

EFFECT OF PROCUREMENT SKILLS ON APPLICATION OF PROCUREMENT LAW. SURVEY OF TRANS-NZOIA COUNTY SECONDARY SCHOOLS.

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Abstract: This research considered the effect procurement skills on the application of Public Procurement and Disposal Act (PPDA,2015) and its relevant regulations. 900 members of the tenderevaluation committee formed the study population. The survey adopted purposive sampling to identify a sample of 60 to whom questionnaires were administered. Data collected was analyzed and presented in percentages, frequency tables. Chi-square test was used to test the Hypothesis. From the findings, the calculated P-value (5.005) is less than the critical P- value (7.815) at significance level (0.05), hence the study cannot accept the null hypothesis. It is concluded that there is a relationship between procurement skills and the application of PPDA. 2015 and its relevant regulations. The study recommends that the procurement officers in public secondary schools need to read, understand and implement the Public Procurement and Disposal Act and that the school management should train their procurement officers to gain procurement skills which will enhance the effective implementation of the procurement laws.

Keywords: Procurement skills, Public Procurement & Disposal Act, Procurement Officers, Transparency, Efficiency, Effectiveness.

I. INTRODUCTION

Since procurement and its strategies have become part of a business success, it is important to give emphasis about the strategic factors that affect the performance of the procurement function. The influencing factors that affect procurement performance include internal and external forces. This is due to poor co-ordination, corruption, lack of open competition and transparency, lack of trained and qualified procurement specialists who are competent to conduct and manage procurements in various private companies, inflexible and bureaucratic systems (Hamza, Gerbi & Ali, 2016).

Professional training and Performance of Procurement Committees is key for effective procurement in public schools. This has been supported by Nzambu (2015) who concurs that staff competence is a capability or an underlying characteristic of an individual, which is casually related to effective or superior performance. The study reveals that staff competence, training and workshops significantly influence procurement performance. Further indications are that staffs should have necessary knowledge and skills and that professionalism should be practiced. This is due to transparency, accountability, efficiency and effectiveness acquired in procurement process.

Hamza et al. (2016) argue that competence can greatly ensure benefits of new products and services are given to the right person (customers) in organization.

For effective procurement of goods and services that is fair, transparent and that which gives value for the money, good procurement procedures should be followed. The study is about the effect procurement skills of the Kenyan public secondary schools in their implementation of the Public Procurement and Disposal Act (PPDA) in the procurement of goods and services. The study was carried out in public secondary schools since they are required by law to apply public procurement and disposal Act in all their procurements.

The Public Procurement and Disposal Act (PPDA) governs the procurement processes of all public entities covering public schools. The act established the Public Procurement and Asset Administrative Review Board (PPARB) to monitor the application of the Public Procurement and Disposal Act by all public entities. School Management Committees (SMCs) in schools are often involved in the procurement of goods and services such as purchase of copier printers, photocopiers, computers, stationary, school uniforms and school buses among others. A sound procurement system in public secondary schools is important because it helps to ensure that goods and services are purchased in a fair and transparent manner and they represent value for the money, (PPADA, 2015).

1.1. Statement of the problem

Procurement in Kenya has undergone several reforms since independence to institute efficiency and transparency for money spent in the procurement of goods and services. However, despite the enactment of Public Procurement Regulatory Authority (PPRA), there is still wastage and pilferage of school financial resources (Adow, Edabu & Githui Kimamo, 2017). In January 2018, the Kenyan government stopped channeling funds earmarked for textbooks to public schools instead opting to procure and distribute the books to the schools. This decision was informed by the need to save the taxpayer 13.8 billion shillings.

Procurement in Kenya has undergone several reforms since independence. These reforms have mainly been pushed by donors, whose money is spent in the procurement of goods and services. In line with this, the government of Kenya enacted the Public Procurement and Asset Disposal Act of 2015. Despite the reforms contained in the PPADA, 2015 and regulations 2020, most public secondary schools have challenges in implementation of the Act for effective, efficient, fair and transparent processes due to lack of skills by those charged with the procurement process. Even though the reform process was initiated almost a decade ago, little had been documented about the extent to which the regulations have been implemented in public secondary schools and its effect on expenditure management and thus the researchers' need to find out how procurement skills affect the application of the Act.

1.2 Objective

To determine the effect of procurement skills on the application of public procurement procedures in public secondary schools.

1.3 Hypothesis.

H₀: Procurement skills and effective application of public Procurement & Disposal Act are independent.

H₁: Procurement skills and effective application of public Procurement & Disposal Act are dependent.

II. REVIEW LITERATURE REVIEW

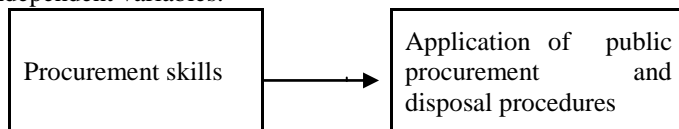
2.1. Theoretical framework

2.1.1 Traits Theory and Expertise:

Since the construct of expertise may include personality traits (Germain, 2006), it is appropriate to question whether experts could, like leaders, be born. Just as the "great man" leadership theory (Kirkpatrick & Locke, 1996) was an inadequate definition of leadership, it is possible that it would also be inadequate for expertise. However, because there has been a revival of the Great Man theory in the leadership literature, it is legitimate to inquire about its applicability to the concept of expertise. Multiple studies have shown that traits and skills were attributes of expertise. For instance, self-confidence was identified by Smith and Strahan (2004) as a tendency in effective teaching and in expert teachers in general. Personality and social skills were identified as characteristics of expert college instructors (Germain, 2006). In 1993, Bédard, Chi, Graham, and Shanteau made personality traits one of their five conditions of expertise along with knowledge, cognitive skills, task characteristics, and decision strategies. Additionally, Tiberius, Smith, and Waisman (1998) believed that expertise was based on knowledge, skills, and talent. Weiss and Shanteau (2003) further asserted that it is the behavior that is or is not expert. Finally, in a comprehensive empirical study on expertise, Germain (2006) found that experts were perceived by subordinates as having evidence based and self-enhancement based characteristics. Evidence based items include knowledge, education, qualification, and training. Self-enhancement items include subjective attributes such as ambition, drive, the ability to improve, to deduce, to assess, intuition, judgment, self-assurance, self-confidence, extraversion, and charisma.

2.2. Conceptual framework

In order to establish the factors affecting the use of Public Procurement and Disposal Act in Kenyan public secondary schools, the research considered independent and dependent variables. The independent variable in this survey a procurement skills and the dependent variable is the use of public procurement procedures. The study sought to find out how the dependent variable is affected by the independent variables.



Independent variable Dependent variable
Figure 1. Conceptual framework.

2.3. Procurement Skills

As with any field or job, there are certain skills a person needs in order to be successful. Some can be obtained through training and education, while others develop with experience. It is also possible for a person to have some natural skill or ability that can be of use to their work. These skills are not needed just for success, but for them to accomplish some of the basic tasks and assignments given to them as a part of the job. Procurement management, as with anything else, requires particular skills for anyone who works in that field. Most experts agree that analytic skills are a must in any kind of procurement or purchasing position. This is because there is often a ridiculous amount of information that those in procurement management encounter on a daily basis in the course of their duties. It often comes from all directions: from suppliers and vendors, different departments in the company, members of the procurement team, and even the goods and

services being procured. The vast majority of that information carries value and has a purpose in procurement, but it can look like a mess of data to the untrained eye. In its simplest form, procurement is an exchange. Procurement officers are paying suppliers for the goods and services they offer as a basic trade for what the company needs. Most of the time, it's a basic trade that doesn't get complicated beyond deciding on what is needed and making the arrangements for its delivery. However, you're not always going to be on the same page with the supplier regarding what both of you want or need. In those cases, procurement officers need to be able to negotiate in order to find some kind of middle ground. As there's often conflicting objectives between parties, things can get difficult very quickly. Negotiating means that you know how to compromise and how to stand your ground in order to get what you want. It's beyond being a major buyer or getting the occasional deal because of your status with the supplier, but actually getting your hands dirty and haggling with suppliers over the give and take in your relationship with them. For many businesses, that's an appealing skill in procurement because it shows that you can advocate on their behalf with suppliers and will act in their best interests. In any part of the business world, it's expected that you will conduct yourself in a certain way. Anything you say or do, your appearance, and your behavior all send a message and that can impact how you work with others. To some degree, professionalism is not so much a skill set but a standard to follow in the world whereas being able to be professional when circumstances call for it would be considered a skill. Knowing what is and isn't appropriate in a situation, recognizing such a situation, and being able to avoid accidental faux pas in a professional setting would all be skills related to professionalism. For many in procurement, professionalism helps them develop relationships with suppliers and vendors, which assists them in their work over time. It also often helps with the relationship between the procurement officer or team and the company they work for, which has its own value in times of emergencies.

Training on implementation of public procurement regulations is a very essential aspect of financial management in secondary schools in Kenya. Having procurement capacity involves understanding globally recognized procurement principles, knowledge of national laws, regulations and procedures, and a commitment to ethical responsibilities (Jones, 2007). Skills are acquired by one who has undergone a professional training. Professionalism is a calling requiring specialized knowledge and often long and intense preparations including instructions in skills and methods, maintaining by force of organization and or concerted opinion high standards of achievement and conduct, and committing its members to continued study and to a kind of work to which has its prime purpose, the rendering of a public service (Dobler *et al* 1996). According to (Ogachi, J., 2011), a procurement professional's skill set in practice is dependent on the following: Availability of a Professional body, Academic qualifications, Professional qualifications, Professional integrity and Pay.

2.4. Empirical studies

According to Wachira R. K (2013), public secondary schools in Mathiyoa district had to a reasonable extent complied with the Ministry of Education policies regarding procurement. There however, were some factors that were either complicating or limiting the possibility of having best practices in procurement in these schools. Some of the factors found included the skills in procurement possessed by those undertaking the task.

Mulwa J.K., (2018) from his research had an indication that there is a significant effect between headteachers' induction and implementation of public procurement regulations and concluded that

public procurement regulations had a significant effect on implementation of public procurement regulations in public secondary schools in Kenya.

According to Sikolia, G. M., &Muthini, J. N. (2019), professional training, procurement ethics, and compliance with government regulations significantly influence procurement committee performance of public secondary schools in Khwisero sub-county. The study concluded that professional training of procurement committee members in procurement process has a significant bearing on procurement performance in public secondary schools and that strict adherence to procurement ethics can really boost procurement committee performance in public secondary schools.

III. RESEARCH METHODOLOGY

The study was a survey research and adopted a mixture quantitative and qualitative approach. The research targeted members of the schools tender committees which is headed by the Deputy Principal in public secondary schools. Target population included 456 schools tender committee members (School tender committees has 6 members, therefore in 76 schools this is 456 members). A sample of respondents were selected from only public schools using simple random by targeting at least one member of the procurement committee from every school that yielded a sample size of 76 tender committee members as a survey of all public secondary schools. A total of 76 questionnaires were distributed to each school. Data collected was analyzed and presented in percentages, frequency tables. Chi-Square Test for Independence was applied to test the hypothesis.

IV. FINDINGS

4.1. Procurement Skills

The study wanted to find out whether public secondary schools used the services of trained procurement professionals in their procurement activities. This would ensure that they adhere to the procurement act and regulations. Nine of the respondents said that their schools have employed a procurement professional to undertake procurement activities, this translate to 15% of the population. Fifty one respondents said that the schools have not employed procurement professionals which constitute 85% of the population. From this data it is clear that a majority of schools do not have trained professionals in their procurement committees.

Table 1.1. The school has employed professionals

Your school has employed professionals?	Frequency	Percent
Yes	9	15
No	51	85
Total	60	100

4.2. The schools capacity building to its procurement staff.

The study wanted to find out if the management of public secondary schools does organize for training of their procurement personnel to gain more procurement skills that could enhance the implementation of the procurement act. Twenty seven respondents indicated that the schools train staff involved in the procurement process in their school to gain procurement skills, this translate to 45% of the total respondents. Thirty three respondents constituting 55% of the

population indicated that the schools does not train members of their procurement committee to gain procurement skills. This is an indicator that the majority personnel involved in procurement in public secondary schools are not trained in procurement matters and procedures, which could have a negative impact on the implementation of public procurement and disposal act.

Table 1.2.The school trains the procurement officials in procurement skills and PPDA

Your school trains the procurement officials on PPDA	Frequency	Percent
Yes	27	45
No	33	55
Total	60	100

4.3.Has capacity building improved the effective implementation of PPDA?

The studyasked for opinion whether training in procurement procedures and skills has improved on the implementation of the procurement act by the members of the procurement committee, in their respective schools. Results indicate that, 38.3% of the respondents agreed that training will enhance the effectiveness in implementing the PPDA in public secondary schools, 8.3% respondents strongly agree, 10% of the respondents disagree while 43% strongly disagreed. It can be concluded that majority, 53.3 are of the opinion that training has not made any improvement. This can be attributed to little training employees attend.

Table 1.3. Has training improved effectiveness in implementing PPDA?

	Frequency	Percent
Agree	23	38.3
Strongly agree	5	8.3
Disagree	6	10
Strongly disagree	26	43.3
Total	60	100

4.4.Has lack of skills in procurement negatively affected the implementation of PPDA?

The researcher wanted to establish if lack of skills in procurement had a negative effect on the implementation of the PPDA, in the public secondary school.Findings indicate that 31.7% of the respondents agreed that lack of training has stifled the effectiveness in implementing the PPDA in public secondary schools, 21.7% respondents strongly agree, 13.3% of the respondents disagree while 33.3% strongly disagreed.Hence 53.4% of the total respondent either agreed or strongly agree that lack of training and skills has a negative impact on the implementation of the procurement act.

Table 1.4.Has lack of skills negatively affected the implementation of PPDA?

	Frequency	Percent
Agree	19	31.7
Strongly agree	13	21.7
Disagree	8	13.3
Strongly disagree	20	33.3
Total	60	100

Hypothesis testing

Table 1.5. Procurement skills and implementation of PPDA

Effective application of PPDA					
	A	SA	D	SD	Total
Procurement skills	23	5	6	26	60
Lack procurement skills	19	13	8	20	60
Total	42	18	14	46	120

The degrees of freedom (DF) are equal to: $DF = (r - 1) * (c - 1)$ where r is the number of levels for one categorical variable, and c is the number of levels for the other categorical variable. The expected frequency counts are computed separately for each level of one categorical variable at each level of the other categorical variable.

Table 1.6.P-value

<i>fo</i>	<i>fe</i>	<i>fo-fe</i>	$(fo-fe)^2$	$(fo-fe)^2_{/fe}$
23	21	2	4	0.190
5	9	-4	16	1.778
6	7	-1	1	0.143
26	23	3	9	0.391
19	21	-2	4	0.190
13	9	4	16	1.778
8	7	1	1	0.143
20	23	-3	9	0.391
χ^2				5.005

A P- value of a chi-square statistic having 3 degrees of freedom is 7.815.

4.5. Summary of the findings

4.5.1. Qualitative findings

Majority personnel involved in procurement in public secondary schools are not trained in procurement matters and procedures, which could have an impact on the implementation of public procurement and disposal act.

4.5.2. Quantitative findings

Since the calculated P-value (5.005) is less than the critical P- value (7.815) at significance level (0.05), we cannot accept the null hypothesis. Thus, we conclude that there is a relationship between procurement skill and the application of PPDA. From the findings, Procurement skills and effective application of public Procurement & Disposal Act are not independent meaning that if training is step up or intensified, the application of PPDA will improve implying procurement staff will better understand the contents of the PPDA and apply them in the procurement process.

V. CONCLUSION AND RECOMMENDATION.

5.1. Conclusion

There is a significant relation between training of the procurement staff and the effective implementation of the PPDA. The study showed that having skills and training in procurement enhances the effective implementation of the PPDA, whereas lack of skills and training in procurement inhibit the implementation of the procurement act. Public procurement is an

extremely complicated function of government, and public procurement requires interdisciplinary skills and knowledge (or multiple disciplines), including economics, political science, public administration, accounting, marketing, law, operations research, engineering, and architecture, among others.” (Thai, 2001). Only 55% of public secondary schools have training and capacity building programs for their procurement staff. 53.4% of the respondents either agree or strongly agree that lack of training and skills in procurement has inhibited the effective implementation of the Public Procurement and Disposal Act of 2005. The majority of the respondents said that there is need to train the procurement staff and update them in procurement skills. They also recommended that the procurement staff should be provided with relevant instructional materials for reference. Other respondents said that schools should employ professional procurement staff.

5.2. Recommendation

While there are a lot of universities that offer courses in supply and purchasing management and public procurement laws for the private sector, public procurement remains a neglected area of education. There is need for the procurement officers in public secondary schools to read, understand and implement the Public Procurement and Disposal Act. The schools management should be encouraged to train their procurement officers to gain procurement skills, which will enhance the effective implementation of the PPDA.

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- [35]. Zubcic, C, J & Sims, R. (2011). *Examining the link between enforcement activity and corporate compliance by Australian companies and the Implication for regulators. International journal of law and Management 53(4), pp299-308* Appendix 1: map of Kenya