



INFLUENCE OF ETHICAL PROCUREMENT ISSUES ON PROCUREMENT PERFORMANCE IN THE COUNTY GOVERNMENT OF KAKAMEGA, KENYA

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GOVERNMENT OF KAKAMEGA, KENYA**

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ABSTRACT

This study investigated the influence of conflict of interest, competitive bidding, professionalism and adherence to public procurement regulations on procurement performance of Kakamega county government. The study adopted the descriptive research design. The target population for this study was 189 employees constituting of supply chain officers, finance officer, internal auditors and accountants. Sample size for this study comprised of 125 employees where stratified random sampling was used. Primary data was collected by the use of questionnaire. Both descriptive and inferential statistics were used to analyze data. The data was then processed by use of Statistical Package for Social Sciences (SPSS 24). Multiple regression analysis and correlation analysis was used to establish the relationship between independent and dependent variable. The results indicated that conflict of interest has significant negative influence on procurement performance. On the other hand, professionalism, competitive bidding and adherence to Public Procurement regulations were found to have a significant positive influence on procurement performance of Kakamega County Government. The study concluded that procurement ethical issues which included conflict of interest, competitive bidding, professionalism and adherence to stipulated public procurement regulations has significant influence on procurement performance. Therefore, the study recommended that 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. The study also recommended that county government should come up with more policies to emphasize on the utilization of competitive bidding practices as this will ensure there is reduction in corruption, quality of goods procured and value for money. The study recommended that procurement practitioners involved in procurement should be committed to high standards for professional conduct.

Key Words: Conflict of Interest, Competitive Bidding, Professionalism, Adherence to Public Procurement Regulations

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INTRODUCTION

According to Masindano, Makokha and Namusonge (2018), procurement performance entails how well organizational procurement objectives have been attained. The extent to which procurement function is able to obtain best value for spent organizational money to purchase products and services is the best indicator of procurement performance. Procurement performance has been an area of interest for practitioners, researchers and those from the academic field due to low levels of performance, high levels of corruption, failing contracts, variations in contract prices in public sectors. There has been a considerable number of reported improper procurement in government departments (Ogwel, Iravo & Lagat 2016). Numerous allegations have been leveled against public entities relating to irregularities in procurement processes and procedures.

Procurement performance is a key factor in stimulating economic activity throughout the EU since it leads to value for money and reduction of costs (Gorlmy, 2014). Public procurement in developing countries accounts for up to 25% of their GDPs. Moreover, they spend about 50% of its budget on procuring goods and services. However, globally, 60% of quality systems in public procurement have not adequately delivered the expected benefits hence has been viewed as a great challenge for government agencies. Nevertheless, the public sector in the UK spends well over £150 billion a year on the goods and services necessary to deliver public services. For this reason, public sector procurement is governed by the UK regulations that implement the EU procurement directives which helps the government apply the highest professional standards when it spends this money on behalf of taxpayers, to ensure it gets a good deal and provide appropriate and necessary goods and services to the quality required to meet user needs (Flynn, 2018).

Ondieki (2015) asserts that procurement in Kenya suffers from poor performance characterized by red tape measures, non-compliance to the Act,

overpricing, poor planning, poor contract management, inadequate transparency and accountability, material redundancy and corruption. A study by Wanyama (2010) also revealed that many county governments lose huge amounts of funds annually as a result of implementation of ineffective procurement function which are not in line with the public procurement and disposal regulations.

The County Government of Kakamega has ten key departments that have been entrusted with the delivery of services to the residents of the expansive county. These departments are involved with the purchase of materials and services and also in the disposition of assets. The county government has therefore realized the need for capacity building initiatives so as to support these departments to effectively and efficiently manage their projects. Procurement has as result received a major emphasis, thus prompting the need to build capacity of those involved in the procurement process (Republic of Kenya, 2016).

Preparation of conflict of interests and adherence to the same, carrying out risk based audits, as well as laying out an institutional framework have been prioritised, so as to ensure that there is prudent management of scarce resources so as to realise maximum benefit. This in effect has reduced wastage in the county government, therefore realising a great impact on the intended beneficiaries. Conflict of interests have also enabled the departments to prioritise their resources, enabling them to realise their desired outcomes.. Several challenges have been encountered which have been characterised by construction delays resulting from the long process of acquiring bills of quantities, and slow procurement process (Republic of Kenya, 2016).

Statement of the Problem

The establishment of the devolved governance aimed at bringing resources to the local level and to improve the standard of living among Kenyan citizens. Public procurement though touted as the most effective way of involving public participation

in the procurement process and thus improve service delivery has experienced an appalling performance in county governments in Kenya. However, Kenya government still loses about one third of the national budget to corruption, with 80% of corruption cases presented before the Kenya Anti-corruption commission being about procurement. Kakamega County Government has lost a lot of money in the procurement processes as a result of weaknesses in operational areas, poor records keeping, inadequate transparency and accountability, transaction inefficiencies, delays in delivery and collusion with suppliers which negatively affects procurement performance (AfriCOG, 2020). This poor procurement performance has affected service delivery to tax payers in county governments, delayed or lack of developments in counties, wastage of county development funds, thus defeating the very purpose of why the devolved units were established.

A number of studies have been conducted on factors influencing procurement performance. Hamza, Gerbi and Ali (2016) study on Awassa Textile Share Company found professionalism, staffing level, and procurement rules, regulations and guidelines affects procurement performance. Therefore these researches on procurement performance have been based on manufacturing industries and supply chain management areas with little regard to the procurement process in public organizations. For instance, Okinyi and Muturi (2016) determined factors affecting efficiency of procurement in public institutions: a case of public entities in Homabay County. The study indicated that professional qualification and Conflict of Interest affects procurement performance, but recommended more intensive empirical inquiries to compare results. On the other hand, Mrope (2017) indicated that strategic importance of procurement professionalism on procurement performance can only be realized if all procurement staff embraces procurement professionalism plus adherence to Public Procurement & Asset Disposal Act 2015

hence empirical study is needed to justify this assertion. Therefore lack of adequate empirical evidence on the conceptualized contributing factors of procurement performance function in regard to ethical issues in county governments motivated this study to investigate the influence of conflict of interest, professionalism, competitive bidding and adherence to public procurement regulations on procurement performance in the county government of Kakamega, Kenya.

Objectives of the Study

The study investigated the influence of ethical procurement issues on procurement performance in the County Government of Kakamega, Kenya. The specific objectives were;

- To determine influence of conflict of interest on procurement performance of Kakamega county government.
- To examine the influence of competitive bidding on procurement performance of Kakamega County government.
- To examine the influence of professionalism on procurement performance of Kakamega county government.
- To assess the influence of adherence to public procurement regulations on procurement performance of Kakamega county government.

The research was guided by the following hypotheses

- H₀₁: There is no significant influence of conflict of interest on procurement performance of Kakamega county government.
- H₀₂: There is no significant influence of competitive bidding on procurement performance of Kakamega county government.
- H₀₃: There is no significant influence of professionalism on procurement performance of Kakamega county government.
- H₀₄: There is no significant influence of adherence to public procurement

regulations on procurement performance of Kakamega county government.

LITERATURE REVIEW

Institutional Theory

The institutional theory is the traditional approach that is used to examine elements of public procurement (Lehmann, 2010). Scott (2004) identifies three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. In Kenya, public procurement is guided by the PPDA Act 2005, regulations and guidelines which are from time to time issued by the Public Procurement Oversight Authority only and which must comply with to the latter by all the public entities and providers of Public procurement regulations (2006) and guidelines directing procurement activities (Barrett, 2010).

Thoenig (2011) cites that institutionalism considers that outcomes of public policies do not just reflect the preferences or interests of the strongest social forces. Moreover, it brings political conflict and social dissent. Institutional theory states that there should be adherence to public procurement regulations to ensure ethical procurement practices (Andrew, 2008). This study shall adopt this theory in order to understand how adherence to government regulations influences performance of procurement in the county government of Kakamega.

Game Theory

Game theory argues that many economic decisions involving more than one actor (e.g. a buyer and a supplier) take the form of a sequential, strategic game involving anticipation by one player of the other player's actions (Mahmood, 2010). Games such as the Prisoner's Dilemma have been used to show how co-operative behavior becomes more likely if two actors interact with one another on a

repeated basis. This is because repeated interactions enable them to get to know each other, to build trust and to overcome the lack of information available in a one-off interaction about the other party's likely behavior (Agaba & Shipman, 2009).

The integrated supply chain management literature has applied this reasoning to develop an understanding of how buyers and suppliers can be encouraged to cooperate on a long-term basis and innovate to create a larger pool of value rather than competing over a static pool of value (Bailey et al., 2008). A crucial aspect of this approach is the idea that buyers and suppliers should be trusting and transparent with one another, sharing information through mechanisms such as open book costing to signal their commitment and future intentions (Basheka, 2008). The theory can be related to the conflict of interest variable.

Stakeholders Theory

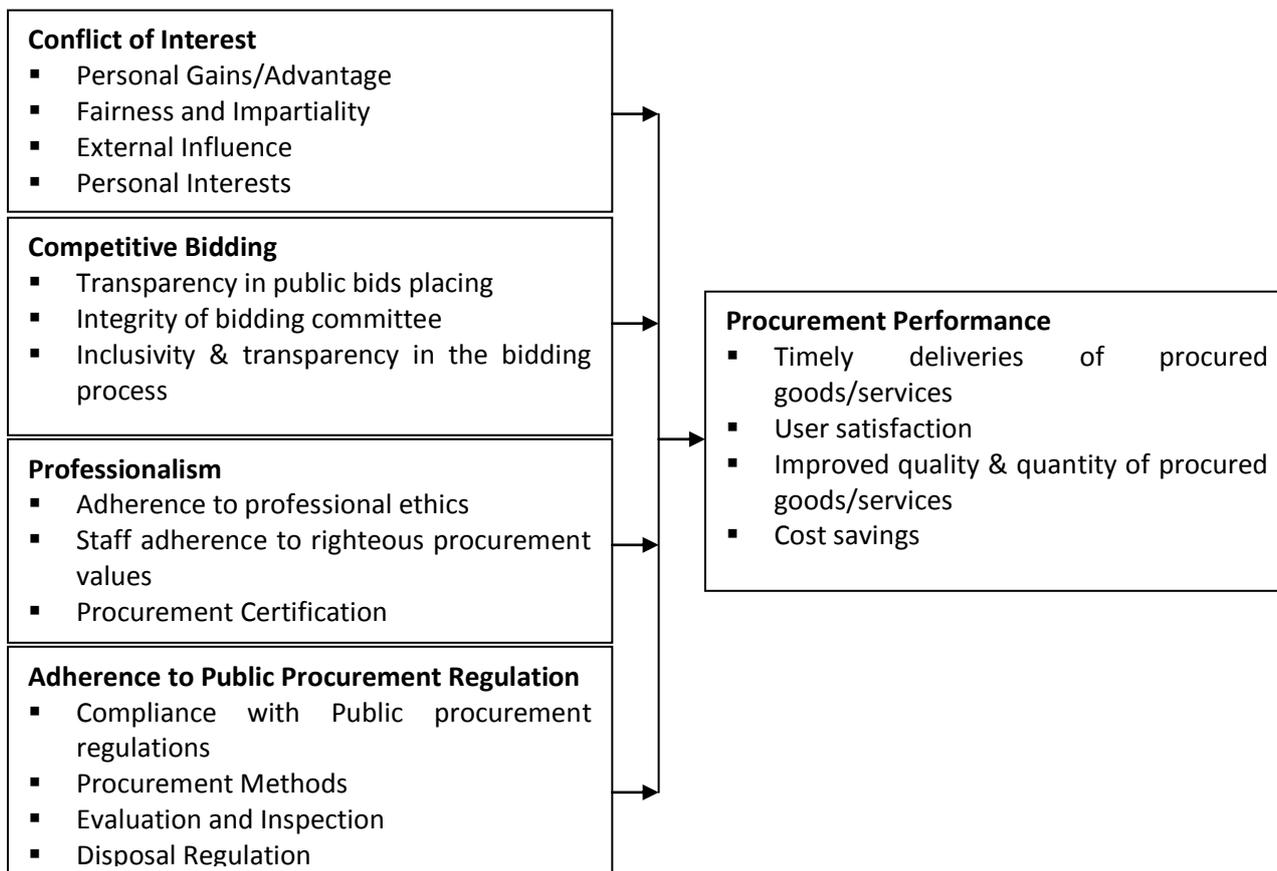
Stakeholder's theory was pioneered by an American philosopher, R. Edward Freeman in 1984. Stakeholders are individuals, groups and organizations that have interest in the process and outcome of a firm. They may include employees, managers, shareholders, financiers, customers and suppliers. Stakeholders' theory promotes a practical, efficient, effective and ethical way to manage organization in a higher complexity and turbulent environment (Freeman, Harrison & Wicks, 2007).

All management decision contains ethical component and ethical arguments on how to manage stakeholders. According to, Bosse, Harrison and Phillips (2011), managing the stakeholders involves attending to the interest and wellbeing of the stakeholders. It also argues that the stakeholders are to be treated in a fair, honest and generous manner therefore creating a sort of synergy (Tantalo & Priem, 2014). Freeman, Harrison, Wicks, Parmar, and de Colle, (2010) observed that critical mass of scholars used stakeholders' theory in strategic management, finance, accounting, human resource management,

production, information technology, marketing and business ethics.

In this case, suppliers are entitled to fair treatment at every stage of the procurement process since they invest considerable time, effort and resources in preparing and submitting offers (Arrowsmith,

2011).With this in mind, procurement practitioners are bound to act ethically during the suppliers selection through fair treatment to each bidder. This theory is of value since it relates to the research objective on influence of competitive bidding on procurement performance of County Government of Kakamega.



Independent Variables

Dependent variable

Figure 1: Conceptual Framework

Empirical Review

Philly, Were and Nkirina (2017) aimed at evaluating the effect of conflict of interest on procurement performance in Referral Hospitals in Kenya. Descriptive research design was used for the study and the questionnaire was the main data collection instrument, Slovin’s formula was used to pick a sample of 131 respondents from a target population of 194 staff working in supply chain department at KNH. The study established the influence of conflict of interest on procurement

performance in Kenyatta National Hospital and it can be summarized to consider first, the interest of one’s organization in all transactions and to carry out procurement process effectively and believe in its established policies.

Kitheka (2018) sought to find out the influence of sourcing ethics on procurement performance of Kenyan state corporations. The study employed a mixed research design and the study population was the procurement managers in the state corporations’ procurement departments. A census

study of all state corporations in Kenya was carried out. Findings of the study showed that supplier selection ethics, ethical policies and codes, procedural justice and supplier diversity had significant and positive effect on procurement performance of the Kenyan state corporations. The regression results showed that procurement performance was significantly influenced by sourcing ethics.

Concy (2014) evaluated the influence of competitive bidding on service delivery in Adjuman district. The study considered a combination of both descriptive and case study design. The study used a population of 32 (human resource manual) procurement office (3), User department officers 17, accounting officers (2), selected service providers (11) requested to gather information from the respondents. The study found out that open competitive bidding and restrictive bidding are prevalent in Adjumani and used by the district to solicit for service providers. It was further established that the level of open competitive bidding implying that open domestic bidding influence service delivery management at a small extent since the mean generated provides a figure that is slightly above the average.

Mrope (2017) assessed the effect of procurement professionalism on performance of the public procurement function in Tanzania. In order to achieve the stated objective, respondents were asked questions on management of records and documents, staffing of the procurement department, competency of personnel involved in the procurement activities, independence of functions and powers in discharging procurement responsibilities and existence of the Professional Code of Ethics and Conduct. The target population was 470 public entities out of which 100 entities purposively constituted the sample size. These findings suggest that 53% of the variation in performance of the procurement functions in public entities was explained by the extent to which officials involved in the procurement process and decisions in the entity had adhered to procurement

professionalism in the course of discharging procurement functions and responsibilities.

Simon and Muturi (2014) investigated the effect of procurement regulations on the efficiency of procurement food in public secondary schools in Kenya. The study was conducted through descriptive research design. Purposive sampling was used to select the sample which consisted of a population of public secondary schools. The data was collected in the month of November 2013 using questionnaires. The respondents were 74 with each school producing 2 respondents; the principal and school accounts officer. The data was analyzed through descriptive statistics and presented using percentages, and tables. The research revealed that procurement regulations have significantly raised the quality of food delivered in schools. The study focused on one aspect of procurement performance, efficiency at the expense of other procurement performance measures.

METHODOLOGY

The study adopted a descriptive research design. The target population for the study was 189 Kakamega county government officers drawn from the supply chain, audit, finance and accounts departments in Kakamega County who were either directly involved in or support procurement functions. The sampling frame consisted of supply chain officers, finance officer, internal auditors and accountants. Primary data was collected by the use of a questionnaire. Statistical Package for Social Sciences (SPSS 25.0) was used to analyze data. Data was presented in tabular form, graphical form and in discussion/ text form. Additionally, discussion was provided for interpretation or emphasizes data. Multiple regression model was used as below;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

Y= Procurement performance

β_0 = Constant of Regression which is the value of the dependent variable when the independent variable is 0.

X₁= Conflict of interest
 X₂= Competitive bidding
 X₃= Professionalism
 X₄= Adherence to Public Procurement Regulations
 β₁ β₂ β₃ β₄= Regression co-efficient
 ε=Error term

FINDINGS AND DISCUSSION

Conflict of Interest and Procurement Performance

In order to determine influence of conflict of interest on procurement performance of Kakamega county government, the participants were asked to respond to a set of statements on a five point scale from 5-Strongly Agree to 1-Strongly Agree. The findings were as displayed in below in Table 1.

Table 1: Descriptive Analysis for Conflict of Interest

Conflict of Interest	5	4	3	2	1	Mean	SD
Procurement decisions are free from outside influence but from the value perceived by the transaction	17 (17.3)	14 (14.3)	41 (41.8)	16 (16.3)	10 (10.2)	3.12	1.19
The personal interests at the various stages of procurement process affect quality of goods procured in the organization	32 (32.7)	35 (35.7)	19 (19.4)	8 (8.2)	4 (4.1)	3.85	1.10
Lack of clear definition conflict of interest issues for the officials involved in procurement process hinder reduction of procurement costs	15 (15.3)	48 (49)	12 (12.2)	18 (18.4)	5 (5.1)	3.51	1.11
Personal interests act exclusively in the procurement process thus enhanced quality of goods procured	15 (15.3)	24 (24.5)	32 (32.7)	17 (17.3)	10 (10.2)	3.17	1.19
Fairness and impartiality is demonstrated in the procurement process thus leading to improved quality of goods procured	24 (24.5)	29 (29.6)	19 (19.4)	21 (21.4)	5 (5.1)	3.47	1.22
To promote fairness and impartiality, officials involved in public procurement disclose conflict of interest so as to enhance public trust and confidence.	25 (25.5)	35 (35.7)	21 (21.4)	12 (12.2)	5 (5.1)	3.64	1.14
Overall Mean Score						3.67	

N=98; KEY: 1= Strongly Disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.

The first statement asked the participants whether procurement decisions are free from outside influence but from the value perceived by the transaction. From the results shown in Table 1, the mean score for responses was 3.12 indicating that a majority of the participants were in neutral with this statement (41.8%). The standard deviation indicates that a majority of responses did not vary from the mean by more than 1.19. The second statement sought to determine whether the

personal interests at the various stages of procurement process affect quality of goods procured in the organization. A mean of 3.85 imply that a majority of the participants were agreement with the statement of which 32.7% strongly agreed and 35.7% agreed. The standard deviation indicates that the responses did not vary from the mean score by more than 1.10.

The third statement asked respondents whether lack of clear definition conflict of interest issues for

the officials involved in procurement process hinder reduction of procurement costs. A mean score of 3.51 implies that majority of the participants were in agreement (49.0%). The standard deviation was more than 1 (1.07) implying that the participants were not cohesive in their responses to the statement. The fourth statement sought to establish whether personal interests act exclusively in the procurement process thus enhanced quality of goods procured. Majority of the participants were neutral (32.7%) with a mean score of 3.17 and standard deviation of 1.19 implying that the participants had divergent opinions in their responses to the statement.

The fifth statement sought to determine whether fairness and impartiality is demonstrated in the procurement process thus leading to improved quality of goods procured. Few of the participants were agreed (29.6%) and strongly agreed (24.5%) with a mean score of 3.47 and standard deviation of 1.22. The study further sought to establish whether to promote fairness and impartiality, officials involved in public procurement disclose conflict of interest so as to enhance public trust and confidence. The mean score of 3.67 and standard deviation of 1.14 imply that majority of the participants were in agreement with the statement.

The study findings were in agreement with literature review by World Bank, (2010) conflict of interest may arise at various stages of the procurement process whenever public officials'

decisions can be influenced by their private interests. The evaluation and award of bids is often assessed as one of the most vulnerable phases, due to the high level of technical expertise required and the specific features of evaluation committees. Therefore, in order to prevent and avoid conflict of interest in public procurement, countries should enact 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 (Thai, 2001). Moreover, Vabaga (2015) indicated that fairness in public procurement requires that officials involved in public procurement to disclose conflict of interest so as to enhance public trust and confidence.

Competitive Bidding and Procurement Performance

The study sought to examine the influence of competitive bidding on procurement performance of Kakamega County government and the findings were presented in Table 2.

Table 2: Descriptive Analysis for Competitive Bidding

Competitive Bidding	5	4	3	2	1	Mean	SD
Competitive bidding ensures there is value for money through quality of goods and services provided	30 (30.6)	31 (31.6)	6 (6.1)	16 (16.3)	15 (15.3)	3.46	1.46
The county government always seeks competitive bids from its suppliers for products & service provision over a particular period of time so as to boost user satisfaction	34 (34.7)	30 (30.6)	22 (22.4)	9 (9.2)	3 (3.1)	3.85	1.10

The procurement committee engages in public bids placing to boost procurement performance	29 (29.6)	32 (32.7)	12 (12.2)	20 (20.4)	5 (5.1)	3.61	1.25
Quality of goods or service bids influence user satisfaction and improve procurement performance	34 (34.7)	42 (42.9)	6 (6.1)	7 (7.1)	9 (9.2)	3.87	1.23
There is transparent bid selection criteria to enhance product and service quality so as to boost user satisfaction	17 (17.3)	36 (36.7)	28 (28.6)	13 (13.3)	4 (4.1)	3.50	1.06
There is integrity & inclusivity in the bidding process so as to boost procurement performance	50 (51)	23 (23.5)	17 (17.3)	5 (5.1)	3 (3.1)	4.14	1.07
Overall Mean Score						3.74	

N=98; KEY: 1= Strongly Disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.

The first statement asked the participants whether competitive bidding ensures there is value for money through quality of goods and services provided. From the results in Table 2, the mean score was 3.46 implying that the participants were in agreement (31.6%) and 30.6% strongly agreed with the statement. The standard deviation of 1.46 implies the participants had divergent opinions on the responses to the statement.

Further, the study sought to find out whether the county government always seeks competitive bids from its suppliers for products & service provision over a particular period of time so as to boost user satisfaction. The mean score of 3.83 implied that the participants were in agreement (30.6%) and 34.7% strongly agreed with the statement. The standard deviation of 1.10 indicates that the participants were not cohesive in their responses to the statement.

The third statement sought to establish whether the procurement committee engages in public bids placing to boost procurement performance. The majority of the participants were in agreement as indicated by 29.6% who strongly agreed and 32.7% who strongly agreed with a mean score of 3.61 and standard deviation of 1.040. Moreover, the study

asked the participants whether quality of goods or service bids influence user satisfaction and improve procurement performance. The findings indicate that majority of the participants were in agreement (42.9%) with a mean of 3.87 and standard deviation of 1.23 implying indifference in responses to the statement.

The fifth statement asked participants whether there are transparent bid selection criteria to enhance product and service quality so as to boost user satisfaction. The mean score of 3.50 and standard deviation of 1.095 imply that majority of the participants (36.7%) were in agreement with the statement though with divergent views as indicated by the standard deviation of 1.06. Furthermore, the study asked the participants whether there is integrity & inclusivity in the bidding process so as to boost procurement performance. A mean score of 4.14 and standard deviation of 1.07 indicates that majority of the participants were in agreement with the statement.

Professionalism and Procurement Performance

The research asked the respondents to give their opinions on how they agreed with the statement under professionalism in County and the results were as distributed in table 3.

Table 3: Descriptive Analysis for Professionalism

Professionalism	5	4	3	2	1	Mean	SD
There is continuous procurement staff training in the county government to improve procurement performance	18 (18.4)	37 (37.8)	26 (26.5)	9 (9.2)	8 (8.2)	3.49	1.14
staff competency in procurement professional ethics improves procurement performance in the county government	41 (41.8)	25 (25.5)	8 (8.2)	16 (16.3)	8 (8.2)	3.77	0.93
The county government procurement staffs' adherence to righteous procurement professional values and standards really boost procurement performance	18 (18.4)	41 (41.8)	19 (19.4)	15 (15.3)	5 (5.1)	3.53	1.11
Recruitment of procurement staff with requisite professional qualification, certification and experience really improves procurement performance	37 (37.8)	39 (39.8)	11 (11.2)	8 (8.2)	3 (3.1)	4.01	1.05
Professionally experienced staff are motivated to carry out their duties well thus improving procurement performance	29 (29.6)	31 (31.6)	20 (20.4)	11 (11.2)	7 (7.1)	3.65	1.22
The county employs procurement staff who have professional qualifications in the field of procurement	17 (17.3)	29 (29.6)	34 (34.7)	9 (9.2)	9 (9.2)	3.37	0.88
Overall Mean Score						3.64	

N=98; KEY: 1= Strongly Disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.

The participants were asked whether there is continuous procurement staff training in the county government to improve procurement performance. The findings were as illustrated in Table 3. The responses mean score 3.49 and standard deviation of 1.14 imply that 18.4% of the respondents strongly agreed and 37.8% agreed with the statement.

Further, the study sought to determine whether staff competency in procurement professional ethics improves procurement performance in the county government. The mean score of 3.77 indicate that the majority of the participants (41.8%) were in agreement with the statement. The standard deviation of 0.928 implies that the participants were cohesive in their responses to the statement. The participants were also asked whether there the county government procurement staffs' adherence to righteous procurement professional values and standards really boost procurement performance. A mean of

3.53 and standard deviation of 1.11 indicates that majority of the participants were in agreement (41.8%).

The fourth statement asked participants whether recruitment of procurement staff with requisite professional qualification, certification and experience really improves procurement performance. The mean response score of 4.01 indicated that majority of the participants were in agreement (39.8%) with the statement. The standard deviation of 1.05 indicates that majority of the participants had divergent opinions in their responses.

The study further asked the participants whether professionally experienced staffs are motivated to carry out their duties well thus improving procurement performance. A mean score of 3.65 and standard deviation of 1.22 imply that majority of the participants (31.6%) were in agreement with the statement. The study also asked the

participants whether the county employs procurement staffs who have professional qualifications in the field of procurement. A mean of 3.37 and standard deviation of 0.880 indicate that majority of the participants (34.7%) were in neutral with the statement. These findings are in agreement with Lau (2010) argues that trainings should be conducted to the staff based on decision making skills and knowledge of centralization and decentralization of purchasing activities in order to improve on the financial control and improve response to the market. Further, Terzi and Posta

(2011) cited that in order to minimize unnecessary waste of resources, it is of importance to have high qualified staff and trainings that covers ethics, corruption and fraud issues.

Adherence to Public Procurement Regulation and Procurement Performance

The researcher asked the respondents to give their opinions on how they agreed with the statement under adherence to the Public Procurement regulations and the results were as distributed in in Table 4.

Table 4: Descriptive Analysis for Adherence to Public Procurement Regulations

Adherence to Public Procurement Regulations	5	4	3	2	1	Mean	SD
All individuals involved in procurement process are conversant with the procurement rules and regulations so as to boost procurement performance	29 (29.6)	45 (45.9)	15 (15.3)	5 (5.1)	4 (4.1)	3.92	1.01
The PPDA act is availed to all procurement officers and suppliers so as to avoid case of procurement act ignorance	30 (30.6)	50 (51)	11 (11.2)	2 (2)	5 (5.1)	4.00	0.98
All procurement staff strictly follows the code of ethic developed at the organization	24 (24.5)	14 (14.3)	46 (46.9)	10 (10.2)	4 (4.1)	3.45	1.09
Procurement officers inspects goods and services delivered to check whether they conform to the requirements before accepting them	21 (21.4)	41 (41.8)	20 (20.4)	10 (10.2)	6 (6.1)	3.62	1.12
Procurement officers act in compliance with PPDA Act 2015 guidelines so as to avoid procurement flaws	11 (11.2)	41 (41.8)	30 (30.6)	8 (8.2)	8 (8.2)	3.40	1.06
Procurement staff are members of KISM which increases ethical practices during procurement process and procurement performance	6 (6.1)	27 (27.6)	38 (38.8)	20 (20.4)	7 (7.1)	3.05	1.01
Overall Mean Score						3.74	

N=98; KEY: 1= Strongly Disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.

The study asked the participants whether all individuals involved in procurement process are conversant with the procurement rules and regulations so as to boost procurement performance as shown in Table 4. Majority of the participants (45.9%) agreed (mean = 3.92) with the statement. The standard deviation indicates that

the responses did not vary from the mean by more than 1.01. The participants were also asked whether the PPDA act is availed to all procurement officers and suppliers so as to avoid case of procurement act ignorance. The majority were in agreement (51.0%) with a mean of 4.00 and standard deviation of 0.98. Moreover, the study

sought to find out all procurement staff strictly follows the code of ethic developed at the organization. The results revealed that majority of the participants (46.9%) were in neutral with a mean of 3.45 and standard deviation of 1.09.

The study also sought to find out procurement officers inspects goods and services delivered to check whether they conform to the requirements before accepting them. The mean score of 3.62 and standard deviation of 1.12 imply that majority of the participants (41.8%) were in agreement. Additionally, the study sought to find out whether procurement officers act in compliance with PPDA Act 2015 guidelines so as to avoid procurement flaws. A mean score of 3.40 and standard deviation of 1.06 imply that majority of the participants (41.8%) were in agreement and had divergent opinions in their responses to the statement.

The resulted are supported by Beke (2017) who indicated that indirect political influence occurs when public procurement officials are requested to priorities the general public welfare by following

the established procedures. The study further indicates that the ability of a public procurement system to meet its objectives is partially ensured through its regulations but it is influenced by various factors, such as political environment political influence over public procurement. Oduma and Getuno (2017) established the effects of procurement regulations as stipulated in the Public Procurement & Asset Disposal) Act 2015 on performance of public secondary schools in Nairobi city, county, Kenya. The study revealed that advertisement of procurement opportunities, use of standard tender documents, inspection and acceptance of goods and services results to cost reduction, customer satisfaction, quality goods and services and efficiency in procurement process.

Procurement Performance

The researcher asked the respondents to give their opinions on how they agreed with the statement under adherence to the Public Procurement regulations and the results were as distributed in in Table 5.

Table 5: Descriptive Analysis for Procurement Performance

Procurement Performance	5	4	3	2	1	Mean	SD
Ethical procurement issues has helped in achievement of delivery reliability	11 (11.2)	51 (52)	21 (21.4)	13 (13.3)	2 (2)	3.57	0.93
Ethical procurement issues has resulted to improved quality of goods and or services delivered	12 (12.2)	54 (55.1)	15 (15.3)	16 (16.3)	1 (1)	3.61	0.94
Ethical procurement issues has led to reduction in lead times	19 (19.4)	55 (56.1)	18 (18.4)	2 (2)	4 (4.1)	3.85	0.90
There is reduction in operating costs due to ethical procurement issues	9 (9.2)	49 (50)	25 (25.5)	10 (10.2)	5 (5.1)	3.48	0.98
There is reduction in administrative costs due to ethical procurement issues	7 (7.1)	57 (58.2)	22 (22.4)	5 (5.1)	7 (7.1)	3.53	0.97
There is efficiency and effectiveness of procurement process as a result of ethical procurement issues	13 (13.3)	47 (48)	26 (26.5)	6 (6.1)	6 (6.1)	3.56	1.01
Overall Mean Score						3.60	

N=98; KEY: 1= Strongly Disagree; 2= Disagree; 3=Neutral; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.

The study procurement performance and the participants were asked whether ethical procurement issues have helped in achievement of delivery reliability. The findings were as illustrated in Table 5. The responses mean score 3.57 and standard deviation of 0.93 imply that majority of

the participants (52.0%) were in agreement in their responses to the statement.

Furthermore, the study sought to find out whether an ethical procurement issue has resulted to improved quality of goods and or services delivered. The mean score of 3.61 indicate that the majority of

the participants (55.1%) were in agreement with the statement. The standard deviation of 0.95 implies that the participants were convergent in their responses to the statement.

The participants were also asked whether ethical procurement issues have led to reduction in lead times. A mean of 3.85 and standard deviation of 0.90 indicates that majority of the participants were in agreement (56.1%). The fourth statement asked participants whether there is reduction in operating costs due to ethical procurement issues. The mean response score of 3.48 indicates that majority of the participants were agreement (50.0%) with the statement. The standard deviation of 0.98 indicates that majority of the participants had convergent opinions in their responses.

The study further asked the participants whether there is reduction in administrative costs due to ethical procurement issues. A mean score of 3.53 and standard deviation of 0.97 imply that majority of the participants (58.2%) were in agreement with the statement. The study also asked the participants whether there is efficiency and effectiveness of procurement process as a result of

ethical procurement issues. A mean of 3.56 and standard deviation of 1.01 indicate that majority of the participants (48.0%) were in agreement with the statement.

Inferential statistics

Multicollinearity tests whether two or more conceptualized independent variables are highly correlated with each other. This leads to problems with understanding which independent variable contributes to the variance explained in the dependent variable, as well as statistical problems in calculating a multiple regression model. This assumption was tested using correlation analysis. Most researchers insist that if correlation coefficient, (r) is close to 1 or -1, then there is multicollinearity but if correlation coefficient (r) is not above 0.9, then there is no multicollinearity. In this study (table 6 on correlation analysis), the highest correlation coefficient between all pairs of independent variables (Conflict of Interest, competitive bidding, professionalism, adherence to public procurement regulations) was 0.487, which was below the threshold of 0.9, thus multicollinearity assumption was checked and met.

Table 6: Correlations Analysis

		Conflict of Interest	Competitive Bidding	Professionalism	Adherence of Regulations
Conflict of Interest	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	98			
Competitive Bidding	Pearson Correlation	-.487**	1		
	Sig. (2-tailed)	.000			
	N	98	98		
Professionalism	Pearson Correlation	-.164	.080	1	
	Sig. (2-tailed)	.107	.434		
	N	98	98	98	
Adherence of Public Procurement Regulations	Pearson Correlation	-.473**	.119	.105	1
	Sig. (2-tailed)	.000	.245	.302	
	N	98	98	98	98
Procurement Performance	Pearson Correlation	-.679**	.531**	.373**	.574**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	98	98	98	98

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

Test of linearity refers to the degree to which the change in the dependent variable is related to the

change in the independent variable. This was tested by correlation coefficients and correlation results

showed that all of the study's independent variables (Conflict of Interest, competitive bidding, professionalism, adherence to public procurement regulations) have significant correlation with the dependent variable procurement performance of County Government of Kakamega) as shown in table 6 on correlation analysis.

Multiple Regression Analysis

Multiple regression analysis was computed after assumptions of multiple regression models were tested and met. The results in table 7 showed an R square of 0.683, thus suggested that the study model explains 68.3% of the variations in the procurement performance of County Government

of Kakamega while other factors not in this study model accounts for 31.7%, thus, it is a good study model.

Further, ANOVA results also showed that the F-statistical value is significant (F=50.117, significant at $p < .001$), thus confirming the fitness of the model. That is, from the study model, the significant F value show that the four independent variables (Conflict of Interest, competitive bidding, professionalism, adherence to public procurement regulations) are indeed different from each other and that they affect the dependent variable procurement performance of County Government of Kakamega in varied ways.

Table 7: Multiple regression analysis

Model	R	Model Summary				Change Statistics			
		R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.826 ^a	.683	.669	1.02549	.683	50.117	4	93	.000

a. Predictors: (Constant), Adherence to public procurement regulations, Conflict of Interest, Competitive bidding, Professionalism

Model	ANOVA ^a					
		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	210.820	4	52.705	50.117	.000 ^b
	Residual	97.802	93	1.052		
	Total	308.622	97			

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Adherence to public procurement regulations, Conflict of Interest, Competitive bidding, Professionalism

Finally, from the values of unstandardized regression coefficients with standard errors in parenthesis in table 7, all the independent variables (Conflict of Interest; $\beta = -0.452$ (0.111) at $p < 0.01$; competitive bidding; $\beta = 0.455$ (0.097) at $p < 0.01$; professionalism; $\beta = 0.449$ (0.103) at $p < 0.01$, adherence to public procurement regulations; $\beta = 0.571$ (0.106) at $p < 0.01$; were significant predictors of procurement performance of County Government of Kakamega (dependent variable).

Therefore, the final multiple regression equation for overall significant multiple influence of the study's independent variables (Conflict of Interest, competitive bidding, professionalism, adherence to

public procurement regulations) on procurement performance of County Government of Kakamega (dependent variable) is;

$$y = -2.677 - 0.452X_1 + 0.455X_2 + 0.449X_3 + 0.571X_4$$

Where;

y= procurement performance of County Government of Kakamega

X₁= Conflict of Interest

X₂= competitive bidding

X₃= professionalism

X₄= adherence to public procurement regulations

Table 8: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-2.677	.464		-5.764	.000
Conflict of Interest	-.452	.111	-.311	-4.059	.000
Competitive bidding	.455	.097	.316	4.680	.000
Professionalism	.449	.103	.258	4.366	.000
Adherence to public procurement regulations	.571	.106	.362	5.403	.000

a. Dependent Variable: Procurement Performance

Hypothesis testing

The study tested a total of four null hypotheses and the decision of accepting or rejecting each null hypothesis is explained as follows; The decision is to either accept the null hypothesis (H_0) if its corresponding unstandardized regression coefficient $\beta = 0$ and not significant at 5% ($p > 0.05$) from the multiple regression results; or reject the null hypothesis (H_0) and accept the alternative hypothesis (H_A) if its corresponding unstandardized regression coefficient $\beta \neq 0$ and significant at 5% ($p < 0.05$).

First, null Hypothesis) H_{01} : There is no significant influence of Conflict of Interest on procurement performance of County Government of Kakamega. Alternative Hypothesis) H_{A1} : There is significant influence of conflict of interest on procurement performance of Kakamega county government. Results; Conflict of Interest; $\beta = -0.452$ (0.111) *significant at $p < 0.01$. Verdict;* we rejected the null hypothesis (H_{01}) and accepted the alternative hypothesis (H_{A1}) that there is significant influence of conflict of interest on procurement performance of Kakamega county government.

Second, null Hypothesis) H_{02} : There is no significant influence of competitive bidding on procurement performance of Kakamega county government. Alternative Hypothesis) H_{A2} : There is significant influence of competitive bidding on procurement performance of Kakamega county government. Results; competitive bidding; $\beta = 0.455$ (0.097) *significant at $p < 0.01$. Verdict;* we rejected the null hypothesis (H_{02}) and accept the alternative hypothesis (H_{A2}) that there is significant influence

of competitive bidding on procurement performance of Kakamega County Government.

Third, null Hypothesis) H_{03} : There is no significant influence of professionalism on procurement performance of Kakamega county government. Alternative Hypothesis) H_{A3} : There is significant influence of professionalism on procurement performance of Kakamega county government. Results; professionalism; $\beta = 0.449$ (0.103) *significant at $p < 0.01$. Verdict;* we rejected the null hypothesis (H_{03}) and accepted the alternative hypothesis (H_{A3}) that there is significant influence of professionalism on procurement performance of Kakamega county government.

Fourth, null Hypothesis) H_{04} : There is no significant influence of adherence to public procurement regulations on procurement performance of County Government of Kakamega. Alternative Hypothesis) H_{A4} : There is significant influence of professionalism on procurement performance of Kakamega county government. Results; adherence to public procurement regulations; $\beta = 0.571$ (0.106) *significant at $p < 0.01$. Verdict;* we rejected the null hypothesis (H_{04}) and accepted the alternative hypothesis (H_{A4}) that there is significant influence of professionalism on procurement performance of Kakamega county government.

CONCLUSIONS AND RECOMMENDATIONS

First, the study concludes that conflict of Interest significantly influence conflict of interest in the County Government of Kakamega negatively. Therefore, the first null hypothesis was rejected. This implies that as conflict of interest increases,

procurement performance decrease considerably. Some of unethical issues in relation to conflict of interest which negatively affects procurement performance include personal interests, undue outside influence and lack of clear definition conflict of interest issues. These issues have been found to hinder reduction in procurement cost, poor quality of goods and services procured.

Secondly, procurement performance of County Government of Kakamega is significantly influenced by competitive bidding. The second null hypothesis was rejected. This postulated that improvement in competitive bidding would subsequently result to improvement in procurement performance. Competitive bidding ensured there is value for money through quality of goods and services provided. Also competitive bidding ensured there is integrity & inclusivity in the bidding process so as to boost procurement performance through transparent bid selection criteria.

Thirdly, professionalism has significant influence on procurement performance in the County Government of Kakamega. The third null hypothesis was rejected. This implied that increase in procurement professionalism would result to improvement in procurement performance. Staff competency in procurement professional ethics improved procurement performance in the county government. Further, recruitment of procurement staff with requisite professional qualification, certification and experience improved procurement performance and professionally experienced staff are motivated to carry out their duties well thus improving procurement performance

Lastly, the study concluded that procurement performance in the County Government of Kakamega is significantly influenced by adherence to public procurement regulations. The fourth null hypothesis was rejected. This suggested that increase in adherence to public procurement regulations resulted to increase in procurement performance. All individuals involved in procurement process are conversant with the procurement rules and regulations so as to boost

procurement performance since the PPDA act is available to all procurement officers and suppliers so as to avoid case of procurement act ignorance

In order to prevent and avoid conflict of interest in public procurement, the study recommended that 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.

The study recommended that county government should come up with more policies to emphasize on the utilization of competitive bidding practices as this will ensure there is reduction in corruption, quality of goods procured and value for money. Further, there is need to stick to evaluation criteria as stipulated in the bidding documents so as not to jeopardize the fairness of the system.

The study recommended that procurement practitioners involved in procurement should be committed to high standards for professional conduct. Further, the study recommended that procurement department for county government should be staffed with professionally qualified personnel. This can be achieved via continuous procurement staff training as well as recruitment of procurement staff with requisite professional qualification, certification and experience in procurement practices.

The study recommended that there should be strict adherence to government regulations on public procurement. This can be achieved by consistently evaluating ethical procurement practices and audit performance of professionals so as to ensure procurement activities are conducted in compliance with public procurement regulations. The study further recommended that there should be stiffer penalties imposed for the violation of the codes or procurement ethics. This would enhance strict

adherence to government regulations on public procurement.

Areas for further studies

Due to constraints highlighted in the first chapter, this study could not exhaust all ethical issues affecting procurement performance in the county governments of Kenya. The four independent variables that were studied explained 68.3% of the procurement performance in the County

government of Kakamega. This therefore meant that other factors not studied in this research contributed 31.7% to the procurement performance in the county governments of Kenya. Therefore other ethical issues affecting procurement performance in the county government need to be established. These may include transparency, fairness, integrity, stewardship and confidentiality among others needs further investigation.

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