

DETERMINANTS OF SUCCESSFUL IMPLEMENTATION OF ETHICAL PROCUREMENT PRACTICES IN STATE CORPORATIONS: A SURVEY OF SELECTED STATE CORPORATIONS IN NAKURU TOWN, KENYA

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Abstract

Public procurement in Kenya is marked with a lot of problems which include lack of transparency, political intrigues, and lack of informed staff. These unethical practices damage the state agencies' reputation, cause financial loss, and undermine the public's confidence in the governmental structure and management. The purpose of the study was to establish the determinants of successful implementation of ethical procurement practices in state corporations. Specifically the study sought to establish the influence of record management and organization structure on successful implementation of ethical procurement practices in state corporations in Nakuru Town. The study adopted the descriptive research design. The target population of the study comprised of 53 employees derived from procurement, finance and

internal audits department from the 5 selected state corporations in Nakuru Town. Since the target population was the less than 100, the study adopted census technique to include all the 53 employees. Primary data was collected by use of a self-designed questionnaire. The findings indicate that there is a positive significant relationship between record management and successful implementation of ethical procurement practices as shown by a regression coefficient of 0.241. Findings also indicate that there is a positive significant relationship between organizational structure and successful implementation of ethical procurement practices as shown by a regression coefficient of 0.219. The study recommends that state corporations should adopt modern technology in records management. They should also use software like the e-records for the safety of procurement records. State corporations should train procurement officials on effective procurement record management.

Keywords: Ethics, Public Procurement, State Corporation, Tendering, Organizational Structure

INTRODUCTION

Ethics are the guidelines or rules of conduct by which we aim to live on. Like individuals, organizations have ethical standards and frequently ethical codes (Peter and Bailey 2015). The ethical standards of an organization are judged by its actions and the actions of its employees, not by pious statements of intent put out in its name. Kothari (2014) emphasizes on procurement ethics since it helps organizations to deal with suppliers. Sound ethical practices are essential to the creation of long-term relationships and the establishment of supplier good will.

The public procurement system is described to be generally weak in developing countries. According to Roos, (2012) the lack of adequate procurement legislation as well as insufficient transparency and accessibility of the public procurement market has led to poor performance and diminished trust in the system. The global dimensions of business create the potential situation where the practices in one jurisdiction may not be acceptable or recognized in another (Ayuso, 2006).

According to Atkinson (2003) there are approximately 500,000 professional purchasing people in the United States and only 10 percent of these have been members of a professional Supply Chain Management Association which trains members in purchasing ethics. Ethics and conflict of interest greatly affect the Namibia public procurement system (Daniels & Narasimhan, 2011). As a result, the public has diminished trust in the Tender Board and its functions

(Amadhila, 2013). The current image that Namibians have of the Tender Board is that of corruption and inefficiency with almost all its decisions becoming a subject of court dispute.

A number of discoveries were made by Ayoti, (2012) in her study on ethics in Ghana. The study findings indicated that there were practices of favoritism, tribalism and nepotism in the Ghanaian procurement system. It was discovered that a lack of a strong procurement standards and inadequate training of staff had led to failure in applying good practices in procurement, created inefficiencies, and escalated costs in the procurement process. Ayoti (2012) recommended that all employees involved in public procurement should advance their levels of educational especially those with diplomas to degree level. The study further recommended that all procurement staff be trained in procurement functions to equip them with skills and knowledge on the procurement process.

It is estimated that in Kenya, public procurement accounts for over 10% of Gross Domestic Product (GDP), making it a large market for suppliers and contractors (GoK 2010). With this amount of resources, public procurement tops the list of sectors with high opportunities for unethical issues. This therefore means that every effort should be made to erect safeguards to check against corruption and malpractices. It is against this background that Kenya Anti-Corruption Commission has partnered with the Public Procurement Oversight Authority (PPOA) to issue corruption prevention guidelines in public procurement in line with the wider public financial management reforms that Kenyan government has been initiating.

The Contract Monitoring Kenya Network (CMKN) (2012) cited unethical practices as a major factor contributing towards inefficiencies in procurement in major public institutions in Kenya in return leading to squandering of public funds through fraud, favoritism and extravagance. This was revealed in a report by the CMKN dubbed *Reforming Public Contracting: Giving Kenyans Value for Money* that documented rampant unethical practices in public procurement. Githongo (2007) states that at the heart of grand corruption in Kenya is a series of financial arrangements that together make up a system of security-related procurement, procurement of commercial debt, and financing of the political system.

According to Mathenge (2012), the current procurement management system in Kenya is deficient of ethical inclination and should employ ethical consideration to re-invent itself. Gikonyo (2010) notes that the most persistent barrier to combating corruption is the culture of secrecy in public procurement and associated government functions. Unethical behaviour in public procurement threatens to damage relations within the purchasing department, the relationship with other departments in the company, and with suppliers. According to the World Bank (2010), unethical practices gnaw away Africa's resources and undermine development.

Statement of the Problem

Public procurement in Kenya is marked with a myriad of problems which include lack of transparency, political intrigues, and lack of informed staff. Unethical practices in public procurement causes financial loss, and undermines the public's confidence in the governmental structure and management. Public institutions are generally more susceptible to procurement ills due to the complex nature of purchases and the enormous amount of funds involved. A review of the public procuring entities in Kenya for 2013-2015 period indicates that 132 work-contracts incurred cost overruns of up to 30% of the initial amount due to lack of information on procurement of goods and services (PPOA, 2010). Most corrupt practices that have occurred in the Kenyan public procurement scene are caused by opaque and unaccountable transactions. Various studies have been conducted on ethical practices in procurement process. Abdi (2012) studied procurement practices in Kenya's Public Corporations and found that employees understand what each is supposed to do; there is also segregation of duties thus there are incidences of collusion among them. In their study, Ogolla and Kinyua,(2013) found that despite the existence of devolved funds, internal inefficiencies among the firms have made them not to achieve the desired results. Although the above studies capture the subject of ethics in public procurement, none has looked at determinants of successful implementation of ethical practices in state corporations in Kenya. The current study sought to fill of this gap by answering the question: what are the determinants of successful implementation of ethical procurement practices in state corporations in Kenya?

General Objective

The general objective of the study was to examine the determinants of successful implementation of ethical procurement practices in state corporations.

Specific Objectives

- i. To determine the influence of record management on successful implementation of ethical procurement practices in state corporations in Nakuru Town.
- ii. To establish the influence of organizational structure on successful implementation of ethical procurement practices in state corporations in Nakuru Town.

Research Hypothesis

H₀₁: Record management has no significant influence on successful implementation of ethical procurement practices in state corporations in Nakuru Town.

H₀₂: Organizational structure has no significant influence on successful implementation of ethical procurement practices in state corporations in Nakuru Town.

THEORETICAL REVIEW

This study was guided by three theories: Contingency Theory, Person -Situation Interaction Theory, and Institutional Theory

The Contingency Theory

Contingency theory is an approach to the study of organizational behavior in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the design and function of organizations (Cadez and Guilding, 2008). The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system. Contingency theory seeks to formulate broad generalizations about the formal structures that are practically associated with or best fit the use of divergent technologies. Ethical practices highly depend on the organization structure. State corporations have different organizational structure which influences their procurement ethics.

Person -Situation Interaction Theory

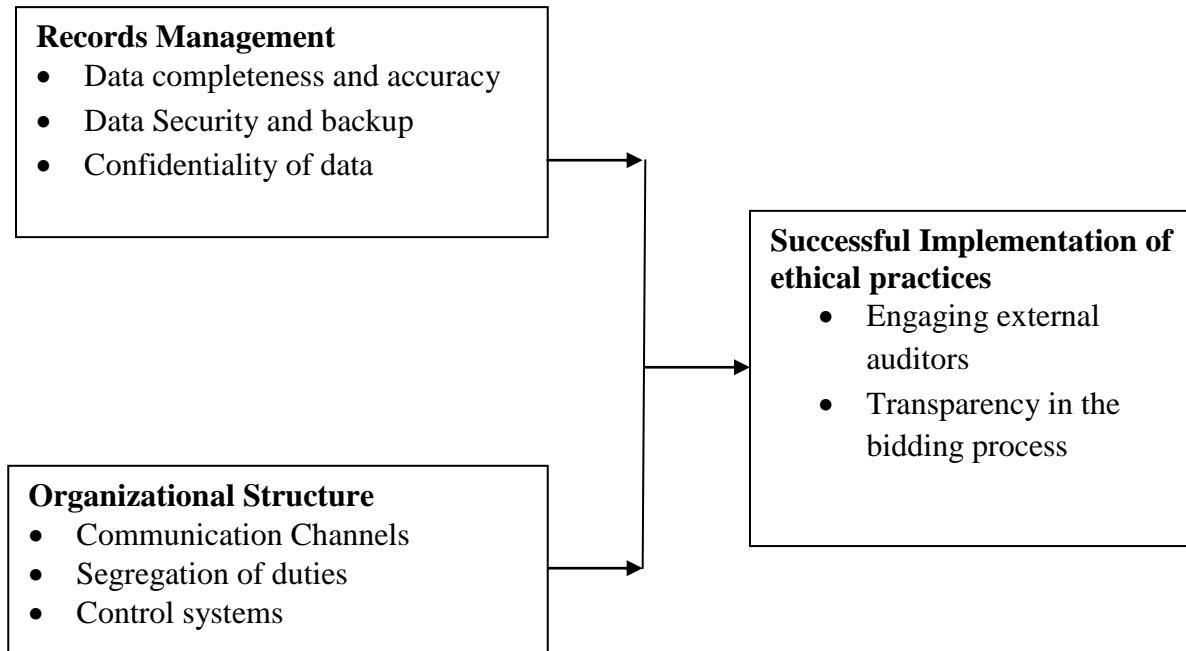
This theory postulates that ethical decision-making in an organization is explained by the interaction of individual and situational components. The individual reacts to ethical dilemmas with cognitions determined by his or her moral cognitive development stage. The individual's cognitive moral development stage determines how an individual thinks about ethical dilemmas, his or her process of deciding what is right or wrong in a situation. In this case, the procurement manager is influenced by individual factors, situational milieu and organizational culture in his/her decision-making matrix.

Institutional Theory

Institutional Theory by Meyer and Rowan (1977), states that the institutional environment strongly influences the development of formal structures in an organization more than market pressures. This means that organizations must maintain certain structures and procedures so as to maintain legitimacy in the institutional environment. Institutional theory has effects on procurement and supply chain performance. This theory highlight that procedures must be

observed in order to ensure that all the stakeholders involved in the procurement exercise obtain fair treatment.

Figure 1. Conceptual Framework



EMPIRICAL LITERATURE

Influence of Record Management on Ethical Procurement Practices

Records management in procurement is founded on the premise that records need management from creation, preservation and maintenance to disposal in order to preserve the history and activities of an organization (Venter, 2004). Effective and efficient records administration and management enables government to document procurement processes and improve delivery of services and to promote accountability and transparency.

According to Fust & Graf (2002), proper management of records is the foundation for any government that needs to provide public services, and ensure accountability and transparency. Chinyemba & Ngulube (2015) argue that procurement departments have the overall responsibility for maintaining procurement records, complete documentation, and maintain all procurement contracts and agreements. Ensuring proper records management leads to effective public procurement process because government activities are based on access to information contained in records (Michael, 2009).

De Wet & Du Toit (2010) argue that it is important for procurement departments in public institutions to manage records more effectively with other information management functions as a strategy towards attaining a competitive advantage. According to Lowell (2014), procurement records have unique characteristics that demand special responsibilities on the procurement agencies that preserve and manage them. He established that records derive from information they contain and evidence they provide. State records not only document past decisions, they often establish and protect current rights and responsibilities of both the government and the governed.

In Kenya, despite the legal requirements citing the importance of clear records management practice in procurement, the situation is not reflected in practice (Odhiambo, 2013). In some cases, government procuring departments handle records carelessly without realizing that the records constitute a major resource similar to finance, people, money and equipment (PPOA, 2010). Failures in records keeping, involve failure to comply with the procurement laws, fragmentation of procurement files, maintenance of informal records which greatly affects effective procuring process (Kihara, 2009). Another observation is that procurement records are often considered as falling outside the jurisdiction of procurement managers.

Influence of organizational structure on ethical procurement practices

According to Sablynski (2003), organizational structure refers to how job and tasks are formally divided, grouped, and coordinated. According to Armstrong and Stephens (2013), organizational structures provide the framework for the activities required to achieve organizational goals and objectives. Basically, organizational structures can be categorized as unitary, divisionalized, centralized, and matrix (Armstrong and Stephens (2008). Unitary structure, which is the most common structure, is a single and separate unit without any divisions in which the heads of each major department directly reports to the top.

In unitary structure, the relationships are not complex and are clearly defined. However, lack of cooperation between departments is common and this can be avoided if the chief executive coordinates and directs the activities. Centralized structure places authority at the center which completely takes controls of the activities and decisions of other units. Such control is exercised by authority from the headquarters who dictates policies, procedures, targets, and budgets to be followed and achieved (Armstrong and Stephens, 2008).

In a centralized structure, close control can be maintained over divisional activities, standardized procedures and systems can be used, and guidance is provided by functional specialists at the headquarters. However, a drawback of this structure is that it restricts the

scope of divisional management to handle their own affairs in the light of local knowledge and lack of autonomy in divisions. Decentralized structure is the direct opposite of centralized structure. In decentralized structure the management gives operational autonomy to divisions, subsidiaries, or strategic business units under the overall direction of the centre in order to achieve desired results (Rabie, 2014)

By definition bureaucracy is the collective organizational structure and policies, and set of regulations in place to manage operations. According to Rabie (2014) bureaucracy is a management system designed to handle organization affairs and relationships with its employees and all the stakeholders. It helps different types of organizations in managing their internal and external affairs. An organization structure that is appropriate encourages creativity and enhances quick decision making and other operations such as procurement which enables the organization to survive and compete in dynamic and competitive situations (De Anis &Haggins, 2011)

Research Gaps

Supply professionals play both a strategic and an operational role in the organization. The strategic role is to maximize opportunities and minimize risks for the organization. The operational role is to execute the strategies in the most efficient and effective way possible. Monitoring the legal and ethical environment is one area in which supply/procurement contributes strategically and operationally. The supply manager is well positioned to identify potential legal and ethical opportunities and risks when he/she fully understands the factors such legal and ethical opportunities and risks in the organization. Existing literature in Kenya has failed to capture determinants of such ethical practices. This study will therefore evaluate the determinants successful implementation of ethical practices in or in state corporations with specific view of the state corporations, in Nakuru.

RESEARCH METHODOLOGY

This study adopted the descriptive research design. According to Mugenda and Mugenda (2003), descriptive design is a process of collecting data in order to answer the questions of the current status of the subject under study. The reason of using descriptive research design was that it gave the opportunity to examine study variables without manipulating them in any way.

Target Population

The target population for this study was made up of 53 employees derived from procurement, finance and internal audits department of five selected state corporations in Nakuru Town. See

Table 1 below. The study adopted census to incorporate all the 53 members of the population into data collection exercise.

Table 1: Target Population

Companies	Procurement Staff	Finance Staff	Internal Auditor	Total
Geothermal Development Company	9	5	1	15
Kenya Pipeline Company Ltd	5	4	1	10
National Cereals and Produce Board	4	4	1	9
Pyrethrum Board of Kenya	5	3	1	9
Kenya Seed Company	6	4	1	11
Total	29	19	5	53

Data Collection Instruments and Procedure

The study made use of primary data which was collected by use of a self-designed structured questionnaire. The questionnaire was administered to the respondents through a drop and pick later method. This technique was selected because of its effectiveness reducing potential non-response bias through increased response rate. The respondents were required to complete the questionnaire as honestly and as completely as possible. The reliability of the questionnaire was examined by conducting a pilot study that involved 7 state corporation employees. The Cronbach Alpha coefficient was used to measure the internal consistency (Table 2).

Table 2: Reliability Statistics

Variable	Number of Items	Cronbach's Alpha
Record management	7	0.764
Organizational structure	7	0.803

ANALYSIS AND DISCUSSION OF FINDINGS

Response Rate

Out of the 53 questionnaires that were issued out, 51 were dully completed and returned to the researcher representing 96.23% response rate. This rate was way above the accepted questionnaire return rate of 70 per cent (Nulty, 2008).

Background Information

The study examined the background information of respondents in respect to their academic qualifications and working experience. The respondents' academic qualification was of

particular interest to the study. Table 3 illustrates respondents spread in terms of highest academic qualifications.

Table 3: Distribution of Respondents by Academic Qualifications

	Frequency	Percent
College	5	10
First Degree	34	67
Post-Graduate Degree	12	23
Total	51	100

It was established that 10% of the respondents had college education as their highest academic qualifications, 67% had first degree while, 23% had post-graduate degree. This implies that majority of the respondents had first degree as their highest academic qualifications. The findings implied that state corporations put a lot of emphasis on the academic qualifications of the workforce in the department with the expectations that this would result in improved performance.

Period of Work in the organization

The period which the respondents had worked in the organization was sought and ascertained. The results emanating from the analysis are presented in Table 4.

Table 4: Period of Work in the organization

	Frequency	Percentage
Less than 5 years	8	16
6 to 10 years	12	24
11 to 20 years	18	35
More than 20 years	13	25
Total	51	100

A total of 8 respondents representing 16% of the sampled population stated that they had worked in the organization for less than 5 years, 24% of the sampled population stated that they had worked in the organization for 6-10 years, 35% of the sampled population stated that they had worked in the organization for 11-20 years while 25% of the sampled population stated that

they had worked in the organization for more than 20 years. This implies that majority of the respondents had worked in their organization long enough to provide the information required.

Descriptive Statistics

Record management in the State Corporations

The researcher sought to determine the record management practices with the state corporations. Table 5 shows the respondent's views:

Table 5: Descriptive Statistics for Record management on ethical practices in procurement

	N	Min	Max	Mean	Std.
Organizations records are timely recorded	51	1	5	4.3333	.90921
Procurement records are counterchecked to ensure accuracy	51	1	5	3.8235	.65440
In case of alterations of procurement records all the stakeholders are involved	51	1	5	3.9608	1.05756
The organization has a back-up of all the procurement records	51	1	5	3.8824	1.30609
Procurement officials must get authorization to access automated procurement records	51	1	5	4.0588	.98817
The organization regularly conduct an audit of procurement record	51	1	5	3.8627	1.24931
The organization use both manual and automated procurement record system	51	1	5	4.3137	.67794

The findings revealed that majority of the respondents admitted (mean ≈ 4.00 ; std dev < 1.000) that organizations records are timely recorded. It was further agreed (mean ≈ 4.00 ; std dev < 1.000) that procurement records are counterchecked to ensure accuracy. In addition, the respondents agreed (mean ≈ 4.00 ; std dev > 1.000) that in case of alterations of procurement records all the stakeholders are involved. It was also agreed (mean ≈ 4.00 ; std dev > 1.000) that organization has a back-up of all the procurement records. It was further agreed (mean ≈ 4.00 ; std dev < 1.000) that procurement officials must get authorization to access automated procurement records. According to Lowell (2014) procurement records have unique characteristics that demand special responsibilities on the procurement agencies that preserve and manage them. In addition, respondents agreed (mean ≈ 4.00 ; std dev > 1.000) that the organization regularly conduct an audit of procurement record. It was further agreed (mean ≈ 4.00 ; std dev < 1.000) that organization use both manual and automated procurement record

system. The standard deviation ranged between 1.30609 to 0.65440 indicating that the dispersion of the respondents from the mean was moderate. This implies that the variance of the highest respondents and the lowest respondents was moderate. The study agrees with a study by Venter, (2004) who argued that effective and efficient records administration and management enables government to document procurement processes and improve delivery of goods and services and to promote accountability and transparency.

Organizational Structure of the State Corporation

In addition, the researcher sought to determine organization structures of the various state corporations that were involved in the study. The findings resulting from the analysis are presented in Table 6.

Table 6: Influence of organizational structure on successful implementation of ethical procurement practices

	N	Min	Max	Mean	Std.
Effective hierarchy of authority enhances communication along the chain of command and positively affect procurement operations	51	1	5	4.5098	.61229
An effective internal control system such as code of conduct ensures that each employee takes individual responsibility	51	1	5	4.3922	.69508
Poor communication along the various departments hinders information flow resulting to lack of transparency	51	1	5	4.1961	.82510
The organization has well defined roles which ensure personal accountability on procurement roles	51	1	5	4.0196	1.14000
Lack of independence of procurement department in an organization contribute to lack of accountability	51	1	5	4.3725	.79902
Decentralization of procurement functions increases the chances of unethical procurement practices such as corruption.	51	1	5	4.4902	.80926
The use of centralized organization structure ensures quality of goods and services	51	1	5	4.5098	.80926

The study as shown in Table 6 revealed that effective hierarchy of authority enhances communication along the chain of command and positively affect procurement process (mean ≈

5.00; std dev < 1.000). The respondents also agreed that an effective internal control system such as code of conduct ensures that each employee takes individual responsibility (mean \approx 4.00; std dev < 1.00). Moreover majority of the respondents agreed (mean \approx 4.00; std dev < 1.000) poor communication along the various departments hinders information flow resulting to lack of transparency. The respondents also agreed that (mean \approx 4.00; std dev > 1.000) the organization has well defined roles which ensure personal accountability on procurement roles. Moreover majority of the respondents agreed (mean \approx 4.00; std dev < 1.000) that lack of independence of procurement department in an organization contribute to lack of accountability. In addition majority of the respondents agreed (mean \approx 4.00; std dev < 1.000) that decentralization of procurement functions increases the chances of unethical procurement practices such as corruption. Finally majority of the respondents agreed (mean \approx 4.00; std dev < 1.000) that centralized organization structure ensure quality of goods and services. The standard deviation ranged between 0.61229 and 1.14000 indicating that the dispersion of the respondents from the mean was minimal. This implies that the variance of the highest respondents and the lowest respondents was small. In a centralized structure, close control can be maintained over divisional activities, standardized procedures and systems can be used, and guidance is provided by functional specialists at the headquarters (Rabie, 2014).

Implementation of Ethical Procurement Practices in State Corporations

The study also examined respondents' views regarding the implementation of ethical procurement practices within the state corporations. The respondents' opinions are indicated in Table 7

Table 7: Descriptive Statistics on successful implementation of ethical procurement practices State corporations

	N	Min	Max	Mean	Std.
Involvement of external auditors ensures accountability in the procurement process	51	1	5	4.7451	.44014
Separation of key internal functions contributes to accountability in procurement system.	51	1	5	3.1765	1.35212
Adherence to the set laws and regulations ensures fairness in the procurement system	51	1	5	4.3333	.68313
An efficient bids evaluation criteria stops cases of corruption	51	1	5	4.5098	.57871
Involving all the stakeholders in the procurement process to ensure transparency.	51	1	5	3.9412	1.10294

From the findings, the respondents admitted that involvement of external auditors ensures accountability in the procurement process (mean = 4.7451; std dev = 0.4401). The respondents further agreed that separation of key internal functions contributes to accountability in procurement system (mean = 3.157; std dev = 1.362). In addition, the respondents agreed that adherence to the set laws and regulations ensures fairness in the procurement system. (mean \approx 4.00; std dev < 1.000). The respondents agreed that an efficient bids evaluation criteria stops cases of corruption. (mean \approx 5.00; std dev < 1.000). The respondents further agreed that involving all the stakeholders in the procurement process to ensure transparency. (mean = 3.9412; std dev = 1.10294). The standard deviation ranged between 0.44014 and 1.35212 indicating that the dispersion of the respondents from the mean was minimal. This implies that the variance of the highest respondents and the lowest respondents was small. The tendering process creates fairness for all parties and enhances transparency levels.

Correlation Analysis

Record Management and Successful Implementation of Ethical Procurement Practices

The study sought to establish the correlation between record management and successful implementation of ethical procurement practices State corporations (Table 8).

Table 8: Record management and successful implementation of ethical procurement practices

		Implementation of ethical procurement practices
Record Management	Pearson Correlation	.605**
	Sig. (2-tailed)	.000
	N	51

** . Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 8, there is a moderate, positive, and statistically significant correlation between record management and successful implementation of ethical procurement practices. ($r = 0.605$; $p < 0.05$). This implies that an improvement in record management results to successful implementation of ethical procurement practices.

Organizational Structure & Successful Implementation of Ethical Procurement Practices

In addition, the study sought to establish the influence of organization structure on successful implementation of ethical procurement practices. The findings of the study are as shown in Table 9.

Table 9: Organizational structure and successful implementation
of ethical procurement practices

Organizational Structure	Implementation of ethical procurement practices	
Pearson Correlation		.563**
Sig. (2-tailed)		.000
N		51

** . Correlation is significant at the 0.01 level (2-tailed).

The relationship between organizational structure and ethical practices in procurement was established to be positive, and statistically significant ($r = 0.563$; $p < 0.05$). This implies that adopting better and more flexible organization structures results to successful implementation of ethical procurement practices.

Regression Analysis

The regression model is used to examine the relationship between an independent variable and dependent variable when holding other factors constant. In this study, the analysis sought to determine the relationship between implementation of ethical procurement practices and each of the independent variable when holding the other variable constant.

Table 10: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Beta	Std. Error			
(Constant)	2.026	.420		4.824	.000
1 Record management	.241	.147	.421	1.640	.008
Organizational structure	.219	.144	.286	1.517	.036

a. Dependent Variable: Implementation of Ethical Procurement Practices

From the findings, there is a positive significant relationship between record management and successful implementation of ethical procurement practices as shown by a regression coefficient of 0.241. The p-value (0.008) was less than the significance level (0.05). According to the results, the hypothesis that: record management has no significant influence on ethical practices in procurement in State Corporations in Nakuru Town was rejected. This implies that

record management has a significant influence on ethical practices in procurement in State Corporations in Nakuru Town.

The results also indicate that there is a positive significant relationship between organizational structure and successful implementation of ethical procurement practices as shown by a regression coefficient of 0.219. The p-value (0.036) was less than the significance level (0.05). According to the results, the hypothesis that: organizational structure has no significant influence on ethical practices in procurement in State Corporations in Nakuru Town was rejected

CONCLUSIONS

From the findings, the researcher concluded that state corporations have a back-up of all the procurement records. It was also noted that procurement officials must get authorization to access automated procurement records. The organization regularly conducts an audit of procurement record which is often done weekly. The organizations use both manual and automated procurement record system. The study inferred that record management was significant in enhancing ethical practices in procurement process.

Regarding the organization structure, the researcher concluded that the organizations had well defined roles that ensured personal accountability on procurement roles. Lack of independence of procurement department in some organizations contributed to lack of accountability. Decentralization of procurement functions in other organizations increased the chances of unethical procurement practices such as corruption. The use of centralized organization structure increased the quality of goods and services. The study inferred that organization structure was crucial in enhancing ethical practices in procurement process.

RECOMMENDATIONS

The study recommends that state corporation ought to adopt modern technology such as ERP, SAP and IFIMIS in procurement processes. They should also adopt record management software such as e-records for eases and safety of storing records. Officers should be trained on use of current technology in records management.

Organization structure defines task allocation, reporting relationships, and formal coordination mechanisms in an organization. Organization should establish an effective hierarchy of authority this will enhance communication along chain of command and ensure successful implementation of ethical procurement practices.

State corporations should also put in place legislation and institute regulatory mechanisms on records management for their operations so as ensure transparency and accountability in tendering processes.

FURTHER RESEARCH

The researcher suggested that further studies should be conducted on effect of ethical practices on procurement performance. The researcher also suggested that further studies be conducted on the influence of management skills on successful implementation of ethical procurement practices in state corporations in Nakuru Town, Kenya.

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