



**INFLUENCE OF PROCUREMENT ETHICS ON PROCUREMENT PERFORMANCE IN STATE CORPORATIONS IN KENYA**

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**ABSTRACT**

The study focused on analyzing the influence of procurement ethics on procurement performance in state corporations in Kenya. The study looked at the influence of conflict of interest, professionalism, transparency and accountability on procurement performance as the specific objectives of the study. Descriptive research design was used for the study and the questionnaire was the main data collection instrument. The quantitative data generated was analyzed by use of descriptive statistics feature in SPSS to generate information. The regression model was used to show the relationship between the dependent variable and the independent variables. It was notable that there exists strong positive relationship between the independent variables and dependent variable. The coefficient of determination was between zero and one. The data showed that the high R squared value of 0.638. It showed that the independent variables in the study were able to explain 63.80% variation in the procurement performance. Based on the research findings, the study concluded that ethical behavior can help improve procurement performance in the organizations. Though the public sector was striving hard to embrace adhere to ethical behavior there were still issues of conflict of interest, lack of professionalism, transparency and accountability. The study recommended that the current phenomenon of poor procurement performance in the state corporations to be reversed if the government and other stakeholders ensure that procurement ethical behavior exercised through assessing conflict of interest, professionalism, transparency and accountability.

**Key Words:** Conflict Of Interest, Professionalism, Transparency, Accountability, Procurement Performance

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## INTRODUCTION

Ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust and respect. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position (Palmer & Butt, 2005). Ethical behaviour supports openness and accountability in procurement with the result that suppliers have confidence in participating in the Government marketplace. It also reduces the cost of managing risks and enhances trust in public administration (Agaba & Shipman, 2009).

Ethical behavior and good probity practices enhance the procuring entities reputation in the marketplace (Schapper *et al.*, 2006). Ethical procurement practices increases business confidence in procurement processes, and is likely to maximize the number of suitable responses for future tenders (Schapper *et al.*, 2006). According to Ferrell and Ferrell (2010), widespread and highly visible organizational misconduct and scandals such as Enron, WorldCom in the United States and in Europe, Parmalat (Italy), and Royal Ahold (Netherlands) have plagued global businesses and have served to highlight the need for ethical practices in both the public and private sector domains in business.

Some countries, however, have initiated measures to enhance ethical standards and undertaken specific efforts to improve integrity in the area of defence procurement, which often requires the use of non-competitive procedures to keep national security interests confidential (World Bank, 2010). Many Africa countries have put forward ethical standards in the form of a code of conduct or ethics for the public service to ensure transparent implementation and administration of public procurement procedures (Organization for Economic Co-Operation and Development, 2009).

According to the Kenya Public Procurement and Oversight Authority (PPOA), (2007) unethical

practices in public procurement are non-enforcement of law, lack of transparency and accountability, breakdown or erosion of values and norms, weak management systems, procedures and practices, lack of professional integrity, greed and abuse of discretionary power. Edward, (2009) states that procurement corruption can take place at every stage in the contracting process: at the first instance, a corrupt agent can inflate demand or create artificial demand for goods and services. The agent may also distort the allocation of scarce budgetary resources for purchasing these goods or services.

### Statement of the Problem

Effective application of procurement ethics is a major challenge facing many state organizations around the world (Edgar, 2006). A similar observation was made again by Kenya Anti-Corruption Committee, (2010) survey with a large number of the respondents 54.3% stating that the public Sector is the most corrupt sector that is involved in unethical practices, further, 35.8% of the respondents ranked state corporations as the most failing on ethical issues.

Correspondingly, 27.5% of the respondents perceived state corporations to have issues with conflict of interest, professionalism, transparency and accountability. Further, the Global Corruption Report (2011) cites Kenya's state corporations as having issues with conflict of interest, lacking accountability mechanisms, transparency and professionalism resulting to abuse and misappropriation of the funds meant to alleviate disease. Addressing such ethical issues would lead to savings that can be directed to health care improvement and other poverty reducing programmes in Kenya. From the aforementioned findings generated concern and provoked the need to undertake a more critical and in-depth study of the procurement ethics in the state corporations in Kenya so as to understand the extent to which ethical issues influence procurement performance in state corporations in Kenya.

## **Objectives of the Study**

The aim of the study was to establish the influence of procurement ethics on procurement performance in the state corporations in Kenya. The specific objectives were:-

- To evaluate the effect of conflict of interest on procurement performance in the state corporations in Kenya
- To establish the influence of professionalism on procurement performance in the state corporations in Kenya
- To establish the influence of transparency on procurement performance in the state corporations in Kenya
- To examine the effect of accountability on procurement performance in the state corporations in Kenya.

## **LITERATURE REVIEW**

### **Theoretical Literature**

#### **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).

In a one-off interaction, where the other party's intentions are unknown, the model suggests that both actors will behave competitively to try to maximize their individual utility (Armstrong, 2005). Based on this theoretical derivation, the underlying assumptions of the integrated SCM approach are that actors are rational, but may face information problems; and that actors are self-

interested utility maximisers, but will co-operate through repeated interactions where greater net gains can be had from doing so.

#### **The Resource-Based View Theory**

The resource-based view of the firm emphasizes that valuable, rare, imperfectly imitable, and non-substitutable firm's resources result in competitive advantage (Bolton, 2006). These resources can consist of assets, capabilities, organizational processes, information, etc. and are classified into tangible and intangible resources (Brammer & Walker, 2011). The theoretical mainstays are that resources that are entirely controlled or owned by the focal organization should be cultivated in order to enhance their contribution to the organization's competitive advantage in its industrial context (Raymond, 2013).

The RBV extends the resource-based view by highlighting that professionalism in carrying out procurement function might be a constraining factor impacting sustainable procurement performance and accordingly suggest that firms with competent procurement staff generate more sustainable procurement performance than others (Wanyama, 2013). This theory link research question: To what extent does professionalism affect procurement performance in public hospitals in Kenya?

#### **Compliance Theory**

According to Kal Raustialla (2010), compliance theory is an approach to organizational structure that integrates several ideas from the classical and participatory management models. According to compliance theory, organizations can be classified by the type of power they use to direct the behavior of their members and the type of involvement of the participants. In most organizations, types of power and involvement are related in three predictable combinations: coercive-alienative, utilitarian-calculative, and normative-moral. Of course, a few organizations combine two or even all three

types. When an organization employs coercive power, participants usually react to the organization with hostility, which is alienative involvement. Utilitarian power usually results in calculative involvement; that is, participants desire to maximize personal gain. Finally, normative power frequently creates moral involvement; for instance, participants are committed to the socially beneficial features of their organizations. Some organizations employ all three types of power, but most tend to emphasize only one, relying less on the other two. Power specialization occurs because when two types of power are emphasized simultaneously with the same participant group, they tend to neutralize each other (Raustiala, 2010).

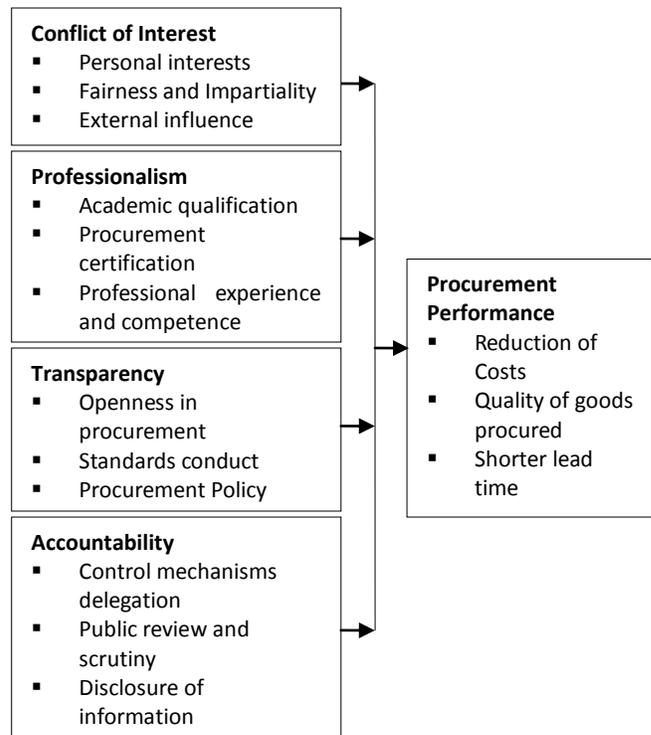
### The Principal-Agent Theory

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

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

efficient allocation of risk between the public and private actors (Wanyama, 2013).

### Conceptual Framework



Independent Variables                      Dependent Variable

**Figure 1: Conceptual Framework**

Source: Author (2018)

### Empirical Review

Wanyama, (2013) conducted a research on public procurement ethics in the Less Developed Countries (LDCs) through the Norwegian Agency for Development Co-operation (NORAD) platform. The research established that the public procurement unethical behaviors manifest in terms of direct conflict of interests. In this sense, the research established that the causes of unethical issues in public procurement. Hunja, (2011) carried out seven studies using experimental and naturalistic studies in the United States of America (USA) on the factors that affect ethical standards in the public sector. The studies revealed that upper-class individuals behave more unethically than lower-class individuals

(Jeppesen, (010). In this sense, the unethical attitudes of the upper class breeds unethical behaviour in the public sector procurement.

Organizations for Economic Cooperation and Development, (2009), study posited that enhancing professionalism in public procurement requires not only management procedures but also a clear set of values and ethical standards clarifying how to achieve these objectives. According to Patrick, (2010) study the buyer should follow ethical principles in order to build his own reputation and that of his organization. He can purchase everything but cannot buy either reputation for reliability. He asserts that these two can built by his professional ethics, moral s character wisdom and integrity. Since the buyer controls the purse of his organization as a custodian, the management expects that he will be fair, honest and dignified in his dealings. He is expected to follow ethical approach to the problem of purchasing (Shu *et al.*, 2011).

According to Lysons (2006), study indicated that ethical issues are provisions of practical help and advice, prompt payment, honesty and openness to supplier and his representative. Honesty and openness are opposite of deception (Robert & Raymond, 2006). They assert that party's intention to create or perpetuate a false belief in another party amounts to deception. The same writers identified four types of bluffing that some purchasing agents may adopt on the premise that, in negotiations, their responsibility is to obtain the best possible price, quality and delivery and that deception and manipulation of the supplier is unacceptable means of achieving the desired end.

Kinyanjui, (2012) study indicated that accurate written records of the different stages of the procurement procedure are essential to maintain accountability, provide an audit trail of procurement decisions for controls, serves as the official records in cases of administrative or judicial challenge and provide an opportunity for citizens to monitor the use of public fund. Obanda, (2010) in his study on "how

business bribes damage developing countries is to provide an information system that can keep all parties of the procurement process accountable for their actions and help track further irregularities in the process.

## **METHODOLOGY**

The study employed descriptive research design because it is an excellent way of finalizing results and proving or disproving a hypothesis. The structure has not changed for centuries, so it is standard across many scientific fields and disciplines. The population of the study was 187 chief procurement officers drawn for the Kenyan State Corporations 2018. The state corporations were classified based on Sectoral Categorization of Kenyan State Corporations. The sampling frame was drawn from the list of the 187 state corporations especially senior procurement officers. The study used primary forms of data. To ascertain the primary data from various respondents, the study used self-administered questionnaires. Questionnaires were dropped and picked later to enable the respondents have enough time to respond to the questionnaires. This could enhanced data reliability. Quantitative analysis method was applied to analyze quantitative data where data was scored by calculating the percentage and means. The Statistical Package for Social Sciences (SPSS) computer software version 22 was used specifically for the purpose of analyzing the quantitative data. The study used inferential statistics which is the process of drawing conclusions from data that are subject to random variation, for example, observational errors or sampling variation. The multiple regression model was used to show the relationship between the dependent variable and the independent variables. The model is given as follows;

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

Where:

Y=Procurement performance

$\beta_0$ =Constant of Regression

$X_1$ = Conflict of Interest

X<sub>2</sub>= Professionalism  
 X<sub>3</sub> = Transparency  
 X<sub>4</sub>= Accountability  
 ε = Error of Regression

## RESULTS

### Conflict of Interest

The study sought to know the extent to which the respondents agreed on the given statement concerning influence of conflict of interest on procurement performance in state corporations in Kenya as indicated in Table 1. A scale of 1-5, the scores were as follows: The scores “Strongly disagree=SD” and “Disagree=D” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale (1 ≤ Disagree ≤ 2.5). The scores of ‘Neutral’ were represented by a score equivalent to 2.6 to 3.5 on the Likert scale (2.6 ≤ Neutral=N ≤ 3.5). The score of “Agree=A” and “Strongly agree=SA” were represented by a mean score equivalent to 3.6 to 5.0 on the Likert Scale (3.6 ≤ Agree ≤ 5.0). The results were presented in mean and standard deviation as illustrated in Table 1.

From the study results, majority of the respondents were neutral that that the personal interests at the various stages of procurement process affect quality of goods procured in the organization as shown by a mean of 3.675, Lack of clear definition conflict of interest issues for the officials involved in procurement process hinder reduction of procurement costs as shown by a mean of 3.679;

Personal interests act exclusively in the procurement process thus enhanced quality of goods procured as shown by a mean of 3.767; to a small extent fairness and impartiality is demonstrated in the procurement process thus leading to improved quality of goods procured as shown by a mean of 3.554 and Political and outside influence was being experienced in the procurement process affecting reduction of procurement costs as shown by a mean of 3.456. This implied that conflict of interests influence procurement performance in state corporations in Kenya.

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 was 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).

**Table 1: Conflict of Interest**

Statement	Mean	Std
The personal interests at the various stages of procurement process affect quality of goods procured in the organization	3.675	.546
Lack of clear definition conflict of interest issues for the officials involved in procurement process hinder reduction of procurement costs	3.679	.327
Personal interests act exclusively in the procurement process thus enhanced quality of goods procured	3.767	.626
Fairness and impartiality is demonstrated in the procurement process thus leading to improved quality of goods procured	3.554	.780
Political and outside influence is being experienced in the procurement process affecting reduction of procurement costs	3.456	.888

**Professionalism**

The study sought to know the extent to which the respondents agreed on the given statement concerning influence of professionalism on procurement performance in state corporations in Kenya as indicated in Table 2. A scale of 1-5, the scores were as follows: The scores “Strongly disagree=SD” and “Disagree=D” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale (1 ≤ Disagree ≤ 2.5). The scores of ‘Neutral’ were represented by a score equivalent to 2.6 to 3.5 on the Likert scale (2.6 ≤ Neutral=N ≤ 3.5). The score of “Agree=A” and “Strongly agree=SA” were represented by a mean score equivalent to 3.6 to 5.0 on the Likert Scale (3.6 ≤ Agree ≤ 5.0). The results were presented in mean and standard deviation as illustrated in Table 2.

From the study results, majority of the respondents were neutral that that the procurement staff had been certified by the professional body thus there was quality of procured goods and services in the

organization as shown by a mean of 3.568, There was a continuous testing of staff competence which enhance diversity of procurement functions to increase efficiency and effectiveness in the procurement process as shown by a mean of 3.542; The organization employed procurement and supply management from the recognized institutions to enhance timely delivery of goods and services as shown by a mean of 3.223; to a small extent the organization procurement professionals acknowledge and device strategies for managing complex challenges thus reduction of procurement costs as shown by a mean of 3.765 and there is a requirement to educate professionals and equip them with new and higher-level skills to have reduced procurement costs as shown by a mean of 3.787. This implies that professionalism influence procurement performance in state corporations in Kenya.

**Table 2: Professionalism**

Statement	Mean	Std
The procurement staff have been certified by the professional body thus there is quality of procured goods and services in the organization	3.568	.876
There is a continuous testing of staff competence which enhance diversity of procurement functions to increase efficiency and effectiveness in the procurement process	3.542	.653
The organization employs procurement and supply management from the recognized institutions to enhance timely delivery of goods and services	3.223	.562
The organization procurement professionals acknowledge and device strategies for managing complex challenges thus reduction of procurement costs	3.765	.345
There is a requirement to educate professionals and equip them with new and higher-level skills to have reduced procurement costs	3.787	.908

**Transparency**

The study sought to know the extent to which the respondents agreed on the given statement concerning influence of transparency on procurement performance in state corporations in Kenya as indicated in Table 3. A scale of 1-5, the scores were as follows: The scores “Strongly disagree=SD” and

“Disagree=D” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale (1 ≤ Disagree ≤ 2.5). The scores of ‘Neutral’ were represented by a score equivalent to 2.6 to 3.5 on the Likert scale (2.6 ≤ Neutral=N ≤ 3.5). The score of “Agree=A” and “Strongly agree=SA” were represented by a mean score equivalent to 3.6 to 5.0

on the Likert Scale ( $3.6 \leq \text{Agree} \leq 5.0$ ). The results were presented in mean and standard deviation as illustrated in Table 3.

From the study results, majority of the respondents were neutral that the organization adheres to the higher standards conduct by ensuring there was open to scrutiny to enhance quality of goods and services procured as shown by a mean of 3.654. The organization has adopted anti-corruption practices in improving value for money thus reduction of procurement costs as shown by a mean of 3.212. The rules which govern the procurement procedures were

clearly defined and easily verified to ensure quality of goods and services procured as shown by a mean of 3.876. There were no discriminatory policies upon the purchasing decisions thus quality and timely delivery of goods and services procured as shown by a mean of 3.225. There were open bidding procedures, prompt disclosure of the results to enhance transparency in the procurement process in the organization as shown by a mean of 3.456. This implied that transparency influenced procurement performance in the state corporations in Kenya.

**Table 3: Transparency**

Statement	Mean	Std
The organization adhere to the higher standards conduct by ensuring there is open to scrutiny to enhance quality of goods and services procured	3.654	.876
The organization has adopted anti-corruption practices in improving value for money thus reduction of procurement costs	3.212	.676
The rules which govern the procurement procedures are clearly defined and easily verified to ensure quality of goods and services procured	3.876	.889
There is no discriminatory policies upon the purchasing decisions thus quality and timely delivery of goods and services procured	3.225	.435
There is open bidding procedures, prompt disclosure of the results to enhance transparency in the procurement process in the organization	3.456	.232

### Accountability

The study sought to know the extent to which the respondents agreed on the given statement concerning influence of accountability on procurement performance in state corporations in Kenya as indicated in Table 4. A scale of 1-5, the scores were as follows: The scores “Strongly disagree=SD” and “Disagree=D” were represented by mean score, equivalent to 1 to 2.5 on the continuous Likert scale ( $1 \leq \text{Disagree} \leq 2.5$ ). The scores of ‘Neutral’ were represented by a score equivalent to 2.6 to 3.5 on the Likert scale ( $2.6 \leq \text{Neutral}=N \leq 3.5$ ). The score of “Agree=A” and “Strongly agree=SA” were represented by a mean score equivalent to 3.6 to 5.0 on the Likert Scale ( $3.6 \leq \text{Agree} \leq 5.0$ ). The results were presented in mean and standard deviation as illustrated in Table 4.

From the study results, majority of the respondents that the procurement staff showed the commitment to high standards for professional conduct in the procurement process as shown by a mean of 3.227. The procurement staff showed clear chain of responsibility on handling procurement related challenges as shown by a mean of 2.878. There were adequate control mechanisms handling complaints from suppliers to enhance quality of goods and services procured as shown by a mean of 2.990. There was always public review and scrutiny of organization procurement actions to enhance reduction of procurement costs and quality of goods and services procured as shown by a mean of 3.219. There was disclosure of information and instating participatory monitoring systems to enhance reduction of procurement costs, quality and timely delivery of procured goods and services as shown by

a mean of 3.008. This implied that accountability influence procurement performance in state corporations in Kenya.

**Table 4: Accountability**

Statement	Mean	Std
The procurement staff show the commitment to a high standards for professional conduct in the procurement process	3.227	.786
The procurement staff show clear chain of responsibility on handling procurement related challenges	2.878	.543
There are adequate control mechanisms handling complaints from suppliers to enhance quality of goods and services procured	2.990	.678
There is always public review and scrutiny of organization procurement actions to enhance reduction of procurement costs and quality of goods and services procured	3.219	.232
There is disclosure of information and instating participatory monitoring systems to enhance reduction of procurement costs, quality and timely delivery of procured goods and services	3.008	.221

**Multiple Regression Analysis Model**

The study adopted a multiple regression analysis so as to establish the relationship of independent variables and dependent variables. The study applied SPSS compute the measurements of the multiple regression analysis. According to the model summary Table 5, the coefficient of determination (R<sup>2</sup>) was used to measure how far the regression model's ability to explain the variation of the independent

variables. It was notable that there existed a relationship between independent variables and decedent variable with a correlation coefficient of 0.799. The coefficient of determination is between zero and one. The data showed that the high R square is 0.638. It showed that the independent variables in the study were able to explain 63.80% variation in the procurement performance in the state corporations while the remaining 36.20% is explained by the variables or other aspects outside the model.

**Table 5: Model Summary**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of the Estimate
1	.799	.638	.609	.014

**Analysis of Variance (ANOVA)**

F-statistic test basically shows whether all the independent variables included in the model jointly influence the dependent variable. Based on the study results of the ANOVA Test or F-test in Table 6, obtained F- calculated value was 30.008. This was

greater than the F- table value (15.876) with significance of 0.001. Since the significance level of 0.001 < 0.05 we concluded that the set of independent variables affected the procurement performance in the state corporations and this showed that the overall model was significant.

**Table 6: ANOVA**

Model	Sum of Squares	d.f	Mean Square	F	Sig.
Regression	71.095	4	17.774	30.008	.001
Residual	68.115	115	.5923		
Total	139.210	119			

NB: F-critical value = 15.876;

**Regression Coefficients**

The study conducted a multiple regression analysis so as to determine the relationship between the dependent variable and independent variables. From the study findings on the regression equation established, taking all factors into account (independent variables), constant at zero, procurement performance was 6.446. The data findings analyzed also showed that taking all other independent variables at zero, a unit increase professionalism led to a 0.660 increase in procurement performance; a unit increase in transparency led to a 0.637 increase in procurement performance, a unit increase in accountability led to 0.567 increase in procurement performance and a unit increase in conflict of interest led to 0.560 increase in procurement performance. This inferred that professionalism contributed most to

procurement performance in the state corporations in Kenya.

Further, based at 5% level of significance, professionalism was found to have a calculated  $t = 6.876$  (greater than the tabulated value of  $t > 1.96$ ) and a significance level of 0.000 thus the value of less than 0.05; transparency showed a calculated  $t = 6.065$  (greater than the tabulated value of  $t > 1.96$ ) and a significance level of 0.003 thus the value of less than 0.05, accountability was found to have a calculated  $t = 4.200$  (greater than the tabulated value of  $t > 1.96$ ) and a significance level of 0.004 thus the value of less than 0.05, conflict of interest show was found to have a calculated  $t = 3.568$  (greater than the tabulated value of  $t > 1.96$ ) and a significance level of 0.005 thus the value of less than 0.05 hence the most significant factor was professionalism.

**Table 7: Coefficient Results**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		$\beta$	Std. Error	$\beta$		
1	(Constant)	6.446	.998		6.459	.000
	X <sub>1</sub> -Professionalism	.660	.096	.502	6.876	.000
	X <sub>2</sub> -Transparency	.637	.105	.455	6.065	.003
	X <sub>3</sub> -Accountability	.567	.135	.405	4.200	.004
	X <sub>4</sub> -Conflict of Interest	.560	.157	.309	3.568	.011

a. Dependent Variable: Procurement performance

## CONCLUSION

The regression coefficients of the study showed that professionalism has a significant influence on procurement performance in the state corporations in Kenya. This implied that increasing levels of professionalism would increase the levels of procurement performance in the state corporations in Kenya. This showed that professionalism has a positive influence on procurement performance in the state corporations in Kenya.

The regression coefficients of the study showed that transparency has a significant influence on procurement performance in the state corporations in Kenya. This implied that increasing levels of transparency would increase the levels of procurement performance in the state corporations in Kenya. This showed that transparency has a positive influence on procurement performance in the state corporations in Kenya.

Further, the regression coefficients of the study showed that conflict of interest has a significant influence on procurement performance in the state

corporations in Kenya. This implies that increasing levels of conflict of interest would decrease the levels of procurement performance in the state corporations in Kenya. This showed that conflict of interest has a negative influence on procurement performance in the state corporations in Kenya.

Finally, the regression coefficients of the study show that accountability has a significant influence on procurement performance in the state corporations in Kenya. This implied that increasing levels of accountability would increase the levels of procurement performance in the state corporations in Kenya. This showed that accountability has a positive influence on procurement performance in the state corporations in Kenya.

## **RECOMMENDATIONS**

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

The study recommended that procurement practitioners involved in procurement should be committed to high standards for professional conduct. Competence is expected of supply

management professionals. Developing business skills and increasing knowledge of supply management demonstrates a commitment to the profession and positively impacts you, your employer, peers, and suppliers. Professional development requires continuing education.

Procurement should strive to be as transparent as possible within reason, while maintaining the integrity of the competitive process, and protecting confidential information. Public procurement should to the greatest extent practicable, be transparent in its practices, processes, policies and relationships with all stakeholders, while ensuring protection of confidential information.

The organizations should ensure that there is clear chain of responsibility together with effective control mechanisms; handling complaints from suppliers; public review and scrutiny of procurement actions commitments of procurement officers to high standards for professional conducts and principles; good conducts of suppliers and contractors; fairness and competition.

## **Areas for Further Research**

The study analyzed the influence of procurement ethics on procurement performance in state corporations in Kenya. Due to constraints highlighted in the first chapter, this study could not exhaust all the influence of procurement ethics in the state corporations. Research should be conducted to establish other factors influencing procurement performance in the state corporations in Kenya.

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