a professional association, extensive period of education, testing of competence, institutional training, licensed practitioners, work autonomy, code of professional ethics, self-regulation, legal recognition, control of pay and high status and rewards. The procurement system requires the input of professionals with good negotiating skills and a good grasp of market dynamics. This need is urgent in light of the diversity of functions that a procuring unit is charged with that are intricately connected to its efficiency and effectiveness.

Table 4.4: Influence of Professionalism on Implementation of Procurement Practices

<table>
<thead>
<tr>
<th>Professionalism</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The procurement personnel in the county have proper knowledge on procurement</td>
<td>3.008</td>
<td>.852</td>
</tr>
<tr>
<td>The procurement personnel are registered and licensed professionals</td>
<td>3.290</td>
<td>.542</td>
</tr>
<tr>
<td>The procurement personnel possess proper academic and professional qualifications</td>
<td>3.905</td>
<td>.428</td>
</tr>
<tr>
<td>The procurement personnel are familiar with the Act and regulations</td>
<td>3.804</td>
<td>.690</td>
</tr>
<tr>
<td>The procurement personnel possess ethical and moral values</td>
<td>3.220</td>
<td>.458</td>
</tr>
</tbody>
</table>

Implementation of Procurement Practices
The study sought to determine implementation of procurement practices reached attributed to the adoption of the procurement planning, supplier management, ICT and professionalism. Findings in Table 4.5 below reveal improved implementation of procurement practices across the 5 year period running from the year 2012 to 2016. In the reduction of costs, a majority of respondents affirmed having grown incrementally from 0%-20% in 2012 (41.9%), to cost reduction by 0%-20% in 2013 (37.9%), 21%-40% in 2014 (34.80%), reduction of costs by 21%-40% in 2015 and 21%-40% in 2016 Quality of goods and services also recorded positive with a majority affirming a majority of respondents affirmed having grown incrementally from 0%-20% in 2012 (42.30%), to quality of goods and services by 0%-20% in 2013 (37.7%), 21%-40% in 2014 (3.10%), quality of goods and services improved by more than 40% in 2015 and improved by more than 40% in 2016(37.50%). A similar trend was recorded in order fulfillment improvement of 0%-20% in 2012 (44.10%), 0%-20% in 2013 (35.20%), 21%-40% in 2014 (36.40%), order fulfillment improved by more than 40% in 2015(41.10%) and improved by more than 40% in 2016(37.30%). It can be deduced from the findings that key implementation of procurement practices in
the county governments have considerable improved with the adoption of the procurement planning, supplier management, ICT and professionalism.

The study findings are in line with the findings by Price Waterhouse Coopers (2014) established that outsourcing has moved markedly from attending to a single function more efficiently, to reconfiguring a whole process in order to attain greater shareholder value across the enterprise. The goals of outsourcing often include reducing labor and overhead costs, maximizing profits, dominating a market, and gaining a competitive advantage. Procurement performance refers to efficiency and effectiveness in acquiring of goods and services in the procurement function in order to change from being reactive to being proactive to attain set performance levels in an entity (Baily et al., 2005). Procurement performance has several benefits to an organization like cost saving, reduced lead time, policy adherence and compliance to procurement regulations (Bolton, 2006). Procurement activities have a relation to the organization’s economic performance which is evident by cost reduction (Kinyanjui, 2012). This can be divided to effects on turnover, gross profit, efficiency, total costs and organization’s equity.

### Table 4.5: Implementation of Procurement Practices

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced by 0%-20%</td>
<td>41.9</td>
<td>37.9</td>
<td>33.8</td>
<td>29.7</td>
<td>29.1</td>
</tr>
<tr>
<td>Reduced by 21%-40%</td>
<td>33.2</td>
<td>29.6</td>
<td>34.8</td>
<td>31.3</td>
<td>34.7</td>
</tr>
<tr>
<td>Reduced by more than 40%</td>
<td>24.9</td>
<td>31.5</td>
<td>31.4</td>
<td>39.0</td>
<td>36.2</td>
</tr>
<tr>
<td>Quality of goods and services</td>
<td>2012</td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Reduced by 0%-20%</td>
<td>42.3</td>
<td>37.7</td>
<td>31.6</td>
<td>30.7</td>
<td>29.5</td>
</tr>
<tr>
<td>Reduced by 21%-40%</td>
<td>31.8</td>
<td>32.9</td>
<td>36.1</td>
<td>28.2</td>
<td>33.7</td>
</tr>
<tr>
<td>Reduced by more than 40%</td>
<td>25.9</td>
<td>29.4</td>
<td>32.3</td>
<td>41.1</td>
<td>37.5</td>
</tr>
<tr>
<td>Improved by 0%-20%</td>
<td>44.1</td>
<td>35.2</td>
<td>33.4</td>
<td>25.7</td>
<td>27.1</td>
</tr>
<tr>
<td>Improved by 21%-40%</td>
<td>31.7</td>
<td>32.6</td>
<td>30.2</td>
<td>33.9</td>
<td>35.6</td>
</tr>
<tr>
<td>Improved by more than 40%</td>
<td>23.5</td>
<td>32.2</td>
<td>36.4</td>
<td>40.4</td>
<td>37.3</td>
</tr>
</tbody>
</table>

### Multiple Regression Analysis Model

The study adopted a multiple regression analysis so as to establish the relationship of independent variables and dependent variables. The study applied SPSS to compute the measurements of the multiple regression analysis. According to the model summary Table 4.6, the coefficient of determination ($R^2$) is used to measure how far the regression model’s ability to explain the variation of the independent variables. $R$ is the correlation coefficient which shows the relationship between the independent variables and dependent variable. It is notable that there exists strong positive relationship between the independent variables and dependent variable as shown by $R$ value (0.833). The coefficient of determination is between zero and one (Robinson, 2010). The data showed that the high $R$ square is 0.693. It shows that the independent variables in the study were able to explain 69.30% variation in the implementation of procurement practices while the remaining 30.70% is explained by the variables or other aspects outside the model. The standard error is minimal with a value of 0.01 meaning the model used in the study would have minimal effects of errors associated with implementation of procurement practices. This shows that the model has a good fit since the value is 60%. This concurs with Graham (2012) that $R$-squared is always between 0 and 100%; 0% indicates that the model explains none of the variability of the response data around its mean and 100% indicates that the model explains the variability of the response data around its mean. In general, the higher the $R$-squared, the better the model fits the data. This indicates that procurement planning, supplier management, ICT and professionalism need to be well adopted to enhance implementation of procurement practices in the county governments in Kenya.
Table 4.6: Model Summary (Overall)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.833</td>
<td>.693</td>
<td>.672</td>
<td>.001</td>
</tr>
</tbody>
</table>

F-test was done to test the effect of independent variables on the dependent variable simultaneously. According to Brymann and Cramer (2011), F-statistic test basically shows whether all the independent variables included in the model jointly influence the dependent variable. Based on the study results of the ANOVA Test or F-test in Table 4.7, obtained F-count (calculated) value was 23.749 greater the F-critical (table) value 12.345 with significance of 0.000. Since the significance level of 0.000 < 0.05 we conclude that the set of independent variables (procurement planning, supplier management, ICT and professionalism) have significant influence on the implementation of procurement practices in the county governments in Kenya (Y-dependent variable) and this shows that the overall model was significant.

Table 4.7: ANOVA Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>d.f</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>65.908</td>
<td>4</td>
<td>16.477</td>
<td>23.749</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>65.908</td>
<td>95</td>
<td>.6938</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>81.816</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB: F-critical value = 12.345

The study conducted a multiple regression analysis so as to determine the relationship between the dependent variable and independent variables. With the aid of model \( Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \); \( Y \) = Dependent variable (implementation of procurement practices); \( \alpha \) = Constant (The intercept of the model), \( \beta \) = Coefficient of the X variables (independent variables); \( X_1 \) = Procurement Planning; \( X_2 \) = Supplier management \( X_3 \) = ICT; \( X_4 \) = Professionalism; \( \varepsilon \) = was the error. Therefore, the general form of the equation was to predict implementation of procurement practices from \( X_1 \) = Procurement planning; \( X_2 \) = Supplier Management; \( X_3 \) = ICT; \( X_4 \) = Professionalism is: \( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \) becomes: \( Y = 16.890 + 0.732X_1 + 0.630X_2 + 0.600X_3 + 0.545X_4 + 2.859 \). This indicates that Implementation of procurement practices = 16.890 + 0.732*Procurement Planning + 0.630*Supplier Management + 0.600*ICT + 0.545*Professionalism + 2.859. From the study findings on the regression equation established, taking all factors into account (independent variables) constant at zero implementation of procurement practices would be 16.890.

The data findings analysed also shows that taking all other independent variables at zero, a unit increase in procurement planning would lead to a 0.732 increase in implementation of procurement practices. Based at 5% level of significance, procurement planning was found to have a calculated \( t = 5.008 \) (greater than the tabulated value of \( t > 1.96 \)) and a significance level of 0.000. This indicates that procurement planning influenced implementation of procurement practices in the county governments in Kenya. The study results corroborates with the findings by Deloitte Consulting (2014) in their survey on the performance in the public sector concluded that was claiming an inordinate amount of procurement planning time and attention greatly affected the implementation and performance of the government operations.

A unit increase in supplier management would lead to a 0.630 increase in implementation of procurement practices, supplier management show a calculated \( t = 6.406 \) (greater than the tabulated value of \( t > 1.96 \)) and a significance level of 0.002 thus the value of less than 0.05. This indicates that supplier management influence implementation of procurement practices in the county governments in Kenya. This provides the supplier management capacity to focus on the activity, performance standards, and results achieved in respect to the work involved in the planning for, the establishment and subsequent management and use of supply arrangements in the public sector. This helps to ensure the organization achieves maximum spending leverage in supply negotiations. It also ensures consistent and thorough market analysis, costing measures, and compliance methods are applied to each expenditure category (SDPC, 2009).
A unit increase in ICT would lead to 0.600 increases in implementation of procurement practices in the county governments in Kenya. The ICT was found to have a calculated \( t = 5.927 \) (greater than the tabulated value of \( t > 1.96 \)) and significance level of 0.006 thus the value of less than 0.05. This indicates that ICT influenced implementation of procurement practices in the county governments in Kenya. Mahmoodzadeh, Jalalinia, and Yidzi (2009) suggest that ICT enhancement has been among the most significant transformations occurring in the public organization of work across all industrialized world.

A unit increase in professionalism would lead to 0.545 increases in implementation of procurement practices in the county governments in Kenya. Based at 5% level of significance professionalism was found to have a calculated \( t = 5.000 \) (greater than the tabulated value of \( t > 1.96 \)) and significance level of 0.015 thus the value of less than 0.05. This shows that professionalism influenced implementation of procurement practices in the county governments in Kenya. This is in line with Kakwezi and Nyeko (2010) who emphasize the need to make appropriate mid to longer-term policies on the adoption of professionalism in procurement process capabilities. The rules and regulations should be used to improve strategies, policies, practices, as well as the organizational tools and technological upgrades needed to achieve the targeted level in the procurement management process and control.

Table 4.8: Coefficient Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>( t )</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \beta )</td>
<td>Std. Error</td>
<td>( \beta )</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>16.890</td>
<td>2.859</td>
<td>5.908</td>
<td>.000</td>
</tr>
<tr>
<td>( X_1 \text{-PP} )</td>
<td>.732</td>
<td>.146</td>
<td>.687</td>
<td>5.008</td>
</tr>
<tr>
<td>( X_2 \text{-SM} )</td>
<td>.630</td>
<td>.098</td>
<td>.596</td>
<td>6.406</td>
</tr>
<tr>
<td>( X_3 \text{-ICT} )</td>
<td>.600</td>
<td>.101</td>
<td>.497</td>
<td>5.927</td>
</tr>
<tr>
<td>( X_4 \text{-PrP} )</td>
<td>.545</td>
<td>.109</td>
<td>.456</td>
<td>5.000</td>
</tr>
</tbody>
</table>

CONCLUSION AND RECOMMENDATIONS

According to the study findings, the study concludes that implementation of procurement practices in the county governments in Kenya is affected by procurement planning, supplier management, ICT and professionalism. The study concludes that procurement planning is the first important factor that affects implementation of procurement practices in the county governments in Kenya. The regression coefficients of the study show that procurement planning has a significant influence on implementation of procurement practices in the county governments in Kenya. This implies that increasing levels of procurement planning would increase the levels of implementation of procurement practices in the county governments in Kenya. This shows that procurement planning has a positive influence on implementation of procurement practices in the county governments in Kenya.

The study concludes that supplier management is the second important factor that affects implementation of procurement practices in the county governments in Kenya. The regression coefficients of the study show that supplier management has a significant influence on implementation of procurement practices in the county governments in Kenya. This implies that increasing levels of supplier management would increase the levels of implementation of procurement practices in the county governments in Kenya. This shows that supplier management has a positive influence on implementation of procurement practices in the county governments in Kenya.

Further, the study concludes that ICT is the third important factor that affects implementation of procurement practices in the county governments in Kenya. The regression coefficients of the study show that ICT has a significant influence on implementation of procurement practices in the county governments in Kenya. This implies that increasing levels of ICT would increase the levels of implementation of procurement practices in the county governments in Kenya. This shows that ICT has a positive influence on implementation of procurement practices in the county governments in Kenya.

Finally, the study concludes that professionalism is the fourth important factor that affects implementation of procurement practices in the county governments in Kenya. The regression coefficients of the study
show that professionalism has a significant influence on implementation of procurement practices in the county governments in Kenya. This implies that increasing levels of professionalism would increase the levels of implementation of procurement practices in the county governments in Kenya. This shows that professionalism has a positive influence on implementation of procurement practices in the county governments in Kenya.

RECOMMENDATIONS
The study explored the determinants of implementation of procurement practices in the county governments in Kenya. Based on the findings, the following recommendations were made which the county governments should put in place to address these issues if Kenya is to achieve its vision 2030 plans in the public procurement.

Procurement planning is usually the first stage of procurement process and therefore county governments need to develop the skills of the employees on developing quality procurement plans based on the approved budgets. The top level and lower level employees should be involved in formulation and development of the procurement plans so as to make the process of implementation easier and acceptable by all employees. The procurement personnel’s in county governments need to carefully study and understand the applicable procurement thresholds in different situations and relevant procurement method applicable.

Implementation of information communication technology in procurement is very critical in determining the level of organization performance. These calls for public entities to fully invest in automating their key procurement processes so as to competitiveness and transparency in procurement processes. The investment on e-procurement is critical in enhancing the cost efficiency, delivery time, and product quality and customer satisfaction. The county governments should provide more training on their staff on the application of different systems and technologies applicable in procuring goods and services.

The study recommends that procurement practitioners involved in procurement should be committed to high standards for professional conduct. Competence is expected of supply management professionals. Developing business skills and increasing knowledge of supply management demonstrates a commitment to the profession and positively employer, peers, and suppliers. Professional development requires continuing education.

REFERENCES


