IMPLEMENTATION OF PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT, 2015 AND OPERATIONAL PERFORMANCE AT KENYATTA UNIVERSITY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT UNIVERSITY OF NAIROBI.

DECEMBER, 2017
DECLARATION

Student Declaration
This research project is my original work and has not been submitted for a degree in any other university.

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Supervisors’ Declaration
This research project has been submitted for review with my approval as University Supervisor

Signature………………………......... Date…………………………………………

Angela Kanguara
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DEDICATION

This project is dedicated to my family that I respect for their love and support during my time as a student at the University of Nairobi.
ACKNOWLEDGEMENT

It has been an moving and informative learning phase at the University of Nairobi and I feel honored to have had the opportunity to carry out this study as a expression of knowledge gained through the phase of study for my degree. I am extremely grateful to my supervisor Angela Kaguara for her consummate direction, annotations and bear without whose aid; this study mission would not have been a triumph.

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# TABLE OF CONTENTS

DECLARATION .......................................................................................................................... ii
DEDICATION ............................................................................................................................. iii
ACKNOWLEDGEMENT ............................................................................................................ iv
TABLE OF CONTENTS ............................................................................................................. v
LIST OF TABLES ....................................................................................................................... viii
LIST OF FIGURES .................................................................................................................... ix
ABBREVIATIONS & ACRONYMS ............................................................................................ x
ABSTRACT ............................................................................................................................... xi

## CHAPTER ONE: INTRODUCTION ............................................................................................. 1

1.1 Background of the Study ..................................................................................................... 1

1.1.1 Public Procurement in Kenya ...................................................................................... 3

1.1.2 The Public Procurement Asset Disposal Act, (2015) .................................................. 5

1.1.3 Kenyatta University ..................................................................................................... 6

1.1.4 Operational Performance ............................................................................................ 7

1.2 Research Problem ............................................................................................................ 8

1.3 Research Objectives ......................................................................................................... 10

1.4 Value of the Study ........................................................................................................... 10

## CHAPTER TWO: LITERATURE REVIEW .................................................................................. 12

2.1 Introduction ....................................................................................................................... 12

2.2 Theoretical Framework .................................................................................................... 12

2.2.1 Stakeholder Theory .................................................................................................... 12

2.2.2 Resource Based Theory .............................................................................................. 13
2.2.3 Ethics Based Theory

2.3 Factors Affecting Implementation of Public Procurement Asset Disposal Act 2015

2.3.1 Leadership Roles

2.3.2 Procurement Planning

2.3.3 Human Capital Competency on Public Procurement

2.3.4 External Pressure

2.4 Integrated Financial Management Information System (IFMIS) IT Enabled Infrastructure

2.5 Operational Performance Measurement

2.6 Summary and Research Gap

2.7 Conceptual Framework

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

3.2 Research Design

3.3 Population of Study

3.4 Sampling Design

3.5 Data Collection Method

3.6 Data Analysis

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

4.2 General Information

4.2.1 Respondent Gender

4.2.2 Designation
4.2.3 Education Level ........................................................................................................31
4.3 Factors Affecting Implementation of Public Procurement Asset Disposal Act, 2015 at
Kenyatta University ........................................................................................................31
4.4 Operational Performance at Kenyatta University .........................................................34
  4.4.1 Regression Analysis .................................................................................................34
  4.4.2 Strength of the Model ............................................................................................35
  4.4.3 Analysis of Variance ...............................................................................................36
  4.4.4 Coefficient of Regression Equation ........................................................................37

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ...40
5.1 Introduction ..................................................................................................................40
5.2 Summary of the Findings ............................................................................................40
5.3 Conclusion ....................................................................................................................41
5.4 Recommendations .......................................................................................................41
5.5 Limitations of the Study ..............................................................................................42
5.6 Suggestions for Future Research ................................................................................42

REFERENCES ....................................................................................................................44
APPENDICES ....................................................................................................................49
APPENDIX I: INTRODUCTORY LETTER .......................................................................49
APPENDIX II: RESEARCH QUESTIONNAIRE .................................................................50
## LIST OF TABLES

Table 3.1: Summary of Research Methodology ................................................................. 28
Table 4.1: Gender .................................................................................................................. 29
Table 4.2: Respondents Designation .................................................................................. 30
Table 4.3: Education level .................................................................................................. 31
Table 4.4: Factors Affecting Implementation of Public Procurement Asset Disposal Act, 2015 at Kenyatta University ............................................................ 32
Table 4.5: Model Summary ............................................................................................... 35
Table 4.6: Analysis of Variance ......................................................................................... 36
Table 4.7: Coefficients ...................................................................................................... 37
LIST OF FIGURES

Figure 2.1: Conceptual Model ..............................................................................................23
ABBREVIATIONS & ACRONYMS

CIPS – Chartered Institute of Purchasing and Supplies

GDP - Gross Domestic Product

GOK - Government of Kenya

ICT - Information Communication and Technology

KACC - Kenya Anti-Corruption Commission

MRO - Maintenance, Repairs, and Operations

PPDA - Public Procurement and Disposal Act

PPOA - Public Procurement Oversight Authority

PE - Procurement Entity

PPARB - Public Procurement Administration Review Board

ROK - Republic of Kenya

SCM - Supply Chain Management

SPSS - Statistical Package for Social Sciences

TI - Transparency International
ABSTRACT
The need of public procurement reforms has become a matter of urgency in all public institutions and this has necessitated in the establishment and implementation of Public Procurement Assets Disposal Act, 2015. However, there are underlying factors that influence its full implementation. This study therefore was aimed at determining the factors affecting implementation of PPADA, 2015 at Kenyatta University and also relates it to operational performance. The independent variables of the study involved External Pressure, Leadership Roles, Procurement Planning and Human Capital Competency while the dependent variable was operational performance. The study targeted a sample of 70 respondents out of which 54 of them responded translating to 77% response rate. Data was collected using a research questionnaire. The study findings revealed that there exists democratic leadership at the institution to implement PPADA, 2015 as a leadership role at great extent with a mean (M = 3.94; SD = 0.856). Other respondents reported that procurement planning through existence of budgets for implementing PPADA, 2015 at a great extent with a mean (M = 3.63; SD = 0.896) while other respondents reported that there exists external pressure through dynamic market conditions that affect implementation of PPADA at a great extent with a mean (M = 3.58; SD = 1.023) and there exists political pressure that influences political decisions at the university at a great extent with a mean (M = 3.52; SD = 0.904). Moreover, other respondents reported that procurement planning through existence of adequate planning through teamwork and resource allocation in the institution affects implementation of PPADA, 2015 at a moderate extent. Other respondents reported that procurement planning through existence of adequate planning through teamwork and resource allocation in the institution affects implementation of PPADA, 2015 at a moderate extent.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Public procurement is a key function in the management of resources in the public institutions. Procurement profession offers a significant alternative in the efficient utilization of resources in general. It has proved to be realistic in many countries such that procurement has been noted to be vulnerable to the management and ethical conduct and this has led to organizations to integrate the procurement function in major organizational goals. In this regard most countries have resulted in incorporating annual procurement plans in their daily activities. Many governments across the globe utilize public procurement in supporting their general activities in providing services to the members of the public this has helped government achieve customer satisfaction in terms of service delivery to the public (Arrowsmith, 2003).

Globally, the role of public procurement has been viewed with a lot of concern such that it is regarded as a driver for growth and development, as such leading to establishment of procurement function across the globe (Trepete,2004) Procurement training incorporates knowledge acquisition to sharpen skills, learn rules, concepts and changing behaviors and attitude of employee performance (Lathern ,1998).Other researchers have done research on different context to investigate the role of public procurement in economic development. In Kenya public procurement utilizes 45% of the national budget, However this was this does not involve county government funding. This indicates the existence of public procurement development activities (Waiganjo,2006).The public procurement Asset Disposal Actin 2015 is used as a tool for regulating purchasing for the government
and its entities. This helps the purchasing entities to safeguard the rule of law in procuring activities in general hence achieving value for money for the public (PPOA,2009).

Another study done in October 2007 detailing issues of procurement systems in Kenya by the Independent Consultancy Romboll Management in Liaison with Public Procurement Oversight Authority that there were proper legal mechanisms in place to manage procurement issues in the county. However, there were different challenges exhibited on pre-qualification, procurement planning, payment, the use of technical capacity procedures, inadequate feedback capacity among others were issues derailing full implementation of PPOA, 2013.

Maskin, (2004) asserts that implementation of procurement activities should be uniform at all times. The institutions in public and private sector are at risk of fraudulent cases on corruption related matters. Suppliers are perceived to be operating in a cartel that amounts to fraud, such that it hinders competition in the market. Therefore procurement performance and organizational performance are intractably and inextricably intertwined. Procurement function uses the largest portion of the organization budget, thus it is important to maximize on return on investment. Public procurement employees are entrusted with the public resources for purchasing goods and services on behalf of the entire organization.
Moreover procurement function in public entities is significant for service delivery as well as being utilized as a tool for economic development as such there is need to address the issue of ethical consideration by confirming the factors affecting implementation of public procurement Asset Disposal Act, 2015.

There is need to reverse this trend so as to achieve value for investment and public confidence as well. Government has tried to improve its procurement procedures but their effort has been affected by different shortcomings such as resistance of employees, inadequate raw materials and compromised quality of finished goods. Also, there is deficiency in the full implementation of best practices thus leading to high costs of operations, failure to meet the intended organizational goals and variations in business activities in the organization.

1.1.1 Public Procurement in Kenya

Kenya as a nation has concrete legal mechanism that is institutionalized to protect the interest of public procurement as a function (Aketch, 2005). This function initially was managed by Crown Agenda on behalf of the Kenyan Government through the colonial era. The suppliers manual was developed in 1978 and was backed by other circulars that were offered by the Treasury. There were numerous differentiated conflicting circulars from the Ministry that overshadowed the manual guidelines. The need for procurement reforms became urgent because of the urgent need in implementing public procurement Asset Disposal Act in the country. The external pressure also emerged demanding full implementation of the same. (PPOA, 2010).
Studies conducted by SGS consultants and the World Bank in 1986 AND 1987 respectively to evaluate the country’s procurement system revealed that the public procurement experienced challenges such as unfair competition, inadequate trained staff on procurement issues, lack of professionalism and lack of transparency among others (OECD, 2003, Bashaka, 2009). Both studies recommended that reforms in the public procurement were a necessity that should be upheld by the government. This therefore led to Exchanquer and Audit being gazetted (Public Procurement Regulations, 2011). On the other hand, Independent Procurement Review (IPR) as part of the reforms in 2005 established that there were many weaknesses in procurement functions (OECD, 2005); this therefore necessitated anchoring the procurement process through an Act of Parliament known as Public Procurement Oversight Authority that governs procurement processes (PPOA, 2005).

However, the PPDA, 2005 was established despite it not addressing the past weaknesses (Mars Group, 2011). That notwithstanding, there were different scandals that emerged there about such as maize importation, Anglo leasing security, contract and the sale of Grand Regency Hotel to an independent investor from Libya among others. Public procurement malpractices were estimated to cost the country over Kshs. 700 Billion. According to PPOA review report of Public Entities (PE’s), the implementation of the Act and compliance levels to the rules was very low therefore affecting the performance of these entities in delivering their key mandates as expected (PPOA, 2010, Murugi, 2014).
1.1.2 The Public Procurement Asset Disposal Act, (2015)

The Public Procurement Asset Disposal Act, 2015 approved an Act of Parliament and gazetted in 2015 ready for implementation. This Act established the ground moves for public procurement in general. Its objectives was to maximize economic improvement and development through efficient procurement practices, to ensure that there was value for money in public procurement, to safeguard competitiveness and fair play in all public procurement procedures, to promote fairness and integrity in all processes, to instill public confidence through transparency and accountability on public procurement functions (PPADA, 2005; Muriungi, 2014).

Value for money involves the key implementation of government policies and priorities that are geared towards achieving optimal performance for the money spent on behalf of the public (Bauld & Guiness, 2006). In other instances, the government has the authority to consider other key issues apart from the reduced price segment during purchasing. This involves prequalification and qualifications of key personnel based on their provisions performance in handling contracts awarded to suppliers, technical capabilities of supplies as well as their financial capabilities (Cuumings & Qiao, 2003). This involves the transparent ways of information sharing among parties involved and full disclosure of contractual terms and conditions. The use of E-procurement platform is also emphasized such that it guarantees instant service delivery, promotes integrity and improve access to markets among others (UNDP, 2010).

The end user of Public Procurement Process demand greater accountability from all public procurement processes (Gunasekaran, 2005). Therefore, to manage risks associated with unethical conduct in procurement related activities is a big challenge to
all stakeholders. Procurement practitioners are therefore required to exhibit professionalism in conducting the procurement functions. If procurement officers are not professionally qualified, lack of awareness among stakeholders about the rules in relation to procurement leads mistrust and flawed procurement processes. This then leads to reduced levels of procurement performance in organizations (Atkinson, 2003).

1.1.3 Kenyatta University

Kenyatta University is a public institution of higher learning is among the research oriented public universities in Kenya. The colonial government handed over the Kahama Barrack to the newly established Kenya government in 1963 and the barracks were then converted to Kenyatta institution and in 1970 Kenyatta university was named ingredient college of the University of Nairobi and in 1985 the institution became a fully-fledged public university.

Kenyatta University is regarded as a home for top scholars and experts in diverse fields such as research. The university offers bachelor’s degree, master’s degree and doctoral degree through their twelve campuses across the country. However, Kenyatta University is under the obligation of conducting its procurement functions based on Public Procurement Asset and Disposal Act 2015. The institution has a procurement unit that is established according to the Section 26 (4) of the PPAD 2015. The institution has a procurement unit that is established according to the Section 26 (4) of the PPAD 2015.

The Procurement Unit (PU) has different staff members with varied qualifications that are based on Section 26 (7), (8) and (9) of the Promo Act. The key staff in the procurement unit in the institution are qualified procurement practitioners with bachelor’s degrees, diploma and master’s degrees from recognized institutions. The institution also
has a well-established committee on procurement matters that is in line with Section 26 (4), (5) of PPADA and they conduct their operations based on laid down legal frameworks. Such activities include holding meetings, taking minutes during tendering process, prequalifying suppliers among others (KU, 2016).

1.1.4 Operational Performance

Managerial presentation in firms is deemed to be the main purpose of all firms in a competitive environment. Organization through strategic performance helps them retain investor confidence level, outperform competitors, offer superior returns to the investors and satisfying other stakeholders as well. To achieve these prospects for growth are all embodied on prudent execution for tasks in a timely and efficient manner (Verbeeten & Bonus, 2009).

Developing countries have different considerations of performance management that are employed as a means of achieving general organizational goals. More emphasis is put on individual efficiency of employees that guarantees team spirit in addressing the public interests at hand (Ohemang, 2009). Measuring performance is done in various forms both qualitatively and quantitatively; it therefore depends on an organization’s culture and policies at hand. Measuring performance is the best way of achieving accountability on public procurement processes (Heinrich, 2007).
Performance measurement is regarded as a control system through diagnosis warning and tracking of efficiency and effectiveness on processes (Teelken & Smeenk, 2003). Measuring organizational performance is a challenge driven the dynamic nature of operations and processes involved. The key performance indicators used include employee satisfaction, profitability, growth and market share, adaptability to external environment, productivity and social responsibility through corporate social responsibility initiatives (Waiganjo, Mukuru & Kahiri, 2012).

Performance measurement has traditionally been measured through quantitative parameters only however the same can be measured through qualitative parameters such as non-financial measures that includes product quality, company image, and customer satisfaction among others. Moreover, other proposals have been put forward to involve other tools and techniques in measuring performance through a balanced score card as a global approach to determining performance in an organization especially public entities. This involves both financial and non-financial measures (Tan & Smyrnois, 2011).

1.2 Research Problem

Various research works have been conducted out before with respect to Public Procurement Kenya Anti-Corruption Commission Annual Report (2013) established that through its investigation, the Nairobi County as a public entity was the hardest hit with the massive irregularities on procurement activities. In some instances, employees collude with suppliers to inflate prices of goods and services to the public.
Onyango (2013) established that county government were losing millions of shillings because of different scandals that involve employees and suppliers doubling prices of goods and services. Most of the scam involves county employees in the procurement and finance departments and some unscrupulous business people. The persistence of these scandals despite the presence of the procurement reforms points to poor execution of the community Procurement Asset Disposal Act 2015. This has led to huge financial losses of about 20 billion shillings (PPOA, 2011).

The World Bank Economic Survey (2010) established that Kenya as a nation in excess of Kshs. 150 billion per annum on key issues of public procurement. Despite the huge expenditure, there are more losses up to 20% p.a. experienced in the process and is attributed to poor procurement practices utilized (Kenya National Bureau of Statistics, 2012).

Moreover, intelligibility global report in 2009 exposed that public procurement in Kenya is affected by high level of nonconformity, inconsistency through procurement laws as well as unethical conduct of key stakeholders in the process of executing Public Procurement Asset Disposal Act, 2015 (T.I, 2009). The civic entities in Kenya have not considered establishing training of employees on the key implementation of PPADA, 2015 as a priority. There are no consolidated procurement plans in public entities across the board in Kenya thus affecting their general performances. Kenyatta University’s procurement department has a procurement and disposal plan for the financial year however it is not in line with the budgetary allocation for its full implementation.
The institution has an analogue system for keeping records that proves to be challenging when retrieving and tracing documents when need arises. The institution is also reported to have no separate firms for both request for quotations and requests for proposals. Given the findings of the previous studies and discussions on current affairs, there was none that had been done on the topic with respect to Kenyatta University. It therefore follows that there is a major challenge in Kenya as far as civic Procurement, Asset Disposal Act 2015 implementation is concerned at public institutions thus a knowledge gap. This study therefore sought to cover this gap by establishing a relationship between the factors that affect implementation of Public Procurement Act 2015 and organizational performance at Kenyatta University.

1.3 Research Objectives

i) To establish the various factors that have an effect on implementation of public procurement and Asset Disposal Act, 2005 at Kenyatta University.

ii) To determine the connection between the identified factors and operational performance at Kenyatta University.

1.4 Value of the Study

The study is expected to be of significance to Kenyatta University, other public Universities, Ministry of Education and decision makers with regard to policy reforms geared towards government procurement systems. The study will benefit the academia as it contributes to the ongoing debate on how best to seal the loopholes in the procurement rules and regulations.
The study intends to be very key in the execution of public procurement, Asset disposal Act, 2005 to institutions of higher learning in Kenya and other stakeholders in charge of Public procurement to accord it a high priority just like any other valuable government functions for periodic reforms implementation.

The study intends to sensitize all members of the public on the crucial role public procurement plays towards growth of the economy and thus all citizens should be involved and participate in public procurement through equitable fair awards of public tenders. Finally the study will avail literature review for future researchers.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter is very significant in the learning since it highlights on different theoretical framework that were relevant in the study. This involved Stakeholder Theory, Resource Based Theory and Ethics Based Theory. It also captures the conceptual framework that established how the dependent variable relates with the independent variable.

2.2 Theoretical Framework

2.2.1 Stakeholder Theory

Stakeholder theory refers to a given group of individuals that are able to influence or otherwise are influenced by the organizational objectives attainment. In this theory, managers are considered to have a network of relationships with different players in the supply chain that includes business or associates, organizational staff and suppliers of different goods and services (Awino and Murendi, Getino, 2014).

Freeman 2004 depicts that the stakeholder theory model in various organizations creates influences on rights, duties as well as challenges and beliefs for all the partners involved. Furthermore, this theory elaborates on different stakeholders and how they influence issues of public procurement rules implementation and procedure as well as its impact on the performance of a given firm. Gibson, 2000 noted that this theory spells out the importance of giving special consideration on each and every member considered a stakeholder in an organization for the mutual benefit every member to the firm.
2.2.2 Resource Based Theory

Resource Based Theory is mostly applicable in different organizational performance issues was established by Penrose (1959) as a significant view of organizational resources. The Resource Based Theory (RBT) holds that given the rapid changes in the external environment, every organization have different kinds of resources that helps them unique in the market relying on the environment of industry. The uniqueness of wealth is considered to be rare, unsubstantial, more valuable and not easy to imitate by others. Such resources include human capital, physical assets and equipment, technological advances i.e. software applications, financial resources among others. Generally, such resources are perceived to be unique and competitive in nature to aid organizations special hitch in their operations (Barney, 1991). On the other hand, Lopez (2005) asserted that it is not obvious that all the resources will create competitive advantage for a firm, but they can only do so only if they said resources are well integrated and coordinated for smooth running of the firm.

The implementation of the public procurement as a whole requires that state entities to have capabilities in terms of professionally trained, skilled and experienced employees in the field of procurement as well as competent and reliable managers who can direct and organize employees in executing procurement duties as stipulated in the PPADA 2015 (Suppliers Practitioners Management Act, 2007).
2.2.3 Ethics Based Theory

According to Mbae (2014), the ethics based theory establishes that public procurement departments in state entities must uphold the rule of self-regulation so as to ensure market efficiency in their operations. The theory advocates for the adherence to the code of conduct among the procurement professionals in all sectors (Mwangi, 2014).

The efficient management of public entities such as institutions of higher learning is affected negatively to buy unethical conduct of procurement officials through involvement of corruption practices. As such, this theory is applicable to this study given that integrity of public procurement process in and upholding the relevant laws depends largely on ethical conduct of procurement officials in their day to day activities (Njoroge, 2012).

2.3 Factors Affecting Implementation of Public Procurement Asset Disposal Act 2015

2.3.1 Leadership Roles

Leadership is defined as a process that involves social influence of an individual or individuals that is able to enlist aid of the support from other people in order for them to accomplish a given task (Irung, 2010). On the other hand, Gikunda (2014) asserted that he established an art of influence on populace so that they respond freely and passionately in achieving specific organizational goals and objectives. Leadership roles in the implementation of public procurement procedures are linked to the wider concept of the role of leadership on organizational performance (Mwangi, 2014). There are different
leadership styles such as transformational leaders, transactional leaders, democratic leaders, autocratic leaders among others.

The transformation leadership style is perceived to have an influence on organizations general performance (Mathike, 2004). Moreover, transformational leaders have a way of stipulating and inspiring their followers for them to achieve major milestones. Leparleen (2014) noted that transformational leaders have a tendency of helping their supporters to develop into leaders in future just like them. They do this by attending to their needs through empowerment and alignment of their individual objectives to that of the general organization objectives. This kind of leadership is therefore crucial in a struggling branches or departments or where teamwork is not well established (Nigure, 2013).

Nkrote (2013) described transactional leadership in three forms; Active Management by exception, Passive Management by exception elaborates on standards that are executed when major challenges emerge (Nyongesa, 2014). With regard to transactional leadership, the leader sets goals that are smart and discusses their desires for the expected outcome. They also offer motivation to their subordinates and communicate with them freely through consultative forums (Wangithi, 2014). On the other hand, democratic leadership considers ideas and opinions of workers but still makes the final decision. The leader thus allows the staff to contribute in the managerial process within the framework of mission of objectives and goals in an organization (Langat, 2012). Views from the group members are well considered and teamwork in the process allows deliberations on how issues are to be prioritized. Democratic leadership has different
advantage that includes promote elevated self-esteem among personnel, freedom of workers to work out their responsibility and litheness in organization for their own good. However, one disadvantage of democratic leadership is that there is delays in decision making process (Mungai, 2014).

2.3.2 Procurement Planning

An elaborate procurement plan incorporates key documents used in purchasing goods and services from vendors (Kiage, 2013). Fodler and Georgia (2007) noted that procurement plans often directs on how procurement function is to be handled with respect to available resources in the organization. Procuring entities in Kenya are required by law to consolidate departmental plans before providing direction on the general corporate plans of a firm. Procurement plans always approved by the accounting officers of an entity for them to be implemented (Kiage, 2013). Furthermore, a procurement plan is used to implement the budget; it should therefore be prepared by user departments so as to minimize excess votes in an entity’s budget and to ensure there are funds to make payments before procurement process executed (Kiage, 2013).

Ouma and Kilonzo (2014) noted that objectives of any public procurement process is to achieve value for money by serving the public interests satisfactorily. In their study, they noted that resource planning is significant and contributes more to efficiency in public procurement in an entity. Also, organizations should allocate sufficient resources in procurement department. According to Professor Arrow Smith (2011), conflicts may sometimes arise between the objective of preventing corruption and ensuring efficiency
in the administration of the procurement process. Measures to prevent corruption may add to the cost of procurement, therefore, government have to decide on whether the prevention of corruption is so important that financial resources have to be spent in order to curb it.

2.3.3 Human Capital Competency on Public Procurement

According to Mungai (2014), competency refers to the underlying behavior necessary to achieve tasks, knowledge, attitudes of specified skills and technical knowhow used to accomplish a given task. Within the context of technical competencies, they are categorized as foundational competence, applied competence, practical competence and reflexive competence. The practical competence elaborates on the performance ability of an individual to perform specified tasks. Foundational competence gives a reason why a given task has to be accomplished and what it will entail to do it. The reflexive competence explains the integration of actions in different levels based on their understanding. Applied competence indicate the performance ability of a given individual with respect to considerations of both reflexive and foundational competence (Kulundu, 2014).

The technical skills held by employees are a prerequisite to offering best service with regard to procurement function. This allows for performing tasks rightfully in the first time and maintaining the quality of service rendered. Professional experience is key to delivering competitive performance in procurement activities. This is because public
procurement officials who have competent procurement and supply chain skills are able to perform their duties accordingly (Ngotho, 2014).

2.3.4 External Pressure

According to Arrow Smith 2013, the market conditions world over plays a big role in influencing implementation of public procurement policy action and stakeholders effort to increase the levels of competition. The markets also increase the levels of competition. The market also through the socio-economic situations determines how procurement objectives of government entities are attained. The other issues include the touches fulfillment equality capital assets as well as cost of goods and services being procured.

There are diverse levels of economic growth in different countries in the world although there is favorable market conditions for the developed countries while on the other hand there is unfavorable market conditions in developing countries especially in Africa. Public procurement is regarded as an important element of achieving key social, economic objectives among different countries in the world (Arrow Smith 2013, Thai 2007). In relation to that, the World Bank’s Procurement Report 2011 highlighted on the issue of how implementation of procurement practices is being influenced by external pressure. In the report, it has determined that the procurement implementation in Kenyan public sector authorities is greatly influenced by political interventions as well as market conditions.
Moreover, World Bank Procurement Report (2011) affirmed that many democracies across the globe have different players that influence procurement decisions in such jurisdictions. The interest groups include organizations in the private sectors such as professional associations, multinational corporations among others. The interest groups or even individuals always engage the legislature through different lobbying in order to pass or amend the different pieces of procurement legislations. They also influence the levels of implementation of such laws through appropriation processes and budget authorization. The end result of these activities is a compromised government system that holds interests of different policy makers, interest groups, management and other key stakeholders (Thai, 2007).

2.4 Integrated Financial Management Information System (IFMIS) IT Enabled Infrastructure

IFMIS is anew innovation in public procurement management and other functions that is used in managing public financial management in Kenya. It integrates budgeting, expenditure management, planning, accounting auditing and reporting of key public transactions across the board. The IFMIS platform was first established in 2003, however it was only applicable on limited modules but it was later reengineered in 2011 to assume a full cycle end to end integrated approach in its implementation. IFMIS platform is beneficial to key stakeholders involved in various public procurement transactions in different capacities. The system helps in curtailing wasteful spending and corruption and its related activities. It also enables efficient resource allocation and improves financial controls by availing timely and prudent financial information. The system is therefore
significant in spearheading transparency and accountability in the execution of public procurement Asset Disposal Act 2015. This is applicable to all public entities in the country including Kenyatta University. The IFMIS re-engineering achievements includes the establishment of three new financial modules of cash management, fixed assets and purchasing order that was conducted in ten pilot ministries that yielded positive results. That notwithstanding there is a new model of procure to pay system that is under development and once it is finished then it will allow full implementation of public procurement process for the benefit of all stakeholders involved in public procurement activities.

2.5 Operational Performance Measurement

Return on investment is the main goal of an investor in business endeavors. To achieve this, attributes of performance measurement have been adhered to. A balance of cash and debt determines the success of any investment. There are different key performance indictors as metrics to determine performance. For example, employee turnover, quality metrics, profitability, customer satisfaction, market share and number of repeat customers versus new customers. Measuring operational performance is a significant role of involving firms to be accountable in their own respect. Also, public sector performance measurement has a central role to play in terms of accountability and transparency (Heinrich, 2007).
Organizations with multiple objectives of profitability, productivity, market share, social responsibility, employee satisfaction, customer satisfaction, corporate image among others find it difficult to determine their operation of performance. This is attributed to the fact that the peripheral situation is always shifting and in that respect, variations emerge in the long-run (Waiganjo, Mukkuru and Kahiri, 2012).

The main aim of operational performance measurement is to communicate on how the organization is doing in its own field. This feedback is significant such that it encourages firms to know their financial position at the market as well as their level of acceptability and appreciation among customers. This helps firms to improve or maintain their performance based on the outcome realized (Fagerhand, 1999).

Kaplan and Norton, (1996) noted that companies cannot manage what they cannot measure and that what gets measured gets done and eventually measurements influence behavior. Organizations that anticipate to survive in the competitive environment coupled with dynamic technology must use operation measurement system in their activities.

2.6 Summary and Research Gap

Inefficiency in the procurement process lead to lack of control and cannot realize value for money invested in their enterprises. Transparency in procurement functions is a major indicator of accountability and success in task execution. Transparency helps to boost accountability and reduce chances of corruption practices in firms. This serves as a guide in resource allocation and evaluation of performance in public procurement sector.
Public entities such as Kenyatta University must uphold the factors that influence the full implementation of PPADA, 2015 such as procurement planning, roles of leadership, human capital competency as well as external pressure. Professionalism among procurement staff must be considered and to boost their competency, the institution must organize for periodic capacity building forums in training both locally and internationally. This will ensure ethical conduct and informed decisions on procurement matters. The review of existing literature has established that previous researchers have not conducted and inclusive research on the topic of study and how it influences performance in a public institution such as Kenyatta University. This therefore left a gap that was filled by this study by determining the factors affecting implementation of Public Procurement Asset Disposal Act, 2015 and its impact on performance of Kenyatta University.

2.7 Conceptual Framework

Conceptual framework show the connection among the dependent variable with the independent variable. In this reading, the factors touching execution of public procurement Assets and Disposal Act 2015 are the independent variable. They included external pressure, leadership roles, procurement planning, and human capital competency. While the independent variable was the implementation of Public Procurement Assets and Disposal Act 2015.
Figure 2.1: Conceptual Model

Independent Variables

Factors Affecting Implementation of PPAD Act. 2015

Leadership Roles
Procurement Planning
Human Capital Competency
External Pressure

Through I.T. Enabled Infrastructure IFMIS and other Support Systems

Dependent Variables

Efficient Procurement Processes
Growth
Social responsibility
Increased productivity
Customer Satisfaction
Compliance with Legal Requirements
Transparency

Intervening variable

Source: Researcher, (2017)
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This section elaborates on the comprehensive research method worn in the study. It discusses more on the research plan and its choice as well. It also covers population of study sample, data collection methods as well as statistics analysis methods.

3.2 Research Design
The reading utilized a case study drawing that involved the examination of one or more precise instances of an element that have influence of another element. A case is considered as a relative term to indicate something such as an organization or a group of individuals. It can also involve an event change of management as a decision among others (Goms et al, 2000, Yin, 2009).

Interrogation of cases reveled useful information about a given subject. Descriptive research studies are a commonly associated with case studies such that specific situations or contexts are permissible for generalizations of the findings. For instance, unfolding the execution of a programme or guidelines is significant in answering questions such as how and why in a given case scenario (Yin, 1998).

In explanatory studies, case studies are utilized to give direction on how to investigate causal parameters and the specific organization contexts or features that they are established from (George and Bennet, 2005). This study therefore was a case learning research design that was employed to establish how the independent variable was related
to the dependent variable and it utilized research questionnaire for primary data collection at Kenyatta University main campus.

3.3 Population of Study

The study targeted employees of Kenyatta University. The institution had a population of 2000 employees. However, the permanently employers and employees engaged in contract basis were the only ones allowed to participate in the study. This is because the casual workers were considered inconsistent with the operations of the university in general. As such, the study involved academic staff members and non-academic employees in the institution.

3.4 Sampling Design

Purposive sampling technique was employed in this study. In this method participants who offered reliable information were targeted (Kombo & Tromp, 2009). The sample involved members of teaching and non-teaching staff selected as follows: procurement department, stores and end user departments, They involved procurement manager, procurement officer, 5 Procurement Assistant grade C/D, 15 Procurement Assistant Grade A/B, and 7 Procurement Clerks, 12 Members of Stores department, 8 Members of the finance department, 7 Members of the maintenance department, 8 members of project department, 8 heads of teaching staff departments. This represented 70 respondents as the sample size that was utilized in the study. Mugenda and Mugenda, (2003) defined a sample size on element that represents an entire population in a given case. It is considered to be a sub-set of a given population that is employed for a research question
such that it represents the interests of an entire population. Neuman and Krueger asserted that the sample must be selected carefully and analysis in the study variables are significantly considered. Mugenda and Mugenda (2003) also points out that cases of purposive sampling are handpicked, because they are informative or they possess the required experienced characteristics.

3.5 Data Collection Method

This study employed quantitative data which was collected using questionnaire. The questionnaire involved open ended and close ended questions. The questionnaire was administered to participants at their work stations. Research targeted target heads of departments, Assistant heads of departments, lectures, Dean of students, Procurement Managers and the Finance officers or their equivalent in the institution as well as the store keeper.

3.6 Data Analysis

The data collected was grouped into different codes the data collected was quantitative in nature and it was put through a cross sectional format. However data was analyzed through descriptive statistics and regression analysis via the statistical package for social sciences software. The findings were presented though tables, pie charts and bar graphs. Descriptive statistics was used to summarize the results for each of the main variables. The resulting factors were used as independent variables and operational performance were employed as the dependent variable in the study. Regression analysis was applied to determine the relationships between the factors affecting the implementation of PPAD.
Act 2015 and operational performance at Kenyatta University. The following model was utilized.

\[ Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + e \]

\( Y \) = Operational Performance

\( a \) = Y Intercept, \( b_1, b_2, b_3, \text{and} b_4 \) are the regression coefficient of respective variables;

\( e \) = is the error term;

\( X_1 \) = External Pressure

\( X_2 \) = Leadership Roles

\( X_3 \) = Procurement Planning

\( X_4 \) = Human Capital Competency
Table 3.1: Summary of Research Methodology

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Data collection method</th>
<th>Data Analysis Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>To determine the factors that affect implementation of public procurement</td>
<td>Primary data through the use of research questionnaire</td>
<td>Descriptive statistics</td>
</tr>
<tr>
<td>and Asset Disposal Act, 2015 at Kenyatta University.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To determine the relationship between the identified factors and operational performance at Kenyatta University.</td>
<td>Primary data through the use of research questionnaire</td>
<td>Regression Analysis</td>
</tr>
</tbody>
</table>

Source: Research Data, (2017)
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents a key investigation and findings of the study as laid out in the research methodology. The study findings was based on the research objectives in determining the factors that affect implementation of public procurement, Asset Disposal Act 2015, at the Kenyatta University and to determine the operational performance in the same institution. Data received was coded and analyzed using a 5 spot Likert Scale that allowed participants to give their feedback.

The sample of the study was 70 respondents; however 54 questionnaires were filled and returned. This represents 77% reaction rate.

4.2 General Information

4.2.1 Respondent Gender

Table 4.1: Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>male</td>
<td>33</td>
<td>61.1</td>
<td>61.1</td>
</tr>
<tr>
<td>female</td>
<td>21</td>
<td>38.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The study findings on table 4.1 indicates that majority of the respondents 33 (61.1%) were male while 21 (38.9%) were female from Kenyatta University.
4.2.2 Designation

Table 4.2: Respondents Designation

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>procurement assistant grade C/D</td>
<td>3</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>procurement assistant grade A/B</td>
<td>13</td>
<td>24.1</td>
<td>29.6</td>
</tr>
<tr>
<td>procurement clerk</td>
<td>9</td>
<td>16.7</td>
<td>46.3</td>
</tr>
<tr>
<td>finance manager /officer</td>
<td>2</td>
<td>3.7</td>
<td>50.0</td>
</tr>
<tr>
<td>maintenance manager/officer</td>
<td>7</td>
<td>13.0</td>
<td>63.0</td>
</tr>
<tr>
<td>project manager/officer</td>
<td>2</td>
<td>3.7</td>
<td>66.7</td>
</tr>
<tr>
<td>procurement manager</td>
<td>8</td>
<td>14.8</td>
<td>81.5</td>
</tr>
<tr>
<td>head of teaching staff department</td>
<td>3</td>
<td>5.6</td>
<td>87.0</td>
</tr>
<tr>
<td>assistant heads of departments</td>
<td>2</td>
<td>3.7</td>
<td>90.7</td>
</tr>
<tr>
<td>store keeper</td>
<td>5</td>
<td>9.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher, (2017)

The study findings on table 4.2 shows that majority 13 (24.1%) of the respondents were procurements were Assistant Grade A/B, 9 (6.7%) of the respondents were procurement clerks, 7 (13%) of the respondents were maintenance managers/officers, 8 (14.8%) were procurement managers, 5 (9.3%) were store keepers, 8 (5.6%) were procurement assistant grade C/D, 3 (5.6%) were head of teaching staff department, 2 (3.7%) were finance managers/officers and 2 (3.7%) were assistant head of departments.
4.2.3 Education Level

Table 4.3 Education level

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school Equivalent</td>
<td>1</td>
<td>1.9.0</td>
<td>1.9.0</td>
</tr>
<tr>
<td>Diploma/certificate</td>
<td>12</td>
<td>22.2</td>
<td>24.1</td>
</tr>
<tr>
<td>Bachelor of Degree</td>
<td>21</td>
<td>28.9</td>
<td>53.0</td>
</tr>
<tr>
<td>Masters Degree</td>
<td>10</td>
<td>18.5</td>
<td>71.5</td>
</tr>
<tr>
<td>Doctoral Degree</td>
<td>6</td>
<td>11.1</td>
<td>82.6</td>
</tr>
<tr>
<td>Professional Degree</td>
<td>4</td>
<td>17.4</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

From the study findings, majority 21 (28.9%) of the respondents were Bachelor’s degree holders, 12 (22.2%) were diploma/certificate holders, 10 (18.5%) of the respondents were master’s degree holders, 6 (11.1%) were doctoral holders and 4 (17.4%) of the respondents were professionals while only 1 (1.9%) respondent was a high school or equivalent level. This shows that majority of the respondents were well educated and had full knowledge of issues in the procurement department and thus gave reliable feedback sought by this study.

4.3 Factors Affecting Implementation of Public Procurement Asset Disposal Act, 2015 at Kenyatta University

The study wanted to establish the extent to which different factors affect implementation of PPADA 2015 at Kenyatta University.
Table 4.4: Factors Affecting Implementation of Public Procurement Asset Disposal Act, 2015 at Kenyatta University

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership Roles</strong></td>
<td>3.94</td>
<td>0.856</td>
<td>54</td>
</tr>
<tr>
<td>There exists democratic leadership at the institution to implement PPADA, 2015.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The university employs transformational leadership style to stimulate implementation of PPADA, 2015</td>
<td>3.37</td>
<td>1.156</td>
<td>54</td>
</tr>
<tr>
<td><strong>Procurement Planning</strong></td>
<td>3.63</td>
<td>0.806</td>
<td>54</td>
</tr>
<tr>
<td>There exists a budget for implementing PPADA, 2015.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>External Pressure</strong></td>
<td>3.58</td>
<td>1.023</td>
<td>54</td>
</tr>
<tr>
<td>There exists a dynamic market conditions that affects implementation of PPADS, 2015.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There exists political pressure that influences political decisions at the university.</td>
<td>3.52</td>
<td>0.904</td>
<td>54</td>
</tr>
<tr>
<td><strong>Procurement Planning</strong></td>
<td>3.42</td>
<td>1.138</td>
<td>54</td>
</tr>
<tr>
<td>There exists adequate procurement planning through teamwork and resource allocation in the institution.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Human Capital Competency</strong></td>
<td>3.36</td>
<td>0.93</td>
<td>54</td>
</tr>
<tr>
<td>Employees are adequately trained on implementation of PPADA, 2015.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are well remunerated and motivated to implement PPADA, 2015.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The study findings on table 4.3 indicates that there exists democratic leadership at the institution to implement PPADA, 2015 as a leadership role at great extent with a mean (M = 3.94; SD = 0.856). Other respondents reported that procurement planning through existence of budgets for implementing PPADA, 2015 at a great extent with a mean (M = 3.63; SD = 0.896) while other respondents reported that there exists external pressure through dynamic market conditions that affect implementation of PPADA at a great extent with a mean (M = 3.58; SD = 1.023) and there exists political pressure that influences political decisions at the university at a great extent with a mean (M = 3.52; SD = 0.904).

Moreover, other respondents reported that procurement planning through existence of adequate planning through teamwork and resource allocation in the institution affects implementation of PPADA, 2015 at a moderate extent. Other respondents reported that procurement planning through existence of adequate planning through teamwork and resource allocation in the institution affects implementation of PPADA, 2015 at a moderate extent (M = 3.42; SD = 0.904). Other indicated that the university employs transformational leadership style to stimulate implementation of PPADA, 2015 at a moderate extent as well with a mean (M = 3.37; SD = 1.138).

Furthermore, the study findings indicated that other respondents reported that human capital competency through employees being adequately trained on implementation of PPADA, 2015 at a moderate extent (M = 3.36; SD = 1.156) and employees were well remunerated and motivated to implement PPADA, 2015 at a moderate extent with a mean
(M = 3.19; SD = 0.93). The study findings therefore reveals that leadership roles, procurement planning and external pressure to affects implementation of PPADA, 2015 in the institution at a great extent

4.4 Operational Performance at Kenyatta University

The study sought to establish the rate of operational performance at Kenyatta University given the factors affecting implementation of PPADA, 2015 at the institution.

4.4.1 Regression Analysis

The learning employed a decay analysis to relate factors affecting implementation of public procurement asset disposal act, 2015 to operational performance at Kenyatta University.

\[ Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e \]

Y = Operational Performance

a = The Y intercept; b1, b2, b3, b4 are the Regression Coefficient of respective variables.

e = Is the Error Term

x1 = External Pressure

x2 = Leadership Roles

x3 = Procurement Planning

x4 = Human Capital Competency
4.4.2 Strength of the Model

Table 4.5: Model Summary

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.836a</td>
<td>.682</td>
<td>.229</td>
<td>.530</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Human capital competency- Employees are adequately trained on implementation of PPADA, 2015, Leadership roles- The university employs transformational leadership style to stimulate implementation of PPADA, 2015, External pressure- Existence of political pressure that influences political decisions at the university, Procurement planning- There exists adequate procurement planning through teamwork and resource allocation in the institution.

The study analysis on table 4.4 indicates that the coefficients of determination (the percentage variation in the dependent variable being explained by the change in the independent variable). $R^2$ equals 0.682 that is 68% of the dependent variable being explained or influenced by the independent variable. This leaves out 32% of the unexplained variable that were not covered in this study. The independent variable includes External Pressure, Leadership Roles, Procurement Planning and Human Capital Competency.
4.4.3 Analysis of Variance

Table 4.6: Analysis of Variance
ANOVA\textsuperscript{a}

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>13.609</td>
<td>4</td>
<td>3.402</td>
<td>4.944</td>
<td>.002\textsuperscript{b}</td>
</tr>
<tr>
<td>Residual</td>
<td>33.724</td>
<td>49</td>
<td>.688</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>47.333</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{a} Dependent Variable: There is flexibility and transparency in the procurement process at the university

\textsuperscript{b} Predictors: (Constant), Human capital competency- Employees are adequately trained on implementation of PPADA, 2015, Leadership roles- The university employs transformational leadership style to stimulate implementation of PPADA, 2015, External pressure- Existence of political pressure that influences political decisions at the university, Procurement planning-

There exists adequate procurement planning through teamwork and resource allocation in the institution

The analysis of variance (ANOVA) findings on table 4.4 indicates that there is an association between predictor variables and reply variable. That is the P Value for the study is 0.002 therefore this shows that the study is statistically significant because it is less than 0.05 or 5% significance level. The findings of the study also indicated that the IFMIS system was implemented in the institution at a moderate extent. The respondents reported that some of the procurement processes were still done through the manual system despite the fact that the IFMIS system being in place. This therefore indicates that from the study findings the IFMIS system was still a work in progress to be fully implemented at Kenyatta University as per the requirement of PPADA, 2015. The system
is therefore significant in spearheading transparency and accountability in the execution of public procurement Asset Disposal Act 2015. This is applicable to all public entities in the country including Kenyatta University.

4.4.4 Coefficient of Regression Equation

Table 4.7: Coefficients

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.429</td>
<td>.591</td>
<td>2.420</td>
<td>.019</td>
</tr>
<tr>
<td>External pressure - existence of political pressure that influences political decisions at the university</td>
<td>.030</td>
<td>.144</td>
<td>.029</td>
<td>.208</td>
</tr>
<tr>
<td>Leadership Roles - The university employs transformational leadership style to stimulate implementation of PPADA, 2015</td>
<td>-.065</td>
<td>.104</td>
<td>-.078</td>
<td>-.621</td>
</tr>
<tr>
<td>Procurement planning - There exists adequate procurement planning through teamwork and resource allocation in the institution</td>
<td>.290</td>
<td>.127</td>
<td>.325</td>
<td>2.283</td>
</tr>
<tr>
<td>Human capital competency - Employees are adequately trained on implementation of PPADA, 2015</td>
<td>.267</td>
<td>.106</td>
<td>.327</td>
<td>2.515</td>
</tr>
</tbody>
</table>
a. Dependent Variable: There is flexibility and transparency in the procurement process at the university

There is both a positive and negative relationships between the independent variables and dependent variable; therefore the established multiple linear regression equation is as follows:

\[ Y = 1.429 + 0.030 \text{ External Pressure}, + 0.290 \text{ Procurement Planning} + 0.267 \text{ Human Capital Competency}. \]  

However, leadership Roles is not considered because it has 0.537 significance level which is beyond 0.05 hence not significant.

It therefore follows that a constant 1.429 indicates that External Pressure, Leadership Role, Procurement Planning and Human Capital Competency all rated as zero the operational performance at Kenyatta University would be 1.429.

\( x_1 = 0.030 \) shows that one unit change in External Pressure results in 0.030 unit increase in operational performance.

\( x_3 = 0.290 \) shows that one unit change in Procurement Planning results in 0.290 units increase in operational performance.

\( x_4 = 0.267 \) indicates that one unit change in Human Capital Competency results in 0.267 units increase in operational performance.
The study therefore indicates that four independent variables (External pressure-existence of political pressure that influences political decisions at the university, Procurement planning-There exists adequate procurement planning through teamwork and resource allocation in the institution and Human capital competency-Employees are adequately trained on implementation of PPADA, 2015) are statistically significant with 0.36, 0.27 & 0.015 significant levels respectively that is less that 5% significance level.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a discussion of the study findings that were realized in chapter four. The conclusions of the study are drawn and interpretations made to that effect. Also, the chapter gives suggestions for further research.

5.2 Summary of the Findings

Public Procurement Asset Disposal Act, 2015 is a key driver in ensuring transparency and accountability is adhered to in procurement activities in public institutions. The study was based on the fact that there were key factors that affect implementation of PPADA, 2015 at Kenyatta University. These factors included External Pressure, Leadership Roles, Procurement Planning and Human Capital Competency. The study findings established that leadership roles through existence of democratic leadership at the institution to implement PPADA, 2015 affected its implementation at a great extent. Procurement planning through existence of a budget for implementing PPADA, 2015 also reported to affect its implementation at a great extent.

Other respondents in the study reported that external pressure through existence of dynamic market conditions and existence of political pressure that influences political decision at the university affects implementation of PPADA, 2015 at a great extent as well. On the other hand, the study findings established that human capital competency through employees being adequately trained on implementation, PPADA, 2015 as well as their remunerations affects the implementation of PPADA, 2015 at a moderate extent.
5.3 Conclusion

The findings of this study established that External Pressure, Procurement Planning, and Human Capital Competency affects implementation of PPADA, 2015 at a great and moderate extent respectively. Implementation of PPADA, 2015 promotes operational performance through flexibility and transparency in the procurement processes in the university. This study contributes useful knowledge to the public university leadership and procurement managers as well that they would utilize the findings to improve public procurement procedures in their institutions through policy development and its implementation for the benefit of the general public.

5.4 Recommendations

Public Universities should consider in focusing on proper implementation of Public Procurement Asset Disposal Act 2015 in their institutions such that it will create more transparency and accountability in procurement processes. It will also accelerate financial returns, reduce corruption cases as well as helping instill public confidence in them. The study recommends that the university management should consider investing in human capital competency since this is a major factor that influences proper implementation of the PPADA, 2015. Employees should be well trained based on new procurement technologies that create efficiency and reduces costs of procurement activities. Also, employees should be well remunerated especially the procurement staff so that they get motivated and reduce their chances of being involved in procurement corruption related acts.
To improve on ethical conducts in public universities, all key stakeholders in procurement functions should be informed about the significance of implementing PPADA, 2015 so that they can become more aware of its benefits. This will help in easy adoption of the implementation process and improve on operational performance of the university in general. The study also recommends that the university promotes on the use of E-Procurement Platforms such as IFMIs, E-Catalogue, E-Tendering, E-Autonomy and E-Sourcing on JIT Systems. This will encourage efficiency service delivery in the institution.

5.5 Limitations of the Study
The major limitations of this study were that the data was only collected from the internal staff of the procurement and related departments only; thus limits in the sample size. The sample size should be increased to accommodate other stakeholders such as suppliers and competitors in the industry. The study was only focused on the public entities such as Kenyatta University as opposed to public and private universities as a context. Therefore, it is significant to encourage other private universities also to be included in such kind of a study so that a general determination can be established with regard to factors affecting implementation of Public Procurement Asset Disposal Act, 2015 in higher education sectors.

5.6 Suggestions for Future Research
This study suggests that further research should be done on how information technology enabled procurement such as Barcode Technology, Enterprise Resource Planning (ERP)
and Radio Frequency Identification (RFID) could improve operational performance by supporting PPADA, 2015 implementation in public universities. Furthermore, the study suggests that this topic to be replicated to private universities such that future study should be based on private universities with regard to factors affecting PPADA, 2015 implementation in such institutions and how it influences their performance in general.
REFERENCES


APPENDICES

APPENDIX I: INTRODUCTORY LETTER

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-259162
Telegrams: "Vanish", Nairobi
Tel.: 232053 Vanish

DATE: 10/10/2017

TO WHOM IT MAY CONCERN

The bearer of this letter, Ismael Mohamed Ibrahim,
Registration No.: D61[2017] 1206

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS
APPENDIX II: RESEARCH QUESTIONNAIRE

Introduction

This questionnaire has been designed for academic use only. It aims to establish the relationship between factors affecting implementation of public procurement, Asset Disposal Act 2015 and Operational Performance at Kenyatta University. Kindly note that the data you provide will be handled with utmost confidentiality and privacy. Thank you for your consideration.

PART 1: General Information

Kindly tick (√) where appropriate

1. Gender
   Male ( )    Female ( )

2. What is your designation?
   Procurement manager ( )
   Procurement Officer ( )
   Procurement Assistant Grade C/D ( )
   Procurement Assistant Grade A/B ( )
   Procurement Clerk ( )
   Finance manager/Officer ( )
   Maintenance manager/Officer ( )
   Project manager/Officer ( )
   Procurement manager ( )
   Head of teaching Staff Department ( )
   Assistant Head of Departments ( )
   Store keeper ( )
3. What is your highest level of education

<table>
<thead>
<tr>
<th>Education Level</th>
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</thead>
<tbody>
<tr>
<td>High School or Equivalent</td>
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<tr>
<td>Diploma/Certificate</td>
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<tr>
<td>Bachelor’s Degree</td>
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<tr>
<td>Master’s Degree</td>
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<tr>
<td>Doctoral Degree</td>
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<tr>
<td>Professional Degree</td>
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</table>

**Part II: Factors Affecting Implementation of Public Procurement Asset Disposal Act, 2015 At Kenyatta University**

Kindly indicate the extent to which the following factors affecting implementation of public procurement Asset Disposal Act, 2015 at Kenyatta University are experienced.

<table>
<thead>
<tr>
<th>Factors</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td><strong>Existence of External pressures from the external environment.</strong></td>
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<tr>
<td>There is existence of political pressure that influences procurement decisions at the university</td>
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<tr>
<td>The exists dynamic market conditions that affect implementation of PPADA2015 in the institution</td>
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<tr>
<td><strong>Role of Leadership</strong></td>
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<tr>
<td>The university employs transformational leadership style to stimulate implementation of PPADA,2015</td>
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<tr>
<td>There exists democratic leadership at the institution to implement PPADA,2015</td>
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<tr>
<td><strong>Procurement planning</strong></td>
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<tr>
<td>There exists adequate Procurement planning through Teamwork &amp; Resource Allocation in the institution.</td>
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<tr>
<td>There exists a budget for implementation of PPADA 2015 in the institution.</td>
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<tr>
<td><strong>Human Capital Competency on public</strong></td>
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</tbody>
</table>
Employees are adequately trained on implementation of PPADA 2015
Employees are well remunerated and promoted to motivate them in the implementation of PPADA, 2015

PART III: Operational Performance at Kenyatta University

To what extent does the various factors affecting implementation of public procurement Asset disposal act, 2015 relate to operational performance at Kenyatta University Please indicate in a scale of 1 - 5

<table>
<thead>
<tr>
<th>Operational performance measures</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial perspective</strong></td>
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<tr>
<td>The institution monitors financial performance such as cost reduction in procurement activities</td>
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<td><strong>Customer perspective</strong></td>
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<td>There exists tracking system for customer satisfaction through feedback surveys</td>
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<tr>
<td>Customers opinion are always considered in the institution</td>
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<tr>
<td><strong>Business Internal process perspective.</strong></td>
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<td>Organizational objectives and goals are achieved on a timely basis</td>
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<td>There is flexibility and transparency in the procurement processes in the university</td>
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<td><strong>Learning and growth</strong></td>
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<td>Creative and innovative forums are utilized in the institution to increase performance levels</td>
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<tr>
<td>There is effective continuous training of staff on current issues of PPADA, 2015</td>
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</table>

Thank you for participating in the study.