Assessment Of The Efficacy Of Management Procedures For Implementation Of Procurement Policy In Technical Institutions In Kenya

Macharia Joseph Mwangi
School of Education, Mount Kenya University, P. O. Box, 342-01000, Thika, Kenya

Dr. Ruth W.Thinguri
School of Education, Mount Kenya University, P. O. Box, 342-01000, Thika, Kenya
ABSTRACT

Procurement of resources in Kenyan schools has not been in tandem with the value for money. Efforts by the government through the enactment of procurement Act have been met with malpractices during interpretation and implementation in many institutions. The purpose of this study was to assess the procedure followed by managers of Technical, Vocation and Entrepreneurship Training (TVET) Institution for effective implementation of the procurement policy guidelines. The study followed classical organizational theory of bureaucracy forwarded by Max Weber and Henry Fayol. Mixed methodology with Survey design was used to conduct the study within Murang’a County. Population included 7 District Education officers, 36 Head teachers, 216 heads of departments, 340 Lecturers, 224 support departments, 2997 trainees, 108 suppliers yielding a total of 3928 respondents from 36 institutions and members of the community. Random sampling was used to select 4 institutions and 3 districts. Purposive sampling was used to select 2 higher institutions. Stratified sampling was used to select 6(17%) heads of procurement, 30 (14%) heads of departments, 90(27%) lectures, 180(6%) trainees, 18(8%) suppliers, 30(14%) support staff and 2(29%) district training officers. The entire sampling matrix yielded a sample size of 356 (9%) population. Data was collected through questionnaires for heads of procurement, teachers, students and support staff; document analysis was used to examine records of procured resources and interview schedules for youth officers and suppliers. Reliability of the instruments was determined through piloting. Validity of the tools used was done through consultations with the Supervisor and other senior researchers. Quantitative data was analyzed using Statistical Package for Social Sciences (SPSS) and the results presented in percentages. Qualitative data was coded, edited and analyzed using thematic analysis. The study established that although not all steps are followed during procurement the policy is known in all technical institutions under study. The study therefore concluded that omitting some steps from the procurement guidelines makes the entire procurement not fair and transparent.

Keywords: Effective implementation, procurement, policy guidelines,

1. BACKGROUND INFORMATION

Development of innovative ideas generated by Ministry of higher education science and technology (MoHEST) (MoHEST, 2009) and technical institutions regarding processes, products, and services depends highly on a well-defined, compassionate institutional procedure and legal context addressing needs and aspirations of Kenyans (Republic of Kenya, 2008). Specialized systems were prioritized on national priority and social sector which have a high potential of scientific, technical and innovation. The Ministry noted an evolving age-gap between junior and senior scientists, technologists, engineers, and researchers. This is an emerging skill generation gap due to the young generation not taking up traditional vocations as technicians.
and skilled operators. This numbers is insufficient to satisfy the rising market demand. Uncertainty of gainful employment discourages more trainees to join the sector. Entrepreneurial education should be taught to give light to future trainees not to focus attention on formal employment alone. Kenya’s investment in extraordinary level practical human resource is very little due to training institutions failing to meet the needs of industries and firms offering on-the-job training which is not tied to mainstream national qualification.

The Natural History Museums Procurement division founded in the finance department ensures that procurement of works, goods and services is centered on monetary value, property and maximum use of the available resources (Natural Museum History, 2005). The procurement division ensures that competition is pursued and tenders publicized appropriately when they exceed certain monetary thresholds. There are many vital contracts, which are regularly tendered and arrangements made with the government or framework agreements by higher education associations.

Procurement in Kenya is under the public procurement oversight authority. It has grown from a crux system to an orderly legal procurement system. The procurement system was originally contained in the supplier manual which was supplemented by circulars issued from time to time by the treasury. A review of the country’s procurement system undertaken in 1999 established lack of a uniform procurement system for the public sector as a whole (Natural Museum History, 2005). Secondly, there were no sanctions or penalties against persons who breached the procurement regulations. Internally applied rules were not strict nor were they followed. Thirdly, procurement managers did not cover the procurement of works. The mechanisms of settling disputes were weak, unreliable and not transparent. Fourthly, records of procurement transactions were inaccurate, incomplete or absent which led to suspicion of dishonest feelings at the tender boards and lastly, there were other institutional flaws that led to a perception of the public of not getting value for the money spent on procurement (Natural Museum History, 2005).

To safeguard the interests of all stakeholders, it was inevitable to have a law of governing the procurement system in the public sector. This led to the enactment of the public procurement Regulation (Republic of Kenya, 2001)(PPR). The PPR later created the public procurement directorate (PPD) and public procurement complaints review and appeals board (PPCRAB).

In 2005 Public Procurement and Disposed Act was enacted which became operational on 1st January 2007 with the gazettement of Procurement and Disposal regulation. The public procurement act created the public procurement oversight authority (Republic of Kenya, 2006). The Authority is required to guarantee that, procurement measures established in the Act are fulfilled, the procurement system is monitored and there was an effective reporting of all its functions. Thirdly, initiating public procurement policy and lastly, assisting in the implementation and operations of the public procurement system among others.
2. STATEMENT OF THE PROBLEM

Implementation of procurement guidelines has been a thorn in the fresh to many tertiary institutions in Kenya. Crucial steps have been omitted causing public outcry to the stakeholders and the society not to mention. Despite, the fact that education is expensive, Kenya is a member of the United Nations (UN) is committed to Education for All (UNESCO, 2000). Training resources must be acquired and used in order to tap individual talents, develop their potential and personality (Ministry of Education, 2005). Technical institutions must procure goods and services following the procurement policy guidelines but little is known of the most successful steps. Therefore, proper stages of procurement should be followed so as to enable teachers to use the right materials to make technical education popular and competitive. Is the procurement of resources efficiently or effectively practiced in technical institutions in Kenya? The study sought to find out the procedure (steps) followed in the implementation of procurement guidelines in technical institutions in Kenya.

3. OBJECTIVE OF THE STUDY

To find out the steps followed during the implementation of the procurement policy.

4. THEORETICAL FRAMEWORK

The study was guided by theories of bureaucracy. Bureaucracy saw a form of organization which exists to a greater extent practically in every business and public enterprise Max Weber, (Stanford, 2007). Bureaucratic organization was characterized by red-tape and rigid applications of policies which guide all organizations activities while totally ignoring the workers. This formed a hierarchy of authority and system of rules. This red-tape is characterized by excess paper work and regular rules that leads to inefficiency. The main feature was a hierarchical arrangement of offices whereby one level is subject to control by the next higher. Authority thus distributed in a pyramidal manner and also strict adherences to rules and regulation. Procurement guidelines are thus provided for in the Constitution of Kenya (2013) which have been organized into steps from the simplest to the most complex. This reflects a hierarchy where each step gives rise to the next until a service or a commodity is placed under the hands of an institution.

5. LITERATURE REVIEW

5.1 APPROACHES TO PROCUREMENT IN KENYA

The systems approach to management believes that a structured system does not exist in vacuum. It is reliant on on the external environment as fragment of large systems such as the economy, the industry and the society (Koontz and Weihrich, 2008). A TVET institute receives inputs, converts them and disseminates the output to the environment. Any procured resource must be used to create a trainee of high quality.
Communication along and across the hierarchy integrates the managerial functions used in selection, appraisal and training by the management and second, links the institute with its external environment where many of the claimants exist. Communication identifies their needs and the organization becomes cognizant of competition and other potential dangers.

Procurement should be planned to enable prudent management of budget and value optimization (Republic of Kenya, 2010). Procurement entails acquisition of resources by managers under regulated procedures. These procedures sometime do not apply to some resources which the study sought to investigate. Okumbe, (2007) observed that, there is a direct relationship between the amount of politics and the scarcity of resources in an organization. How does politics contribute to provision of resourced to an institution is a nightmare to institutional procurement programme.

5.2 PROCUREMENT LEGISLATION IN KENYA

A parliamentary Act prescribes a framework within which procurement and asset disposal shall be implemented (Republic of Kenya, 2010). This law also covers allocation of contracts, protection of person or sub groups from unfair competition, sanction against defaults and regulated procedures such as contractual agreements or legislation. The requirements of the law are to create a fair ground for a procurement process acceptable to all the stakeholders. Managers of technical institutions are charged with the duty of ensuring that the above law is practiced and protected.

Working with and through individuals and groups to accomplish organizational goals and objectives is the prime duty of any manager (Hensley and Blanchard, 1977. Okumbe, 2007). In TVET institutions the top management works with heads of departments and students to accomplish their education and training. The principal is mandated to ensure that the Public Procurement and Disposal Act, Regulations and any circulars issued by Public Procurement Oversight Authority are complied with. The institution as a Procuring Entity should plan and undertake procurement functions as set out, (Republic of Kenya, 2011).The heads of the procurement should ensure that procurement functions are performed accordingly. The way in which an organization conducts its businesses or operations represent guidelines or an account of key values that the organization intends to pursue (Cole, 1992). Budgets and budgetary procedures are used in identifying priorities and allocating resources. The procuring entity should develop a budget. However, if the expected measure of resources goes beyond the ability of institutional finances, priorities have to be ranked. Educational managers in Education institutions are mandated to plan on how to execute procurement of assets (Republic of Kenya, 2009). The plan should then be developed into a routine.

5.3 SCHOOLS AS AN INDUSTRY

A school in economical terms is regarded as an industry which transforms quality inputs into required out puts Okumbe, (2007). A good number of technical institutions are not popular since students who join have
been unable to perform in education. Lack of resources has been frustrating delivery of the curriculum as required in the law. Technical institutions should convert students into useful people in the society. Procurement should therefore consider procuring students willing to be changed into productive service providers in industries and in the wider society.

The modern society requires greater division of labour and high degree of specialization of functions brought up by rapid growth of Education in third world countries. Professionalization helps to increase efficiency of administration by reducing the evils of bureaucracy and also interference of politicians with day-to-day working of the administrators (Rao, 1981). Implementation stage of the strategic management is primarily administrative and is basically a question of ensuring a good fit between the chosen strategy and the way the organization does things (Thompson and Strickland, 1990). At the same time fulfill the legal requirements and expectations of the stakeholders.

Weber and Fayol (Okumbe, 2008) saw bureaucracy as the most rational and logical structure founded on law, procedures, rules, and so on. Weber, saw efficiency emanating from clearly defined and specialized functions; use of legal authority; hierarchy; written rules and procedures; skilled bureaucrats; appointments based on hands-on capability; promotions based on competence; well-defined career paths and system of rules; standard working procedures and norms so that they can effectively control behavior within an organization.

5.4 COMMUNITY AND THE SCHOOL

Education management is mandated to integrate the school into the set up of the society within which it is founded. This is a noble role of serving the society. The education manager does this through Board of Governors. It consists of members of the society appointed by Minister of Education (Republic of Kenya, 1968). The head of the institution is the secretary and accounting officer of the board. Parent and Teachers are represented by the Parent Teachers Association (PTA) in the institution management process. Teachers and parents may not necessarily come from the immediate society where technical institutions are founded. Religious organizations such as churches interact with/or are found in the same society where the institutions are. Technical institutions have a deep history of origins from religious societies. Members of the society share same services such as local administration, political representation, infrastructure, water, security and electricity among others.

5.5 PROCUREMENT IMPLEMENTATION IN KENYA

Rules and regulations have been enacted by the government to ensure that the procedure and stages in the procurement of resources are transparent and as guiding principles for committees in all stages of procurement (MoHEST, 2007); these include the procurement Act (Ministry of Finance, 2005) and the Procurement and Disposal Act (Ministry of Finance, 2006). The implementation stage of strategic management is primarily administrative (Thompson and Strickland, 1990 Okumbe, 2007). The two argued
that implementation is the interplay between several forces of which chosen strategy is the centre piece. Okumbe further argued that implementing a chosen strategy depends considerably on how acceptable the corporate culture is to the workforce, how it is conceived and communicated by the top management of the organization. The values embodied in the organization culture usually focuses on its relationship with customers, the community and employees. These also define the attitudes towards quality, safety and ethical issues.

5.6 FACTORS INFLUENCING IMPLEMENTATION STAGES

Personal skills are considered as vital factors in the implementation of a strategy. Good skills lead to efficiency in performance of duties as well as effective use of procured items. An organization must harvest these in order to achieve its particular reputation and competences. Motivational levels are required in order to meet the challenges of change. Huitt, (2011) quoting Walker, (1992) and Franken, (2006) defines motivation as merely the reinforcement of a positive effort performance–reward experience. Huit considered motivation as a drive that leads to performance of certain tasks. Organization structure is another factor influences implementation positively or negatively. Some levels in the structure maybe active or refuse to meet deadlines. The existing structure in an institution forms hierarchy where one level is answerable to the next. Decisions from departments to the top management on procurement of goods and services will be effective when communication is clear. Management style influence followers to accomplish procedures and tasks differently. Leaders handle change differently and therefore implementation of strategies is finally different.

Routines enable organizations core business to be executed with efficiency (Cole, 1997). These may stifle progress if they become obsolete or ineffective. For instance, non-payment of creditors may lead to delays in supply or errors in delivery arising from improper inspection in procurement system.

Implementation is conducted within the framework of plans and budgets, which provides time scales and targets of various kinds (Cole, 1997:167). The planned steps are intended to be fulfilled within projected time frames because training takes place continuously. Financial budgeting should be done to meet the requirements of each stage in the procurement of resources. Mintzberg and Quinn, (1991) considered strategy as 5Ps (Plans, Ploy, Position, Pattern and Perspective). Plan as a consciously intended course of action, ploy as a subset of plan, a strategy in the sense of stratagem, pattern as a consistent behavior and process which emerge from strategic thinking and position as to what the previous are aiming at.

Stakeholders’ expectation of top management includes (i) effective and efficient personnel resourcing within the organization such as human resource planning and recruitment (ii) major contribution to change during implementation of strategy (iii) advice and guidance on personnel policy, appropriate, timely and cost effective services (Ministry of Education, 2007). On the other hand they too expect from suppliers efficient handling of transactions by the purchasing and other staff including use of information and technology where
applicable. From government bodies’ stakeholders expect adherence to code of good practice in employment and other legal requirements. Following steps lay down by the government or any other body of authority make a procedure smooth and transparent. Those managing the institution should clear the air of transparency.

5.7 LAW AND THE PROCUREMENT POLICY IN KENYA

In Kenya, “When any state organ such as TIVET institution contracts for goods and services, it should do so in accordance with a system that fair, equitable, transparent and cost effective” (Republic of Kenya, 2010). This provision of the law on procurement gives power to all stakeholders to demand for the stated provisions. Strict supervision of these guidelines by the government and the stakeholders is inevitable to ensure that the process is fair.

The Property and Counterfeit Act (Republic of Kenya, 1981) regulates acquisition of goods that meet certain qualifications for public institutions. Also according to the fraudulent trading offences in section 448 of the Company Act (Republic of Kenya, 1985), TVET institutions are expected to partner with companies that comply with the provisions of the act while procuring goods and services to avoid contravention of these laws. The steps prescribed in procurement procedures should take care of acquisitions and the malpractices that may arise.

5.8 PROCUREMENT AND THE LOCAL COMMUNITY

More than 70% of the people of Kenya live in abject poverty. To fund education of their children is a great sacrifice. Some of the steps in the procurement system attract more players in the supply of goods and services if properly followed. Kenya is growing under the weight of poverty, unemployment, corruption and violence among other development challenges. The Social-cultural activities of local community also influence the implementation of the procurement procedures.

5.9 ORGANIZATIONAL STRUCTURE OF PROCUREMENT IN PUBLIC INSTITUTIONS IN KENYA

The management is expected to come up with the following categories of procurement officers in the following ascending order: Head of Institution; Head of Procurement; Procurement Clerk; Learners and Teachers (Republic of Kenya, 2007). The pattern reflects a procurement hierarchy from the trainee to the top management. These committees are required to manage procurement as follows:

The procurement committee is mandated to meet and deliberate on the procurement activities. The TVET-KESSSP tender documents have been produced to ensure that: there is consistency of tender and contracts provisions, the programme and Government are protected by approved and acceptable positions, the provisions contained in the TVET-KESSP programme guideline procedures are mirrored in the provisions of tenders and contracts processed. School Procurement Committee chairman is an officer delegated the duty by the head of the institution while the finance officer is the secretary.
The Tender committee is mandated to meet and award tenders to prospective suppliers of the institution. Tender committees are intended to have ultimate authority regarding procurement decisions at various levels; all other committees shall be subordinate to it. In regard to competitive selection of supplies of goods and services it shall refer to it for guidance. Transparent and effective procurement procedures strengthen financial management (MOEST manual, 2007). This committee is expected to select a suitable supplier and send their resolution to the top management.

The Evaluation Committee is made up of a chairman and two members appointed by Head of institution, who are recommended by the procuring unit. The inspection and acceptance committee is made of a chairman and two members appointed by the Head of the institution and who are recommended by the procuring unit.

The disposal committee is expected to plan on disposal of idle assets in the institution in harmony with the Procurement and Disposal Act. These officers are expected to seek authority from the managers of the institution. The committee is made up of the following: Finance officer, Head of procurement unit (secretary), Head of accounting Department, Two heads of user departments. The committee selects a chairperson from one among the members. These offices are too many handling some goods or service some TVET institutions creating chances of some being left out. If some are omitted discontent enters leading to breach of the procurement procedure.

6. RESEARCH METHODOLOGY

This study was conducted through mixed methodology design where descriptive survey research was adopted to investigate population by selecting samples to analyze and discover occurrences (Yuko and Onen, 2009). Survey was suitable for providing numeric description of some part of the population. The study was carried out in Technical Vocational and Entrepreneurship Training institutions (TVET) in Murang’a County, These institutions included youth polytechnics, Technical training institutes and college of technology within the seven districts in the county. The institutions admit students who terminate at class eight or form four from the schools in the county. Population for study include managers and those delegated procurement duties from 36 institutions. Managers included all those persons involved in the procurement process (Republic of Kenya, 2009). The trainees were 2997, lecturers 340, heads of departments 216, procurement officers 36, 244 heads of support departments such as school farm, production units and catering unit. Members of the community were also included. The target population yielded 3928 respondents.

Population sampled randomly 6 (17%) heads of procurement, 30 (14%) heads of departments, 90 (27%) lecturers were selected through stratified sampling. Stratified sampling refers to identifying sub groups in the population and their properties and selecting from each sub group to form a sample (Okumbe, 2009). 18 (8%) head of support departments support staff, 30 (27%) suppliers, 180 (6%) trainees, 2 district youth officers Purposeful sampling was used to select Michuki technical and Murang’a College of technology. These are
the only two institutions that admit form four student and those who pass artisan courses. The sampling process yielded 356 (95%) respondents. Instruments were tested in the field. The instruments will be pre-tested to a selected sample which will be similar to the identical sample to be used in the study. Ten students, four teachers, one District coordinator and one head of procurement who were not to take place in the actual study were selected for piloting. The researcher worked with the supervisor to assess the content of construction and face validity of the instruments. The researcher also worked with the peers to ascertain validity of the instruments.

Variables were controlled by collecting data during normal working hours and with trained assistants who are familiar to the respondent. To ensure that stable measure is achieved, the researcher carried a pre-test of the data collection tools to ensure that it produces the same action and answers (Orodho, 2009). Reliability was done using test re-test technique. Correlation coefficient was calculated using Spearman’s Rank Order to establish the extent to which subjects of the questionnaires were dependable in eliciting same responses every time the instrument is used. Data was collected by means of questionnaires and interview schedules. Document analysis was also used to confirm existence of documents used in the procurement process.

Quantitative data was analyzed through simple descriptive statistics using SPSS. Data was presented as percentages, in pie charts, tables and histograms for easy interpretation. Qualitative data was organized, coded and analyzed according to themes (Orodho, 2009).

7. RESEARCH RESULTS / FINDINGS

The study sought to assess the steps followed by institutional managers in the implementation of procurement policy. The assessment collected views from students, teachers, workers, heads of departments, suppliers and district youth officers. This variable was tested using the following questions: Is there a policy of procurement in the institution? Is the government policy from the government fully implemented in you institution? The results were, 30% of the students and 25% teachers were of the opinion that a procurement policy was in the institution; 10% of the respondents were opposed to the availability of such a policy and about 35% were did not respond. This assessment did not reflect good awareness of the policy in the institution. Institutions should be able to develop an organization with a potential of carrying out the implementation successfully (www.managementstudyguide.com). It is evidenced by the findings that policy documents were supplied to the institutions. The study differs with the bureaucratic structure of delegating duties and proposes use of the already trained teaching personnel to handle procurement but with more motivation. Professionalism eliminates politics during implementation (Rao, 1981).

The second question sought to assess whether the required steps of the policy were fully followed. About 30% of the respondents were aware of the requisition process in the acquisition of goods; less than 50% were not
aware where the requisitions proceeded to before the institution and around 20% accepted that inspection was done before receiving goods in the institution. Suppliers were aware of the requisition and delivery processes for the goods they won tenders in.

The study indicates that only the common steps were popular along the procurement process which included requisition, tendering, delivery, storing and receiving. The situation in the field shows that copies of the procurement guidelines were supplied to institutions by the government. All institutions have established procurement committees appointed by the management. Tendering for goods is done in most of the institutions, orders prepared and receiving done. Awareness creation about procurement has been done across and along the hierarchy. However some of the institutions do not have qualified procurement clerks or an office. All the procurement steps are not known in some technical institutions and thus only a few are practiced. In some institutions government officer and members of the BOM were quoted as being party of the procurement process.

8. CONCLUSION

Management steps followed in most of the institutions includes ordering, tendering, delivery and issuing. Other relevant steps for instance evaluation, inspection and advertisement among others are rarely practiced. Very few members of the population in technical institutions can give an outline of the entire step required in the procurement guidelines. The study therefore concludes that steps followed in the procurement of goods and services are not sufficient enough to declare the process fair and transparent.

9. RECOMMENDATIONS

1. The management of technical institutions should ensure that all the step were followed during procurement.

2. The procuring institution should enhance refresher courses on procurement to all the staff and students who consume goods and services.

3. Members of the BOM and the ministry should leave procurement other persons and supervise them.

4. Students should be encouraged to form procurement organizations and learn the procurement guidelines.

10. REFERENCES

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