



**EFFECT OF PUBLIC PROCUREMENT FRAMEWORK ON DISPOSAL OF OBSOLETE STOCK IN THE PUBLIC SECTOR IN KENYA: A CASE OF THE JUDICIARY OF KENYA**

**NICHOLAS KIVEVU MUNYAO, DR. MAKORI MORONGE**

**EFFECT OF PUBLIC PROCUREMENT FRAMEWORK ON DISPOSAL OF OBSOLETE STOCK IN THE PUBLIC SECTOR IN KENYA: A CASE OF THE JUDICIARY OF KENYA**

<sup>1</sup> Nicholas Kivevu Munyao, <sup>2</sup>Dr. Makori Moronge

<sup>1</sup>Jomo Kenyatta University of Agriculture (JKUAT), Kenya

<sup>2</sup>Jomo Kenyatta University of Agriculture (JKUAT), Kenya

**Accepted: May 18, 2017**

**ABSTRACT**

*This study explored the effect of public procurement framework on disposal of obsolete stock in the public sector in Kenya. It is imperative for organizations through the public procurement framework on the disposal of asset in each public entity. The specific objectives were public policy and competent staff. The study used sampling frame, where the list of the respondents were obtained from the human resource department so as to get all the respondents. Research design in this study was used and when applied properly they enforce each other. Stratified random sampling was used to pick respondents from each stratum. This was from the following seven directorates; procurement, accounts, audit, human resource and administration, ICT, performance management and public affairs respectively from judicial head office. Qualitative and quantitative techniques were employed. Data was collected with help of research instruments; Questionnaire which were structured and semi-structured. Pilot was used to test reliability and validity of the instruments. Statistical package for social science (SPSS) version 22 was used for analysis and data was presented through tables, graphs and pie charts. The study showed that variables used were very significant and they therefore needed to be considered in any effort to boost disposal of obsolete stock in the public sector. Based on the study findings, the study concluded that disposal of obsolete stock in the public sector was affected by public policy followed by staff competency were the major factors that mostly affect disposal of obsolete stock in the public sector in Kenya. The study recommended for the implementation of public policy to enhance effective disposal of obsolete stock in the public sector. There was need to enhance staff training on the workforce as they need guidance with regard to disposal of obsolete stock in the public sector. The organization should be trained on the concept of obsolete stock in the public sector.*

**Key Words:** Public Policy, Competent Staff, Disposal of Obsolete Stock, Public Sector

## INTRODUCTION

The government remains the biggest entity that does procurement and disposal on a large scale in the country, public procurement and disposal is big business that attracts a myriad of players and stakeholders (Peter, 2012). The funds dedicated to purchasing of supplies and disposal if spent effectively and efficiently would benefit all those who obtain supplies and services from the government, however the correct public purchasing and disposal procedures when followed correctly play a major role in making the government responsive and responsible to the needs of the citizens, increasing the national income and spurring development (Barton, Jones & Gilbert, 2012).

Disposal of stock is one of the most important functions of materials management in any organization. This has become necessary as the equipment and other items tend to become surplus, obsolete, and unserviceable, over a period of time due to its long usage (Kennekae, 2012). Disposal of this type of stocks need to be done on periodic basis. Goods to be disposed of still have value for money in them and even when they undergo wear and tear and may still have financial value for the institution in question.

Furthermore, to get value for money in disposing of goods and equipment, disposal could generate huge sum of money if the following methods:- resale, trade in, auction and disposal should be based on a fair market value for each surplus item (Ntayi et al., 2012). The price established is based on current market value and condition of the equipment.

In the United States, the General Services Administration (GSA) plays a central role in disposing of unneeded property in most federal agencies. The Federal Real Property and

Administrative Services Act of 1949 (Property Act) gives GSA the authority to dispose of real property at all federal agencies unless they have independent statutory authority to dispose of their own properties themselves (Mwakibinga & Buvik, 2013). A number of agencies have independent disposal authority ranging from limited to broad in scope including two of the largest federal landholders, the US Postal Service (USPS) and the Department of Defense (Else, Luther & Alexander, 2014). When an agency notifies GSA that it has unneeded real property, GSA first offers to transfer the property to another federal agency, which must pay fair market value for it. If no other agency wishes to acquire the property, GSA may then convey it to a state or local government, or a qualified nonprofit, for up to a 100 percent discount provided it is used for an approved public benefit. Should a state or local government or qualified nonprofit wish to acquire the property for a use other than one of the approved public benefits, GSA has the option to sell the property to them at fair market value. Finally, if the property is not sold to a public or nonprofit entity, it is offered for sale to the public (Kennekae, 2012).

'Disposal' is the act of derecognizing an asset that has reached the end of its useful life when no future economic benefits or service potential is further expected from its use. Assets of such nature must be disposed or boarded off either with the aim of producing some financial returns or decongesting the stores to make way for new items and products (Mensah, 2014). Section 83 of Ghana's Public Procurement Act (Act No. 663 of 2003) clearly empowers heads of procurement entities to dispose of unserviceable goods, plants and equipment and sets out the criteria. The first option is to transfer to government departments or other public entities, with or without financial adjustment. The second option is sale by public tender to the highest tenderer, subject to reserve price. The third option

is sale by public auction, subject to reserve price and the fourth option is destruction, dumping or burying as appropriate (Atiga, Adafula & Nyeadi, 2015)). Irrespective of the position of Ghana's legislation on stores disposal, there seems to be a gap between actual disposal practices of government agencies and legislation. In addition, Mensah (2014) found that there are two main problems facing the disposal. officer who must dispose expired goods or used ones always end up for the state paying judgment debt to wrong people. The first situation is on the strategies used for effective disposing of goods and equipment in state institution(s) in order to achieve value for money. The second situation is determining whether the goods and equipment to be disposed are due for disposal and who is to assess the asset (Meeting & Luecke, 2002).

In the Kenya, disposal of public assets is governed by Public Procurement and Disposal Act, 2005 and Public Procurement and Asset Disposal Act, 2015. Both acts indicate the disposal procedure, disposal methods, disposal committee and restriction on disposal. The Public Procurement and Asset Disposal Act, 2015 indicates that a public entity shall establish a disposal committee in accordance with the regulations for the purpose of recommending the best method of disposing of unserviceable, obsolete or surplus stores or equipment (Susan & Namusonge, 2014). The act also stipulates that the employee in charge of unserviceable, obsolete or surplus stores or equipment should bring the matter to the attention of the disposal committee. In relation to the disposal procedure, the act indicates that the disposal committee shall recommend to the accounting officer a method of disposing of the stores and equipment which may transfer to another public entity or part of a public entity, with or without financial adjustment; sale by public

tender; sale by public auction; destruction, dumping or burying; or trade-in (Wahome, 2015).

The Judiciary is one of the three State organs established under Chapter 10, Article 159 of the Constitution of Kenya. It establishes the Judiciary as an independent custodian of justice in Kenya. Its primary role is to exercise judicial authority given to it, by the people of Kenya. The institution is mandated to deliver justice in line with the Constitution and other laws (Harris, 2015). It is expected to resolve disputes in a just manner with a view to protecting the rights and liberties of all, thereby facilitating the attainment of the ideal rule of law. The mission of the Judiciary of Kenya is to deliver justice fairly, impartially and expeditiously, promote equal access to justice, and advance local jurisprudence by upholding the rule of law. Its mission is to be the independent custodian of justice in Kenya (The Judiciary of Kenya, 2015).

The Chief Registrar of the Judiciary has the responsibility of being the Chief Administrator and Accounting Officer of the Judiciary. The Supreme Court, The Court of Appeal, The High Court and The Magistrate's Court all have a Registrar to serve as administrator, record keeper and delegated Accounting Officer in each of the courts. In addition, the Chief Registrar is in charge of the procurement of all stores, management and maintenance of all physical facilities (The Judiciary of Kenya, 2015).

### **Statement of the Problem**

The problem of public procurement framework on disposal of obsolete stock in the public sector in Kenya has been a contentious issue for quite some time. Ondiek and Ochieng (2013) argues that disposal of assets is an important part of public procurement framework in all public sectors, but a lot of queries are being raised as to why no value for obsolete stock is obtained after each disposal period. Keeping obsolete stocks will always results

to unnecessary expenditure on storage costs; pilferage, theft, and redundant of stock (Kakah, 2016). Disposal should always be treated as the last phase of asset management because it is a function that is necessary for guaranteeing that organization funds are not wasted on obsolete and unserviceable equipment and assets; and that when stores are disposed, they are sold at the best achievable value in the market (Mensah, 2014).

In view, of the foregoing there is a major problem with public institutions in Kenya in managing unserviceable assets. A study by Susan and Namusonge (2014) reveal that government office complexes, compounds, stock yards, parking lots and main stores exhibit assets lying idle, unserviceable stores strewn all over the yards, unserviceable motor vehicles lining up the parking lots growing grass, and unserviceable office equipment and furniture piling up in the main stores.

Kakah (2016) noted that even the Judiciary of Kenya is currently holding on to many unserviceable vehicles, which continue to lose value in its parking lot. This is similar to almost all public institutions in Kenya. The government has been embarking on process of disposing the vehicles but the exercise often suffers a setback after the institutions either cancel the disposal of tenders or time barred. At the same time they may give unjustified explanations that bids received below the threshold or reserved prices.

The available studies have been concentrating on other areas but none has specifically focused on the areas of stock disposal and at the same time covering these four independent variables under this study. Also none has conducted research study on public procurement framework and disposal stock in the judiciary of Kenya or in the Kenyan context. Even though Susan and Namusonge (2014) did a study on the factors affecting the rate of

disposal of assets in public sector organizations in Kenya; Ondiek & Ochieng (2013) carried out a study on the effectiveness and efficiency of public procurement and disposal Act in shaping competitive purchasing and disposal in the civil service in Kenya. Wahome (2015) carried out a study on the effects of unserviceable asset disposal on performance of government ministries in Kenya. Finally this study came up with the new findings which filled the existing gap. The study therefore sought to establish the effect of public procurement framework and disposal of obsolete stock in the judiciary of Kenya.

### **Objectives of the study**

The general objective of this study was to establish the effect of public procurement framework on disposal of obsolete stock in the public sector in Kenya. The specific objectives were:-

- To examine the effect of public policy on the disposal of obsolete stock in the public sector in Kenya
- To establish the extent to which competent staff affects disposal of obsolete stock in the public sector in Kenya: a case of the judiciary of Kenya

### **LITERATURE REVIEW**

#### **Theoretical Review**

##### **Public Policy Theory**

Public policy theory is considered to be relevant on understanding how public policy affects public procurement framework and disposal of stock in Kenya and hence provides a theoretical background for this for this study. Ajzen (1985), argues that overall, the TAT provides an informative representation of the mechanisms by which design choices influence user acceptance, and should therefore be helpful in applied contexts for



forecasting and evaluating user acceptance of information technology. TAT is one of the most influential extensions of Ajzen and Fishbein's "Theory of reasoned action" theory of reasoned action (TRA) in the literature. It was developed by Fred Davis and Richard Bagozzi (1989), Bagozzi, Davis and Warshaw (1992). TAT replaces many of TRA's attitude measures with the two technology acceptance measures ease of use, and usefulness. TRA and TAT, both of which have strong behavioural elements, assume that when someone forms an intention to act, that they will be free to act without limitation. In the real world there will be many constraints, such as limited freedom to act (Bagozzi, Davis & Warshaw 1992).

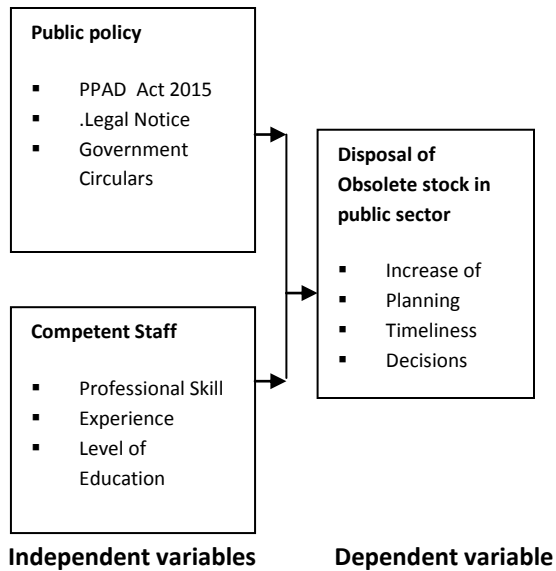
Bagozzi, et al (1992) say: "Because new technologies such as personal computers are complex and an element of uncertainty exists in the minds of decision makers with respect to the successful adoption of them, people form attitudes and intentions toward trying to learn to use the new technology prior to initiating efforts directed at using. Attitudes towards usage and intentions to use may be ill-formed or lacking in conviction or else may occur only after preliminary strivings to learn to use the technology evolve. Thus, actual usage may not be a direct or immediate consequence of such attitudes and intentions (Bagozzi, Davis & Warshaw 1992). New technologies are adopted by bank to manage their human resource information, technology acceptance model explain how the bank adopt new technologies to manage their human resource information system, thus the study seek determine the role of human resource information systems on performance of commercial banks in Kenya.

### **Bloom's Taxonomy of Learning Theory**

Bloom's taxonomy of learning theory is considered to be relevant on understanding how compensation of affects public procurement framework and

disposal of stock in public sector in Kenya and hence provides a theoretical background for this for this study in Kenya bloom (1956) produced a taxonomy of learning theory which is helpful in identifying different cognitive skills. He identified six levels in this scheme; knowledge, comprehension, application, analysis, synthesis and evaluation. Movement from level 1 to level 6 represents an increase in the level of sophistication of cognitive ability. From strategic thinking perspective, higher demands is be made of the skills associated with analysis, synthesis and evaluation. At operational and tactical level; knowledge, comprehension and application may be more heavily utilised. There are implications with this theory for the ability to learn; from the point of view of attributes in relation to personnel issues with regard to staffing, training and education. Sophisticated levels take on greater importance when analysing situations in terms of relevant factors and the relationships between them, or developing, through synthesis, a picture of the wider system and its functioning as a whole as a result of the inter-dependency of its parts. An example in procurement is the ability to understand each stage of activity in the process, as one side of the coin, but also to appreciate how the stages interrelate and to consider the performance of the system as a whole. Learning is not attempting to transfer a body of knowledge as if it were an inert commodity to be regurgitated in an exam and then promptly forgotten. It should serve more useful purpose to enhance procurement performance through embracing best practice.

## Conceptual Framework



**Figure 1: Conceptual Frameworks**

### Public Policy

Public procurement ranges from simple items or services such as clips or cleaning services to large commercial projects such as the development of infrastructure including roads, power stations and airports. It can also be the acquisition, whether under formal contract or not of works, supplies and services by public bodies. Procurement can equally mean the process of acquisition of goods and services (i.e. purchasing) and hiring contractors and consultants to carry out works and services. This includes rental, lease, hire purchase, license, tenancy, franchise or any other contractual acquisition of works, services and supplies. Procurement also embraces clearing out unnecessary acquisitions. In essence, the subject of procurement runs at all times alongside that of disposal of public assets which once acquired may need to be discarded in accordance with the principles of their purchase.

According to Westring (1985), the scope covers Specification of the kind and quality of goods or service to be acquired or disposed, Investigation of the market for supply and contacts with potential

suppliers or buyers, Placing the order or contract, including 15 negotiation of terms, Supervising delivery and performance, and taking necessary action in the event of inadequate performance, Payment and Dealing with any disputes. The process spans the whole life cycle from initial conception and definition of the needs of the public service through to the end of useful life of an asset. Public procurement can alternatively be defined as the purchase of commodities and contracting of services if such acquisition is effected with resources from state budgets, local authority budgets, states foundation funds, domestic loans or foreign loans guaranteed by the state.

### Competent Staff

Public procurement competent staff is key to government service delivery, yet constraints affect its performance. Procurement is perceived as prone to corruption; occasioning waste and affecting quality of service and life improving opportunities. There is need to reverse this worrying trend and win public confidence. Despite Government efforts to improve the procurement system, it is still marred by shoddy works, poor quality goods and services.

Improper implementation of recommended performance standards results in unnecessarily high operation costs, uncoordinated business activities, inability to achieve domestic policy goals, and failure to attract and retain professionals. Suppliers complain about the capability of public sector buyers. The Systems Audit for SLO, 2008/2009 Report revealed losses of Kshs.18,291,430.30 through irregular procurements in financial year (FY) 2008/2009. Earlier, in FY 2007/2008, SLO had lost Kshs. 8,495,968.00 due to inefficiencies. This raises questions on the level of performance of SLO's procurement system. According to Juma (2010), central government procurement was estimated at 10% of gross domestic product (GDP).

Even a 10% saving via improved procurement performance means Kshs. 30 billion annual savings for other needy sectors. Consequences of inefficiencies include drains on scarce resources and erosion of public confidence in Government. Nationally, it raises questions for SLO to exist as currently constituted or be privatized. Organisations are founded on goals and objectives and their continued existence can only be justified by the extent to which they meet them. This study is worthy so as to help get to grips with constraints; tackle waste, control public spending and light the fires of enterprise in public sector.

The general objective of this study was to assess factors influencing procurement performance in the Kenyan public sector: case study of the State Law Office. It was guided by the specific objectives of: to evaluate the extent to which records management systems affect procurement performance at the State Law Office, to establish the extent to which procurement procedures affect procurement performance at the State Law Office, to examine how information communications technology affects procurement performance at the State Law Office and to determine the contribution of staff qualifications to procurement performance at the State Law Office.

## **Empirical Review**

### **Public Policy**

Public procurement is also defined as the processes where by public sector organisations acquire goods, services and works from third parties. It includes much that supports the work of government and ranges from Routine items (e.g. stationery, temporary office staff, furniture or printed forms), to complex spend Areas (e.g. construction, Private Finance Initiative projects, aircraft carriers or support to major change initiatives).It also includes a growing spend where the private and third sectors provide key services directly to citizens in areas such as welfare-to-work, further education, social

care and health (Bolton, 2006). Such services may also be provided by the public sector directly, and in some cases even this public provision can be handled through procurement mechanisms. A public body may bid for government work against private sector firms through a formal competitive process (Anderson, 2001).

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 2 goods and services (Organization for Economic Co-operation and Development, 2006); in the UK, public procurement expenditure is approximately £150 billion (Department of Environment, Food, and Rural Affairs, 2007). In Africa, public procurement procedures are poorly executed and this negatively affects realization of increased economic development in the region. In Nigeria for instance, high level of corruption and bureaucratic procedures in the government are some of the key challenges responsible for lack of development of road network infrastructure in the northern parts of the country (Edward, 2009).

Public procurement varies between 5% and 8% of the gross domestic product (GDP) in most industrialised countries (OECD, 2007). In the Middle East and Africa, central government purchases range from 9% to 13% (Gul, 2010). This indicates that public procurement plays a vital role in a country. Public procurement has important economic and political implications, and ensuring that the process is economical and efficient is crucial. This requires in part that the whole procurement process should be well understood by the actors: government, the procuring entities and the business community/suppliers and other



stakeholders, including professional associations, academic entities and the general public.

In developing countries like Kenya, the public procurement sector is often the largest domestic market. The government has the obligation of providing goods, works and services to meet a variety of citizen needs. The necessity for public procurement law and also clearly defined procurement systems arises from the fact that, unlike the private sector, public procurement is a business within a national and political system, whose pillars of strengths (Alchian, 1972).

### **Competent Staff**

Saunders (1997) reckoned that personnel in procurement are, in a sense, information processors. They receive, analyse, make decisions and distribute information in order to manage the flow of goods and services in the SC. ICT is an enabler for information sharing which organisations in the procurement system can use for eliminating bloated inventory levels caused by cumulative effect of poor information cascading up through a SC. Daugherty, Myers and Autry (1999) averred that information integration is also a key component in many automatic replenishment programs (ARP). Initiatives such as vendor managed inventory (VMI) and collaborative planning, forecasting and replenishment (CPFR) are based on an increased level of automation in both the flow of physical materials, goods and associated information between companies to improve the efficiency in the entire system. It shortens information processing time and tremendously improves procurement performance.

Process integration can enhance procurement performance. ICT provides new ways to store, process, distribute and exchange key information with customers and suppliers in the entire

procurement system. Simatupang and Sridharan (2005) emphasised that information is the glue that holds organisations together and can be used to integrate procurement process activities both within a process and across multiple processes. Information on demand, forecasting and replenishment is recognized as a central component in integration of planning and control. Internal integration focuses on cross-functional processes. Externally, focus is on relationships with outside customers and suppliers. A relationship can have various intensity levels ranging from lowest open-market negotiations, cooperation and coordination to the highest collaboration level.

Collaboration in procurement is based on a high degree of trust, commitment and information-sharing. It requires linking performance systems with decision making, information sharing and incentive alignment in the SC. Sriram and Stump (2004) reckoned that enterprise resource planning (ERP) systems are essential for supporting internal information sharing. Externally, inter-organisational information systems (IOIS) constituting automated information systems shared by various firms can be used to support information-sharing with customers and suppliers. ICT contributes to improved communications patterns, increased demand for coordination of joint activities and new organisational structures through its ability to store, transmit and process information and speed up inter-organisational activities.

### **Public Procurement Framework on Disposal of Stock in Public Sector**

The Public Procurement Oversight Authority (PPOA) is charged with the responsibility of oversight and regulation of public procurement. According to Erridge and Greer(2002), pursuit of regulatory goals is directed towards ensuring that procurement activities and 7 contracts meet the requirements of propriety and transparency thus encouraging a risk

avoidance culture in respect of transparency. Procurement in Kenya's State corporations has been dogged by; corruption, political patronage, procurement system inefficiency, lack of sound procurement policy guidelines and lack of a genuinely open and competitive system of procurement amongst other shortcomings.

State corporations legal status varies from being a part of government to stock companies with a state as a regular stockholder. State corporations have a distinct legal form and they are established to operate in commercial affairs. While they may also have public policy objectives, GOCs (Government Owned Corporations) should be differentiated from other forms of government agencies or state entities established to pursue purely non-financial objectives. Government-owned corporations are common with natural monopolies and infrastructure such as railways and telecommunications, strategic goods and services (mail, weapons), natural resources and energy, politically sensitive business, broadcasting, demerit goods (alcohol) and merit goods (healthcare).

#### **RESEARCH METHODOLOGY**

The research design employed in this study was descriptive research design in form of a census survey. The major purpose of descriptive research design was to describe the state of affairs as it is at present in the banking industry in Kenya. Mugenda & Mugenda (2008), a descriptive research is a process of collecting data in order to answer questions concerning the status of the subjects in the study. A census study was carried out to all employees. This census survey was technically picked from each department the personnel who were directly and indirectly involved in public procurement framework on disposal of obsolete stock in Kenya. The primary data was collected through a census survey with the help of semi-structured questionnaire and secondary data through document review mainly organizational

reports and company magazines. Questionnaire had been developed based on the objectives of the study. The questionnaires were administered by two research assistants well trained for this purpose. The questionnaires had both open and close-ended questions. The study carried out a pilot study to pre-test reliability and validates the questionnaire. Data was analyzed with the help of SPSS version 21 and was presented in a form of means, median mode and standard deviation was also used to help in data analysis.

#### **DATA ANALYSIS, FINDINGS AND DISCUSSIONS**

A census of 88 was carried out using census survey design method. A total of 88 questionnaires were distributed to the employees. Out of the population covered, 55 were responsive representing a response rate of 62.50%. This was above the 50% which was considered adequate in descriptive statistics according to Mugenda & Mugenda (2012). The study also determined the gender of the respondents. The results were submitted where 67% were male and 33% female. The study determined the number of years the respondents had worked in the organization. From the findings, majority of the respondents had worked at the institution for less than 5 years representing 71.43% and only 28.57% had worked at the institution for between 6-10 years. This meant that they were in a position to analyze and respond to disposal of obsolete stock in the public sector issues as queried in the study. This implies that majority of the respondents were in existence for a long period thus the study could gather the necessary information sought by the study. The study determined the age distribution of the respondents. The findings indicated that majority of the respondents were aged between 20-29 at 47.62%, while few of them were aged above 50 years representing 7.14% of the respondents. These findings indicated that majority of the employees at the public sector were middle level employees who

had some experience in their areas of specialization. This implied that these were experienced employees who could have given the relevant information to the study area. The respondents were asked to state their highest level of education. The results indicated that a majority (43.6%) of the respondents had diploma, 36.6% had bachelor's degrees and the rest 27.4% of the respondents had master's degree and. However, further analysis showed that the majority of the respondents were of good educational and professional background education.

### Policy Framework

The study sought to assess the influence of policy framework on disposal of obsolete stock in the public sector in Kenya. This section presented findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1= Strongly Disagree). Table 4.5 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' had been taken to represent a statement highly agreed upon equivalent to a mean score of 3.5 to 5.0. Table 1 presented the findings. As tabulated, a majority of

respondents were found to highly agree that the organization had enforced the government regulations and policies with regard to public procurement (3.220); the organization had enforced the e-procurement (IFMIS) guidelines (3.291); All procurement at the organization was guided by the current Public Procurement and Asset Disposal Act 2005 (4.000); the Manuals and Legal Notices provided guidance to the procurement process (4.123); and that organization adhered to the Procurement plans (3.332). The staffs in supply chain were members of a professional body (KISM) (3.015); organization had an annual Disposal plan for obsolete items (3.123). Organization used standard tender documents (3.221) and all goods were inspected before acceptance (3.009).

The study finding supported literature review by Rotich (2011) holds that the public procurement framework influencing the level of detail in a significant procurement plan relate to the size, scope and risk of the procurement and uncertainty about its requirements, together with the complexity of the disposal of obsolete stock and the timeframe needed to achieve a successful outcome. Bedey (2008) adds that in determining the level of detail required for specific significant procurement plans, agencies must take into consideration the nature of their procurement environment and the capability of their procurement function especially on the disposal of obsolete stock in the public sector.

**Table 1: Public Policy**

Statement	Mean	Std. Dev
Organization has enforced the government regulations and policies with regard to public procurement	3.220	.5082
Organization has enforced the e-procurement (IFMIS) guidelines	3.291	.2190
All procurement at organization is guided by the current Public Procurement and Asset Disposal Act 2005	4.000	.0067

Manuals and Legal Notices provide guidance to the procurement process	4.123	.0983
Staff in Supply Chain are members of a professional body ( KISM)	3.332	.2210
Organization has an annual Disposal plan for obsolete items	3.015	.9032
Organization uses standard tender documents	3.123	.4091
All goods are inspected before acceptance	3.009	.5009

### Staff Competency

The study sought to assess the influence of staff competency on disposal of obsolete stock in the public sector in Kenya. This section presented findings to statements posed in this regard with responses given on a five-point likert scale (where 5 = Strongly Agree; 4 = Agree; 3 = Neutral; 2 = Disagree; 1= Strongly Disagree). Table 4.5 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.

Table 2 presents the findings. A majority of respondents were found to highly agree that the workforce needs external guidance with regard to disposal of obsolete stock in the public sector (3.009); The organization staff has been trained on the concept of obsolete stock in the public sector (2.921); There is need for additional skills and competencies obsolete stock in the public sector (3.832); The organization comprehensively and adequately train staff on obsolete stock in the public sector (3.402); The organization has the

capacity to enhance further training (regular update of skills) on obsolete stock in the public sector (3.191); The staff have the skills to enforce disposal obsolete stock in the public sector (3.712); The organization has initiated and developed programs specifically for public universities to develop knowledge on implementation of obsolete stock in the public sector (3.802). Training in obsolete stock in the public sector will reduce wastage within the organization processes (3.086). Training on public procurement framework should also involve all user departments and suppliers (3.006).

The study findings were in agreement with literature review by Watad & Ospina (2009) who observed that the purpose of training and development programs was to improve employees and organizational capabilities. When the organization invests in improving the knowledge and skills of the employees, the investment is returned in the form of more productive and effective employees. Training and development programs should be based on training and management needs identified by training need analysis so that the time and money invested in training and management development is linked to the core business or goals of the organization especially disposal of obsolete stock in the public sector.

**Table 2: Staff Competency**

Staff Competency	Mean	Std. Dev
The workforce needs external guidance with regard to the disposal obsolete stock in the public sector	3.009	.321
The organization staff has been trained on the concept of disposal obsolete stock in the public sector	2.921	.462
There is need for additional skills and competencies of disposal obsolete stock in the public sector	3.832	.383
The organization comprehensively and adequately train staff on disposal obsolete stock in the public sector	3.402	.129
The organization has the capacity to enhance further training (regular update of skills) on disposal obsolete stock in the public sector	3.712	.823
The staff have the skills to enforce disposal obsolete stock in the public sector	3.802	.116
The organization has initiated and developed programs specifically for public universities to develop knowledge on disposal obsolete stock in the public sector	3.086	.281
Training in disposal obsolete stock in the public sector will reduce wastage within the organization processes	3.142	.162
Training on disposal obsolete stock in the public sector should also involve all user departments and suppliers	3.026	.290

### Disposal of Obsolete Stock in Public Sector

On the extent to which disposal of obsolete stock in the organization, respondents were asked to indicate the extent to which the factors determined the obsolete stock in the organization. The data was collected from the different indicators of the variable obsolete stock in the organization which was ordinal categorical. The data was therefore presented in frequency tables with the median being used as the appropriate measure of central tendency. The results were presented in table 3. The first indicator for the dependent variable required to know what the organizations level obsolete stock in the organization was compliance with procurement regulations on the disposal of the stock was, 0% of the respondents had 0-20%, 3% had 20-30%, 11% had 30-40%, 17% had 40-50%, 69% had had over 50%. The modal class is of the respondents who had over 50% compliance. The

median was found to be 5 which imply that on average the organizations level of compliance with obsolete stock in the organization is over 50%.

The next indicator required the respondents to state the level of minimization of procurement expenditure in the organization, 3% of the respondents had 0-20%, 3% had 20-30%, 14% had 30-40%, 26% had 40-50%, 49% had over 50%. The modal class is of the respondents who had over 50%. The median was found to be 5 which imply that on average firm's levels of minimization of procurement costs was by over 50%.

When the respondents were asked what the level of transparency and accountability of disposal of the stock was, 0% of the respondents 0-20%, 3% had 20-30%, 3% had 30-40%, 34% had 40-50%, 60% had over 50%. The modal class is of the respondents who had over 50% transparency. The median was found to be 5 which imply that on average the level



of transparency and accountability of procurement

funds in organizations is over 50%.

**Table 3: Disposal of Obsolete Stock in Public Sector**

Statement	0%	10%	20%	40%	Over 60%	Mode
What is the level of compliance with procurement regulations?	0%	3%	11%	17%	69%	5
What is the level of minimization of procurement expenditure?	3%	3%	14%	26%	49%	5
What is the level of transparency and accountability in disposal of the stock	0%	3%	3%	34%	60%	5

**SUMMARY, CONCLUSION AND RECOMMENDATIONS**

The study also sought to assess the influence of public policy on disposal stock in the public sector in Kenya. A majority of respondents were found to highly agree that organization has enforced the government regulations and policies with regard to public procurement. All procurement at organization is guided by the current Public Procurement and Asset Disposal Act 2005, Manuals and Legal Notices provide guidance to the procurement processes. The respondents indicated that organization has enforced the e-procurement (IFMIS) guidelines, has an annual Disposal plan for obsolete items and all goods are inspected before acceptance to a moderate extent. The organization uses standard tender documents and that Staff in Supply Chain are members of a professional body to a moderate extent.

The study findings showed that a majority of respondents were found to highly agree that the workforce needs external guidance with regard to disposal of obsolete stock in the public sector. The organization staff has been trained on the concept of obsolete stock in the public sector. There is need for additional skills and competencies obsolete

stock in the public sector. The organizations comprehensively and adequately train staff on obsolete stock in the public sector. The organization had the capacity to enhance further training (regular update of skills) on obsolete stock in the public sector. The staffs had the skills to enforce disposal obsolete stock in the public sector. The organization has initiated and developed programs specifically for public universities to develop knowledge on implementation of obsolete stock in the public sector. Training in obsolete stock in the public sector will reduce wastage within the organization processes. Training on public procurement framework should also involve all user departments and suppliers.

**Conclusions of the Study**

Based on the study findings, the study concluded that disposal of obsolete stock in the public sector was affected by public policy followed by staff competency were the major factors that mostly affected disposal of obsolete stock in the public sector in Kenya.

The study concluded that public policy was the first important factor that affects disposal of obsolete stock in the public sector. The regression coefficients of the study showed that public policy

had a significant influence on disposal of obsolete stock in the public sector. This implied that increasing levels of public policy would increase the levels of disposal of obsolete stock in the public sector. This showed that public policy had a positive influence on disposal of obsolete stock in the public sector.

The study concluded that staff competency was the second important factor that affected disposal of obsolete stock in the public sector. The regression coefficients of the study showed that public policy had a significant influence on disposal of obsolete stock in the public sector. This implied that increasing levels of staff competency would increase the levels of disposal of obsolete stock in the public sector. This showed that staff competency had a positive influence on disposal of obsolete stock in the public sector.

### **Recommendations of the Study**

The study recommended for the implementation of public policy to enhance effective disposal of obsolete stock in the public sector. To ensure that government laws and regulations supported obsolete stock in the public sector in Kenya, the management of the public entities should improve on the level of compliance with procurement regulations compliance, design and apply better procurement policies, support and encourage other staff to execute procurement functions in accordance with the procurement regulations and procurement policies, use effective procurement

procedures, improve on relationship between management and stakeholders and employ better methods of disposal.

There was need to enhance staff training on the workforce as they needed guidance with regard to disposal of obsolete stock in the public sector. The organization should be trained on the concept of obsolete stock in the public sector. There was need for additional skills and competencies obsolete stock in the public sector. The organizations should be comprehensively and adequately train staff, have the capacity to enhance further training (regular update of skills), initiate and develop programs specifically for implementation of obsolete stock in the public sector.

### **Recommendations for Further Studies**

The study was a milestone for further research in the field of procurement performance in the public sector in Africa and particularly in Kenya. The findings demonstrated the important factors to disposal of obsolete public sector to include; public policy and staff competency. The current study should therefore be expanded further in future in order to determine the effect of public procurement legal framework on effective implementation of procurement practices. 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.

## **REFERENCES**

Ajzen, Icek. (1985). From intention to actions: A theory of planned behavior. In J. Kuhl & J. Beckman (Eds.) *Action-control: From Cognition to Behavior*. Heidelberg, GE: Springer, 11–39.

Atiga, O., Adafula, C.J. & Nyead, J.D., (2015). Statutory compliance in assets disposal practices in the public sector: Evidence from Ghana. *Journal of Transport and Supply Chain Management*, 9(1),158-164.

- Barton, R., Jones, D., & Gilbert, D. (2012). Strategic asset management incorporating ecologically sustainable development. *Journal Of Facilities Management*, 1(1), 70.
- Else, D.H., Luther, L., Bearden, D.M. & Alexander, K. (2014). Overview of Federal Real Property Disposal Requirements and Procedures. Retrieved from <https://www.fas.org/sgp/crs/misc/R43818.pdf>
- Harris, J. (2015). ICJ slams 'corrupt' judiciary in Kenya. *Lawyer*, 19(15), 7.
- H. Clark (2004). *Deciding the Scope of a Theory of Change*. New York: ActKnowledge.
- Kakah, M. (2016). Shame as Sleek Cars Seized From Sacked Judges Gather Dust at Parking Bay. Retrieved from <http://nairobinews.nation.co.ke/news/>
- Kennekae, L. (2012). Procurement strategies to serve the public good. *International Trade Forum*, (2), 11-111.
- Kothari,C.R (2011). *Research Methodology. Methods and Techniques*. New Delhi: New Age International Publishers. (2<sup>nd</sup> Edition).
- Meeting, D. T., & Luecke, R. W. (2002). Asset Impairment and Disposal. *Journal Of Accountancy*, 193(3), 49-60.
- Mensah, M.K. (2014). *Strategies for Effective Disposal Of Goods And Equipment In Public Institutions*. Retrieved from <http://ir.knust.edu.gh/bitstream/123456789/>
- Mwakibinga, F. A., & Buvik, A. (2013). An Empirical Analysis of Coercive Means of Enforcing Compliance in Public Procurement. *Journal of Public Procurement*, 13(2), 243-273.
- Mugenda, M.and Mugenda,O.(2008).*Research Methods,"Quantitative & Qualitative Approaches;;* Nairobi: Acts Press.
- Nditi, C. (2010). Resistance to Information Technology in Public Procurement in Tanzania. *ProQuest* , 23, 45-54.
- Ntayi, J. M., Ngoboka, P., Mutebi, H., & Sitenda, G. (2012). Social value orientation and regulatory compliance in Ugandan public procurement. *International Journal of Social Economics*, 39(11), 900-920.
- Ntayi, J., Ngoboka, P., & Kakooza, C. (2013). Moral Schemas and Corruption in Ugandan Public Procurement. *Journal of Business Ethics*, 112(3), 417-436.
- Ondiek, B.A. & Ochieng, D.F. (2013). Effectiveness and efficiency of public procurement and disposal Act in shaping competitive purchasing and disposal in the civil service in Kenya. *International Journal of Innovative Research and Development*, 2(6), 2278 – 0211.
- Osoro,A,Muturi,W.N and Ngugi, P. K. (2015). Factors affecting performance of supply chain systems in the petroleum industries in Kenya. Retrieved from <http://erepository.ikuat.ac.ke>
- Peter, C. (2012). QR sale could start ball rolling for disposal of more public assets. *Gold Coast Bulletin*, 18, 23-32.

Secomandi, N., & Seppi, D. J. (2012). Chapter 7: Modeling Other Commodity Conversion Assets: An Inventory Disposal Asset. *Foundations & Trends in Technology, Information & Operations Management*, 6(3/4), 299-302

Summers, J. (2012). Asset disposal: follow company policies or follow the law?. *Journal of Healthcare Materiel Management*, 9(4), 54-56.

Susan, A. M. & Namusonge, G.S. (2014). Factors affecting the Rate of Disposal of Assets in Public Sector Organizations: A Case Study of Yatta Sub-County, Kenya. *International Journal of Academic Research in Business and Social Sciences*, 4(5), 1-12.

Susan, A. M. & Namusonge, G.S. (2014). Factors affecting the Rate of Disposal of Assets in Public Sector Organizations: A Case Study of Yatta Sub-County, Kenya. *International Journal of Academic Research in Business and Social Sciences*, 4(5), 1-12.

The Judiciary of Kenya (2015). *State of the judiciary: annual report*. <http://www.judiciary.go.ke>

University of Wollongong Australia (2015). *Asset Disposal Policy*. Retrieved from <http://www.uow.edu.au/about/policy/UOW058659.html>

Wahome, E.W. (2015). The Effects of Unserviceable Asset Disposal on Performance of Government Ministries in Kenya: A Case of the National Treasury. *Strategic journal of business and change management*, 2(11), 194-217.