

**FACTORS INFLUENCING COMPLIANCE TO THE PUBLIC  
PROCUREMENT LAW BY COUNTY GOVERNMENTS IN KENYA**

**BY**

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## DECLARATION

This research project is my original work and it has not been submitted to any other university or any other institution of higher learning for an academic award.

Signed:



Date: 18<sup>th</sup> November, 2021

**D61/61223/2013**

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## ABSTRACT

Over the years, the Kenya citizenry has experienced dissatisfaction with how the public funds are utilized and this has led to growth in terms of its citizen demands for accountability by the government in how it expenses the public funds. The County governments are a key channel of public funds utilization and service delivery to the citizenry and therefore, compliance to the procurement law is critical if the counties are to achieve the intended benefits. This study sought to establish the factors influencing compliance to the public procurement law by county governments in Kenya. It was guided by four specific objectives: To determine the influence of staff awareness, adherence to ethical standards, procurement records management and procurement function structural positioning to the compliance of the public procurement law by county governments in Kenya. The study employed a descriptive research design. The population of this study were county governments in Kenya which are 47 in number. Primary data was used as the research instrument in the study. Data collection was through the use of both open and closed ended questionnaire. The study used descriptive statistics to analyse general information and factor analysis to identify the factors that influence compliance. The study found that professionalism, procurement records management, ethical standards and procurement structural positioning are significant factors that influence the compliance of the public procurement law by county governments in Kenya. Therefore, it was concluded that professionalism, procurement records management, ethical standards as well as procurement structural positioning to be good predictors of the compliance to the public procurement law. Therefore, the study recommends that the County Public Service Boards should ensure that the procurement departments are staffed with procurement professionals and that the departments are strategically placed within the county's organization structure. In addition, the procurement units need to ensure adequacy of proper controls in management of procurement records since insufficiencies cultivates incompliance of the procurement law. Since lack of an effective ethical framework was shown to bring forth malpractice in procurement processes, the study recommends the implementation of strict rules and regulations for adherence to ethical standards by the employees.

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## **LIST OF ABBREVIATIONS/ACRONYMS**

<b>CoK</b>	Constitution of Kenya, 2010
<b>EACC</b>	Ethics and Anti-Corruption Commission
<b>ICT</b>	Information and communications technology
<b>IMF</b>	International Monetary Fund
<b>OECD</b>	The Organization for Economic Co-operation and Development
<b>PPADA</b>	Public Procurement and Asset Disposal Act, 2015
<b>PPDA</b>	Public Procurement and Disposal Act, 2005
<b>PPOA</b>	Public Procurement and Oversight Authority
<b>PPRA</b>	Public Procurement Regulatory Authority



# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Over the years, the Kenya citizenry has experienced dissatisfaction with how the public funds are utilized and this has led to growth in terms of its citizen demands for accountability by the government in how it expends the public funds. The World Bank Group (2016) notes that governments in developing countries spend about fifty percent of their annual budgets in procurement of services, works and goods and this percentage is expected to grow over time. Hence, there is need to pay serious attention to public funds spent through the public procurement system. This resonates with the assertion by the International Monetary Fund (IMF) that procurement is an essential component in the administration of public funds that links the social and economic outcomes to the financial system (IMF, 2016). A view supported by (OECD, 2017) who assert that increasingly, governments are using public procurement as a strategic tool to assist them deliver on their mandates. Consequently, there is the need for a legal and regulatory structure to guide how public resources are expended in the procurement process.

From a number of researches conducted including one by Onyinkwa (2014), most of the developed and developing countries have introduced reforms in public procurement through either development of laws governing public procurement or review of existing procurement laws. Kenya for instance instituted changes in the procurement regulatory framework which resulted to the enactment of legislation that guides the purchasing and disposal of assets by public procuring entities (PPADA, 2015). These public entities include the forty-seven county governments that are a creation of the Kenya Constitution, 2010 (the Constitution). County governments are a key channel of public funds utilization and service delivery to the citizenry and therefore, compliance to the procurement law is critical. Mbago, Ntayi and Muhwezi (2016) emphasis the importance of this compliance by arguing that non-compliance has devastating effects on the economy despite the

procurement reforms being carried out. It therefore follows that compliance to the procurement law is inevitable if county governments are to achieve the intended benefits.

There are several management theories that can be used to explain the factors that influence compliance to procurement law by the counties. However, this study focused on the Virtue Ethical and Institutional theories. Virtue Theory (Virtue Ethics) focusses on an individual's character as the key determinant to ethical thinking that enables a person to act ethically (Mastin, 2009). The study applied virtue ethical theory mainly the individual and professional character ethics. A Corruption and Ethics survey conducted by the Ethics and Anti-Corruption Commission revealed the presence of unethical practices at the county governments (EACC, 2015). The practices include procurement irregularities, misuse of public funds and bribery among others. In addition, the study was based on the Institutional theory which argues for organizations adherence to set policies if they (organizations) are to receive legitimacy and support (Lammers and Garcia, 2017).

### **1.1.1 Public Procurement Law**

According to IMF (2016), reforms in public procurement are inevitable with the evolving role of public finance management geared towards efficiency of public resources management, accountability and attaining value for money. The procurement oversight body observed that the Kenyan public procurement arrangement and operations underwent significant changes in the past decades. The system had no guidelines in the 1960s and was largely governed by the National Treasury Circulars up until the 1990s (PPOA, 2007). This was until the coming into force of the Public Procurement and Disposal Act in 2005 (PPDA, 2005) and its attendant Regulations of 2006. An important objective of the change was to transform the way the procurement was carried out in Kenya.

Further reforms have been undertaken following the promulgation of the Constitution. Article 227 of the Constitution requires that contracting for goods and services within the public sector should be done within a system that is cost-effective, promotes transparency, fairness and competition (CoK, 2010). To achieve this, the Constitution provided for an

Act of Parliament to guide on procurement and asset disposal in the public sector for purposes of ensuring that the country has in use a system of procurement that is both efficient and effective. This led to the enactment of the on the 7<sup>th</sup> January 2016. The purpose of the Act is to regulate assets disposal and procurement procedures in the public sector with the aim of achieving a number of objectives which include to enhance the process integrity, impartiality, transparency and to raise the public confidence in government utilization of public funds (PPADA, 2015).

To achieve the above stated objectives of the procurement law, it is essential that procuring entities comply to the law. There are different factors that influence compliance to public procurement law by procuring entities as evidenced by the various studies conducted. These factors include: enforcement of the procurement by the watchdog agencies, an organization's culture and staff awareness and training on procurement law (Chogo, Idua, Banafa & Adem, 2016); internal records management, competence of the staffs on procurements policies and technology (Mwangi & Kariuki, 2013). Other additional factors comprise of the positioning of the procurement department within the structure of the organization (Marendi, 2015), capacity building, political interference and staff not adhering to set ethical standards (Ochieng, 2019) and top-level management (Tweneboah & Ndebugri, 2017).

### **1.1.2 Factors influencing compliance of Public Procurement Law**

There are different factors that influence compliance of public procurement law by procuring entities as evidenced by the various studies conducted. Enforcement of the procurement law by the watchdog agencies, an organization's culture and staff awareness and training on procurement law has been noted to affect how public schools in Kwale County comply to the procurement law (Chogo, Idua, Banafa & Adem, 2016). It has likewise been noted that in the case of public hospitality entities, procedure and processes, internal record management, competence of the staffs on procurements policies and technology are among the major drivers to compliance with public procurement law by

their institution (Mwangi & Kariuki, 2013). Other aspects such as inadequate government funding, staff not aware or familiar with the policy implementation procedures and minimal punishment to staffs for non-compliance with procurement laws leading to lack of accountability and transparency have been associated with the compliance or lack of it (Anyango, 2017).

Quantitative evidence has indicated a substantial positive relationship between adherence to procurement legislation compliance, risk management and management of records (Ahimbisibwe, 2016; Lusuli, & Rotich, 2014; Dinnah, 2017). Other additional factors influencing compliance comprise of the positioning of the procurement department within the structure of the organization (Marendi, 2015) and capacity building, political interference and staff not adhering to set ethical standards (Ochieng, 2019). The same trend has been noted by Kiama (2014) as compromising the implementation of the public procurement in SACCO societies. Not only has this trend been noted in Kenya, in Zimbabwe for example, Sandada and Kambarami (2016) observed that structural positioning, professionalism, ethical conduct and knowledge of the procurement law statistically predict compliance. On the other hand, Tweneboah and Ndebugri (2017) noted that in Ghana, top level management interference within the procurement process compromises compliance in most of the Public Institution administrative system.

Thus, it can be concluded that there is an existing trend in the failure of compliance of Public Procurement Law which can be attributed to the afore-mentioned factors. Furthermore, the study has noted that among the factors aforementioned, staff professionalism and adherence to ethical standards have taken precedence in the drive with accountability and transparency being mentioned as factors with contributory role. In addition, strategic positioning of the procurement unit is crucial in determining the capacity of an organization to engage in procurement reforms while records management is crucial in increasing an organization's transparency and efficiency which impacts the level of compliance. Therefore, based on the above background, the current study finds it worthwhile to investigate the role of staff awareness, adherence to ethical standards,

procurement records management and procurement function structural positioning in compliance of the Public Procurement Law by the County Governments in Kenya.

### **1.1.3 County Governments in Kenya**

The Africa Centre for Open Governance (AfriCOG) observes that the urge among the citizenry to address the inequalities by taking government resources closer to the people was one of the key drivers for constitutional change that led to the Constitution of Kenya, 2010 (the Constitution) on 27<sup>th</sup> August, 2010 (AfriCOG, 2015). The constitutional reforms resulted to fundamental changes one of them being the creation of the County Governments structure. This structure is founded on principles of equitable sharing of revenue, citizen involvement in decision making and gender equity. Article 6 of the Constitution provides for the devolution of services to forty-seven counties as listed in annex 1 (CoK, 2010). Chapter 11 Articles 174-200 provides for principles, objects and structure of operations for the county governments.

The key aims of devolution as spelt out under Article 174 of the Constitution include empowering the citizens through self-governance and increasing their participation in decision making; promoting national unity; advancing the country's economic and social growth by ensuring that sharing of the national resources is done in an equitable manner and decentralizing the government amenities from Nairobi and thereby improving the citizenry accessibility of the services across the country (CoK, 2010). Kenya has experienced tremendous growth as a result of the devolved system of governance. The successes of devolution include enhanced counties connectivity through infrastructural developments among them road networks making the far-flung counties accessible by road, improved health care systems at the counties level affording more citizens access to quality health care at the County referral hospitals.

However, the establishment and growth of counties has not been without challenges. A study by the Transparency International Kenya on governance and devolution identifies corruption as a major threat to devolution (TI-Kenya, 2015). In addition, due to the needs



at the county levels and the weak mechanisms of ensuring equity for instance in the access to devolved funding such as the CDF, various counties experience disparities in growth and development regarding employment opportunities, health services, education among others. For instance, Musyoki and Gakuu (2018) reported that less than half of young women age 15-24 years are literate in Counties like Turkana, Garissa, Wajir, and Mandera (that is 41%, 43%, 47% uneducated young women respectively). The KNBS has likewise indicated a drop of household Kenya's unemployment rate to 7.4% with about seven million Kenyans still unemployed. The decline in economic growth has led to companies downsizing in the past five years, leaving thousands jobless (KNBS, 2018).

## **1.2 Research Problem**

Governments in developing countries spend approximately 50% of their budgets in procurement of services, goods and works. This percentage is expected to grow over time (World Bank Group, 2016). OECD (2017) notes that for public funds to be well utilized, it is essential for a country to have a procurement regime that is aligned to international standards and that functions as intended. Compliance to the procurement law is inevitable if governments are to achieve the intended benefits. Onyinkwa (2014) observes that though various countries have instituted regulatory procurement reforms, non-compliance has been the key. Compliance to the procurement law by the county governments in Kenya is highlighted as a major challenge by various oversight entities (PPRA, 2018; OECD, 2017).

Reports by EACC in 2016 highlighted that there were procurement irregularities in the surveyed Counties in Kenya and lack of professional ethics and culture which led to unethical behavior such as tenderers bribing to obtain a tender (EACC, 2016). Further, the defunct Transition Authority of Kenya in its end-term report in 2015 noted that most of the counties reviewed follow the laid down procurement procedures when sourcing for goods, works and services (Transition Authority, 2015). Similarly, in the 2017/2018 county government review of financial statements reports, several procurement related malpractices including poorly maintained procurement records; payments made in full for

incomplete projects; excess procurement of goods and unexplained delays in contracts implementations (The Auditor General, 2018).

Various studies to investigate the factors that influence compliance of public procurement law have been carried out. Globally, Omagbon (2016) assessed the level to which the Nigerian Local Government complied with the procurement law. The study revealed a positive relationship between media publicity, professionalism and political interference with compliance to the procurement law by the Nigerian Local Governments. Muhwezi et al (2016) examined the compliance to Acts, Rules and Regulations by the Ugandan Procuring and Disposing Entities. The research identified legitimacy and stewardship as significant predictors of compliance while there was no significant relationship between deterrence and whistleblowing to compliance. Chikwere (2019) evaluated the determinants of regulatory compliance in Ghana. According to the research, political interference, staff competence and poor monitoring explain non-compliance.

Locally, Munywoki (2016) examined public procurement regulations and procurement administration in Nairobi County. The study evaluated how the variables of top management support, institutional factors, level of awareness, staff training, ethics and ICT influence compliance with public procurement law. The study's factor analysis concluded that staff training, top management support and information system and ICT were critical in explaining compliance while institutional factors, level of awareness and ethics were not highlighted as critical. Kimote and Kinoti (2018) explored the factors influencing adoption of procurement policies in the county governments and focused on the impact of staff training and information communication technology. The study revealed a positive relationship on both ICT and staff training in the application of procurement rules in the county governments. Atika (2018) conducted a research to establish the factors that lead to the successful application of ethical procurement practices in State Corporations in Kenya. The study established a positively significant relationship between tendering process, records management, organization structure and implementation of ethical practices.

However, the study findings revealed a significant adverse relationship between employee skills and implementation of ethical procurement practices.

From the above, it is apparent that there are knowledge gaps in the sense that the studies' results are mixed with some having a positive correlation, others negative and others have no correlation. In addition, some studies were not done locally. It is in this regard that this study sought to bridge this knowledge gaps by answering the following research question; what are the factors influencing compliance of the public procurement law by county governments in Kenya?

### **1.3 Research Objectives**

The general objective of the study was to establish the factors influencing compliance to the public procurement law by county governments in Kenya.

#### **1.3.1 Specific Objectives**

This study specifically sought:

- i. To determine the influence of staff awareness to the compliance of the public procurement law by county governments in Kenya.
- ii. To determine influence of adherence to ethical standards on compliance to public procurement law by county governments in Kenya.
- iii. To determine the influence of procurement records management on compliance to the public procurement law by county governments in Kenya.
- iv. To determine the influence of procurement function structural positioning on compliance to the public procurement law by county governments in Kenya.

### **1.4 Value of the Study**

The study findings are of significance to the County Treasuries and the procurement managers of the various County Governments. This is because the procurement law vests the responsibility for the execution of procurement and disposal policy in the counties on

the County Treasury. Further, a proper functioning procurement system at the county level greatly assists in achieving the aims of devolution when the limited monetary resources are put into proper use, there is accountability and the citizenry at the county level gain confidence in their leadership.

The study is also of relevance to other state agencies such as the National Treasury and the Public Procurement Regulatory Authority being the bodies involved in ensuring that procuring entities comply to the law as well as offering advisory support; and the Kenya Institute of Supplies Management being the professional body for procurement practitioners.

In addition, the study is of interest to scholars and researchers as it assists with additional information for their research and also forms a basis of further studies on compliance to the public procurement Law of Kenya. This study also leads to the generation of new knowledge, a quest that is crucial in any advancement of scholarly engagement.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The chapter starts with a theoretical review of literature that is relevant to this research followed by a discussion on the association between the study variables and ends with a presentation of the conceptual framework.

### **2.2 Theoretical Literature Review**

There are various theories that can be used to explain the factors that influence compliance to procurement law by the counties in Kenya. For the purpose of this study, the theoretical framework is based on the Virtue Ethical and Institutional theories, with the Virtue ethical theory as an overarching theory. An overview of these theories is discussed below.

#### **2.2.1 Virtue Ethical Theory**

Virtue ethics theory is a normative theory that focuses on applying the virtues of one's behavior, thinking, and a notion of honesty (Annas, 2017; Virtue, 1981). Narvaez (2006) states that virtues are forms of behaviour advanced over time with guidance from several parties such as tutors and parents until external guidance is not required. That is, virtue growth involves apprenticeship under the supervision of other people. In this view, an individual requires the community's support to nurture virtues.

For instance, MacIntyre (1981) denotes that there being many different kinds of activities such as chess playing, painting, etc., each of these practices requires years of trying to gain the skills needed to realize these ends and goals. Thus, a rookie would require to submit to the practitioners' guidance in order to acquire the necessary skills to realize the ends and goals of the practice. (Narvaez & Bock, 2014). The theory implies that imparting of virtues into the minds of children helps to provide and shape a good explanation of human deeds and the cultivation of ethical consideration (Grönum, 2015; Tsoukas, 2018).

Therefore, virtues in procurement, encourages entities such as public procurement institutions to engage in virtuous self-regulation actions. From this perspective, it is postulated that professionals who engage in unethical activities tend to create a negative practice in an organization's functions. For instance, such individuals may encourage corruption as a practice in the organization. As a result, there would be an increase in inefficiency in the operations of the organization. In the study's context, this theory is significant in guiding the researcher to understand the ethical perspective of public procurement compliance and the processes associated with the implementation

### **2.2.2 Institutional Theory**

Institutional theory focuses on the importance of institutional environment in the development of an organization's formal structures. The theory originates from the 19th century (Scott, 1995), bearing the assumption that decision making in organizations is based on social standards, declarations and internal factors that are mainly driven by outside forces (stakeholders) as well as the environment at large (Meyer & Rowan, 1977; Selznick, 1949). Institutional theorists view that an organization's social structure is more influential than market pressures when it comes to organizational development (Shou, Zheng, & Zhu, 2016). Basing on this approach, successful firms are those which adopt innovative structures at an early stage as the act brings about technical efficiency. It is opined that there reaches a level where failure to adopt the structures is considered to be negligent and irrational. At this stage, firms may be forced to adopt the institutional structures even if they do not bring forth efficiency. According to Oehmichen, Wolff, & Zschoche, (2018), institutionalization of organization is also viewed to affect how members of an organization behave.

The theory's assumption that organizations have regulative and cultural-cognitive, and normative elements (Shou, Zheng, and Zhu, 2016) is essential for this study as it elucidates how various organizational resources and activities may affect an organization's compliance with procurement policies. Specifically, the normative pillar that is entailed in

the theory provides a clear understanding of how values and norms of an organization act as a foundation of compliance (Shou, Zheng, & Zhu, 2016). In procurement, the institutional theory depicts those transactions should focus on identification of best practices and evaluation of the environment for suitable collaborative opportunities (Doluwarawaththa & Gooneratne, 2017). For instance, provision of training activities may affect employees by enhancing their commitment and contribution to the activity.

### **2.3 Compliance to Public Procurement Law**

According to Onyinkwa (2014), various countries both in developed and least developed countries have instituted procurement reforms involving laws and regulations. The major obstacle however has been inadequate regulatory compliance. PPOA (PPOA, 2015) refers to compliance as the adherence to the prescribed rules by the procuring entities when conducting procurement and disposal activities. PPOA 2015 further argues that adherence to the laid down procurement processes and procedures is a central component of a good governance framework. The prescribed rules and procedures that currently govern procurement in Kenyan public entities are contained in the Constitution of Kenya, 2010, the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Asset Disposal Regulations, 2020. In addition, the level of conformity with the procurement rules contributes to the government's attainment of its goals and objectives as well as the extent of involvement of internal and external stakeholders (Sarah Eyaa, 2011).

From the reviewed literature and purposes of the study, there are numerous factors that are critical in ensuring compliance to the procurement laws. Graells (2016) indicates that awareness of procurement laws is an important predictor of an organization's level of compliance. While it assumed that public entities are aware of procurement regulations, there is high possibility that some leaders or employees do not have knowledge of various laws. From this perspective, it is argued that procurement professionals tend to follow regulations that they are familiar with. Some of the policies are complex for public institutions, hence making procurement professionals to have inefficient knowledge on

what is required to comply fully with the policies. Therefore, public entities need to provide suitable awareness programs for their staff to be aware of different procurement provisions.

Likewise, for effective governance and the conduct of public administration, morality/ethics could be seen to guide public officials in guaranteeing that their activities are continually focused on promoting, achieving, sustaining and improving good governance (Cloete, 1995; Fox & Mayer, 1995). This affects an organization's performance through adherence to functions such as transparency and accountability (Theletsane, 2014). Ethics is viewed to be influenced by an individual or organization's culture (Schaltegger & Burritt, 2018). An ethical framework is thus, seen to affect an organization's willingness to indulge in a certain behavioral shift (Painter *et al.*, 2019). Ayoyi and Mukoswa (2015) indicates that for future efficacy, there is need to adopt ethical procedures applicable to all the persons participating in procurement. From this perspective, ethics can be observed to be an important aspect in the compliance of procurement laws.

The reports by the PPOA (2010) acknowledge the importance of a sound records management system which includes efficient and orderly way of conducting procurement transactions, reduced exposure to financial loss and legal challenges. It plays a major role in monitoring and evaluation which involves reviewing procurement records/documents, making physical checks and analyzing any procurement-related information to find out the extent to which a procuring entity has complied with the procedures in its procurement function (PPOA, 2015). Suitable records management requires several enablers such as embracing use of technology which is depicted to play a major role in increasing an organization's transparency and efficiency (Tumuhairwe & Ahimbisibwe, 2016). ICT enables employees to have a suitable review of existing procedures and policy. It can also be seen to enhance provision of information in a way that makes monitoring easier. In addition, the focus on efficiency and enhancement of auditing activities may show that ICT helps procurement firms to improve their compliance with set policies (Namukasa, 2017).



Handfield, Monczka, Giunipero, and Patterson (2015) state that an organizational structure has numerous purposes among them defining communication and decision-making process within the organization. Thus, they argue that the placement of the purchasing department within the organization structure is significant since it depicts its status in that company and influence. Steinfeld, McCue and Prier (2017) note that there is a risk of isolating the procurement function in the strategic direction of an organization. This they argue, separates the procurement operations from the strategic political function that inducts action in an organization. In this regard, Steinfeld et al (2017) recommend a tactical alignment between the procurement function and the socio-political initiatives that drives organizational aims. Handfield et al (2015) summarizes the above views by stating that the higher the procurement unit is within the organization's hierarchical structure, the greater its impact in supporting the organization's strategic objectives. From this aspect, it can be postulated that organizations which have given procurement function a minor role in their strategic planning tend to have little capacity to engage in procurement reforms. Therefore, such organizations are more likely to ignore procurement law enforcement by the government (Marendi, 2015).

## **2.4 Empirical Literature Review**

This section reviews existing studies on factors influencing compliance to the public procurement law. Several studies have established a direct relationship between adherence to ethical standards and compliance to procurement law. This is demonstrated by the Virtue Ethical Theory which argues that as professionals engage in unethical activities, there is an increase in inefficiency in the operations of the organization. In addition, staff awareness on the regulatory framework, effective records management and proper structural positioning of the procurement function form part of the organizational culture (values and norms) which as argued by the Institutional Theory may affect an organization's compliance with procurement policies.

Nyaboke and Muturi (2017) did a study on the factors that impact on the execution of procurement law in the Kenyan county governments. The study focused on Nyamira County and applied a case study research design. The researchers concentrated on the impact of procurement lead time, external pressure and suppliers' awareness in the implementation of the procurement policies. The results revealed that long lead time had negative affect on the implementation of the Act. Consequently, the study recommends reduction of procurement lead time at Nyamira County so as to enhance compliance to the procurement law. Nyaboke and Muturi (2017)'s study is important as its objectives align with those of this study. However, it utilizes dual-process theory, bounded rationality theory, and normalization process theory.

A study by Ndolo and Njagi (2014) aimed at determining the influence of ethics in the effectiveness of procurement processes. The researchers applied a case study approach on Embu Water Services Company. Its first objective was to evaluate whether the firm operated within a suitable ethical framework. The second objective was to define the effect of ethics in the procurement operations. Using teleological and deontological ethical theories, the study revealed that despite the competition in the water sector, the organization did not have an effective ethical framework to guide the employees and lacked staff training. Lack of an effective ethical framework was shown to bring forth malpractice in procurement processes. The study is viewed to be important as its outcomes show the need to develop a suitable ethical framework in procurement process such as compliance.

Olusegun, Akinsiku, and Akinbode (2016) carried out a study to evaluate the factors which influence process compliance during purchasing of goods by the tertiary institutions in the State of Lagos, Nigeria. By looking into the specific influence of ethical behavior, professionalism, and familiarity on the compliance of procurement law during purchasing of public goods. The study applied a descriptive survey methodology where the population was from the tertiary organizations. Primary data was used which was obtained through use of questionnaires administered by hand to 36 procurement staff/desk officers who were purposively selected from the three federal tertiary Institutions in Lagos State. The study

revealed that professionalism, ethical behavior, and familiarity have significant positive relationship with compliance.

An examination by Kimote and Kinoti (2018) on factors influencing adoption of procurement policies in the context of Kenyan county governments focused on the impact of ICT and staff training. The study adopted the use of systematic random sampling in attaining a suitable sample of the 47 Kenyan county governments. It employed a mixed methodology, with both quantitative and qualitative data being collected. The researchers applied a descriptive design to evaluate the relationship between staff training and ICT and adoption of procurement guidelines. The study showed that ICT had a more significant effect on the implementation of procurement policies in the county governments while staff training had less significance.

Sarawa and Mas'ud (2020) sought to validate the compliance model on regulating public procurement with mediation effect of ethical behavior. The validation centered on the socio-economic theory and explored the intervening effect of ethical conduct on employees awareness, enforcement, competence, ability to resist to external interference and compliance with procurement regulation in the public sector. A quantitative research design was used with a sample group of 125 procurement officers. The results recognized the mediating effect of ethical conduct on compliance on the aforementioned variables with the exception of resistance to political interference. Hence, ethical conduct of procurement practitioners ought to be an issue of concern to the professional bodies as well as legislators.

Jacob (2017) conducted an investigation on the implementation practices that are associated with procurement plans in Indonesia with a focus of Bitung City. The study aimed at attaining the success factors of procurement implementation and the level of the implementation success. A case study approach was applied using both qualitative and quantitative strategies. The study showed that implementation of procurement plans in Bitung City was successful, hence showing a high level of compliance. The partial test (t-test) findings indicated a significant effect between religious attitudes, customary and

cultural attitudes towards business practices, and regulations associated with procurement activities and the implementation of procurement plans. This study tends to show the importance ethics which aligns with virtual ethics theory which is considered vital by the researcher.

## **2.5 Summary of the Empirical Literature Review**

From the above reviewed literature, empirical evidence has shown mixed findings of positive and negative relationship between the study variables and compliance to public procurement law. In addition, a number of the studies have been done outside Kenya. Most of the studies done in Kenya have focused on compliance at the National Government entities and not counties with the studies done at the county government level focusing on a few selected factors. There also exists research gaps in the applied methodology.

**Table 2.1: Summary of the Empirical Literature Review**

Scholar (s)	Focus of the study	Methodology	Major Findings	Knowledge research gaps	How gaps are addressed in this study
Ndolo and Njagi (2014)	Analyze the factors affecting the effectiveness of procurement processes.	A case study of Embu Water Services Company (EWASCO). Used a sample size of 40 employees and applied descriptive statistical analysis.	Lack of an ethical framework and staff training negatively affected the effectiveness of procurement processes.	Study only focused on ethical perspective of compliance and on a single entity (EWASCO) of the County Government.	The study focused on 47 county governments in Kenya by employing the exploratory research design and use of primary data
Olusegun, Akinsiku, and Akinbode (2016)	Assesses the factors influencing compliance to procurement processes	A survey of 36 procurement officers in the tertiary institutions in Lagos, Nigeria. Applied inferential and descriptive analysis.	A significant positive relationship found between professionalism, ethical behavior, and familiarity with compliance.	The study only targeted n 36 procurement staff/desk officers who were purposively selected from the three federal tertiary Institutions in Lagos State.	The study focused on 47 county governments in Kenya by employing the exploratory research design and use of primary data.
Jacob (2017)	Examine the practices during the implementation of public procurement policies.	A case study of 47 agencies in Bitung City, Indonesia. Used a descriptive research method and applied multiple statistical regression analysis.	A significantly positive association between procurement plan implementation practices (religious, and cultural attitudes, and regulations associated with procurement activities) and compliance.	The study was limited to implementation practices of the procurement plan and conducted in Indonesia.	The study will focus on 47 county governments in Kenya by employing the exploratory research design and use of primary data.

Nyaboke and Muturi (2017)	Scrutinize operation of the procurement Act.	A case study of Nyamira County in Kenya, used a sample of 21 county employees and 200 firms. Applied descriptive analysis.	Long lead time, external interferences and service providers unawareness had a significantly negatively relationship with implementation of the PPDA 2015.	The study employed a case study research design and targeted procurements officers at the County offices in Nyamira	The study focused on 47 county governments in Kenya by employing the exploratory research design and use of primary data.
Kimote and Kinoti (2018)	Establish the effects of staff training and ICT in implementation of procurement law	A systematic random sampling method used to collect data from 11 county governments in Kenya. Study used statistical data analysis	A significant positive relationship established between ICT and procurement law implementation. No significant relationship between implementation and staff training	The only picked the 4th county in Kenya that is 11 county governments, and a total of 671 procurement officers	The study focused on 47 county governments in Kenya by employing the exploratory research design and use of primary data.
Sarawa and Mas' ud (2020).	Validate the regulatory compliance model in public procurement with ethical behavior as a mediating variable.	A quantitative research method employed on 125 procurement officers drawn from Nigerian's Jagawa State public institutions.	Established a positive relationship between the model's predictors with compliance when intervening effect of ethical performance is applied except the ability to stand against political pressure.	The study used a quantitative research design using 125 procurement officers as a sample group in Nigeria's Jigawa state	The study focused on 47 county governments in Kenya by employing the exploratory research design and use of primary data.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter discusses the methodology applied in this research. This includes the research design, target population and data collection methods followed by data analysis techniques.

### **3.2 Research Design**

The study employed a descriptive research design using factor analysis as it sought to explain the state of affairs of the research phenomenon in the county governments through a process of data collection to describe the situation as it is since quality and standing facts are given meaning in a descriptive survey (Nassaji, 2015). The design provides the researcher with various options of collecting the data such as questionnaires, interviews, observation etc.

### **3.3 The Population**

The population of this study were county governments in Kenya which are 47 in number (see Appendix IV). Since the population is not too large, a census survey was proposed.

### **3.4 Data Collection**

Primary data and a Likert scale was used to standardize the research instruments in the study. Data collection was through the use of both open and closed ended questionnaire. The respondents were the heads of procurement or their equivalent in each County. The researcher used the google forms to send the electronic form of the questionnaires to the respondents via email due to the current prevalence of the COVID-19 pandemic.

### 3.5 Data analysis

The study used descriptive statistics to analyse general information and factor analysis to identify the factors that influence compliance. Factor analysis was conducted using KMO (Kaiser-Meyer-Olkin). Factor loadings involved the principal component analysis. The proposed regression model of the study was as follows:

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

This equation shows the relationship between the ordinary predictors  $X_1$  to  $X_4$  which are the four entrepreneurial strategies dimensions and the hotel innovation which is  $Y$ .

Where:

$Y$  = Compliance to the public procurement law

$B_0$  = model constant

$X_1$  = staff professionalism

$X_2$  = procurement records management

$X_3$  = adherence to ethical standards

$X_4$  = procurement structural positioning

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  represent the coefficient of  $X_1, X_2, X_3$  and  $X_4$  respectively.

$\varepsilon$  = error term which is normally distributed with a mean and variance of zero.



**Table 3.1: Summary of Data Collection and Analysis**

<b>Objective</b>	<b>Questionnaire</b>	<b>Technique of Data Analysis</b>
Demographic data	Section A	Descriptive statistics
To establish the factors influencing compliance to the public procurement law by county governments in Kenya	Section B	Confirmatory factor analysis

**Source: Researcher (2020)**

## **CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND DISCUSSION**

### **4.1 Introduction**

This chapter presents the data analysis, interpretation and discussion presented in tables and figures. The chapter entails the response rate, data validity, descriptive statistics, factor analysis and discussion of research findings.

### **4.2 Response Rate**

**Table 4.1: Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Returned	47	100
Unreturned	0	0
<b>Total</b>	<b>47</b>	<b>100</b>

**Source: Research Data (2020)**

A total of 47 questionnaires were issued across the 47 counties and all of them provided their information for the study. This return saw 100% being filled, which is adequate. This is so because according to Nulty (2008), Morton et al. (2012) and Agustini (2018), a response rate of above 50% is adequate for a descriptive study.

### **4.3 Reliability Results**

Reliability analysis was done to evaluate survey construct using Cronbach's alpha. Sekaran and Bougie (2013) stated that coefficient greater than or equal to 0.7 is acceptable for basic research. Bagozzi (1994) explains that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy). The table 1 below shows the reliability results for all the statements.

**Table 4.2: Reliability Results**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>	<b>Conclusion</b>
Statements	0.881	43	Reliable

*Source: Survey Data (2020).*

The results proved that all the 43 variable statements were highly reliable with Cronbach's Alpha for the results being 0.881.

#### **4.4 Descriptive Statistics**

The study sought to establish the factors influencing the compliance to the public procurement law by the county governments in Kenya. The respondents were requested to on a scale of 1 to 5 (5-Very Great Extent, 4- Great extent, 3-Neutral 2- Low Extent 1- No Extent), indicate to what extent the selected statements influenced compliance to the procurement law in their counties. The ratings were computed as presented in table 4.3.

**Table 4.3a: Descriptive Statistics**

<b>Statements</b>	<b>NE</b>	<b>LE</b>	<b>N</b>	<b>GE</b>	<b>VGE</b>	<b>M</b>	<b>Std. D</b>
The Procurement Act and its attendant legislation are easily accessible.	4.3%	6.4%	12.8%	29.8%	46.8%	4.0	1.2
Consistent training and capacity building of staff on the best procurement practices	4.3%	0.0%	34.0%	36.2%	25.5%	3.7	1.1
Thorough vetting and interview during the recruitment of procurement officers	10.6%	4.3%	23.4%	55.3%	6.4%	3.4	1.1
Regular and adequate education on new and arising matters in procurement law	6.4%	0.0%	23.4%	46.8%	23.4%	3.7	1.1
Competences to handle the compliance process	10.6%	0.0%	10.6%	53.2%	25.5%	3.8	1.2
Familiarity with the procurement law	4.3%	0.0%	8.5%	40.4%	46.8%	4.2	1.1
Information and communication technology expertise	4.3%	4.3%	46.8%	38.3%	6.4%	3.3	0.9
Consultation between relevant government department or experts in the procurement process	4.3%	0.0%	36.2%	55.3%	4.3%	3.3	0.8
Effective communication between procurement staff, suppliers and end users	6.4%	2.1%	19.1%	48.9%	23.4%	3.7	1.1
Maintenance of updated list of qualified suppliers	2.1%	14.9%	0.0%	51.1%	31.9%	3.9	1.1
Lack of proper controls in management of contracts	4.3%	2.1%	6.4%	59.6%	27.7%	4.0	1.0
Approved procurement plans in place	4.3%	2.1%	14.9%	53.2%	25.5%	3.9	1.0
Adherence to the approved procurement plans	12.8%	0.0%	2.1%	72.3%	12.8%	3.7	1.2
Timeliness in implementation of the procurement plans	6.4%	12.8%	0.0%	72.3%	8.5%	3.6	1.1
Timely payments to suppliers after delivery of goods and services	8.5%	8.5%	34.0%	27.7%	21.3%	3.4	1.2
e-procurement integrated application	12.8%	8.5%	17.0%	40.4%	21.3%	3.4	1.3
Existence of procurement records management policy	17.0%	6.4%	36.2%	17.0%	23.4%	3.2	1.4
Electronic records management system	12.8%	6.4%	38.3%	14.9%	27.7%	3.3	1.4
Adherence to specifications	6.4%	4.3%	14.9%	46.8%	27.7%	3.8	1.2

**Table 4.3b: Descriptive Statistics**

<b>Statements</b>	<b>NE</b>	<b>LE</b>	<b>N</b>	<b>GE</b>	<b>VGE</b>	<b>M</b>	<b>Std. D</b>
Quality control systems	8.5%	6.4%	25.5%	25.5%	34.0%	3.6	1.3
Existence of a code of Ethics for persons involved in the procurement process	10.6%	6.4%	8.5%	61.7%	12.8%	3.5	1.2
Adherence to contracts terms	4.3%	0.0%	0.0%	95.7%	0.0%	3.8	0.7
Adherence to the 1/3 gender rule by the constitution	4.3%	23.4%	25.5%	46.8%	0.0%	3.1	1.0
Strict penalties against fraud and corruption	14.9%	10.6%	6.4%	40.4%	27.7%	3.5	1.4
Standards of integrity by the management	4.3%	0.0%	25.5%	42.6%	27.7%	3.8	1.0
Suppliers confidence to participate in government market place	6.4%	4.3%	27.7%	38.3%	23.4%	3.6	1.1
Staff ability to avoid conflict of interest	17.0%	6.4%	29.8%	6.4%	40.4%	3.4	1.5
Measures in place to manage conflict of interest	10.6%	10.6%	23.4%	36.2%	19.1%	3.4	1.3
Confidentiality during the procurement process	6.4%	25.5%	3.1%	45.8%	19.1%	3.0	1.2
Accountability and transparency when processing procurement transactions	6.4%	10.6%	17.0%	53.2%	12.8%	3.5	1.1
Clear authorization process along the structure	4.3%	0.0%	19.1%	76.6%	0.0%	3.6	0.8
Procurement planning aligned to approved budget	4.3%	4.3%	12.8%	48.9%	29.8%	3.9	1.1
Efficient utilization of procurement resources	6.4%	8.5%	17.0%	36.2%	31.9%	3.7	1.2
The role of Information Technology (IT) in supporting procurement operations	6.4%	0.0%	23.4%	48.9%	21.3%	3.7	1.1
Procurement scheduling on timely and communication basis	10.6%	4.3%	19.1%	34.0%	31.9%	3.6	1.3
Consolidation of similar requirements under one contract or into several contract packages for economies of scale	14.9%	6.4%	40.4%	25.5%	12.8%	3.1	1.2
Adequate funding of the procurement operations	10.6%	10.6%	12.8%	48.9%	17.0%	3.5	1.2
Innovativeness in public procurement	17.0%	10.6%	34.0%	19.1%	19.1%	3.1	1.4
Establishment of a procurement department	4.3%	4.3%	8.5%	29.8%	53.2%	4.2	1.2

**Table 4.3c: Descriptive Statistics**

<b>Statements</b>	<b>NE</b>	<b>LE</b>	<b>N</b>	<b>GE</b>	<b>VGE</b>	<b>M</b>	<b>Std. D</b>
Procurement department staffed with professionals	4.3%	2.1%	29.8%	19.1%	44.7%	3.9	1.2
Placement of the procurement function within the organization structure	8.5%	4.3%	8.5%	23.4%	55.3%	4.0	1.3
Publication of public procurement information	8.5%	2.1%	27.7%	40.4%	21.3%	3.6	1.1
Effective monitoring and evaluation of the public procurement system	4.3%	4.3%	38.3%	25.5%	27.7%	3.6	1.1
<b>Average</b>						<b>3.6</b>	<b>1.2</b>

5-Very Great Extent (VGE), 4- Great extent (GE), 3-Neutral (N)2- Low Extent (LE),1- No Extent (NE), M =Mean and Std. D =Standard Deviation

Source: Survey Data (2020).

The results in table 4.3a, 4.3b and 4.3c revealed that majority of the respondents (76.6%) agreed that accessibility of the Procurement Act and its attendant legislation influences compliance of the Public Procurement law to a great extent. The results also exposed that majority of the respondents 61.7% agreed that consistent training and capacity building of staff on the best procurement practices influences compliance of the Public Procurement law to a great extent. Additionally, 61.7% of the respondents agreed that vetting and interview during the recruitment of procurement officers, influences compliance of the Public Procurement law to a great extent. The results also showed that 70.2% of the respondents agreed that regular and adequate education on new and arising matters in procurement law influences compliance of the Public Procurement law to a great extent. Majority of the respondents (78.7%) likewise, indicated that competences to handle the compliance process influences compliance of the Public Procurement law to a great extent. The results also showed that (87.2%) of the respondents agreed that familiarity with the procurement law influences compliance of the Public Procurement law to a great extent.

Additionally, 46.8% of the respondents agreed that information and communication technology expertise influences compliance of the Public Procurement law to a neutral extent. Majority of the respondents (59.6%) agreed that consultation between relevant

government department or experts in the procurement process influences compliance of the Public Procurement law to a great extent. Besides, 72.3% of the respondents agreed that effective communication between procurement staff, suppliers and end users influences compliance of the Public Procurement law to a great extent. The results also showed that 83.0% of the respondents agreed that maintenance of updated list of qualified suppliers influences compliance of the Public Procurement law to a great extent.

The results also revealed that majority of the respondents (87.3%) indicated that lack of proper controls in management of contracts influences compliance of the Public Procurement law to a great extent. The results also exposed that majority of the respondents 78.7% indicated that approved procurement plans in place influences compliance of the Public Procurement law to a great extent. Additionally, 85.1% of the respondents indicated that adherence to the approved procurement plans influences compliance of the Public Procurement law to a great extent. The results also showed that 80.8% of the respondents indicated that timeliness in implementation of the procurement plans influences compliance of the Public Procurement law to a great extent. 49% of the respondents indicated that timely payments to suppliers after delivery of goods and services influences compliance of the Public Procurement law to a great extent. The results also showed that 61.7% of the respondents indicated that e-procurement integrated application influences compliance of the Public Procurement law to a great extent.

Additionally, 40.4% of the respondents indicated that existence of procurement records management policy influences compliance of the Public Procurement law to a great extent. 42.6% of the respondents indicated that electronic records management system influences compliance of the Public Procurement law to a great extent. Besides, 74.5% of the respondents indicated that adherence to specifications influences compliance of the Public Procurement law to a great extent. The results also showed that 59.5% of the respondents indicated that quality control systems influence compliance of the Public Procurement law to a great extent.

The results revealed that majority of the respondents (74.5%) indicated that existence of a code of ethics for persons involved in the procurement process influences compliance of the Public Procurement law to a great extent. The results also exposed that majority of the respondents 95.7% indicated that adherence to contracts terms influences compliance of the Public Procurement law to a great extent. Additionally, 46.8% of the respondents indicated that adherence to the 1/3 gender rule by the constitution influences compliance of the Public Procurement law to a great extent. The results also showed that 68.1% of the respondents indicated that strict penalties against fraud and corruption influence compliance of the Public Procurement law to a great extent. Majority of the respondents (70.3%) likewise, indicated that standards of integrity by the management influence compliance of the Public Procurement law to a great extent. The results also showed that 61.7% of the respondents indicated that suppliers' confidence to participate in government market place influences compliance of the Public Procurement law to a great extent.

Additionally, 46.8% of the respondents indicated that staff ability to avoid conflict of interest influences compliance of the Public Procurement law to a great extent. 55.3% of the respondents indicated that measures in place to manage conflict of interest influences compliance of the Public Procurement law to a great extent. Besides, 61.7% of the respondents indicated that confidentiality during the procurement process influences compliance of the Public Procurement law to a great extent. The results also showed that 66.0% of the respondents indicated that accountability and transparency when processing procurement transactions influences compliance of the Public Procurement law to a great extent.

The results in the table above revealed that majority of the respondents (76.6%) indicated that clear authorization process along the structure influences compliance of the Public Procurement law to a great extent. The results also exposed that majority of the respondents 78.8% indicated that procurement planning aligned to approved budget influences compliance of the Public Procurement law to a great extent. Likewise, 68.1% of the respondents indicated that efficient utilization of procurement resources influences



compliance of the Public Procurement law to a great extent. The results also showed that 70.2% of the respondents indicated that the role of Information Technology (IT) in supporting procurement operations influence compliance of the Public Procurement law to a great extent. 65.9% likewise, indicated that procurement scheduling on timely and communication basis influence compliance of the Public Procurement law to a great extent. However, 40.4% of the respondents indicated that they were not sure whether consolidation of similar requirements under one contract or into several contract packages for economies of scale influences compliance of the Public Procurement law.

Additionally, 65.9% of the respondents indicated that adequate funding of the procurement operations influences compliance of the Public Procurement law to a great extent. 38.2% of the respondents indicated that innovativeness in public procurement influences compliance of the Public Procurement law to a great extent. Besides, 83.0% of the respondents indicated that establishment of a procurement department influences compliance of the Public Procurement law to a great extent. 63.8% of the respondents indicated that procurement department staffed with professionals influences compliance of the Public Procurement law to a great extent. The results also showed that 78.7% of the respondents agreed that placement of the procurement function within the organization structure.

61.7% of the respondents agreed that publication of public procurement information influences compliance of the Public Procurement law to a great extent. The results also showed that 53.2% of the respondents agreed that effective monitoring and evaluation of the public procurement system influences compliance of the Public Procurement law to a great extent. On a five-point scale, the average mean of the responses was 3.6 which means that majority of the respondents indicated influences compliance of the Public Procurement law to a great extent, however the answers were varied as shown by a standard deviation of 1.6.

#### 4.5 Factor Analysis (Test for Construct Validity)

The test for construct validity for the study is the Kaiser-Meyer-Olkin (KMO) test for construct validity which according to Field (2005), Kaiser put the following KMO Value/Degree of Common Variance: *0.00 to 0.49 unacceptable, 0.50 to 0.59 miserable, 0.60 to 0.69 mediocre, 0.70 to 0.79 middling, 0.80 to 0.89 meritorious and 0.90 to 1.00 marvellous.*

**Table 4.4: Factorial Test Results for Construct Validity**

Variable	KMO	Bartlett's Test of Sphericity			Conclusion	Validity
		Approx. Chi-Square	df	Sig.		
All the 43 statements	0.624	1861.354	903	0.000	Acceptable	Valid

*Source: Survey Data (2020).*

The values of the KMO Measure of Sampling Adequacy for the variable was above 0.5. The significance of the KMO coefficient was evaluated using a Chi-Square test and a critical probability value ( $p\text{-value} < 0.05$ ). A Chi-Square coefficient was indicated by 1861.354 and a p-value of less than 0.05 implying that the coefficients were statistically significant. Thus, the variable statements were valid given a KMO value of 0.624 which is a middling value.

#### 4.6 Communalities

According to Kaiser (1974), factor-loading values that are greater than 0.4 should be accepted and values below 0.5 should lead to collection of more data to help researcher to determine the values to include.

**Table 4.5a: Communalities**

<b>Statements</b>	<b>Initial</b>	<b>Extraction</b>	<b>Cut-off</b>	<b>Conclusion</b>
The Procurement Act and its attendant legislation are easily accessible.	1.000	0.818	0.400	Accepted
Consistent training and capacity building of staff on the best procurement practices	1.000	0.918	0.400	Accepted
Thorough vetting and interview during the recruitment of procurement officers	1.000	0.823	0.400	Accepted
Regular and adequate education on new and arising matters in procurement law	1.000	0.870	0.400	Accepted
Competences to handle the compliance process	1.000	0.712	0.400	Accepted
Familiarity with the procurement law	1.000	0.856	0.400	Accepted
Information and communication technology expertise	1.000	0.895	0.400	Accepted
Consultation between relevant government department or experts in the procurement process	1.000	0.883	0.400	Accepted
Effective communication between procurement staff, suppliers and end users	1.000	0.848	0.400	Accepted
Maintenance of updated list of qualified suppliers	1.000	0.831	0.400	Accepted
Lack of proper controls in management of contracts	1.000	0.909	0.400	Accepted
Approved procurement plans in place	1.000	0.891	0.400	Accepted
Adherence to the approved procurement plans	1.000	0.769	0.400	Accepted
Timeliness in implementation of the procurement plans	1.000	0.860	0.400	Accepted
Timely payments to suppliers after delivery of goods and services	1.000	0.866	0.400	Accepted
e-procurement integrated application	1.000	0.767	0.400	Accepted
Existence of procurement records management policy	1.000	0.774	0.400	Accepted
Electronic records management system	1.000	0.882	0.400	Accepted
Adherence to specifications	1.000	0.801	0.400	Accepted
Quality control systems	1.000	0.724	0.400	Accepted
Existence of a code of Ethics for persons involved in the procurement process	1.000	0.655	0.400	Accepted
Adherence to contracts terms	1.000	0.892	0.400	Accepted
Adherence to the 1/3 gender rule by the constitution	1.000	0.926	0.400	Accepted
Strict penalties against fraud and corruption	1.000	0.749	0.400	Accepted
Standards of integrity by the management	1.000	0.767	0.400	Accepted

**Table 4.5b: Communalities**

<b>Statements</b>	<b>Initial</b>	<b>Extraction</b>	<b>Cut-off</b>	<b>Conclusion</b>
Suppliers confidence to participate in government market place	1.000	0.841	0.400	Accepted
Staff ability to avoid conflict of interest	1.000	0.846	0.400	Accepted
Measures in place to manage conflict of interest	1.000	0.843	0.400	Accepted
Confidentiality during the procurement process	1.000	0.692	0.400	Accepted
Accountability and transparency when processing procurement transactions	1.000	0.861	0.400	Accepted
Clear authorization process along the structure	1.000	0.891	0.400	Accepted
Procurement planning aligned to approved budget	1.000	0.738	0.400	Accepted
Efficient utilization of procurement resources	1.000	0.785	0.400	Accepted
The role of Information Technology (IT) in supporting procurement operations	1.000	0.784	0.400	Accepted
Procurement scheduling on timely and communication basis	1.000	0.785	0.400	Accepted
Consolidation of similar requirements under one contract or into several contract packages for economies of scale	1.000	0.689	0.400	Accepted
Adequate funding of the procurement operations	1.000	0.758	0.400	Accepted
Innovativeness in public procurement	1.000	0.778	0.400	Accepted
Establishment of a procurement department	1.000	0.793	0.400	Accepted
Procurement department staffed with professionals	1.000	0.828	0.400	Accepted
Placement of the procurement function within the organization structure	1.000	0.791	0.400	Accepted
Publication of public procurement information	1.000	0.762	0.400	Accepted
Effective monitoring and evaluation of the public procurement system	1.000	0.750	0.400	Accepted

*Extraction Method: Principal Component Analysis.*

*Source: Survey Data (2020).*

From the findings in the factor analysis, the results indicated that all the 43 statements exceeded the 0.4 thresholds with values up to 0.8 which were *meritorious*.

#### 4.7 Total Variance Explained

A factor analysis was run using the principal component analysis. The purpose of this was to generate a number of factors from the 43 statements of the questionnaire. The study used the criteria of specifying the maximum number of factors as opposed to the Eigenvalues of 1 for efficiency in conceptualization since it is easier to conceptualize 4 factors as opposed to 12 factors. Four factors can fit better in a conceptual framework compared to 12 factors. The results are as shown in table 4.6 for the total variance explained and figure 4.1 for the scree plot.

**Table 4.6: Total Variance Explained for the Statements**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.238	19.157	19.157	8.238	19.157	19.157	6.472	15.05	15.050
2	5.335	12.407	31.564	5.335	12.407	31.564	5.344	12.427	27.478
3	4.147	9.644	41.208	4.147	9.644	41.208	4.906	11.409	38.887
4	3.625	8.429	49.637	3.625	8.429	49.637	4.623	10.751	49.637
5	2.837	6.599	56.236						
6	2.154	5.009	61.245						
7	1.879	4.371	65.616						
8	1.77	4.115	69.731						
9	1.364	3.172	72.903						
10	1.302	3.028	75.931						
11	1.158	2.694	78.625						
12	1.089	2.532	81.156						
13	0.892	2.075	83.231						
14	0.832	1.935	85.166						
15	0.745	1.732	86.898						
16	0.68	1.582	88.481						
17	0.602	1.4	89.881						
18	0.586	1.363	91.244						
19	0.47	1.092	92.336						
20	0.456	1.061	93.397						
21	0.379	0.881	94.278						

**Table 4.6b: Total Variance Explained for the Statements**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
22	0.344	0.801	95.079						
23	0.327	0.759	95.838						
24	0.282	0.656	96.494						
25	0.267	0.621	97.115						
26	0.205	0.476	97.591						
27	0.173	0.402	97.993						
28	0.15	0.35	98.343						
29	0.147	0.341	98.684						
30	0.102	0.237	98.922						
31	0.095	0.222	99.143						
32	0.078	0.18	99.324						
33	0.073	0.17	99.494						
34	0.054	0.126	99.62						
35	0.044	0.102	99.722						
36	0.032	0.075	99.798						
37	0.028	0.064	99.862						
38	0.022	0.051	99.913						
39	0.015	0.035	99.947						
40	0.012	0.027	99.975						
41	0.009	0.021	99.996						
42	0.001	0.003	99.999						
43	0.001	0.001	100						

Extraction Method: Principal Component Analysis.

Source: Survey Data (2020).

The results of the varimax rotation mean that the first four extracted factors out of 43 components explained 15.050%, 27.478%, 38.887% and 49.637% of the total variations respectively. This implies that the 43 statements can be regrouped into 4 factors.

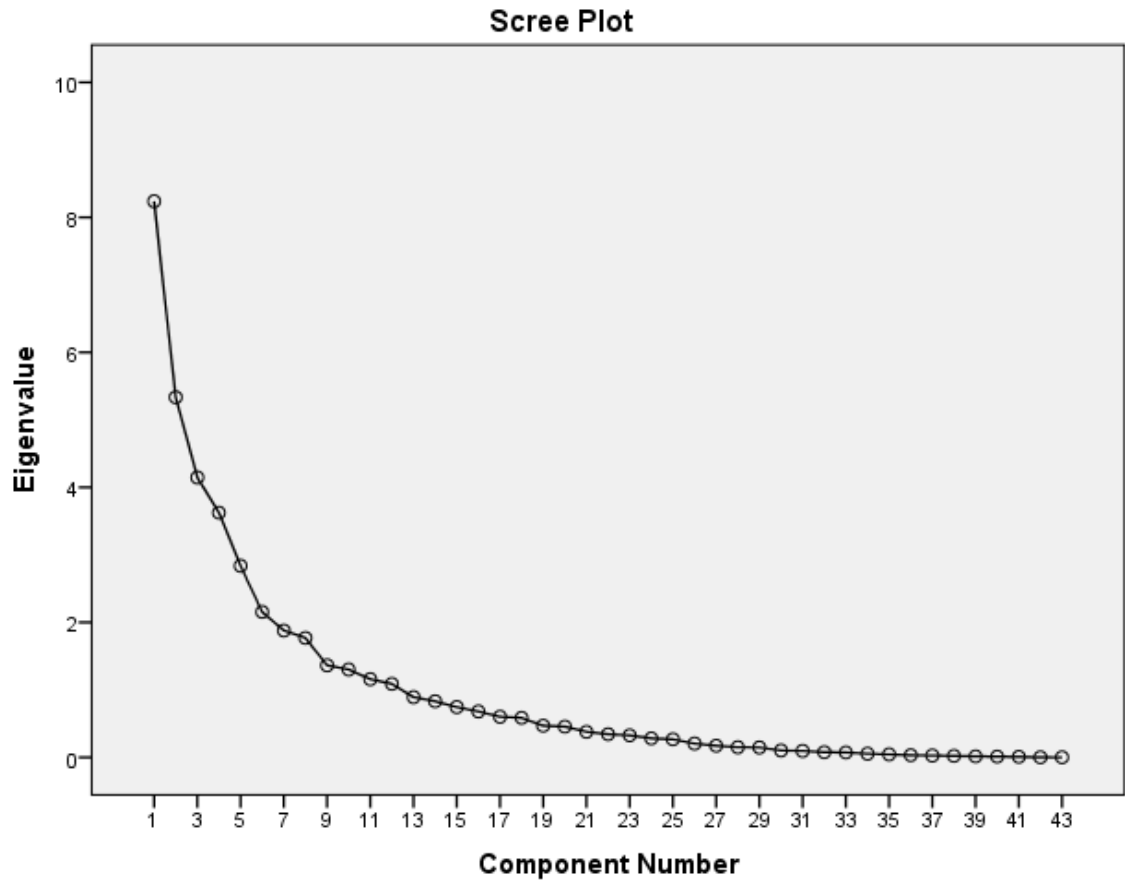


Figure 4.1: Item Scree plot

## 4.8 Unrotated Factor Loadings

Unrotated factor loadings are as shown in table 4.7 below

**Table 4.7a: Unrotated Factor Loadings**

<b>Component Matrix a</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. Clear authorization process along the structure	0.660	-0.500	-0.068	-0.242
2. Lack of proper controls in management of contracts	0.636	-0.202	0.143	0.470
3. Establishment of a procurement department	0.635	-0.261	-0.24	-0.362
4. Publication of public procurement information	0.631	-0.184	-0.073	-0.251
5. Procurement planning aligned to approved budget	0.627	-0.284	-0.027	-0.242
6. Procurement department staffed with professionals	0.587	-0.326	-0.132	-0.271
7. Effective monitoring and evaluation of the public procurement system	0.559	-0.201	0.069	-0.137
8. The role of Information Technology (IT) in supporting procurement operations	0.544	-0.299	0.058	-0.233
9. Adherence to contracts terms	0.542	0.439	0.504	-0.155
10. Consistent training and capacity building of staff on the best procurement practices	0.541	0.371	-0.286	0.09
11. Information and communication technology expertise	0.540	0.227	-0.426	-0.074
12. Placement of the procurement function within the organization structure	0.536	-0.306	-0.139	-0.404
13. Efficient utilization of procurement resources	0.529	-0.234	0.166	-0.395
14. Familiarity with the procurement law	0.492	0.489	-0.452	0.104
15. Consolidation of similar requirements under one contract or into several contract packages for economies of scale	0.460	-0.243	0.123	-0.033
16. Effective communication between procurement staff, suppliers and end users	0.454	0.441	-0.408	0.133
17. The Procurement Act and its attendant legislation are easily accessible.	0.452	0.279	-0.37	0.236
18. Adequate funding of the procurement operations	0.421	-0.085	-0.158	-0.117
19. Maintenance of updated list of qualified suppliers	0.371	-0.075	-0.101	-0.094



**Table 4.7b: Unrotated Factor Loadings**

<b>Component Matrix a</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
20. Innovativeness in public procurement	0.348	-0.166	-0.129	-0.184
21. Procurement scheduling on timely and communication basis	0.341	-0.318	-0.204	-0.188
22. Existence of a code of Ethics for persons involved in the procurement process	0.322	0.179	0.283	-0.274
23. Consultation between relevant government department or experts in the procurement process	0.370	0.625	-0.492	-0.031
24. Measures in place to manage conflict of interest	0.197	0.538	0.427	-0.199
25. Standards of integrity by the management	0.476	0.535	0.389	-0.001
26. Regular and adequate education on new and arising matters in procurement law	0.332	0.532	-0.485	0.181
27. Strict penalties against fraud and corruption	0.127	0.527	0.427	-0.237
28. Confidentiality during the procurement process	0.139	0.519	0.305	-0.178
29. Staff ability to avoid conflict of interest	0.23	0.489	0.45	0.081
30. e-procurement integrated application	0.297	-0.424	0.142	0.387
31. Timeliness in implementation of the procurement plans	0.405	-0.418	0.394	0.364
32. Thorough vetting and interview during the recruitment of procurement officers	0.337	0.417	-0.074	0.411
33. Suppliers confidence to participate in government market place	0.336	0.303	0.585	-0.123
34. Accountability and transparency when processing procurement transactions	0.201	0.452	0.516	-0.228
35. Competences to handle the compliance process	0.4	0.439	-0.457	0.01
36. Adherence to the 1/3 gender rule by the constitution	0.366	-0.18	0.395	-0.221
37. Timely payments to suppliers after delivery of goods and services	0.336	0.08	-0.114	0.626
38. Approved procurement plans in place	0.523	-0.29	0.232	0.533
39. Adherence to specifications	0.468	-0.347	0.099	0.521
40. Adherence to the approved procurement plans	0.327	0.013	0.316	0.451
41. Quality control systems	0.277	-0.068	0.26	0.443
42. Electronic records management system	0.213	0.025	0.282	0.36
43. Existence of procurement records management policy	0.197	-0.216	-0.051	0.354

Extraction Method: Principal Component Analysis.  
a 12 components extracted.

#### 4.9 Rotated Factor Loadings

Rotated factor loadings were generated using the varimax rotation method to ensure that the factors were orthogonal (that the factors were not correlated to each other). There are 2 ways of extracting factors, one being the kaiser criterion of eigen values, where an eigen value of more than 1 indicates a factor, and this is popular in exploratory factor analysis. However, since the study used confirmatory factor analysis, and had already identified 4 factors through literature review, the eigen value approach could not be appropriate. It was therefore important to use the second approach which is to specify the number of factors (4) irrespective of eigenvalues and then confirm the structure of those 4 factors through factor loadings. The way the statements loaded on to each unidentified factor would confirm the structure of the factor. The results are as shown in table 4.8 below:

**Table 4.8a: Rotated Factor Loadings**

<b>Rotated Component Matrix a</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Clear authorization process along the structure	0.839	-0.022	-0.092	0.191
Establishment of a procurement department	0.787	0.193	-0.045	-0.034
Placement of the procurement function within the organization structure	0.745	0.05	-0.02	-0.065
Procurement department staffed with professionals	0.726	0.085	-0.046	0.071
Procurement planning aligned to approved budget	0.712	0.069	0.057	0.135
Publication of public procurement information	0.678	0.158	0.089	0.089
Efficient utilization of procurement resources	0.674	-0.1	0.231	0.022
The role of Information Technology (IT) in supporting procurement operations	0.645	-0.028	0.081	0.139
Effective monitoring and evaluation of the public procurement system	0.563	0.051	0.128	0.201
Procurement scheduling on timely and communication basis	0.508	0.046	-0.186	0.008
Consolidation of similar requirements under one contract or into several contract packages for economies of scale	0.453	-0.029	0.084	0.271
Innovativeness in public procurement	0.434	0.094	-0.04	-0.001
Adherence to the 1/3 gender rule by the constitution	0.422	-0.244	0.331	0.155

Adequate funding of the procurement operations	0.421	0.208	-0.006	0.054
Maintenance of updated list of qualified suppliers	0.362	0.161	0.019	0.067
Consultation between relevant government department or experts in the procurement process	0.048	0.842	0.151	-0.191
Familiarity with the procurement law	0.130	0.819	0.1	0.018

**Table 4.8b: Rotated Factor Loadings**

<b>Rotated Component Matrix a</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Regular and adequate education on new and arising matters in procurement law	-0.042	0.811	0.035	-0.011
Effective communication between procurement staff, suppliers and end users	0.105	0.752	0.083	0.052
Competences to handle the compliance process	0.132	0.73	0.063	-0.086
Consistent training and capacity building of staff on the best procurement practices	0.211	0.661	0.162	0.112
The Procurement Act and its attendant legislation are easily accessible.	0.123	0.652	-0.015	0.188
Information and communication technology expertise	0.37	0.626	0.018	-0.03
Thorough vetting and interview during the recruitment of procurement officers	-0.139	0.536	0.197	0.342
Adherence to contracts terms	0.225	0.151	0.816	0.16
Accountability and transparency when processing procurement transactions	0.004	-0.013	0.749	-0.042
Standards of integrity by the management	0.067	0.286	0.735	0.193
Measures in place to manage conflict of interest	-0.044	0.098	0.731	-0.073
Suppliers confidence to participate in government market place	0.112	-0.065	0.721	0.16
Strict penalties against fraud and corruption	-0.072	0.053	0.713	-0.13
Staff ability to avoid conflict of interest	-0.138	0.13	0.656	0.186
Confidentiality during the procurement process	-0.077	0.142	0.612	-0.116
Existence of a code of Ethics for persons involved in the procurement process	0.262	0.011	0.470	-0.036
Approved procurement plans in place	0.231	0.026	0.008	0.801
Lack of proper controls in management of contracts	0.314	0.17	0.049	0.746
Adherence to specifications	0.236	0.049	-0.133	0.739
Timeliness in implementation of the procurement plans	0.271	-0.242	0.051	0.702
Adherence to the approved procurement plans	-0.019	0.051	0.212	0.602
e-procurement integrated application	0.207	-0.129	-0.166	0.592

Timely payments to suppliers after delivery of goods and services	-0.087	0.405	-0.089	0.587
Quality control systems	-0.009	0.014	0.111	0.577
Electronic records management system	-0.06	0.01	0.184	0.466
Existence of procurement records management policy	0.074	0.066	-0.197	0.406

*Extraction Method: Principal Component Analysis.*

*Rotation Method: Varimax with Kaiser Normalization.*

#### 4.10 Identification of Factors

The extraction was done using the principal component analysis method. This method started by extracting the maximum variance and puts them into the first factor. The researcher then removed that variance explained by the first factors and then extracted maximum variance for the second factor up to the last factor. Factor loading was then done to indicate the correlation coefficient for the extracted factor. This helped the study to show the variance explained by the variable on that particular extracted factor. Lastly, rotation of the factors was done to establish the commonalities of the extracted factors to one common variable. The results were computed using SPSS, to compare the variance explained and the ratings results are presented in table 4.9.

**Table 4.9a: Factor loadings and univariate descriptive of identified factors**

<b>Rotated Component Matrix a</b>	<b>Factor loadings</b>	<b>Underlying factor</b>	<b>M</b>	<b>Std. D</b>
Clear authorization process along the structure	0.839	<b>procurement structural positioning</b>	3.6	0.8
Establishment of a procurement department	0.787		4.2	1.2
Placement of the procurement function within the organization structure	0.745		4.0	1.3
Procurement department staffed with professionals	0.726		3.9	1.2
Procurement planning aligned to approved budget	0.712		3.9	1.1
Publication of public procurement information	0.678		3.6	1.1
Efficient utilization of procurement resources	0.674		3.7	1.2

The role of Information Technology (IT) in supporting procurement operations	0.645	3.7	1.1
Effective monitoring and evaluation of the public procurement system	0.563	3.6	1.1
Procurement scheduling on timely and communication basis	0.508	3.6	1.3
Consolidation of similar requirements under one contract or into several contract packages for economies of scale	0.453	3.1	1.2
Innovativeness in public procurement	0.434	3.1	1.4
Adherence to the 1/3 gender rule by the constitution	0.422	3.1	1
Adequate funding of the procurement operations	0.421	3.5	1.2
Maintenance of updated list of qualified suppliers	0.362	3.9	1.1
<b>Average</b>		<b>3.6</b>	<b>1.2</b>

*M =Mean and Std. D =Standard Deviation*

*Source: Survey Data (2020).*

**Table 4.9b: Factor loadings and univariate descriptive of identified factors**

<b>Rotated Component Matrix a</b>	<b>Factor loadings</b>	<b>Underlying factor</b>	<b>M</b>	<b>Std. D</b>
Consultation between relevant government department or experts in the procurement process	0.842	<b>staff professionalism</b>	3.3	0.8
Familiarity with the procurement law	0.819		4.2	1.1
Regular and adequate education on new and arising matters in procurement law	0.811		3.7	1.1
Effective communication between procurement staff, suppliers and end users	0.752		3.7	1.1
Competences to handle the compliance process	0.73		3.8	1.2
Consistent training and capacity building of staff on the best procurement practices	0.661		3.7	1.1

The Procurement Act and its attendant legislation are easily accessible.	0.652	4	1.2
Information and communication technology expertise	0.626	3.3	0.9
Thorough vetting and interview during the recruitment of procurement officers	0.536	3.4	1.1
<b>Average</b>		<b>3.7</b>	<b>1.1</b>

**Table 4.9c: Factor loadings and univariate descriptive of identified factors**

<b>Rotated Component Matrix a</b>	<b>Factor loadings</b>	<b>Underlying factor</b>	<b>M</b>	<b>Std. D</b>
Adherence to contracts terms	0.816	<b>adherence to ethical standards</b>	3.8	0.7
Accountability and transparency when processing procurement transactions	0.749		3.5	1.1
Standards of integrity by the management	0.735		3.8	1
Measures in place to manage conflict of interest	0.731		3.4	1.3
Suppliers' confidence to participate in government market place	0.721		3.6	1.1
Strict penalties against fraud and corruption	0.713		3.5	1.4
Staff ability to avoid conflict of interest	0.656		3.4	1.5
Confidentiality during the procurement process	0.612		3	1.2
Existence of a code of Ethics for persons involved in the procurement process	0.47		3.5	1.2
Approved procurement plans in place	0.801		3.9	1
<b>Average</b>			<b>3.5</b>	<b>1.2</b>

**Table 4.9d: Factor loadings and univariate descriptive of identified factors**

<b>Rotated Component Matrix a</b>	<b>Factor loadings</b>	<b>Underlying factor</b>	<b>M</b>	<b>Std. D</b>
Lack of proper controls in management of contracts	0.746	<b>procurement records management</b>	4	1
Adherence to specifications	0.739		3.8	1.2
Timeliness in implementation of the procurement plans	0.702		3.6	1.1
Adherence to the approved procurement plans	0.602		3.7	1.2
e-procurement integrated application	0.592		3.4	1.3
Timely payments to suppliers after delivery of goods and services	0.587		3.4	1.2
Quality control systems	0.577		3.6	1.3
Electronic records management system	0.466		3.3	1.4
Existence of procurement records management policy	0.406		3.2	1.4
<b>Average</b>			<b>3.6</b>	<b>1.2</b>

*M = Mean and Std. D = Standard Deviation*

*Source: Survey Data (2020).*

The results of the factor analysis in table 4.9 identified four (4) underlying variables. The first variable identified was procurement structural positioning measured by 15 statements with an average mean 3.6. This indicates that procurement structural positioning was moderate among the county governments in Kenya. The second variable identified was staff professionalism measured by 9 statements with an average mean 3.7. This indicates that staff professionalism was moderate among the county governments in Kenya. The third variable identified was adherence to ethical standards measured by 10 statements with an average mean 3.5. This indicates that adherence to ethical standards was moderate among the county governments in Kenya. The fourth variable identified was procurement records management measured by 9 statements with an average mean 3.6.

#### 4.11 Regression analysis

The study also sought to investigate the causal effect of the independent variables on the dependent variable. The analysis followed the 4 factors already identified in literature and stated in objectives. These factors were later confirmed using confirmatory factor analysis. It is then important to go an extra step to connect the four factors to the dependent variable of compliance. This was done using regression analysis. The findings represent the model of fitness, ANOVA tests and the regression of coefficients.

**Table 4.10: Model of Fitness**

<b>T</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.796a	0.633	0.599	0.292

a Predictors: (Constant), Procurement Structural Positioning, Staff Professionalism, Adherence to Ethical Standards, Procurement Records Management

b Dependent Variable: compliance to the public procurement law

Table 4.10 shows procurement structural positioning, staff professionalism, adherence to ethical standards and procurement records management were found to be essential variables in compliance to the public procurement law. This was supported by the coefficient of determination, R square of 0.633. This shows that all the four variables explain 63.3% of compliance to the public procurement law.

**Table 4.11: ANOVA before moderation**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	6.199	4	1.55	18.143	.000b
Residual	3.588	42	0.085		
Total	9.786	46			

a Predictors: (Constant), Procurement Structural Positioning, Staff Professionalism, Adherence to Ethical Standards, Procurement Records Management

b Dependent Variable: compliance to the public procurement law

The results in Table 4.11 revealed that the overall model was statistically significant, meaning that the independent variables (procurement structural positioning, staff professionalism, adherence to ethical standards and procurement records management) are



good predictors of compliance to the public procurement law in Kenya. This was supported by an F statistic of 18.143 and the reported p value = 0.000 which was less than the conventional probability of 0.05 significance level. Where,  $F_{\text{statistic}} = 18.143 > F_{\text{critical}} = 2.594$  (4, 42).

**Table 4.12: Regression of Coefficients**

<b>Variable</b>	<b><math>\beta</math></b>	<b>Std. Error</b>	<b>Beta</b>	<b>t</b>	<b>Sig.</b>
(Constant)	-1.695	0.655	–	-2.589	0.013
staff professionalism	0.386	0.112	0.346	3.453	0.001
procurement records management	0.254	0.107	0.225	2.361	0.023
adherence to ethical standards	0.349	0.11	0.323	3.162	0.003
procurement structural positioning	0.476	0.098	0.457	4.85	0.000

a Dependent Variable: compliance to the public procurement law

Regression of coefficient results in Table 4.12 revealed that staff professionalism has a positive and significant effect on compliance to the public procurement law in Kenya ( $\beta=0.386$ ,  $p=0.001$ ). The Table further indicates that procurement records management has a positive and significant effect on compliance to the public procurement law in Kenya ( $\beta=0.254$ ,  $p=0.023$ ). Besides, adherence to ethical standards has a positive and significant effect on compliance to the public procurement law in Kenya ( $\beta=0.349$ ,  $p=0.003$ ). The Table further indicated that, procurement structural positioning has a positive and significant effect on compliance to the public procurement law in Kenya ( $\beta=0.476$ ,  $p=0.000$ ).

Thus, the model can be stated as follows:

$$Y = -1.695 + 0.386X_1 + 0.254X_2 + 0.349X_3 + 0.476X_4$$

Where:

Y = Compliance to the public procurement law

$B_0$  = model constant

X<sub>1</sub> = staff professionalism

X<sub>2</sub> = procurement records management

X<sub>3</sub> = adherence to ethical standards

X<sub>4</sub> = procurement structural positioning

#### **4.11 Discussion on the factors affecting compliance to the public procurement law by county governments**

Based on the study findings, the study indicates that majority of the respondents were in agreement with the statements. The first factor had 15 statements (with an average mean 3.6) which represented the establishment and placement of the procurement function. Therefore, this factor was renamed to procurement structural positioning. The second factor had 9 statements (with an average mean 3.7) which represented the recruitment of procurement unit staff, the staff awareness on the procurement law and training. Therefore, this factor was renamed to staff professionalism. The third factor had 10 statements (with an average mean 3.5) which represented adherence to ethical standards in the procurement process. Therefore, this factor was renamed to adherence to ethical standards.

The fourth factor had 9 statements (with an average mean 3.6) which represented management of procurement records. Therefore, this factor was renamed procurement records management. Therefore, it was concluded that staff professionalism, procurement records management, ethical standards as well as procurement structural positioning to be good predictors of the compliance to the public procurement law. This implies that there are factors that affect compliance to the public procurement law by county governments. These factors were identified as procurement structural positioning, staff professionalism, adherence to ethical standards and procurement records management. Likewise, the study concluded that staff professionalism ( $\beta=0.386$ ,  $p=0.001$ ), procurement records management ( $\beta=0.254$ ,  $p=0.023$ ), adherence to ethical standards ( $\beta=0.349$ ,  $p=0.003$ ) and

procurement structural positioning ( $\beta=0.476$ ,  $p=0.000$ ) have a positive and significant effect on compliance to the public procurement law in Kenya.

These findings are consistent with Olusegun, Akinsiku, and Akinbode (2016) carried out a study to evaluate the factors which influence process compliance during purchasing of goods by the tertiary institutions in the State of Lagos, Nigeria. The study revealed that professionalism, ethical behavior, and familiarity have significant positive relationship with compliance. Likewise, Kimote and Kinoti (2018) studied the factors influencing adoption of procurement policies in the context of Kenyan county governments focused on the impact of ICT and staff training and found that staff training and ICT have positive relationship and adoption of procurement guidelines.

With regard to adherence to ethical standards, Ayoyi and Mukoswa (2015) indicates that for future efficacy, there is need to adopt ethical procedures applicable to all the persons participating in procurement. From this perspective, ethics can be observed to be an important aspect in the compliance of procurement laws. Sarawa and Mas'ud (2020) sought to validate the compliance model on regulating public procurement with mediation effect of ethical behavior. The results recognized the effect of ethical conduct on compliance on the aforementioned variables with the exception of resistance to political interference. Hence, ethical conduct of procurement practitioners ought to be an issue of concern to the professional bodies as well as legislators.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents the summary and discusses the findings in relation to the research problem and research objective. The chapter is thus outlined into summary of the findings, conclusions, recommendations and suggestions for further research.

### **5.2 Summary of Findings**

The study sought to establish the factors influencing compliance to the public procurement law by county governments in Kenya. From the findings, the study indicated professionalism, procurement records management, adherence to ethical standards and procurement structural positioning are significant factors that influence the compliance of the public procurement law by county governments in Kenya.

### **5.3 Conclusions**

Therefore, based on the study findings, the study concludes that staff professionalism, procurement records management, adherence to ethical standards and procurement structural positioning influence compliance of the Public Procurement law to a great extent. This implies that they have a positive impact on the compliance of the Public Procurement law. The study concludes that accessibility of the Procurement Act and its attendant legislation, consistent training and capacity building of staff on the best procurement practices, vetting and interview during the recruitment of procurement officers, regular and adequate education on new and arising matters in procurement law, competences to handle the compliance process, familiarity with the procurement law, information and communication technology expertise, consultation between relevant government department or experts in the procurement process as well as effective communication between procurement staff positively influence compliance of the Public Procurement law.

However, lack of proper controls in management of contracts negatively influences compliance of the Public Procurement law. Adherence to the approved procurement plans, timeliness in implementation of the procurement plans, timely payments to suppliers after delivery of goods and services, e-procurement integrated application, existence of procurement records management policy, electronic records management system, adherence to specifications and quality control systems positively influence compliance of the Public Procurement law to a great extent.

The study also concludes that existence of a code of Ethics for persons involved in the procurement process, adherence to contracts terms, strict penalties against fraud and corruption, standards of integrity by the management, suppliers' confidence to participate in government market place, staff ability to avoid conflict of interest, measures in place to manage conflict of interest, confidentiality during the procurement process as well as accountability and transparency when processing procurement transactions positively influence compliance of the Public Procurement law.

Lastly, it was concluded that clear authorization process along the structure, procurement planning aligned to approved budget, efficient utilization of procurement resources, the role of Information Technology (IT) in supporting procurement operations, procurement scheduling on timely and communication basis, adequate funding of the procurement operations, innovativeness in public procurement, establishment of a procurement department, procurement department staffed with professionals, placement of the procurement function within the organization structure, publication of public procurement information and effective monitoring and evaluation of the public procurement system positively influence compliance of the Public Procurement law.

#### **5.4 Limitations of the Study**

The study was constrained by several factors such as the acquisition of the responses from the field in due time and that due to the numerous procurement related strictness some of the respondents were unwilling to participate in the survey. This necessitated frequent reminders and follow up on the respondents to submit their responses for a good response rate and the assurance based on the authorization from Nairobi University prior to conducting the research.

#### **5.5 Recommendations**

Therefore, based on the above, the study recommends that the counties need to ensure that the procurement departments are staffed with procurement professionals and that the departments are strategically placed within the county's organogram. In addition, the procurement units need to ensure adequacy of proper controls in management of procurement records since insufficiencies cultivates incompliance of the procurement law. Since lack of an effective ethical framework was shown to bring forth malpractice in procurement processes, the study recommends the implementation of strict rules and regulations for adherence to ethical standards by the employees of the procurement department.

#### **5.6 Areas for Further Study**

This study concentrated on the factors influencing compliance to the public procurement law by county governments in Kenya. Future studies are recommended to extrapolate from these findings by surveying and testing more factors to improve on the conceptual scope of study. Likewise, the inclusion of a moderator/mediator such as government policies, and other macro-economic factors can be advised in future studies in order to establish their intervening effect in the current model.

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**Annex I: Transmittal Letter**

Rose W. Ndirangu

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NAIROBI

20<sup>th</sup> September 2020

**TO WHOM IT MAY CONCERN**

**PERMISSION TO COLLECT DATA THROUGH QUESTIONNAIRE FROM THE  
HEAD OF PROCUREMENT FUNCTION.**

I'm a post graduate student at the University of Nairobi, School of Business pursuing a Masters of Business Administration (MBA), Supply Chain Management Option. I am researching on factors influencing compliance of the public procurement law by county governments in Kenya.

To fulfill the course requirements, I am requesting you to grant me permission to collect data through questionnaire from the Head of Procurement function. The information collected will solely be for academic purposes and will be handled confidentially.

Thank you in advance.

Yours faithfully,

**Rose W. Ndirangu**

## **Annex II: Letter from the University**



### **Annex III: Research Questionnaire**

This research is part of the requirements for a Master of Business Administration at the University of Nairobi, School of business. The study's objective is to assess the factors influencing Kenya's County Governments compliance to the public procurement law by. I will be grateful if you kindly answer the questions below. The data gathered here will be treated in confidence and will solely be used for the purpose of this study. I will greatly appreciate your assistance.

#### **SECTION A: DEMOGRAPHIC INFORMATION**

*Please give answers by ticking, where applicable, in the box ([ ]) that represents your response to the questions.*

1. Gender of respondents  
Male  Female
2. Age bracket?  
a) 20-30 years  b) 31-40 years   
b) 41-50 years  d) Above 51 years
3. Indicate education level (highest)?  
Certificate   
Diploma   
Bachelor's Degree   
Masters' Degree   
Doctor of Philosophy
4. Indicate period worked at the County Government?  
Less than 1 year  1-5 years   
6 -9 years  Over 10 years
5. What is your current position in the organization? .....

**SECTION B: EXTENT OF SELECTED PROCUREMENT FACTORS ON COMPLIANCE TO PROCUREMENT LAW**

6. On the scale of 1 to 5 (*5-Very Great Extent, 4- Great extent, 3-Neutral 2- Low Extent 1- No Extent*) and by ticking (✓) the corresponding space in the box, indicate to what extent the procurement officers’ professionalism has influenced Compliance of The Public Procurement law.

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. The Procurement Act and its attendant legislation are easily accessible.					
2. Consistent training and capacity building of staff on the best procurement practices					
3. Thorough vetting and interview during the recruitment of procurement officers					
4. Regular and adequate education on new and arising matters in procurement law					
5. Competences to handle the compliance process					
6. Familiarity with the procurement law					
7. Information and communication technology expertise					
8. Consultation between relevant government department or experts in the procurement process					
9. Effective communication between procurement staff, suppliers and end users					
10. Maintenance of updated list of qualified suppliers					
11. Lack of proper controls in management of contracts					
12. Approved procurement plans in place					
13. Adherence to the approved procurement plans					
14. Timeliness in implementation of the procurement plans					
15. Timely payments to suppliers after delivery of goods and services					

16. e-procurement integrated application					
17. Existence of procurement records management policy					
18. Electronic records management system					
19. Adherence to specifications					
20. Quality control systems					
21. Existence of a code of Ethics for persons involved in the procurement process					
22. Adherence to contracts terms					
23. Adherence to the 1/3 gender rule by the constitution					
24. Strict penalties against fraud and corruption					
25. Standards of integrity by the management					
26. Suppliers confidence to participate in government market place					
27. Staff ability to avoid conflict of interest					
28. Measures in place to manage conflict of interest					
29. Confidentiality during the procurement process					
30. Accountability and transparency when processing procurement transactions					
31. Clear authorization process along the structure					
32. Procurement planning aligned to approved budget					
33. Efficient utilization of procurement resources					
34. The role of Information Technology (IT) in supporting procurement operations					
35. Procurement scheduling on timely and communication basis					
36. Consolidation of similar requirements under one contract or into several contract packages for economies of scale					
37. Adequate funding of the procurement operations					
38. Innovativeness in public procurement					
39. Establishment of a procurement department					

40. Procurement department staffed with professionals					
41. Placement of the procurement function within the organization structure					
42. Publication of public procurement information					
43. Effective monitoring and evaluation of the public procurement system					

**SECTION C: COMPLIANCE OF THE PUBLIC PROCUREMENT LAW**

7. On the scale of 1 to 5 (*5-Strongly Agree, 4-Agree, 3-Neutral 2- Disagree 1-Strongly Disagree*) and by ticking (√) the corresponding space in the box, how would you rate the compliance of the public procurement law?

<b>Compliance of the public procurement law</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
PPDA has improved the speed at which County procures goods and services					
PPDA has improved competitiveness in the County procurement process.					
Level of transparency in procurement department has improved courtesy of PPDA					
The delivery of goods and services delivered by suppliers is commendable					
PPDA has promoted ethical standards among procurement personnel.					
The delays in the Procurement Cycle has reduced					
Every stakeholder is held accountable for their actions					

**Thank you for your participation**

#### Annex IV: List of County Governments of Kenya

Serial Number	County Government
1	MOMBASA
2	KWALE
3	KILIFI
4	TANA RIVER
5	LAMU
6	TAITA TAVETA
7	GARISSA
8	WAJIR
9	MANDERA
10	MARSABIT
11	ISIOLO
12	MERU
13	THARAKA
14	EMBU
15	KITUI
16	MACHAKOS
17	MAKUENI
18	NYANDARUA
19	NYERI
20	KIRINYAGA
21	MURANGA
22	KIAMBU
23	TURKANA
24	WEST POKOT
25	SAMBURU
26	TRANS-NZOIA
27	UASIN GISHU
28	ELGEYO MARAKWET
29	NANDI
30	BARINGO
31	LAIKIPIA
32	NAKURU
33	NAROK
34	KAJIADO
35	BOMET

36	KERICHO
37	KAKAMEGA
38	VIHIGA
39	BUNGOMA
40	BUSIA
41	SIAYA
42	KISUMU
43	HOMA BAY
44	MIGORI
45	KISII
46	NYAMIRA
47	NAIROBI