

ROLE OF TRAINING IN TENDERING PROCESS IN KENYA: A CRITICAL ANALYSIS OF THE ETHICAL CONSIDERATIONS IN PROCUREMENT MANAGEMENT.

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Abstract

The aim of the study was to determine the factors that influence the process of tendering in government institutions. The specific objectives was to determine the effect of technology in tendering process of government institutions, to establish the effect of training on the tendering process of government institutions, to find out the effect of funds in identification and selection of a successful tenderer in government institutions, and to identify how government policies affect tendering in government institutions. Most organizations are lacking the desired skills on tendering process which is why they fail the whole process. Government policies during tendering are not being followed in these organizations; due to lack of proper training.

Therefore the researcher came up with the following recommendations:-

Organizations should invest in technology, value training, and ensure there are sufficient funds since it is the back born of any effective business in the current world.

Chapter One

1.0 Introduction

Tendering is a process in which the procuring entity issues a public advertisement inviting for bids. The world over, challenges influencing procurement performance has been attracting attention from scholars, practitioners, academicians and researchers due to poor performance resulting from non-adherence to proper processes and procedures. The challenges faced by public procurement have been propagated due to the fact that existing legislations do not foster use of technology in procurement process and formation of long term buyer-supplier relations. Maintenance high ethical standards in the procurement process has also been a nagging challenge, this is exhibited by the poor ranking by Transparency International Corruption Perception Index 2012 at position 139 out of 174 economies in the world (Amemba et al.,2013).

1.1 Objectives of the Study

1.1.1 General Objective

The general purpose of the study was to investigate the factors influencing tendering process in government institutions in Kenya. A case study of Kenya Police Service

1.1.2 Specific Objectives

1. To determine the influence of technology on tendering process in Kenya Police Service.
2. To establish the influence of staff training on tendering process in Kenya Police Service.
3. To determine the influence of funds on the tendering process in Kenya Police Service.
4. To establish the influence of government policies on the tendering process in Kenya Police Service.

Chapter two

2.0 Literature review

2.2 Theoretical Framework

Davis(2003) states that all procuring entity looks in most cases at lower prices when considering the successful tenderers. The evaluation entails; competency of supplier to undertake tasks required, capacity of supplier to meet purchasers total need, commitment of the supplier to customer in terms of quality, cost driving and service, control systems in relation to inventory, cost budgets, people and information, cash resources and financial stability ensuring that the selected supplier is financially sound and is able to continue in business into foreseeable future, cost commensurate with quality and service, consistency in the ability of the supplier to deliver consistently and improve levels of quality and service.

2.2.1 Modification of Tender Documents Theory

Tender documents may be amended any time before the deadline for submitting tenders by issuing an addendum. An amendment may be (Gullingham 2003) made on procuring entity's own initiative or in response to an enquiry. The procuring entity will promptly provide a copy of the addendum to each person to whom the procuring entity provided copies of the tender documents. The addendum will be deemed to be part of the tender documents. Lysons (2003).

2.2.2 Time for Preparation of Tenders Theory

The time allowed for preparation of tenders is the period of time between whatever steps the procuring entity takes to bring the invitation to the attention of those who may wish to submit tenders and the deadline for submitting tenders. If the tender documents are amended under section 53 when the time remaining before the deadline for submitting tenders is less than a third of the time allowed for the preparation of tenders, the procuring entity will extend the deadline as necessary to allow the amendment of the tender documents to be taken into account in the preparation or amendment of tenders. Gullingham(2003)

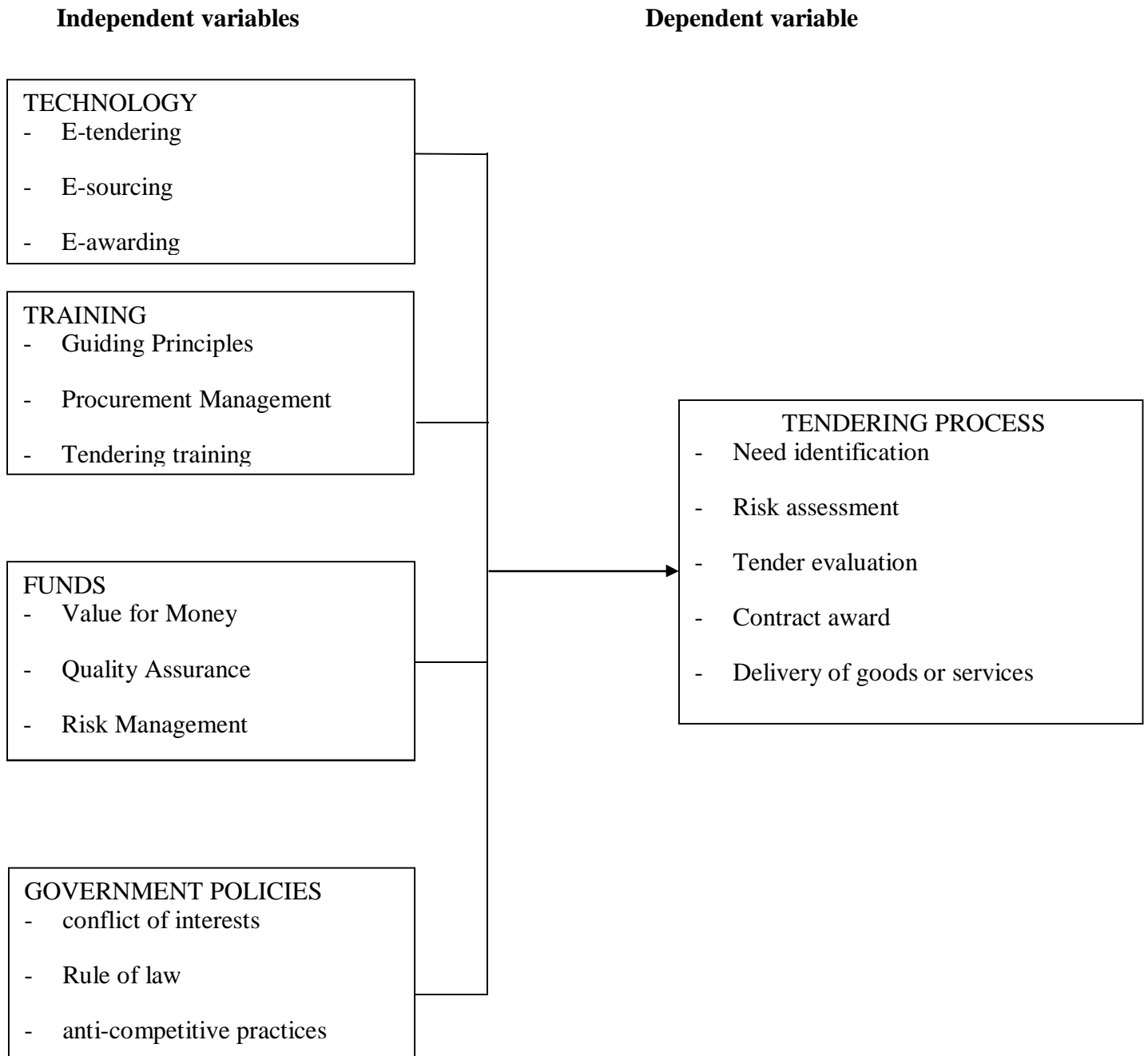
2.2.3 Opening of Tenders Theory

An opening committee will be appointed by the accounting officer specifically for the procurement in accordance with some requirements as may be prescribed. They will open the tenders immediately after deadline for submitting the tenders; they will open tenders which will be received before deadline only. Those who submitted tenders or their representatives may attend opening of the tenders.

Conceptual framework

For the purpose of this research the conceptual framework was illustrated with the aid of the conceptual model below.

Figure 1 Conceptual framework



2.3.1 Technology

The key activities to increase efficiency and effective ways of undertaking purchasing and supply chain management revolves around the following key areas; automating tactical purchasing activities, using internet as the main tool for electronic purchasing which will also be the key to globalization .

2.3.2 Training

Training is a journey without destination and if management would adopt this simple philosophy, then the short terms of the organization could be resisted. It can either be regarded as an invention to correct a perceived need or funds permitting a napain approach are taken, where everybody is trained irrespective of training or personal development needs. Training can be compartmentalized, whether it is called skilled training, technology training or maintenance training, it should have the same goal. Any organizations that want to succeed have to recruit and maintain a work force consisting of people who are willing to learn and develop continuously.

2.3.3 Funds

Sound financial management of a country's security sector is key to efficient and effective security forces capable of responding to the population's legitimate security needs. Deficiencies in the way the military budget and arms purchases are decided and controlled are likely to lead to higher levels of inefficient military expenditure and inappropriate weapons purchases. Such excessive military spending and arms imports flowing from weak budgetary and procurement processes fail to provide economic or security benefits, merely consuming scarce resources needed to address basic needs of the population. Lack of transparency in particular creates high vulnerability for corruption, especially in arms procurement processes. In many countries, the military tends to be one of the most corrupt sectors of government, and arms procurement-domestic and international-is especially subject to corruption, in both developed and developing countries (Stockholm International Peace Research Institute 2014)

The cost and impact of different sources of finance on the profitability and liquidity of a business are taken into account to make these decisions. (Kenneth and Michael), (2004)

2.3.4 Government policies

Policies are instruments for strategy implementation. A policy is a body of principles, expressed or implied laid down to direct an enterprise towards achieving its objectives and guide executives in decision making. The production of effective conformance specification is rather difficult to achieve on occasion even in situations where the greatest has been taken. It is sometimes the case that a supplier will deliver material that meets specifications as they understand it, while the customer complains that the specifications means something different and seeks to reject the supplies. Conformance specifications take a variety of forms and can be drawn up by various departments. Policies are mandatory and must be adhered to by all people and activities through the organization. Decision making within government institutions is somehow delaying because it involves many diagnosis. It takes long bringing delays when it comes to making decisions on the purchasing strategy to be used. The new public procurement regulations applying to public entities and the central government, local authorities, state corporations, universities, colleges, schools, cooperative societies and non-government organizations Davis (2002).

In general the procurement policies of organizations should conform to three basic principles. They include; procurement should aim to select and procure, in an economically rational manner,

the best possible goods and services available, Suppliers worldwide should be eligible to participate in procurement transactions on open, fair and transparent principles and easy-to-understand simple procedures, Procurement transactions have an important contribution to make to society worldwide for example, corporate purchasing practices should consider the effective preservation of natural resources and protection of the environment. Purchasing policies are usually specified in a purchasing manual that is regularly revised. The policies may be varied to meet an exceptional situation, such as a breakdown in supplies but this should only be done on the authority of the executives who have ultimate responsibility for purchasing Lysons(2003).

2.3.5 Tendering process

Procurement encompasses the whole process of acquiring property and/or services. It begins when an agency has identified a need and decided on its procurement requirement. Procurement continues through the processes of risk assessment, seeking and evaluating alternative solutions, contract award, delivery of and payment for the property and/or services and, where relevant, the ongoing management of a contract and consideration of options related to the contract. Procurement also extends to the ultimate disposal of property at the end of its useful life (Waters 2004).

Sound public procurement policies and practices are among the essential elements of good governance (KIPPRA, 2006). Otieno (2004) notes the irregular procurement activities in public institutions provide the biggest loophole through which public resources are misappropriated. According to Thai (2001), the basic principles of good procurement practice include accountability, where effective mechanisms must be in place in order to enable procuring entities spend the limited resources carefully, knowing clearly that they are accountable to members of the public; competitive supply, which requires the procurement be carried out by competition unless there are convincing reasons for single sourcing; and consistency, which emphasizes the equal treatment of all bidders irrespective of race, nationality or political affiliation.

The process should also uphold integrity by ensuring that there are no malpractices; informed decision-making, which requires public bodies to base decisions on accurate information and ensure that requirements are being met. More still, the Procurement practice should be responsive to aspirations, expectations and needs of the target society. Finally, there is need for transparency to enhance openness and clarity on procurement policy and its delivery (World Bank, 2003). (Ngugi&Mugo).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter briefly explains the design of the study, target population, sampling techniques, sample size and the data collection and procedure that will be used in this study. After presenting the theoretical model, the researcher aimed at investigating the application of the model for practical purposes.

3.2 Research design

A research design is a framework for conducting the business research project. It details the procedures necessary for obtaining the information needed to structure or solve business research problems. Zikmund, (2003). Descriptive method is appropriate because of its specific nature and fact that it facilitates a general understanding and interpretation of the problem. The design describes the state of affairs as it is in that particular time. It will be used to obtain information concerning states of the phenomenon to describe what exist with respect to variables or conditions in a situation. In descriptive research, the problem is structure and how well it is understood.

A case study is an in depth study of a particular situation rather than a comprehensive statistical survey. It is a method used to narrow down a very broad field of research into one easily researchable topic. Whilst it will not answer a question completely, it will give some indications and allow further elaboration and hypothesis creation on a subject.

The case study research design is also useful for testing whether scientific theories and models actually work in the real world. You may come out with a great computer model for describing how the ecosystem of a rock pool works but it is only by trying it out on a real life pool that you can see if it is a realistic simulation.

Study design refers to the method used to carry out a research, Davis, (2007). The study will take influence of a descriptive method aimed at investigating the research problem. A descriptive method is concerned with determining the frequency of occurrence of an event or relationship between variables (Bryman & Bell) 2005.

The advantage of the case study research design is that you can focus on specific and interesting cases. This may be an attempt to test a theory with a typical case or it can be a specific topic that is of interest. Research should be thorough and note taking should be meticulous and systematic. The first foundation of the case study is the subject and relevance. In a case study, you are deliberately trying to isolate a small study group, one individual case or one particular population.

Analyzing results for a case study tends to be more opinion based than statistical methods. The usual idea is to try and collate your data into a manageable form and construct a narrative around it.

3.3 Target population

The researcher was to collect data from government institutions in Kenya. The researcher will in particular aimed at collecting data from the Kenya police service and got data from 60 individuals.

3.4 Sampling Frame

A set of information used to identify a sample population for statistical treatment. A sampling frame includes a numerical identifier for each individual, plus other identifying information about characteristics of the individuals, to aid in analysis and allow for division into further frames for more in-depth analysis. There are three items in the sampling frame namely procurement department, stores department and finance department.

Table 3.1 Target Population

| Department | Population | Sample |
|------------------------|------------|-----------|
| Procurement department | 30 | 15 |
| Stores department | 16 | 8 |
| finance department | 14 | 7 |
| Total | 60 | 30 |

Source (author 2015)

3.5 Sample and sampling technique

The sample was made up of 30 respondents which comprised of 50% of the population. The researcher used stratified random sampling. In stratified random sampling, respondents were selected from the departments of the Kenya police service. This sampling technique gave a desired representation from the sub- groups in the population whose subjects were reproduced in the sample. It ensured inclusion of all departments in the sample which otherwise could have been omitted by other sampling methods because of their small numbers in the population.

3.6 Data collection instruments

The researcher will use questionnaires to collect data. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Questionnaires are commonly used to obtain important information about the population. Each time in the questionnaire will be developed to address a specific objective, research question or hypothesis of the nature of the information required, and so that it may not leave out important information required in the study the respondents are given an opportunity to think more about the requirements in the questionnaire. They are easier to analyze data since they are in an immediate form, and are economical to use it terms of time and finance. They permit a greater depth of response because the respondents are granted freedom to answer in his/her words. This questionnaire qualifies to be used as data collection method ahead of all other methods.

3.7 Pilot Test study

The term 'pilot studies' refers to mini versions of a full-scale study (also called 'feasibility' studies), as well as the specific pre-testing of a particular research instrument such as a questionnaire or interview schedule. Pilot studies are a crucial element of a good study design. Conducting a pilot study does not guarantee success in the main study, but it does increase the likelihood. Pilot studies fulfill a range of important functions and can provide valuable insights for other researchers.

Pilot studies can be based on quantitative and/or qualitative methods and large-scale studies might employ a number of pilot studies before the main survey is conducted. Thus researchers may start with "qualitative data collection and analysis on a relatively unexplored topic, using the

results to design a subsequent quantitative phase of the study" (Tashakkori & Teddlie 1998). The first phase of a pilot might involve using in-depth interviews or focus groups to establish the issues to be addressed in a large-scale questionnaire survey. Next the questionnaire, e.g. the wording and the order of the questions, or the range of answers on multiple-choice questions, might be piloted. A final pilot could be conducted to test the research process, e.g. the different ways of distributing and collecting the questionnaires. For example, a recent study exploring nurses' and midwives' attitudes to research followed this pattern.

3.7.1 Reliability

The questionnaires were hand delivered and collected immediately after completion by respondents. The timeframe was short enough for the researcher to consider the issues in the questionnaire before carrying out the actual study. The researchers thoroughly checked and verified the questionnaires to ensure accuracy and validity. It is possible to ensure validity of qualitative data if the researcher follows procedures that minimize biases. Data collected through different techniques like interviews and focus groups discussions will be triangulated to build coherent justification for various themes.

3.7.2 Validity

In Content validity the researcher tested the appropriateness of the questionnaire. The researcher constructed the questions which accurately assessed his objectives. This involved taking representative questions from each of the sections of the unit and evaluating them against the desired outcomes. The researcher also used closed ended questions to avoid out of context responses.

3.8 Data Analysis and Presentation

Data analysis is the process of developing answers to questions through the examination and interpretation of data. The basic steps in the analytic process consist of identifying issues, determining the availability of suitable data, deciding on which methods are appropriate for answering the questions of interest, applying the methods and evaluating, summarizing and communicating the results.

Data analysis is essential for understanding results from surveys, administrative sources and pilot studies; for providing information on data gaps; for designing and redesigning surveys; for planning new statistical activities; and for formulating quality objectives.

The study analyzed data through quantitative and qualitative techniques. Quantitative data analyses involved frequencies and tables and interpretation. Qualitative analyzed information in open ended questions. The questionnaires administered to the different departments will be collected, and then the researcher will go through the questions in which the respondents never filled then embark on analysis of the questionnaires using the statistical tools like tables and percentages.

Summary of Findings

From the study findings the researcher noted that technology influences tendering process in Kenya Police Service. This was presented by 53.3% of the respondents who said that technology influence tendering process to great extent, 26.7% average extent and 20% low extent. Also in rating of technology systems 6% of the respondents rated technology systems of Kenya Police Service as exceptional, 27% average, 17% above average, 33% below average and 17% poor.

From the study findings the researcher noted that funds influence tendering process Kenya Police Service. This was presented by 50% of the respondents who felt that funds influence selection of successful tenderer in Kenya Police Service whereas 33.3% of the respondents felt that funds do not influence selection of successful tenderer and 16.7% were undecided. Thus this can be interpreted that funds have much influence on selection of a successful tender. The 7% of the respondents also felt that funds influence selection of tenderers in Kenya Police Service in a great extent, , 50% said it was average while the rest 30% said funds had a low influence on selection of tenderers.

From the study findings the researcher noted that government policies do not influence tendering process in Kenya Police Service. This was presented by 60% of the respondents who said that government policies do not influence tendering process in Kenya Police Service whereas 16.7% felt that government policies have influence on tendering process while 23.3% were undecided. 40% of the respondents also said that government policies influence selection of tenderers in a great extent, 26.7% average extent and 33.3% low extent. This can be interpreted that government policies influence selection of tenderers in a great extent.

Conclusion

From the study findings the researcher came up with the following conclusions:-

The study concluded that technology is an integral part in any organization and should be practiced for its efficiency and effectiveness. Most organizations are lacking the desired skills on tendering process which is why they fail the whole process. Information technology is one of the most dynamic things in the present world. Therefore no matter how cost is the process of implementing information technology it is fundamental to implement IT in order to have effective procurement. Thus any organization that its goals are to succeed in its operations and perform in the market much implement new technology and always train its employees on any new invention of technology in the market often.

Government policies which are in place governing operation of institution do hinder effective tendering process due to the long process of following long structure to come up with the final decision. Government policies during tendering are not being followed in these organizations; it might be due to lack of proper training on the whole process.

Recommendations

From the study analysis the researcher came up with the following recommendations:-

From the study findings the researcher noted that technology influences tendering process in Kenya Police Service. Thus the researcher recommends that the organization should invest in technology since it is the back born of any effective business in the current world. The study recommends the need use the current technology while on matters on tendering for this will ensure efficiency and effective process.

From the study findings the researcher noted that training influences tendering process in Kenya Police Service. Hence the researcher recommends that the organization should value training very much since it helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals, provide an opportunity and broad structure for the development of human resources' technical and behavioral skills in an organization and in increasing the job knowledge and skills of employees

at each level and also the organization should offer training to the team performing the process so as to gain new skills whenever they era to undertake the process and hone the existing ones. From the study findings the researcher noted that funds has no much influence in tendering process Kenya Police Service. Therefore the researcher recommends that funds should not be much considered in the process since once one need to tender has a budget of what to tender for and at what estimated cost.

From the study findings the researcher noted that government policies influence tendering process in Kenya Police Service. Therefore the researcher recommends that the government may take look into its policies in regulating by decentralizing its operations to the employees carrying out tendering process.

Areas for Further Research

From the findings of this research, the researcher suggests a similar study can be done for in the private sector so that one can comprehend all the findings and make more recommendations.

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