

Influence of Human Capital Competency in the Implementation of the Public Procurement Procedures in Sub Counties of Uasingishu County, Kenya

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Abstract: *The devolved government structure has shifted the resources allocation and public expenditure into the county government to enable faster service delivery to Kenyans. The devolution has thus created the capacity for the county governments to be allocated development resources from the national resources as well as to collect revenues from the citizens in their jurisdiction. This study sought to examine the role of the human capital competency on the implementation of the public procurement. The study was based on the survey descriptive study design as the researcher is interested in posing a series of questions. The primary data was collected using the structured questionnaires. A sample frame of 119 respondents was used for the study. The data instrument validity was examined using the content validity while the cronbach alpha coefficient of 0.7 and above was used for the data reliability. The SPSS version 21 software was used for the data analysis. The study recommended that the county government should pay keen attention of the technical skills of its procurement officials through recruitment, professional exposures in conferences and seminars, and in house training.*

Keywords: *Human Capital Competency, Public Procurement*

I. Introduction

The background of the study gives the background information on the need for effective public procurement practices, the devolved government structure in Kenya and the background on the UasinGishuCounty. The public procurement is an area of increasing scrutiny around the world and more so in the developing world due to its integral role in service delivery. The public procurement uses substantial amount of taxpayers' money further leading to increased public scrutiny. For example, the public procurement is estimated to consume 58% of the public spending in Angola, 60% in Kenya, 40% in Malawi and 70% in Uganda (Mwangi, 2014). These are extremely huge figures compared to the global average of 12-20%. The competitiveness of the government at both the central and in the devolved structure is affected the procurement function(Kariuki, 2013). The procurement function contributes to this competitiveness through the reduction of the operational costs and as a tactical function to a reengineering function within the organization to changes in the environment (Muange, 2013). In this context, Kasimila (2013) notes that efficient procurement process is essential to the success of government's programmes as it provides a link between policy and delivery.

Public procurement plays a critical role in the production and service delivery processes as public institutions must source the resources they need to function from third parties (Kariri, 2013). The efficiency of the public procurement plays a significant role in the quality of services provided by government institutions and in the responsiveness of the government to the public needs (Mauki, 2014). The public procurement has become under intense scrutiny due to the amount of the public money involved which is estimated to be between 9-13% of the Gross Domestic Product (GDP) (Muange, 2013). The intense scrutiny is effected through numerous statutes, regulations, policies and directives (Mutua, 2010). In this context, Mungai (2014) notes that the public procurement environment is of increasingly intense scrutiny and accelerated changes driven by technology, program reviews, and public and political expectations for service improvements (Mbae, 2014). Despite the numerous policies and regulations, Kulundu (2014) notes that taxpayers money goes to waste every year due to inefficient and ineffective procurement structures, policies and procedures as well as failure to impose sanctions for violation of procurement rules thus resulting in poor service delivery.

Several challenges affect the implementation of the public procurement practices and procedures. The public procurement involves massive use of resources and there is often a temptation of unethical behaviours. These unethical practices include the unlawful enrichment of the public officials and their friends or families using public resources. This leads to wastage of the public resources and procurement of substandard goods that do not serve the citizens appropriately. The unethical behaviours among the public procurement officials is determined by the organizational environment, top management, limited productive resources, lack of intellectual support in the organization, internal environment, legal environment, political environment and socio-economic environments. The lack of clear timelines on when the procurement system should be completed in terms of timely procurement, contract execution and payments makes the process wasteful and

bureaucratic. The pay of the procurement officials is another challenge in the procurement profession. In this context, Mutua (2010) notes that the procurement professionals' reward (pay) affected the extent to which they adhered to the ethical code of ethics. The better pay for the procurement officials discourages unethical practices.

II. Literature Review

1.1 Concept of Public Procurement

Mwangi (2014) defines the procurement as the means, the acquisition by purchase, rental, lease, hire purchase, license, and tenancy, franchise of by any other contractual means of any types of works, assets, services or goods. The public procurement involves the use of the taxpayers' money or resources including grants and loans for the purposes of the purchase of goods and services for the public use. Mungai (2014) defines the public procurement as the purchase of commodities and contracting of construction works and services if such acquisition is effected with resources from state budgets, local authority budgets, state foundation funds, domestic loans or foreign loans guaranteed by the state, foreign aid as well as revenue received from the economic activity of state.

Public procurement is the acquisition of goods and services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place and from the right source for the direct benefit or use of corporations, or individuals, generally by contract using the public money or by public entities (Mutua, 2010). The public entities include government departments, corporations, and courts, public schools, colleges and public Universities among others (Ngotho, 2014).

1.2 Public Procurement Law in Kenya

There has been significant evolution and change in the regulatory aspects on procurement in the country (Boraya, 2013). The public procurement issues are unregulated in the early 1960s and governed by the treasury circulars from 1969, the supplies manual (1978) and the exchequer and audit (public procurement) regulations of 2001 (Ngotho, 2014). The 2000s saw the evolution of the public procurement in Kenya and development in legal regulation of the same. The 2001 saw the consolidation of all the circulars issued by the ministry of Finance over the years into one document based on the United Nations Commission on International Trade Law (UNCITRAL) model (Mauki, 2014).

These regulations were to be used for all public procurement except in situations that the ministry of finance in consultation with the procuring authority opted for a different option in the interest of national security (Mwangi, 2014). There were several regulatory laws passed that govern the procurement industry. These laws include the public procurement and disposal act (2005), public procurement and disposal regulations (2006), supplies management practitioners act (2007), the public procurement and disposal general manual, and the public procurement and disposal (public private partnership) regulations. The Public Procurement and Disposal Act, 2005 created the Public Procurement Oversight Authority (PPOA), the Public Procurement Advisory Board (PPAB) and the continuance of the Public Procurement Complaints, Review and Appeals Board as the Public Procurement Administrative Review Board (PPARB) (Telewa, 2014).

2.3 Types of Public Procurement in Kenya

According to the public procurement acts of 2005 and 2006 there are seven public procurement methods in Kenya; open tender, restricted tendering, direct procurement, requests for proposal, request for quotations, and low value procurements (Oyugi, 2012; Simbiri, 2010). The open tender is the most commonly used public procurement method as it allows competition among diverse suppliers, contractors and service providers (Ngotho, 2014). The open tendering involves preparation of the specifics of the items to be procured, advertisement in the media and the submission of bids by interested parties (Mungai, 2014). Thereafter there is the technical evaluation of bids that is followed by the technical evaluation making a evaluation report to the tender board for the award of the tender (Oyugi, 2012). While open tendering process is transparent, it has been criticized for its lengthy process that often leads to delays in procurement of goods and services (Ngotho, 2014).

Apart from the open tendering, the other alternative methods of public procurement are only utilized subject to a written authority for the Public Procurement Oversight Authority (PPOA) (Mutua, 2010). The restricted procurement is used subject to limited number of suppliers of the specific goods due to the complexity or specialization of the required services and is subject to a limit in the context of budgetary allocation (Ngotho, 2014). In this type of public procurement, the competition among the different suppliers is limited to the prequalification stage (Telewa, 2014).

The direct procurement of goods is used in the context of the urgent need for the procurement of goods, works or services (Mbae, 2014). The law indicates that the purpose of the direct procurement must not be the avoidance of competition and the purchase agreement must be done in writing (Njoroge, 2012). The request for proposals procurement methods is used for services that are advisory, predominantly intellectual (e.g.

consultancies) or within specific project phases that require specialized technical skills or machinery (Simbiri, 2010). The request for the proposal is done in two stages that is the technical proposal and the financial proposal. The request for the proposal procurement method can be used when the goods are commonly available while the low value procurements is used in the purchase of items for daily office use that are low value (Mutua, 2010).

III. Objective Of The Study

To examine the contribution of Human Capital Competency in the implementation of the public procurement procedures in sub counties of Uasin Gishu county.

IV. Reseach Question

How does the human capacity competence on implementation of public procurement procedures in sub counties in Uasin Gishu County.

V. Methodology

This study adopted a descriptive design. The primary data was collected using the structured questionnaires. A sample frame of 119 respondents was used for the study. The data instrument validity was examined using the content validity while the cronbach alpha coefficient of 0.7 and above was used for the data reliability. The SPSS version 21 software was used for the data analysis.

VI. Findings And Discussions

Impact of Human Capital Competency on Implementation of Procurement procedures and practices

The Human Capital Competency influences the implementation of the public procurement procedures in diverse ways. These ways include the possession of technical skills of the procurement officials, knowledge of the public procurement procedures, possession of sufficient professional experience, formal educational background and the provision of the necessary orientation among staff. Using a likert scale with measures strongly agree, agree, uncertain, disagree and strongly disagree, the subsection was guided by the below questions;

- i) I have the requisite technical skills to perform the public procurement role competently
- ii) My knowledge on the public procurement procedures and related laws enables adherence to ethical procurement practices
- iii) I have sufficient professional experience to competently perform the public procurement role
- iv) My formal education background has assisted in the performance of my procurement duties in the sub county
- v) The sub county has provided the required foundational and orientation skills on procurement assessments within the county government

Descriptive Statistics for HCC in Implementation of Public Procurement

In response to the question on whether the respondents possessed the requisite technical skills to perform the public procurement role, 15.2% strongly agreed with the statement, 50.5% agreed, while 24.2% and 10.1% were uncertain and disagreed respectively as indicated in Table 4.8. The knowledge of the public procurement is an integral component of ensuring that the respondents engage in ethical procurement practices. In this context, 10.1% of the respondents strongly agreed that the knowledge on the Procurement procedures and practices assisted them in in ethical procurement practices. This is in comparison to 28.3%, 51.5% and 10.1% who indicated agreed, uncertain and disagreed upon being asked on whether the knowledge of Procurement procedures and practices influenced the ethical procurement practices as illustrated in Table 1

The professional experience does have a bearing on the ability to adhere to the public procurement regulations. Asked on whether the respondents felt they possessed sufficient professional experience to competently perform public procurement roles, 27.3% strongly agreed, 23.2% agreed, 5.1% were uncertain, 25.3% disagreed while 19.2% strongly disagreed as indicated in Table 4.8. The education background plays a significant role in prudent performance of the public procurement in Sub County. In this context, 47.5% and 52.5% of the respondents indicated strongly agree and agree when asked if the educational background had an impact on their performance of public procurement. The foundational and orientation skills play a critical role in the performance of the public procurement. When asked if the sub county provided the foundational and orientation skills, 42.4% strongly agreed, 37.4% agreed, 10.1% were uncertain and 10.1% disagreed as illustrated in Table 1

Table 1 Distribution Frequencies for HCC

Statement	SA 1	A 2	U 3	D 4	SD 5	TOTAL
i) I have the requisite technical skills to perform the public procurement role competently	15.2%	50.5%	24.2%	10.1%	0%	100%
ii) My knowledge on the public procurement procedures and related laws enables always adhere to ethical procurement practices	10.1%	28.3%	51.5%	10.1%	0%	100%
iii) I have sufficient professional experience to competently perform the public procurement role	27.3%	23.2%	5.1%	25.3%	19.2%	100%
iv) My formal education background has assisted in the performance of my procurement duties in the sub county	47.5%	52.5%	0%	0%	0%	100%
v) The sub county has provided the required foundational and orientation skills on procurement assessments within the county government	42.4%	37.4%	10.1%	10.1%	0%	100%

Field Data (2015)

The descriptive statistics human capital competency is illustrated in Table 2. The descriptive statistics indicate the extent to which using likert scale the human competency matrix has affected the adherence to the public procurement process. The likert scale was constructed to have five points that is strongly agreed, agreed, uncertain, disagreed and strongly disagreed represented by 1, 2, 3, 4 and 5 on the SPSS coding sheet.

Table 2 Descriptive Statistics for Human Competency

	N	Minimum	Maximum	Mean	Std. Deviation
i) I have the requisite technical skills to perform the public procurement role competently	99	1.00	4.00	2.2929	.84820
ii) My knowledge on the public procurement procedures and related laws enables always adhere to ethical procurement practices	99	1.00	4.00	2.6162	.80441
iii) I have sufficient professional experience to competently perform the public procurement role	99	1.00	5.00	2.8586	1.53204
iv) My formal education background has assisted in the performance of my procurement duties in the sub county	99	1.00	2.00	1.5253	.50190
v) The sub county has provided the required foundational and orientation skills on procurement assessments within the county government	99	1.00	4.00	1.8788	.96121
Valid N (listwise)	99				

Field Data (2015)

The metrics under study were influence of technical skills, knowledge of public procurement procedures, professional skills, formal education, and foundational skills on the adherence to the public procurement skills. These items had means of 2.2929, 2.6162, 2.8586, 1.5253 and 1.8788 respectively. This implies that in respect to the matrices the technical skills, knowledge of public procurement procedures, and professional skills, the respondents had a bias towards agreement that the matrices affected performance of the public procurement functions. In respect to the matrices the formal education and foundational skills, the respondents had a bias towards indicating that these matrices strongly influenced the adherence to the public procurement procedures.

VII. Conclusion

In the context of the examined Human Capital Competency factors, the possession of the requisite technical skills and the provision of the foundational skills by the sub county government were the top two aspects of HCC affecting the Procurement procedures and practices. The technical skills are critical in the procurement officers being able to adhere to the Procurement procedures and practices despite the challenges or complexity involved in the procurement process. On the other hand, the ability of the county to give foundational skills to the procurement officers gives them awareness on what is expected of them.

VIII. Recommendations

In the context of the Human Capital Competency, the study recommends that the county government should pay keen attention of the technical skills of its procurement officials through recruitment, professional exposures in conferences and seminars, and in house training. This will enable the county government to be better equipped to execute prudent Procurement procedures and practices.

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