DRIVERS OF PROCUREMENT FUNCTIONS IN GOVERNMENT INSTITUTIONS IN KISUMU COUNTY, KENYA

Onyango, W., & Moronge, M.
DRIVERS OF PROCUREMENT FUNCTIONS IN GOVERNMENT INSTITUTIONS IN KISUMU COUNTY, KENYA

Onyango, W., *1 & Moronge, M. 2

*1 Msc. Scholar, Jomo Kenyatta University of Agriculture & Technology [JKUAT], Nairobi, Kenya
2 Ph.D., Jomo Kenyatta University of Agriculture & Technology [JKUAT], Nairobi, Kenya

Accepted: May 24, 2018

ABSTRACT
The study sought to establish the drivers of procurement functions in government institutions in Kisumu County, Kenya. Descriptive research design was used for the study. The target population for this study was 800 supply chain officers drawn from different government institutions in Kisumu County. The quantitative data was entered into SPSS for analysis. It was notable that there existed a relationship between independent variables and dependent variable with a correlation coefficient of 0.867. The coefficient of determination was between zero and one. The data showed that the high R square was 0.767. It showed that the independent variables in the study were able to explain 76.70% variation in the procurement functions while the remaining 23.30% was explained by the variables or other aspects outside the model. This implied that these variables were very significant and they therefore needed to be considered in any effort to boost procurement functions in the government institutions. To enhance procurement functions in the government institutions, there was need to have sufficient and qualified procurement personnel with enough training assessment methods to enhance compliance with the rules and regulations. There should be adequate training and simulation for key stakeholders especially the procurement staff qualifications to promote reduction of procurement costs. ICT Integration plays an important on enhancing procurement functions in the government institutions in Kenya. There is need to ensure that the procurement staff is computer literate to comply with the rules and regulations. In order to prevent and avoid conflict of interest in public procurement, there should be guidelines with a clear definition of conflict of interest, as well as put forth requirements for officials involved in the procurement process. The study recommended for the management to ensure all contracts are awarded competitively. All tenders should be evaluated before awarding and each contract is assigned its own contracts manager to monitor. There is need for the organization manages contracts with the contracts management plans. To a great extent all organization contracts should be subjected to inspection.

Key Words: Staff Competency, Procurement Ethics, ICT Integration, Contract Management
INTRODUCTION

The government is the main provider of essential services such as health, education, defence and infrastructure. This is done through procurement function, making it to be very important, and the sheer magnitude of procurement outlay has a great impact to the economy and needs to be well managed. Each county has its own economic social, cultural and political environment and each country’s public procurement practitioners face different types of challenges, indeed in all countries in the world, estimates of financial activities of the government procurement are believed to be in 10%-30% of GNP (Callender & Mathews, 2000).

Procurement is the nerve centre of performance in every institution, whether public or private and thus needs a tight system to be followed and adopted. The implementation of the procurement Act 2005 and the subsequent regulations and guideline have faced many challenges in many public institutions in Kenya (Nyakundi E., Kombo C., Omari R., Mongare O. 2012). Many procurement activities still suffer from neglect, lack of proper direction, poor coordination, slow with a lot of bureaucracy, lack of open competition and transparency, differing levels of corruption and not having a cadre of trained and qualified procurement specialists who are competent to conduct and manage the procurement process in a professional, timely and cost effective manner (Mburu & Njeru, 2014).

Integrated Financial Management Information System (IFMIS) initial launch and development by Ministry of Finance began in 1998 and roll out to Ministries began in 2003. It has only played a partial role in the Public Finance Management (PFM). Out of ten modules targeted, only three have been configured and operating in 48 ministries/departments only, the SLO included. It was limited to the General Ledger (GL), Purchasing Order (PO) and Accounts Payable (AP) modules. Suffering from technical limitations with functionalities insufficiently interlinked; leading to fragmented approach to its use. Usage resistance was high leading to poor adoption. Design flaw prevents POs from being properly formatted and validated. Poor combination of automated and manual processes undermined quality and accuracy of data. Requisitions, POs, payment vouchers, delivery notes, invoices, and approvals were done manually. Re-engineering process can radically transform the system of SLO transactions.

Kabaj (2003) concludes that an efficient public procurement system is vital to the advancement of all countries and is a concrete expression of their national commitments to making the best possible use of public resources. Non-adherence to standardized procurement processes culminates in poor co-ordination within various departments and enhances presence of leakages of financial resources, which turns out to be costly component to the whole management process of the procurement function (Knight, 2010). An effective public procurement system allows suppliers to provide satisfactory quality, service and price within a timely delivery schedule. The basic tenet of public procurement is straightforward: acquire the right item at the right time, and at the right price, to support government actions. Although the formula is simple - it involves questions of accountability, integrity and value with effects far beyond the actual buyer/seller transactions at its centre. A serious and sustained review of such decisions is needed to properly manage the public procurement function (Kipchilat, 2006).

Based on reports from the National Institute of Statistics and Geography (NISG), the Mexican Institute for Competitiveness (Mexico: IMCO, 2011). 148indicates that states in Mexico spend more than 60 million pesos of their annual tax revenues on the
purchase of goods and services. This corresponds to 4% expenditure on roads and 30% of the annual budget for the Popular Security. Citizens are interested in the way state governments exercise their purchases, because they are the ones who generate public resources and ultimately benefit or suffer from the officials’ purchasing decisions. According to the Comptroller General of the Federal District, the Government of the Federal District reported the following public purchases between 2010 and 2011: in 2010, consolidated purchases reached a spending cap of $4,838,860,622 pesos; in 2011, it reached $5,902,062,759. There was an increase of 21.97%, or $1,063,202,137 pesos more than in the previous year. Throughout 2010 and 2011, there was increased use of restricted invitation and direct award, except for consolidated purchases, where public bidding was used more frequently in both years. This means that despite most procurement processes being awarded directly or by invitation, most of the budget is spent on bidding processes.

Kakwezi and Nyeko (2010) argues that the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results, and are therefore unable to determine their efficiency and effectiveness. In Uganda, procurement and disposal planning are central to proper procurement management. Public Procurement and Disposal of Public Assets (PPDA) Regulation 96(1) provides that a user department shall prepare a multi-annual, rolling work plan for procurement based on the approved budget, which was submitted to the Procurement and disposal unit to facilitate orderly execution of annual procurement activities.

Procurement practice in Kenya has gone through a lot of reforms since independence. At 1959, Supplies and Transport departments existed for the entire government under the Ministry of Works. Later Market Research, Inspection of Materials and Central Tender Board (CTB) were established and were responsible for procurement and tender award. Later reforms involved the movement of the Central Tender Board within the government system. Before 1974, public procurement in Kenya was largely undertaken by foreign organization like crown agents on behave of the government. This was so because the local source was not adequate. Public procurement regulations and guidelines were issued through Treasury circulars (Akech, 2005). In 1978, the East African Community developed procurement guidelines under the East African Supplies Manual. This document replaced the function of the Crown agents and it was used for all procurement in the Republic.

**Statement of the Problem**

Procurement encompasses the whole process of acquiring property and services. It begins when an agency has identified a need and decided on its procurement requirement (Ebrahim, 2010). Public procurement is concerned with how public sector organizations spend taxpayers' money on goods and services (Hall, 2009). Globally, in many developed nations, government organizations across the world tend to spend between 8 per cent and 25 per cent of GDP on goods and services (Organization for Economic Co-operation and Development, 2006). The inefficiency and incompetence of overall administration and management of Procurement function in many Public institutions contributes to loss of Ksh. 50 million annually (PPOA. 2010). According to Victor (2012) Procurement expenditure could be minimized through implementation of effective Procurement practices. Enactment of Public Procurement Disposal Act PPDA (2005) and the Regulations 2006 as well as
establishment of Public Procurement Oversight Authority (PPOA) were some of the reforms meant to promote efficiency, effectiveness, good performance and accountability in Public Procurement. With the allocation of Ksh. 7 billion in Kisumu County, the county government spends a significant amount in procurement, (Kisumu County government budget estimate, 2015-2016), hence the county government must ensure that the money is spent very well in a way that the public will get their value for money.

A study done by Kioko & Were (2014) on factors affecting efficiency of the procurement function at the public institutions in Kenya; a case of supplies branch in Nairobi found out that procurement staff competencies, legal framework, institutional culture and Information Communication Technology (ICT) positively affect the efficiency of the procurement function in public institutions in Kenya. Wanyonyi and Muturi (2015) did a study on factors affecting performance of procurement function among public technical training institutions in Kisumu County, Kenya the study concludes that information technology, ethics and staff competency have a positive effect on performance of the procurement function in technical training institutions. It therefore recommends that the use of information technology in the two institutions be enhanced so as to deliver success in the performance of procurement functions, competence of employees should be promoted in both institutions and work ethics being a fundamental in the success of any organizations performance should be observed in all procurement departments.

Namusonge and Wahu (2015) on Factors Affecting Performance of the Procurement Function in Kenyan Public Secondary Schools: A Case Study of Gatundu District Concluded that Key findings included the fact that all the three variables affect procurement performance in public schools with 100% of the respondents agreeing to the proposition competitive bidding, legal framework and aggregation function affect procurement performance. Amongst the three variables under consideration, competitive bidding was found to affect procurement performance to the greatest extent followed by the prevailing legal framework. The least influencing factor on procurement performance was found to be aggregation of procurement. These studies haven’t captured the factors affecting the efficiency of procurement function itself, so this study was mandated to fill this gap by looking specifically to factors affecting efficiency of procurement function, specifically looking at the government institutions in Kisumu County.

General Objectives

The aim of the study was to establish the drivers of procurement functions in the government institutions in Kisumu County, Kenya. The specific objectives were:-

- To determine the influence of ICT integration on procurement functions in the government institutions in Kisumu County, Kenya.
- To establish the effect of staff competency on procurement functions in the government institutions in Kisumu County, Kenya.
- To evaluate the effect of procurement ethics on procurement functions in the government institutions in Kisumu County, Kenya.
- To establish the effect of contract management on procurement functions in the government institutions in Kisumu County, Kenya.
LITERATURE REVIEW

Theoretical Review

Competency Theory

To investigate the influence of staff competency on procurement functions in government institutions in Kenya, the study will be based on competency theory. The work of McClelland &McBer in the 1980s established the competence theory. The authors defined competency as the underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation. Since then a number of competency frameworks have been developed by different procurement performance in various organizations, Crawford (as cited in Boyatzis, 1982 & Spencer, 1993), puts a model of competence that integrates knowledge, skills, demonstrable performance, and core personality characteristics, noting the last, personality characteristics, as challenging to develop and assess through training. She argues that two of the most influential procurement management standards established, are addressed only the knowledge aspect of competence while a third, Australia’s National Competency Standards, draws from knowledge but focuses only on demonstrable performance. Crawford, (2010) study found out that procurement managers “do not necessarily have the required supply chain management competence perform the full activities required to promote and implement the changes that they are leading as part of their organizations. Interest in procurement management competence stems from the very reasonable and widely held assumption that if people who manage and work on organizations are competent in procurement, they will perform effectively and that this will lead to successful procurement and successful organizations (Beer, 1990; Smith, 1976).

Competence is generally accepted, however, as encompassing knowledge, skills, attitudes and behaviors that are causally related to superior job performance. Crawford (as cited in Boyatzis, 1982 & Spencer, 1993), stated that professional competence in procurement management is attained by combination of knowledge acquired from training and its subsequent application and other skills developed in the course of work. Previous management studies have investigated the impact of competency on procurement performance. Dainty (2004) have argued for a competency based performance model for supply chain managers where managerial behavior input is appraised and nine performance indicators for PM competency are developed to comprise team building, leadership, decision-making, mutuality and approachability, honesty and integrity, communication, learning, understanding and application, self-efficacy, and maintenance of external relations. In the context of public procurement policy compliance it is assumed that if the procurement manager and the supply chain management team have all the required procurement competence, will influence tendering process efficiency in the state corporations in Kenya.

The Principal-Agent Theory

The principal agent theory as advocated by Cohen et al., (2003) explains that procurement managers in public sector play a relationship role. But his findings are based on the buyer/supplier relationship and the need of the buyer, as the principal, to minimize the risks posed by the agent. The author argued that procurement managers including all civil servants concerned with public procurement must play the agent role (Brammer & Walker, 2011). Therefore procurement managers take on the role of agent for elected representatives. The principal-agency theory holds that shirking is likely to occur when there is some
disagreement between policy makers and the bureaucracy. The democratic perspective focuses on responsiveness to citizens and their representatives (Cronbanch, 2011).

According to Evenette et al., (2005) agency theory if applied rigorously offers a versatile tool to identify and solve enduring puzzles in procurement law and policy, in part by breaking down traditional boundaries in the law. According to Hunja, (2011) while contract formation has centered on transparency, competition, and integrity, public contract administration have tended to emphasize an efficient allocation of risk between the public and private actors (Wanyama, 2013).

The principal-agent theory lends new perspectives on transparency of procurement process, along central theme in procurement reform (Jeppesen, 2010). In public procurement regulation the Accounting officer acts as the principal where procuring entity (agent) has to report to accounting officer in matters concerning procurement activities. Procuring entity must ensure acting in transparency when conducting procurement activities since they must be accountable to the accounting officer (Lysons & Farrington, 2006).

Since transparency is primarily the publicizing of information on contract opportunities and awards that has traditionally been assessed from the perspectives of key stakeholders as a result, marginal improvements in transparency are assessed for the benefits they would afford those stakeholders (Wanyama, 2013). These new perspectives, backed by quantitative assessments, could bring important new dimensions to policy debates about the marginal value of additional transparency in public procurement process (Odhiambo & Kamau, 2013). This theory link research question: What is the influence of procurement ethics on procurement functions in the government institutions in Kenya?

**Technology Acceptance Model**

Technology Acceptance Model are among these models that have gained attention and confirmation in a wide array of areas and applications to understand end-user's intention to use new technology and systems (Armitage and Conner, 2001). TAM was initially developed by Davis et al. (1989) as an extension of Ajzen and Fishbein's TRA to explain and predict particularly IT usage behaviour across a wide range of technologies and user populations. TAM has received much attention from final studies and practitioners as a parsimonious yet powerful model for explaining and predicting usage intention and acceptance behaviour (Yi and Hwang, 2003).

Attitude in TAM is influenced by a priori two key elements determining technological behaviour: perceived ease of use (EOU) and perceived usefulness (Igbaria et al., 1996). Davis (1989) defined perceived usefulness as the degree to which “a person believes that using the system will enhance his or her performance” and EOU as the degree to which “a person believes that using the system will be free of mental effort”. According to TAM, perceived usefulness and EOU both affect a person's attitude toward using the system, and consistent with TRA, these attitudes toward using the system determine behavioural intentions, which in turn lead to actual system use.

**Compliance Theory**

According to Kal Raustialla (2010), compliance theory is an approach to organizational structure that integrates several ideas from the classical and participatory management models. According to compliance theory, organizations can be classified by the type of power they use to direct the behavior of their members and the type of involvement of
the participants. In most organizations, types of power and involvement are related in three predictable combinations: coercive-alienative, utilitarian-calcultative, and normative-moral. Of course, a few organizations combine two or even all three types. When an organization employs coercive power, participants usually react to the organization with hostility, which is alienative involvement. Utilitarian power usually results in calculative involvement; that is, participants desire to maximize personal gain. Finally, normative power frequently creates moral involvement; for instance, participants are committed to the socially beneficial features of their organizations. Some organizations employ all three types of power, but most tend to emphasize only one, relying less on the other two. Power specialization occurs because when two types of power are emphasized simultaneously with the same participant group, they tend to neutralize each other (Raustialla, 2010).

The Kenyan Government has moved to implement the laws that will aid sustainable public procurement. All public entities must use the Procurement Manual 2009. It provides a way for the user to apply the Public Procurement and Disposal Act, 2005 and the Public Procurement and Disposal Regulations 2006 and facilitates the standardization of procurement practice across all Procuring Entities across Kenya. It serves as a reference tool for guiding the practice of public procurement in Kenya and ensuring full compliance with the requirements of the Public Procurement Law and Regulations. No public procurement should be carried out without first ensuring compliance with the requirements set out in this manual. (PPOA, 2009) and this can be the basis along which the research measures can be compared to.

### Conceptual Framework

#### Staff Competency
- Skills
- Experience
- Qualification

#### Procurement Ethics
- Transparency
- Fairness
- Honesty

#### Information Technology
- E-procurement
- Systems integration
- Procurement visibility

#### Contract Management
- Contract Planning
- Contract Administration
- Contract Control
- Re-engineering
- Internal Controls

#### Procurement Functions
- Quality of goods purchased
- Cost reduction
- Timely purchases-Stock out reduction

### Figure 1: Conceptual Framework

#### Staff Competency
Competencies are divided into two categories; technical and behavioural competency. Public procurement professionals have to strive to achieve three competing demands of meeting commercial interests with key themes of value for money, economy, efficiency and effectiveness; the regulatory interests with key themes of competition, transparency, equality and compliance and the social interests whose key themes include public interest, employment concerns, social exclusion, economic development and environment policy (Errigde & Mcllroy, 2002). Closs (2000) observed: "senior supply chain managers... state that one of the major challenges to management in the next decade is the scarcity of trained supply chain managers. To meet these challenges, substantial change in logistics and supply chain education is necessary" (Closs, 2000).
Leenders and Fearon (2002), noted that the large number of items, huge monetary volume involved, need for an audit trail, severe consequences of poor performance, and the potential contribution to effective organizational operations associated with the procurement function are five major reasons for developing a sound, professionally managed procurement system. They further argue that qualifications are crucial for value-based management which requires employees to assess and improve processes while contributing to team performance. In addition, qualifications enhance staff ability to perform, enabling them to make better decisions, work as a team, and adapt to change, while increasing efficiency, quality, productivity and job satisfaction. Training is often for improving immediate work while education develops people for the long term. To enable individuals to create value consistently, both education and training are needed.

**Procurement Ethics**

According to Wee (2002) ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Ethical behaviour includes avoiding conflicts of interest, and not making improper use of an individual's position. Ethical behaviour 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 behaviour supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government marketplace. Ethical behaviour can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behaviour; and enhance confidence in public administration (Wee, 2002).

Velasquez, (2001). 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 good will, it is impossible to claim professional status for procurement without reference to a consideration of its ethical aspects.

**ICT Integration**

Information Technology is a term that encompasses all forms of technology used to create, store, exchange and use of information in its various forms. According to Davila, Gupta and Palmer (2003), any technology designed to facilitate the acquisition of goods over the Internet can be defined as e-procurement. There are multiple approaches to procurement IT, but the objective is invariably twofold: to enable the wide variety of purchasing transactions on which every company depends, and to arm decision makers at every level with meaningful and actionable information in a predictable, easily accessible manner (Kima and Shunk, 2004). Minimally, procurement IT systems must ensure that all transactions— both internal and external—are carried out consistently, and that decision makers have a clear view of all elements of the company’s purchasing. Surprisingly, many highly sophisticated procurement systems cannot boast either of these attributes, typically because they were built for financial reporting and budgeting purposes and are not set up to furnish sufficient data about procurement performance or to facilitate procurement transactions (Bouwman et al, 2005).
Fortunately, the solution to the technology challenge in procurement is not as sweeping or cost-prohibitive as many procurement executives might fear. Companies do not need a state-of-the-art, end-to-end ERP system to effectively support their procurement objectives. Instead, they can use the company’s existing IT infrastructure in combination with various bolt-on systems (Batenburg, 2007). In Kenya, manual systems have been a source of major inefficiencies in the regulation and operations of the procurement function. Therefore, there is need to adopt ICT in order to ensure proper functioning of the procurement system. To meet today’s operating challenges, technical institutions are turning to ICT to improve the services for suppliers and other customers in order to lower operating costs and improving performance. Online communication, online tender advertising and computerized tendering process influences performance of the procurement function. IT offers smoother and faster process flow, efficient distribution of information, decentralization of tasks and decisions, increased transparency and better control (Mburu, & Njeru, 2014).

**Contract Management**

PPOA (2009) points out that, sound contract management of a project revolves around control of cost, time, quality and resources. Cost control means the execution and completion of the project within the agreed time schedule; quality control means execution of the project in conformance with technical requirement and specification; resource control refers to the management resources personnel, equipment, and supplies. These key deliverables in contract are echoed by Meredith and Mantel (2012), who emphasize on planning, monitoring and controlling of time, cost and scope. For each contract entered into, the procuring entity must designate a member of staff, or a team of staff, as the contract administrator responsible for administering the contract. There should be a team approach to the contract management of large and complex projects.

The goal of contract administration is to ensure the contract is satisfactorily performed and the responsibilities of both parties are properly discharged. Effective contract administration minimizes or eliminates problems and potential claims and disputes (Texas, 2013). Monitoring focuses on collecting and analyzing information to provide assurance to the acquiring entity that progress is being made in line with agreed timeframes and towards providing the contract deliverables. Monitoring can be undertaken directly by the acquiring entity or through a third party arrangement and measurement is a vital part of the contracting process, yet it is sometimes forgotten once a contract has been completed and contracting authorities have moved on to another project. With a large procurement, a post contract review is always an appropriate tool (Abbeeden, 2011)

**Procurement Performance**

Smith and Conway (2004) identified seven key success factors which influence procurement, namely; a clear procurement strategy, effective management information and control systems, development of expertise, a role in corporate management, an entrepreneurial and proactive approach, co-ordination and focused efforts. An eighth is fundamental; communicate the key success factors to all levels of the organization and set out a procurement strategy to achieve continuous improvement in value for money. This should be based on total cost, quality, and enhancement of competitiveness of suppliers using best procurement practice.
Van Weele (2006) maintained that there is a link between procurement process, efficiency, effectiveness and performance. Procurement performance starts from purchasing efficiency and effectiveness in the procurement function in order to change from being reactive to being proactive to attain set performance levels in an entity. Performance provides the basis for an organization to assess how well it is progressing towards its predetermined objectives, identifies areas of strengths and weaknesses and decides on future initiatives with the goal of how to initiate performance improvements. Procurement performance is not an end in itself but a means to control and monitor the procurement function. For any organization to change its focus and become more competitive, performance is a key driver to improving quality of services. Batenburg and Versendaal (2006) noted that use of inappropriate means can be a barrier to change and may lead to deterioration of procurement operations.

Empirical Review

Staff Competency

Staff training competency in all departments more so in procurement in the research has proved to be very necessary, effective and efficient procurement process can only be achieved by proper planning and competence staff or else the institution expects flawed procurement process. (Onyango, 2012) . Regarding Cost estimation in any institution it’s determined by the professionalism applied by the employees undertaking the exercise. This is indicated by the respondents that effective and efficient procurement process can only be achieved by proper planning by competent staff else there would be flaws in the process. Competent staff would ensure that items services are procured as and when the need is expected. Lysons and Gillingham, (2003) confirms this indicating that procurement personnel should be knowledgeable about specifications so as to be able to secure value for money for their employers and play their role of intermediaries between the user and the supplier.

Grant (2001) states that the loss of key staff competencies may have negative consequences on the competitiveness of a company and on its productivity and efficiency. The preservation and development of staff competencies are critical issues to these companies. Competencies are a part of the company’s intangible resources. Intangible resources and people based skills are pointed out as strategically important resources for gaining a sustainable competitive advantage.

Procurement Ethics

Code of ethics leads to quality purchase and less time of the procurement process and less costly procurement process, hence the need for a procurement code of ethics as a remedy to malpractices in the process is very important. The more ethical the practices the companies are the better the effectiveness of the procurement process and hence the more customers will be satisfied, therefore companies that adhere to a strong ethics policy are likely to enjoy a long-term competitive advantage (Ndolo and Njagi, 2014) An important and effective way to maintain ethics awareness in agencies is to provide training for employees (Amos and Weathington, 2008). 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 Weathington, 2008)
ICT Integration

Kiburi (2008) did on factors influencing the implementation of e-procurement among firms listed on the Nairobi stock exchange. The study concluded that organization capacity was a determining factor. Katana (2011) studied electronic procurement adoption: the case of Kenya ports authority. The study showed that firms’ that acquire extensive IT resources are able to create competitive advantage. Based on these prior researches there is difficult providing evidence on positive relationship between information technology and procurement process and hence the findings suggests that a more in depth analysis is required. It is on the basis of these differences that the study sought to examine the effect of ICT adoption on procurement processes among oil industry in Kenya using Total Kenya Limited case.

Abdalla&Kinuthia (2014) concluded that the impact of ICT adoption on procurement processes mainly refers to time reductions and quality improvements, rather than cost reductions as reported by many authors. They found that company is likely to realize improvements in cycle time reductions and process quality. In terms of ICT adaptability, they further found that the company that had not adopted more complicated e-business is likely to face challenges in their procurement processes. They further identified that adoption applications of ICT applications is not exclusively a matter of resources on the contrary, operational compatibility and the level of supply chain collaboration are two of the factors that play a determinant role in increased ICT adoption and impact assessment.

Contract Management

Contract management entails planning, organizing, control and directing payments, to avoid delays in supply and provision of services, timeliness have to be respected. Work plans and contract periods have to be respected since most projects would have overruns. poor contract management characterized by delays in payments to suppliers influence greatly on their service delivery, lack of proper controls in management of contracts where the user are left alone to manage and monitor own projects without involvement of procurement function results in decline of procurement performance. (Ocharo,2013)

Contract management is the proactive monitoring, review and management of contractual terms secured through the procurement process to ensure that what is agreed is actually delivered by suppliers or partners. Contract management includes: ensuring compliance with the terms and conditions agreed; documenting and agreeing any changes or amendments that may arise during contract implementation or execution In short, effective contract management ensures that: strategic priorities agreed at the outset are delivered in a timely and cost effective manner ;issues of non-compliance or variation are picked up early and either dealt with or appropriately escalated for resolution; costs and risk are managed appropriately and reviews are undertaken and lessons learnt fed back into the commissioning and procurement process to ensure continuous improvement (Deane,2013).

METHODOLOGY

The study employed descriptive research design because it is an excellent way of finalizing results and proving or disproving a hypothesis. The target population of this study was 800 employees, working in procurement departments in the public institutions in Kisumu County, Kenya. The Multiple Regression model that aided the analysis of the variable relationships were as follows: $Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$,

Where, $Y_i =$ Procurement functions;
\( \beta_0 \) = constant (coefficient of intercept),
\( X_1 \) = Staff Competency;
\( X_2 \) = Procurement Ethics;
\( X_3 \) = ICT Integration;
\( X_4 \) = Contact Management;
\( \varepsilon \) = Error term;
\( \beta_1 \ldots \beta_4 \) = regression coefficient of four variables.

**FINDINGS AND DISCUSSIONS**

**Procurement Functions**
The study sought to determine drivers of procurement functions in the government institutions in Kisumu County, Kenya attributed to the influence of staff competency, procurement ethics, ICT integration and contract management. The study was particularly interested in three key indicators, namely order fulfillment, cost reduction and timely purchases-stock out reduction, with all the three studied over a 5 year period, running from 2013 to 2017. Findings in Table 1 revealed improved procurement functions in the institutions across the 5 year period running from the year 2013 to 2017.

**Table 1: Procurement Functions**

<table>
<thead>
<tr>
<th>Quality of Goods Purchased</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased by less than 10%</td>
<td>38</td>
<td>36</td>
<td>34</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>Increased by 10%</td>
<td>28</td>
<td>34</td>
<td>36</td>
<td>28</td>
<td>34</td>
</tr>
<tr>
<td>Increased by more than 10%</td>
<td>34</td>
<td>30</td>
<td>30</td>
<td>40</td>
<td>36</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost Reduction</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased by less than 10%</td>
<td>40</td>
<td>35</td>
<td>32</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Increased by 10%</td>
<td>36</td>
<td>34</td>
<td>32</td>
<td>34</td>
<td>36</td>
</tr>
<tr>
<td>Increased by more than 10%</td>
<td>24</td>
<td>32</td>
<td>36</td>
<td>40</td>
<td>38</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Timely Purchases-Stock out Reduction</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased by less than 10%</td>
<td>38</td>
<td>34</td>
<td>32</td>
<td>26</td>
<td>32</td>
</tr>
<tr>
<td>Increased by 10%</td>
<td>36</td>
<td>30</td>
<td>34</td>
<td>34</td>
<td>32</td>
</tr>
<tr>
<td>Increased by more than 10%</td>
<td>26</td>
<td>36</td>
<td>34</td>
<td>40</td>
<td>36</td>
</tr>
</tbody>
</table>

Order fulfillment recorded positive improvement with a majority affirming to less than 10% in 2013 (38%) and 2014(36%), to 10% in 2015 (36%) then more than 10% in 2016(40%) and 2017(36%). A similar trend was recorded in cost reduction, growing from less than 10% (40%) in 2013, to more than 10% in 2014 (35%), 2015 (36%) and 2016 (38%). Timely Purchases-stock out reduction further recorded positive improvement with a majority affirming to less than 10% in 2013 (38%) and 2014 (36%), to 10% in 2015 (34%) and 2016(40%) then by more than 10% in 2017(36%).

It can be deduced from the findings that key procurement functions indicators have considerably improved as influenced by among other procurement functions attributes, the influence of staff competency, procurement ethics, ICT integration and contract management. Order fulfillment and Timely Purchases-stock out reduction have particularly improved by at least 10 percent across most of the institutions pointing to the significance of staff competency, procurement ethics, ICT integration and contract management in the supply chain process in the government institutions in Kenya.
Staff Competency

The study sought to assess the influence of staff competency on procurement functions in the government institutions in Kisumu County, 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 2 presented 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 agreed upon moderately, 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. The results were presented in mean and standard deviation as illustrated in Table 2.

From the results, majority of the respondents were found to highly agree that The workforce needs external guidance with regard to implementation of procurement functions (3.65); The organization staff has been trained on the concept of procurement functions (3.00); There is need for additional skills and competencies on procurement functions (3.44); The organization comprehensively and adequately train staff on reductions of costs (3.87); The organization has the capacity to enhance further training (regular update of skills) on quality of goods and products purchased (3.93); The staff have the skills to enforce implementation of procurement functions concepts (3.25); The institutions has initiated and developed programs specifically to develop knowledge on procurement functions (3.18). The study findings are in agreement with literature review by Carter and Price (2013) states that qualified staff that is competent and skilled would help the organization to achieve its goals and objectives by being efficient and effective when carrying out their various functions. For an organization to succeed, qualification is therefore a pre-requisite and must be matched with job requirement, hence the need to hire and develop ambitious personnel.

Table 2: Influence of Staff Competency on Procurement Functions

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>Std</th>
</tr>
</thead>
<tbody>
<tr>
<td>The workforce needs external guidance with regard to implementation of procurement functions</td>
<td>3.65</td>
<td>.545</td>
</tr>
<tr>
<td>The organization staff has been trained on the concept of procurement functions</td>
<td>3.00</td>
<td>.626</td>
</tr>
<tr>
<td>There is need for additional skills and competencies on procurement functions</td>
<td>3.44</td>
<td>.287</td>
</tr>
<tr>
<td>The organization comprehensively and adequately train staff on reductions of costs</td>
<td>3.87</td>
<td>.542</td>
</tr>
<tr>
<td>The organization has the capacity to enhance further training (regular update of skills) on quality of goods and products purchased</td>
<td>3.93</td>
<td>.314</td>
</tr>
<tr>
<td>The staff have the skills to enforce implementation of procurement functions concepts</td>
<td>3.25</td>
<td>.560</td>
</tr>
<tr>
<td>The institutions has initiated and developed programs specifically to develop knowledge on procurement functions</td>
<td>3.18</td>
<td>.533</td>
</tr>
</tbody>
</table>

Procurement Ethics

The study sought to assess the influence of procurement ethics on procurement functions in the government institutions in Kisumu County, 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 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 agreed upon moderately, 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. As indicated by high levels of agreement in Table 3, a majority of respondents affirm that the mainstream suppliers bid for reserved tenders (3.2331); There is influence to award tenders to mainstream suppliers (3.8213); Bribery and gifts is a factor affecting procurement efficiency (3.4432); Some bidders engage in procurement malpractice (3.6424); The mainstream suppliers bid for reserved tenders (3.5001). There is influence to award tenders to mainstream suppliers (3.5421). It can be deduced from the foregoing that another major hindrance to procurement efficiency in the government institutions is unethical conducts among bidders, bribery and gifts; as well as mainstream suppliers bidding for reserved tenders. Such malpractices impart negative perception of bidding processes and deter most bidders thus affecting procurement efficiency. This argument is supported by Carter (2000) who argues that business ethics affect organizations relations with suppliers, in procurement and supply chain operations, who are core in any procurement system. Accordingly, OECD (2007), in a report titled BRIBERY: actors, methods and measure, notes that major part of the world’s exports of merchandise and commercial services are linked to public procurement functions.

Table 3: Influence Procurement Ethics on Procurement Functions

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The mainstream suppliers bid for reserved tenders</td>
<td>3.2331</td>
<td>0.5423</td>
</tr>
<tr>
<td>There is influence to award tenders to mainstream suppliers</td>
<td>3.8213</td>
<td>1.0617</td>
</tr>
<tr>
<td>Bribery and gifts is a factor affecting procurement efficiency</td>
<td>3.4432</td>
<td>0.6834</td>
</tr>
<tr>
<td>Some bidders engage in procurement malpractice</td>
<td>3.6424</td>
<td>0.9431</td>
</tr>
<tr>
<td>The mainstream suppliers bid for reserved tenders</td>
<td>3.5513</td>
<td>1.2317</td>
</tr>
<tr>
<td>There is influence to award tenders to mainstream suppliers</td>
<td>3.5001</td>
<td>0.8612</td>
</tr>
</tbody>
</table>

ICT Integration

This section presents findings to survey questions asked with a view to establish the influence of ICT integration on procurement functions in the government institutions in Kenya. The respondents were asked how many times the organization have their procurement staff taken for refresher courses annually, 0% of the organization never takes procurement staff for refresher courses implies all organization have them taken at least once a year. 3%, had 1 to 2 times annually, 65% of the respondents had 3 to 4 times, 11% of them had 5 to 6 times and 11%, had over 6 times of rejections. The modal class is of the respondents who had taken their staff for refresher courses 3 to 4 times. This implies that on average the respondents take their procurement staff for refresher courses at least 3 to 4 times annually.

Additionally, the study inquired from the respondents the percentage of procurement staff who had not achieved at least an undergraduate
degree, 46% of the respondents had no employee in this category, 3% had 1-20% in this category, 14%, 21 to 40 in this category, 11%, 10 to 60 in this category, 3% , had over 60% in this category. The modal class is of the respondents who had 0% of employees in the category of those had not achieved a first degree. This implies that on average the organization have 0% of employees who haven’t achieved an undergraduate degree. This further implies that on average organization employ procurement staff with at least a first degree.

Finally, the study looked at the quality of reports that are produced, the respondents were to state the level of quality of the procurement reports produced. 0% of the respondents had 0-20%, 3%, had 21-40%, 3% of the respondents had 41-60%, 9% of them had 61-80% and 65%, had over 80% score in the quality of the procurement reports produced. The modal class is of the respondents who had over 80% score in the quality of the procurement reports produced. The modal class is of the respondents who had over 80% score in the quality of the procurement reports produced. The median was found to be 5 which implies that on average the institutions had over 80 score in the quality of the procurement reports produced. The second indicator inquired the percentage of procurement employees that have professional skills in procurement, 0% of the respondents had 0-20%, 3% had 20-30%, 11% had 30-40%, 37% had 40-50% and 46% had over 50% of employees with professional skills in procurement. The modal class is of the respondents who had over 50% employees. This implies that on average the respondents had over 50% of procurement employees with professional skills in procurement.

Staff competency and training especially for ICT integration is necessary in the process of identifying and developing the necessary knowledge and skills required for doing a job. Training facilitate staff competency is learning provided in order to improve performance on the present job (Armstrong 2008).

Table 4: Influence of ICT on Procurement Functions

<table>
<thead>
<tr>
<th></th>
<th>Never time</th>
<th>1-2 times</th>
<th>3-4 times</th>
<th>5-6 times</th>
<th>Over 6 times</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many times are your procurement staffs taken for refresher courses annually?</td>
<td>0</td>
<td>29%</td>
<td>65.7%</td>
<td>11.40%</td>
<td>2.90%</td>
<td>3</td>
</tr>
<tr>
<td>%</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>40%</td>
<td>Over 40%</td>
<td></td>
</tr>
<tr>
<td>Percentages of employees with a first degree.</td>
<td>45.70%</td>
<td>2.90%</td>
<td>14.30%</td>
<td>11.40%</td>
<td>2.90%</td>
<td>1</td>
</tr>
<tr>
<td>Percentage quality of procurement records produced.</td>
<td>0</td>
<td>2.90%</td>
<td>2.90%</td>
<td>25.70%</td>
<td>65.70%</td>
<td>5</td>
</tr>
<tr>
<td>What percentage of employees has professional skills in E-procurement?</td>
<td>0</td>
<td>2.90%</td>
<td>2.90%</td>
<td>37.10%</td>
<td>45.70%</td>
<td>5</td>
</tr>
</tbody>
</table>

**Contract Management**

The study sought to assess the influence of contract management on procurement functions in the government institutions in Kisumu County, 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 5 presented 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 agreed upon moderately, 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. A scale of 1-5, the scores were as follows: The scores “Strongly disagree=SD” and “Disagree=D” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale (1 ≤ Disagree ≤ 2.5). The scores of ‘Neutral’ were represented by a score equivalent to 2.6 to 3.5 on the Likert scale (2.6 ≤ Neutral=N ≤ 3.5). The score of “Agree=A” and “Strongly agree=SA” were represented by a mean score equivalent to 3.6 to 5.0 on the Likert Scale (3.6 ≤ Agree ≤ 5.0). The results were presented in mean and standard deviation as illustrated in Table 5.

From the results, majority of the respondents were neutral that that all contracts are awarded competitively as shown by a mean of 2.80, all tenders are evaluated before awarding as shown by a mean of 3.63; each contract is assigned its own contracts manager to monitor as shown by a mean of 2.95; to a moderate extent the organization manages contracts with the contracts management plans as shown by a mean of 3.96; and their suppliers offer credit facilities as shown by a mean of 3.88; to a great extent all organization contracts are subjected to Inspection as shown by a mean of 4.09; All contracts are awarded competitively as shown by a mean of 2.92. Use of a contract audit system in the county reduces the procurement costs as shown by a mean of 3.99; Check for a training program frequently has empowered the suppliers thus reduced costs as shown by a mean of 3.22; The payment terms defines the dispute rules and regulations to ensure there is timely delivery of goods and services as shown by a mean of 3.77. The involvement of the affected departments defines the contract period to ensure that there is timely delivery of goods and services as shown by a mean of 3.10 and the award of the contracts are based on the contractors experience with the organization as shown by a mean of 3.33. This implies that contract management influence implementation of procurement functions in the organization.

The study findings are in agreement with literature review by SDPC (2009) which provides the 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. 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.

**Table 5: Influence of Contract Management on Procurement Functions**

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>Std</th>
</tr>
</thead>
<tbody>
<tr>
<td>All contracts are awarded competitively</td>
<td>2.80</td>
<td>.599</td>
</tr>
<tr>
<td>All tenders are evaluated before awarding</td>
<td>3.03</td>
<td>.421</td>
</tr>
<tr>
<td>Each contract is assigned its own contracts manager to monitor</td>
<td>2.95</td>
<td>.523</td>
</tr>
<tr>
<td>Organization manages contracts with the contracts management plans</td>
<td>3.96</td>
<td>.313</td>
</tr>
<tr>
<td>All organization contracts are subjected to Inspection</td>
<td>3.88</td>
<td>.562</td>
</tr>
<tr>
<td>Use of a contract audit system in the county reduces the procurement costs</td>
<td>3.99</td>
<td>.901</td>
</tr>
</tbody>
</table>
Check for a training program frequently has empowered the suppliers thus reduced costs 3.22 .452  
The payment terms defines the dispute rules and regulations to ensure there is timely delivery of goods and services 3.77 .765  
The involvement of the affected departments defines the contract period to ensure that there is timely delivery of goods and services 3.10 .542  
The award of the contracts are based on the contractors experience with the organization 3.33 .220  

### Multiple Regression Analysis

**Table 6: Model Summary**

<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></td>
<td>.876</td>
<td>.767</td>
<td>.748</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Table 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>14.568</td>
<td>4</td>
<td>3.642</td>
<td>74.326</td>
<td>.001</td>
</tr>
<tr>
<td>Residual</td>
<td>2.890</td>
<td>59</td>
<td>.0490</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>19.017</td>
<td>63</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NB: F-critical Value = 12.890;

**Table 8: Regression 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>β</td>
<td>Std. Error</td>
<td>β</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>6.980</td>
<td>1.346</td>
<td></td>
<td>5.185</td>
</tr>
<tr>
<td>Staff Competency</td>
<td>.820</td>
<td>.225</td>
<td>.612</td>
<td>3.644</td>
</tr>
<tr>
<td>Procurement Ethics</td>
<td>.786</td>
<td>.240</td>
<td>.548</td>
<td>3.207</td>
</tr>
<tr>
<td>ICT Integration</td>
<td>.678</td>
<td>.456</td>
<td>.455</td>
<td>2.234</td>
</tr>
<tr>
<td>Contract Management</td>
<td>.886</td>
<td>.211</td>
<td>.653</td>
<td>4.199</td>
</tr>
</tbody>
</table>

### CONCLUSION AND RECOMMENDATIONS

From the descriptive statistics results, the respondents were neutral that the workforce needs external guidance with regard to implementation of procurement functions. The organization staff has been trained on the concept of procurement functions. There is need for additional skills and
competencies and organization comprehensively and adequately train staff on reductions of costs. The organization has the capacity to enhance further training (regular update of skills) on quality of goods and products purchased. The respondents disagreed that the staff have the skills to enforce implementation of procurement functions concepts.

The study established that the personal interests at the various stages of procurement process affect quality of goods procured in the organization. Lack of clear definition conflict of interest issues for the officials involved in procurement process hinder reduction of procurement costs Personal interests act exclusively in the procurement process thus enhanced quality of goods procured. The respondents were neutral that fairness and impartiality is demonstrated in the procurement process thus leading to improved quality of goods procured. The political and outside influence is being experienced in the procurement process affecting reduction of procurement costs. This implies that conflict of interests influence procurement performance in public hospitals in Kenya.

The study found out that ICT integration influence procurement functions in the government institutions in Kenya. From the descriptive analysis, the study established that a majority of respondents were found to highly agree that there is need to enhance government institutions, there is need to ensure that the procurement staff is computer literate to comply with the rules and regulations. The level of automation should be adequate and level of procurement systems usage should be adequate to enhance procured quality goods. The ICT should be adequately observed in the organization procurement process. Most notably, there is need to improve the IT infrastructure to enhance government institutions.

The study sought to establish the influence of ethical issues on procurement functions on government institutions in Kenya. The study found out that majority of respondents can be said to have stated to a moderate extent with most statements posed as regards influence of ethical issues in government institutions in Kenya. Further, the study established that majority particularly stated that the mainstream suppliers bid for reserved tenders. There is influence to award tenders to mainstream suppliers. Bribery and gifts is a factor affecting procurement functions and some bidders engage in procurement malpractice. The mainstream suppliers bid for reserved tenders and influence to award tenders to mainstream suppliers.

**Conclusions of the Study**

According to the study findings, the study concluded that procurement functions in government institutions in Kenya is affected by staff competency, procurement ethics, ICT integration and contract management as the major factors that mostly influence procurement functions in the government institutions in Kenya.

The regression coefficients of the study showed that staff competency has a significant influence on procurement functions in government institutions in Kenya. This implies that increasing levels of staff competency would increase the levels of procurement functions in government institutions in Kenya. This shows that staff competency have a strong positive influence on procurement functions in government institutions in Kenya.

The regression coefficients of the study showed that procurement ethics has a significant influence on procurement functions in government institutions in Kenya. This implies that increasing levels of procurement ethics would increase the levels of procurement functions in government institutions in Kenya. This implies that procurement
ethics have a strong positive influence on procurement functions in government institutions in Kenya.

Further, the study established that regression coefficients of the ICT integration have a significant influence on procurement functions in government institutions in Kenya. This implies that increasing levels of ICT Integration would increase the levels of procurement functions in government institutions in Kenya. This shows that ICT integration has a strong positive influence on procurement functions in government institutions in Kenya.

Finally, the study established that regression coefficients of the contract management have a significant influence on procurement functions in government institutions in Kenya. This implies that increasing levels of contract management would increase the levels of procurement functions in government institutions in Kenya. This shows that contract management has a strong positive influence on procurement functions in government institutions in Kenya.

**Recommendations of the Study**

To enhance procurement functions in the government institutions, there is need to have sufficient and qualified procurement personnel with enough training assessment methods to enhance compliance with the rules and regulations. There should be adequate training and simulation for key stakeholders especially the procurement staff qualifications to promote reduction of procurement costs. Organization should offer professional skills related to procurement and employ staff with the professional skills to boost.

ICT Integration plays an important on enhancing procurement functions in the government institutions in Kenya. There is need to ensure that the procurement staff is computer literate to comply with the rules and regulations. The level of automation should be adequate and level of procurement systems usage should be adequate to enhance procured quality goods. The ICT should be adequately observed in the organization procurement process. Most notably, there is need to improve the IT infrastructure to enhance in the procurement process, funding, timely delivery of goods and services to boost of procurement practices in the government institutions in Kenya.

In order to prevent and avoid conflict of interest in public procurement, there should be guidelines with a clear definition of conflict of interest, as well as put forth requirements for officials involved in the procurement process to disclose information on their private interests and assets, in addition to excusing themselves from certain decision-making processes and prohibiting them from performing certain functions if the opportunities for conflict of interest exist.

Procurement should strive to be as transparent as possible within reason, while maintaining the integrity of the competitive process, and protecting confidential information. Confidential information is information protected under law, or information that would otherwise cause undue harm if made public. Public procurement should to the greatest extent practicable, be transparent in its practices, processes, policies and relationships with all stakeholders, while ensuring protection of confidential information.

The study recommended for the management to ensure all contracts are awarded competitively. All tenders should be evaluated before awarding and each contract is assigned its own contracts manager to monitor. There is need for the organization manages contracts with the contracts management plans. To a great extent all organization contracts should be subjected to inspection. All procurement at organization should be guided by the Procurement Act and Regulation. The Manuals and Legal Notices should provide guidance to the
procurement process and organization use standard tender documents. There is also need for accountability and transparency on the award of the contracts.

**Areas for Further Research**

The study was a milestone for further research in the field of procurement performance in government institutions in Kenya. The findings demonstrated the important drivers of enhancement of procurement functions in the government institutions to include; staff competency, procurement ethics, ICT integration and contract management. The current study should therefore be expanded further in future in order to determine the effect of procurement legal framework on procurement functions in government parastatals. Existing literature indicates that as a future avenue of research, there is need to undertake similar research in other government institutions and public sector organizations in Kenya and other countries in order to establish whether the explored factors can be generalized to affect procurement functions in the public sector.

**REFERENCES**


Fishbein, M., Ajzen, I. (1975), Belief, Attitude, Intention and Behaviour: An Introduction to Theory and Research, Addison-Wesley Publishing Company, Reading, MA,


