

## Determinants of Public Procurement Policy Implementation in Government Ministries in Kenya

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### ABSTRACT

*The main focus of this paper was to analyze the determinants of public procurement policy implementation in government ministries in Kenya. This study was informed by Institutional theory and Principal-Agent Theory. A descriptive research design was used in this study. The study targeted 144 staff of the National Treasury. A census technique method was used. In collecting the data, open-ended and closed-ended questions were used. The quantitative and qualitative data generated were analyzed by use of descriptive statistics feature in SPSS version 24 to generate information which were presented using tables, frequencies and percentages and inferential statistics to make predictions or inferences about a population from observations and analyses of a sample using correlation analysis regression analysis, analysis of variance (ANOVA) and coefficient analysis at .05 level of significance. The findings have showed that organizational structure has a positive and significant effect on PPP (Public Procurement Policy) implementation,  $\beta_1 = 0.324$ ,  $p < 0.001$ , staff competency has a positive and significant effect on PP implementation,  $\beta_2 = 0.255$ ,  $p < 0.001$ . There is need to further put in place structures that would enable the full implementation of the laws and regulations regarding communication within the department which would lead to reduced lead time. Furthermore, enhanced coordination to improve quality through enabling structures that clearly define the roles and responsibilities of the staff is critical. Also, a further relook into the standardization mechanisms would go a long way in plugging any gaps in order to reduce costs. There is a need for the organization to ensure that there is continuous on the job training to enhance implementation of rules and regulations and the fairness and equitableness of formal courses offered to the staff thus enhanced quality improvement.*

**Keywords:** Staff Competency, Organizational Structure, Implementation, Government Public, Procurement

### Introduction

Public procurement has become an issue of public attention and debate and has been subjected to reforms, restructuring, rules, and regulations (Virts, 2010). Public procurement refers to the acquisition of goods, services, and works by a procuring entity using public funds. The process covers the whole lifecycle of activities beginning with identifying a need, evaluating tenders, purchasing and ongoing contract management until the end of a goods or service contract, or the end of the useful life of an asset. In these terms, a procurement policy is simply the rules and regulations that are set in place to govern the process of acquiring goods and services needed by an organization to function efficiently (Tukamuhabwa, 2012).

Effective implementation of procurement practices is determined by the level of compliance with procurement regulations, minimization of procurement expenditure, transparency and accountability of procurement funds and quality of procured goods and services (Gadde 2014). Effective implementation of procurement practices entails implementation of strategies to be followed when making organization purchasing decisions. These include building supplier relationships, team-based approaches to procurement and proper use of technology or e-procurement (UNEP 2017). Effective implementation of procurement practices significantly improves the effectiveness of purchasing decisions (Sobczak 2008). One of the most important factors that promote effective implementation of procurement practices is improving the relationship between the buyers and suppliers. Choosing a supplier based solely on pricing often viewed as short-sighted and may be ineffective. An alternative procurement practice is to use suppliers that offer reliable products at fair prices (Elliot 2007).

Making procurement practices more of a team effort boosts employees' morale and improves strategic approaches to purchasing. Some practices include designating a representative from each department to sit on a procurement committee that regularly consults with the procurement department (McCrudden 2008). One of the most widely discussed issues that promote effective implementation of procurement practices is the use of e-procurement. E-procurement is an electronic method of purchasing supplies and services. Companies that purchase e-procurement software are able to receive products and service payments online. E-procurement is considered as an effective procurement practice because it can reduce overhead expenses by eliminating purchasing agent costs (Wisegeek 2013).

Due to the colossal amount of money involved in government procurement and the fact that such money comes from the public, there is a need for accountability and transparency, (Appolloni, 2014). Consequently, various countries both in developed and least developed countries have instituted procurement reforms involving laws and regulations. The major obstacle, however, has been inadequate regulatory implementation. It is confirmed that non-implementation problem affects not only the third world countries but also countries in the European Union. This position is further supported by Gelderman (2016) who contend that implementation in public procurement is still a major issue. Hui *et al.* (2011) while analyzing procurement issues in Malaysia established that procurement officers were blamed for malpractice and non-implementation to the procurement policies and procedures. Gelderman (2016) stipulate that implementation occurs when the target performs a requested action, but is apathetic about it, rather than enthusiastic, and puts in only a minimal or average effort. However, as an organizational outcome, implementation has traditionally been understood as conformity.

World Bank (2004), also reiterated that public procurement represents 18.42% of the world GDP. Although several developing countries have taken steps to reform their public procurement systems, the process is still shrouded in secrecy, inefficiency, corruption, and undercutting. In all these cases, huge amounts of resources are wasted (Odhiambo & Kamau, 2013). In developing countries, public procurement is increasingly recognized as essential in service delivery (Hunja, 2011), and it accounts for a high proportion of total expenditure. A well organised procurement system contributes to good governance by increasing confidence that public funds are well spent (Hunja, 2001). A school as a public entity draws its funds from government grants, bursaries, donations, school fees and parents' contributions (the Republic of Kenya, 2006) hence effective procurement systems would enhance proper utilization of public funds.

Many public procurement activities suffer from neglect, lack of direction, poor coordination, lack of open competition and transparency, differing levels of corruption and most importantly not having a cadre of trained and qualified procurement specialists, who are competent to conduct and manage such procurements, in a professional, timely and cost effective manner. The adherence to procurement procedure would ensure the public organization gets the value for money through quality services, good, and works, but this has not been effective in other sectors as is expected (KPMG, 2008). Many studies are carried out on procurement before the Public procurement and Disposal Regulations of 2006 to evaluate the efficiency of the procurement process in existence at the time, (Kipchilat, 2006). The major findings of the studies were that public procurement was not operating efficiently and that the state was losing a lot of money through the shoddy deal.

### **Problem Formulation**

The issue of public procurement policy non-implementation has triggered a lot of debate in recent years. Despite Government of Kenya efforts to improve the procurement system, it is still marred by shoddy works, poor quality goods and services, secrecy, inefficiency, corruption, inadequate regulatory implementation, lack of professionalism, and lack of transparency leading waste of huge amounts of the resource (Steve, 2012). Lack of public procurement policies implementation results in unnecessarily high operation costs, uncoordinated

business activities, inability to achieve domestic policy goals, and failure to attract and retain professionals (Simon & Evenett, 2009). Suppliers complain about the capability of government ministries in Kenya buyers.

The Systems Audit for SLO, 2012/2013 Report revealed losses of Kshs.18, 291,430.30 through irregular procurements in the financial year (FY) 2012/2013. Earlier, in FY 2011/2012, SLO had lost Kshs. 8,495,968.00 due to inefficiencies (Wanyama, 2010). This raises questions on the level of public procurement policy implementation. Several countries have, however, instituted reforms in their public procurement processes (Arrowsmith *et al.*, 2010). This is aimed at purging the public procurement sectors, encouraging competition, transparency, efficiency and ensuring accountability. These reforms have not come without difficulties (Arrowsmith *et al.*, 2010). Besides, most of the studies on public procurement policy implementation have been conducted outside Kenya and mostly in the developed world.

The notable exception studies done in Kenya did not incorporate variables such as staff competency, organizational structure, legal and regulatory framework and Technology capabilities which previous researchers have deemed significant to implementation (Goldratt, 2014). Locally, studies which have been done includes, Akech (2005) An Assessment of Existing Policies and Legislation Concerning Procurement regulatory implementation in KenGen, talks about the extent to which the application of the procurement regulatory by public entities are constrained by their knowledge of the various provisions of the PPDA and in some cases, their financial ability. According to Kamau (2013), research on the causes of poor performance in procurement functions focusing on public entities in the manufacturing industry found out that inadequate skill and professionalism was a major factor affecting efficiency and effectiveness of procurement activities. Further to that, none of the aforementioned studies investigated the determinants of public procurement policy implementation in Public sector in Kenya. This has left a knowledge gap, which this study intends to fill. Thus, this study sought to answer the following questions;

- i. *How does organizational structure affect public procurement policy implementation in government ministries in Kenya?*
- ii. *What is the effect of staff competency on public procurement policy implementation in government ministries in Kenya?*

### **Theoretical Review**

This study was informed by Institutional theory. The institutional theory is the traditional approach that is used to examine elements of public procurement (McCrudden, 2008). Institutional theory adopts a sociological perspective to explain organizational structures and behavior (Mcshane, 2009). It draws attention to the social and cultural factors that influence organizational decision-making and in particular how rationalized activities are adopted by organizations (Mcshane, 2009). Mcshane, (2009) identifies three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws, and sanctions as an enforcement mechanism, with experience as the basis for implementation.

According to Palmer and Butt, (2008), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. The normative pillar refers to norms (how things should be done) and values (the preferred or desirable), social obligation being the basis of implementation. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). 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 (Government of Kenya, 2007).

Public procurement regulations (2006) and guidelines directing procurement activities. From the three pillars of institutions propounded by Mcshane, (2009), organizational culture, social influence, organizational incentives, and enforcement are identified as antecedents of implementation to procurement rules. Hence this theory instigates the third research question: How does the organization structure affect procurement policy implementation in the government ministries in Kenya?

In addition, to intuitional theory, Principal-Agent Theory was used to support the later. According to Palmer and Butt, (2008) agency theory if applied rigorously offers a versatile tool to identify and solve enduring puzzles in procurement law and policy, in part by breaking down traditional boundaries in the law. According to Simon and Evenett (2009), while contract formation has centered on transparency, competition, and integrity, public contract administration has tended to emphasize an efficient allocation of risk between the public and private actors (Wanyama, 2010).

The principal-agent theory lends new perspectives on the transparency of procurement process, along with central theme in procurement reform (Roodhooft & Abbeele, 2014). In public procurement regulation, the Accounting officer acts as the principal where procuring entity (agent) has to report to accounting officer in matters concerning procurement activities. Procuring entity must ensure implementation of procurement regulations when conducting procurement activities since they must be accountable to the accounting officer (Simon & Evenett 2009).

Since transparency is primarily the publicizing of information on contract opportunities and awards that has traditionally been assessed from the perspectives of key stakeholders. As a result, marginal improvements in transparency are assessed for the benefits they would afford those stakeholders (Wanyama, 2010). These new perspectives, backed by quantitative assessments, could bring important new dimensions to policy debates about the marginal value of additional transparency in public procurement process (Odhiambo & Kamau, 2013). The above theory instigated the third research question: To what extent does Legal and regulatory framework affect regulatory procurement implementation in government ministries in Kenya?

## **Review of Literature**

### **Organization structure**

According to Hines, (2014) an organization structure is the total sum of ways in which an organization divides its levels into distinct tasks and then achieves co-ordination between them. The structure is the basic framework within which the executives' decision making behavior occurs. The quality and nature of decisions made are influenced by the quality of communication in the organization. The grouping of various organizations' departments and the provision of authority should be planned so that conflicts do not occur (Magee, 2013). A structure helps in the division of work, departmentalization and shows linkage of different records and activities.

Management should be interested in employee's personal lives because it creates a bond and with it trust which brings organizational benefits. Management needs to know how employees understand their roles and how they relate to them (Simon & Evenett, 2009). The effectiveness of organizational structure can be analyzed through the five mechanisms of coordination. He states that there must be mutual adjustments that achieve the coordination of work by the simple process of informal communication. There must be direct supervision where coordination is achieved by having one individual taking responsibility for the work of others (Patrick, 2010).

According to Virts, (2010) Standardization of work process, where coordination is built into the various work activities by specifications set procedures, programs basically scientific management ideas. There should be

standardization of work outputs; coordination is achieved by means of output targets and specifications like in management by objectives and the standardization of work skills where coordination is achieved by training staff in specific knowledge and skills.

### **Staff competency**

The competency movement was originally initiated by McCrudden, (2008) as an alternative to the trait and intelligence approaches in measuring and predicting human performance. Spencer and Spencer (1994) defined competency as internal characteristics of an individual that produced an effective and superior performance. Tukamuhabwa, (2012) divided into three categories as organizational competency, managerial competency, and individual competency. He defined individual competency as a list of behavioral characteristics related to job tasks. Arrowsmith *et al.* (2010) defined competency as adequate knowledge to successfully complete job tasks.

Lysons *et al.* (2006) define it as an asset of observable performance dimensions, including individual knowledge, skills, attitudes, and behaviors, as well as a collective team, process, and organizational capabilities, which are linked to high performance and provide the organization with sustainable competitive advantage. Competence refers to a person's underlying characteristics that are causally related to job performance (Barrett, 2010). Bryant, (2013) on the other hand defined in the context of particular Knowledge, traits, skills, and abilities. Knowledge involves understanding facts and procedures. Traits are personality characteristics (e.g., self-control, self-confidence) that predispose a person to behave or respond in a certain way.

Skill is the capacity to perform specifications: a person's skill is a function of both knowledge and the particular strategies used to apply knowledge. Abilities are the attributes that a person has inherited or acquired through previous experience and brings to a new task. They are more fundamental and stable than knowledge and skills (Andrew, 2008). Competence acquisition by recruitment and through external contacts with customers brings new competencies into the organization. Competencies are also developed within the organization through formal educational courses and training programs but also in the daily work (Drafke, 2009)

Acquisition and development of competencies supply the organization with new competencies. However, when employees leave the company to find a new position or to retire it is essential to preserve existing competencies of the company. According to Ebrahim, (2010) it is easier to rebuild an organization when it has lost all its physical records and systems than if it has lost all its employees. A sound procurement regulatory implementation has to have a competent professional workforce equipped with skills and knowledge for specified procurement jobs (Aine, 2012). The procurement workforce permeates virtually every effort within an agency, including successfully acquiring goods and services and executing and monitoring contracts. The emphasis that employees must have the technical know-how to perform the tasks required was also stressed by Dorothy, (2010).

### **Empirical Review**

A number of empirical researchers have been conducted that point to organizational structure as affecting implementation of procurement policies. Barrett, (2010) conducted a research on the procurement policies in Uganda. The empirical study found organizational structure as statistically significant with regard to the causes of public procurement corruption. The research concluded that organizational determinants are the major factors, which account for the increasing trends of procurement corruption (Barrett, 2010).

According to a study by Ebrahim, (2010), a system theoretic law insists that system must have at least the same degree of behavioral variety as its environment does in order to survive. The study asserts that a surviving organization has functions to decrease the variety of environmental input by some market research mechanism

to reduce information input according to organizational objective and to increase the variety of organizational behavior by appropriate market means. Ebrahim, (2010), indicated that rules, operating procedures and performance standards are set for employees to enable understand what is expected of them. The procedure for collecting and evaluating information to help managers make decisions and solve problems are defined through the organizational structure.

According to a study by Drafke, (2009), many procuring organizations do not have staff with the right competence critical to good procurement process management. There is a need for authorities to give much greater emphasis to developing such competence and to adopt best practice more widely. For big projects, the cost of employing advisers is very high and in many cases exceeded budgets by a substantial margin. Procuring organizations need to drive down advisers' costs and ensure that sensible budgets are adhered to through staff competence development.

A study by Goldratt, (2014) found that a procurement function that is carried out professionally is the heart of the delivery of any service on value for money principle. In the study, it was noted that most of the personnel carrying out procurement functions in the local authorities in Kenya had not been sensitized on procurement regulations. In emphasis, the law requires that each procuring entity establishes a procurement unit with the professionals. This was not the case in 15 out of 27 surveyed local authorities in Kenya. According to the report, it was observed that there are serious challenges in staffing of procurement professionals in the local government institutions. Some of the personnel carrying out those duties do not have any certification in procurement, and most have never been sensitized and have little knowledge if any of procurement function.

Edward, (2009) study explains that training is a key element for improved organizational performance through the increasing level of individual competencies. This means that training will help employees to master knowledge, skills, behaviors, sense of self-worth and confidence upon which they are able to perform efficiently to improve the performance of the organization.

### **Critique of Existing Literature**

Procurement policy is simply the rules and regulations that are set in place to govern the process of acquiring goods and services needed by an organization to function efficiently. However, the author has failed to indicate to us how procurement policies determine regulatory procurement implementation and therefore the study was conducted to fill in the gaps left. In an attempt to determine factors influencing implementation to procurement regulations in public secondary schools in Nyamache sub-county, Andrew, (2008), conducted descriptive survey research in 15 schools with a sample size of 135 respondents. The study established that ethics, awareness, and training influence implementations with procurement regulations. The study concentrated its research undertakings on procurement regulatory implementation challenges did not show the effect of implementation on the performance of the schools.

Kinyanjui, (2010) carried out a study on Procurement Laws Review Key to the Success of Devolution with the aim of establishing how procurement law can help implementation of county governments. The study revealed that despite the progress made since the operationalization of the law, the Kenyan procurement system still faces a myriad of challenges. In 2012 for instance, the then Permanent Secretary for Finance noted that up to 30 percent of the national budget is lost in procurement related malpractices. According to Leeders, (2009) organizations adopting the systematic approach to staff competency will usually be about defining their need for competency. In accordance with a well-organized procedure. Whereas this is true the author has failed to indicate to us how staff competency contributes to the regulatory procurement implementation. Therefore, the study was conducted to fill in the gaps left.

Dorothy, (2010) says changing an organization Technology capabilities involves alerting its equipment engineering process research technique or production method this approach goes back to scientific management theory of Fredric Taylor production Technology capabilities often has a major effect on organizational structure, but the author has not indicated to use how Technology capabilities is a determinant of procurement regulations and therefore the study was conducted to fill in the gaps left. According to Drafke, (2009) the organization structure must be reviewed and strengthened to ensure that greater flow of communication to reach those for whom it is intended. However, it's true that the author has failed to show to us how organization structure determines procurement regulatory and therefore the study was conducted to fill in the gaps left.

## Material and Method

In order to clearly analyze the determinants of procurement policy implementation in the National Treasury in Kenya, the descriptive research design was used. The targeted respondents comprised 144 procurement staff from National Treasury. The procurement staff was targeted since they are the ones involved in the execution of key procurement management decisions and hence have technical knowledge and skills on factors affecting the procurement implementation in the government ministries in Kenya. The study adopted a census technique with respect to the unit of analysis which is the procurement staff at The National Treasury in Kenya. This, therefore, ruled out the application of specific sampling design and sampling technique. The study used a census since the population of 144 is small, and the study aims to reach all the procurement staff at The National Treasury. Primary data were gathered by use of questionnaires. The questionnaire was designed to include both structured and unstructured questions. The questionnaires were self-administered.

## Validity and Reliability of the Instrument (pilot studies)

The Cronbach's Alpha Test of Reliability was used to test the reliability of the constructs describing the variables of the study. As evidenced in Table 1, the study variables had alpha coefficients higher than 0.7. This meant that the collected data were reliable as they had a relatively high internal consistency and could be generalized to reflect opinions of all respondents in the target population. As shown in Table 1, the Cronbach alpha test showed values ranging from as low as 0.705 to as high as 0.911. These findings were in line with the benchmark suggested by Hair *et al.* (2010) who regard a coefficient of 0.60 to have average reliability while a coefficient of 0.70 and above indicates that the instrument has a high reliability standard. Although most researchers generally consider an alpha value of 0.70 as the acceptable level of reliability coefficient, the lower coefficient is also acceptable (Nunnally, 1978; Sekaran & Bougie, 2010). Therefore, it can be concluded that data collected from the pilot study were reliable and obtained the acceptable level of internal consistency. Therefore, all items were included in the survey instrument.

**Table 1 Results For Pilot Study(Reliability Analysis)**

		Cronbach's Alpha
<b>Reliability Aspects</b>	Procurement Policy implementation	0.821
	Organizational structure	0.911
	Staff competency	0.705
	Total	0.816
<b>Construct Validity</b>	<b>KMO and Bartlett's Test</b>	
	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.55
	Bartlett's Test of Sphericity Approx. $\chi^2$	779.578
	Rotation Sums of Squared Loadings	
	Total	1.119
	% of Variance	66.971
	Cumulative %,	81.282

Factors with factor loadings of above 0.5 are excellent and should be retained for further data analysis. One item, however, did not meet this criterion and was dropped. All items regarding Organizational structure, Staff Competency. Frameworks were subjected to factor analysis, and the findings were presented in Table 1. First, from the findings in Table 2, the first factor accounted for 26.004% of the total variance, the second factor accounted for 23.974% of the total variance, and the third factor accounted for 16.993 of the total variance while the fourth factor accounted for 14.311% of the total variance. The first 3 factors account for 66.971% of the variance. Sampling adequacy was tested using the Kaiser- Meyer- Olkin Measure (KMO measure) of sampling adequacy. As evidenced in Table 1, a KMO measure of 0.55 was greater than 0.5 and was adequate, and Bartlett's Test statistic of 779.578 was significant,  $p < 0.001$ .

### **Analytic model**

The study used correlation analysis to measure the degree of relationship between dependent variable and independent variables; regression analysis was used to determine the amount of variation on dependent variable explained by the independent variables. The multiple regression models were used to test the relationship between the dependent variable and the independent variables.

The model is given as follows

$$y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon.$$

Where:

Y= Procurement Policy implementation

$\alpha$  = Constant of Regression,  $\beta$ =Beta Coefficients,  $X_1$ = Organizational structure,  $X_2$ = Staff Competency,  $\epsilon$ =Error of Regression

### **Findings and Discussion**

This section presents the results of the study based on the formulated research questions. Most (63.8%) of the respondents who participated in the study male procurement staff and majority (66%) of the procurement staff are aged between 26 and 45 years old showing a mix of experience among the staff therefore it is expected that there will be rich information regarding procurement policies given the experience of the staff. In addition, the findings show that 46.6% of the procurement staff have a bachelor's degree and 38 (32.8%) have diploma level of education. Finally, the findings show that 58 (50%) of the staff have worked in the procurement department of the National Treasury for 6 to 10 years. The tenure, in this case, might conform to the age of the employees where the younger employees have worked for lesser time compared to the older staff while at the same time it shows that there is a mix of experience regarding procurement.

### **Descriptive Statistics And Correlation Results**

Findings in table 2 showed that for organization structure overall response was 3.41 (SD = 0.50) which indicated neutrality with the majority of the items regarding organizational structure from the perspective of the respondents. This is especially because there are gaps in terms of the ease of communication as a result of departmentalization and this is an indication that there is no reduction in lead time. Also, there seems to be no proper coordination to ensure individuals take responsibility showing lack of quality improvement. Also, there seems to be no significant reduction in costs as a result of the standardization of the work process. The overall mean response for staff competency was 3.69 (SD = 0.62) showing agreement by majority of the respondents regarding the items on staff competency despite there were gaps in terms of the organization ensuring that there is continuous on job training to enhance implementation of rules and regulations and the fairness and equitableness of formal courses offered to the staff thus enhanced quality improvement.. The mean level of implementation of public procurement policies was 3.68 (SD = 0.68) which was above average for the majority

of the respondents. However, as indicated, the level of implementation of procurement rules and regulations is below par, and this can be partly attributed to the gaps identified earlier.

From the findings in Table 2, organization structure has a positive and significant relationship with PPP implementation,  $\rho = 0.506$ ,  $p < 0.001$  meaning that there is a probability of 0.506 that PPP implementation will increase with the increased level of organizational structure. Furthermore, the findings show that staff competency has a positive and significant relationship with PP implementation,  $\rho = 0.409$ ,  $p < 0.001$  implying that there is a probability of 0.409 that PP implementation will increase with increased staff competency. Also, the inter-factor relationships showed that there were significant and positive relationships.

**Table 2 Descriptive Statistics And Correlation Results**

	Mean	SD	PPP Implementation	Organizational Structure	Staff Competency
PPP Implementation	3.68	0.68	1		
Organizational Structure	3.41	0.5	0.506**	1	
Staff Competency	3.69	0.62	0.409**	0.500**	1

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

### Regression Model

The coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (project performance) that is explained by the independent variables. The model summary findings were presented in Table 3. The findings in Table 2 revealed that Organizational Structure. Framework account for 51% of the variation in PPP implementation ( $R$ -square = 0.51, adj.  $R$ -square = 0.493). Furthermore, the findings in Table 3 for the analysis of variance revealed that the variation accounted for the model on PPP implementation was significant,  $F(4, 111) = 28.905$ ,  $p < 0.001$ .

The first specific objective of this study was to determine how organizational structure affect public procurement policies implementation in government ministries in Kenya. This was through answering the research question that how does organizational structure affect public procurement policies implementation in government ministries in Kenya? From the findings in Table 4.13, organizational structure has a positive and significant effect on PP implementation,  $\beta_1 = 0.324$ ,  $p < 0.001$  meaning that with each unit increase in the organizational structure, PP implementation would increase by 0.324 units, and this effect is significant and over 4 times that attributed to the associated error,  $t = 4.163$ . In line with these findings, Barrett, (2010) conducted a research on the procurement policies in Uganda and concluded that organizational determinants are the major factors, which account for the increasing trends of procurement corruption. Furthermore, Ebrahim, (2010) points out that a system theoretic law insists that system must have at least the same degree of behavioral variety as its environment does in order to survive.

The second specific objective of the study was to assess how staff competency affect public procurement policies implementation in government ministries in Kenya by answering the research question that what is the effect of Staff competency on public procurement policies implementation in government ministries in Kenya? The findings in Table 4.13 showed that staff competency has a positive and significant effect on PP implementation,  $\beta_2 = 0.255$ ,  $p < 0.001$  and showing that with each unit increase in staff competency, PP implementation would increase by 0.255 units and this effect is over 3.5 times greater than that attributed to the associated error,  $t = 3.594$ . These findings support those of Drafke, (2009) who found out that many procuring organizations do not have staff with the right competence critical to good procurement process management. He recommends that there is a need for authorities to give much greater emphasis to developing such competence

and to adopt best practice more widely. In addition, Goldratt, (2014) found that a procurement function that is carried out professionally is the heart of the delivery of any service on value for money principle. In the study, it was noted that most of the personnel carrying out procurement functions in the local authorities in Kenya had not been sensitized on procurement regulations. Also, Edward, (2009) explains that training is a key element for improved organizational performance through the increasing level of individual competencies. Furthermore, the VIF values were all less than 4 while the tolerance values were all greater than 0.1 indicating the absence of multicollinearity and thus the variation contributed by each of the independent variables was significant.

**Table 3 Regression Model Coefficients Of Estimates**

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	SE	Beta	t	Sig.	Tolerance	VIF
(Constant)	-1.362	0.564		-2.413	0.017		
Organizational Structure	0.439	0.106	0.324	4.163	0.000	0.728	1.374
Staff Competency	0.28	0.078	0.255	3.594	0.000	0.874	1.144
<b>Summary Statistics</b>							
R Square	0.51						
Adj. R Square	0.493						
F	28.905						
Sig.	.000b						

a Dependent Variable: PPP Implementation

### Conclusions And Recommendation

A better organizational structure enhances PP implementation especially when there is a division of work; coordination is achieved by means of output targets and specifications and standardization of work process that facilitate implementation of rules and regulations. Deliberate investment in the enhanced staff competency on various aspects of implementation enhances PP implementation. For instance, offering periodic refresher course, ensuring professional competence is upheld to foster public procurement policies implementation.

The findings have shown gaps in terms of public procurement policy implementation, capacities and effectiveness. The procurement department of the National Treasury is given the following recommendations that would ensure further implementation of public procurement policies:

There is need to further put in place structures that would enable the full implementation of the laws and regulations regarding communication within the department which would lead to reduced lead time. Furthermore, enhanced coordination to improve quality through enabling structures that clearly define the roles and responsibilities of the staff is critical. Also, a further relook into the standardization mechanisms would go a long way in plugging any gaps in order to reduce costs. There is a need for the organization to ensure that there is continuous on the job training to enhance implementation of rules and regulations and the fairness and equitableness of formal courses offered to the staff thus enhanced quality improvement.

This study focuses on the determinants on public procurement policy implementation in government ministries in Kenya. The scope of this study only concentrated on the National Treasury and specifically in the procurement department. However, there is need to increase the scope to cover other sectors and other departments and ministries in the government so as to confirm the findings of this study and also to add more knowledge. Furthermore, because of the difference in operations between ministries, there is need to include the perspective of the external forces or factors as well as policies in order to widen the net of the factors that can have an influence on public procurement. Such forces or factors as the existing legal framework based on the judiciary are critical.

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