

Effects of the Adoption of Transparency and Accountability Practices on Procurement Performance of the Judiciary, Kenya

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ABSTRACT: Public procurement is a fundamental goal of any government arm striving to deliver goods and services to its citizens and it is expected that it provides an ample framework for utilization of citizen resources. Unfortunately, it is reported that Kenya loses about 200 billion shillings annually as a result of flaws in procurement performance emanating from inability to uphold public procurement and disposal principles (EACC, 2010). Reviewed studies attempted to examine the relationship between adoption of transparency and accountability practices and procurement performance. However, no study reviewed looked at the effect of the adoption of ethical practices (transparency and accountability) on performance of procurement performance and information on such findings is therefore lacking. It is in this regard that the current study purposed to establish the effect of the adoption of transparency and accountability on the procurement performance of the Judiciary in Kenya. The study was anchored on legitimacy and normalization theories. Correlation research design was adopted to study a target population of 100 respondents, from which a sample size of 50 respondents arrived at using Yamane's formula was selected. The study used primary data which were collected using structured questionnaire. A pilot study of the data collection instrument was conducted using 5 employees of the Judiciary who did not participate in the final study. The instrument reliability was ascertained using Cronbach's Alpha where analpha coefficient of 0.7505 which is above the threshold of 0.7 was established indicating high levels of instrument reliability. For validity test the instrument was reviewed by Supply Chain Management Lectures andpractioniters whose opinions were incorporated in the final instrument. Using linear regression analysis, the study established that transparency & accountability practices adoption has a significant effect on performance ($\beta = 0.294$, $\alpha=0.012$). This implies that a unit increase in adoption of transparency practice would lead to an increase in procurement performance of the judiciary.The study therefore recommends that the Judiciary as well as other organization adopt transparency and ethical practices in order to elevateperformance of the procurement function.

KEY WORDS: Transparency, Accountability, Performance

Date of Submission: 15-12-2018

Date of acceptance: 31-12-2018

I. INTRODUCTION

Any public organization that acquires supplies in order to accomplish goals and objectives need to do so in a manner that builds public confidence in its procurement system. This can be achieved if the procurement process is devoid of any malpractices and accords equal opportunity to interested parties seeking to take part in provision of materials to the organization. An important aspect that ensures this is adopting transparency and accountability practices. Studies by various researchers such as Kaspar&Puddenphatt 2012; Leitch & Leitch, 2017; andBiela(2014) have tried to establish the influence of transparency and accountability on performance of organizations.Balsevich, Pivovarova&Podkolzina (2011) while studying information transparency through a comparative literature and rating articulated that transparency is the timely and easily understood access to information. Kaspar&Puddenphatt (2012) however put that transparency is the visibility and accessibility of information in public procurement performance that is timely, stating price for a specified procurement, judicial issues and controlling bodies, etc. for all the procurements on the characteristics of the goods, works and services that are acquired, and on the results of the procurements i.e. bids, prices, tender contracts among others. From this definition, it can thus be established that transparency and accountability in procurement has to be related to proactive access to information; hence can be regarded as the open gain to information in all procurement matters.

According to Biela(2014),accountability is defined as the obligatory nature of individual or supply chain organizations to succinctly explain its activities, be liable for its responsibility and divulge the results in an open way. It is the responsibility of business organizations to explain their actions and roles in procurement processes to their shareholders. It can thus be explained that transparency and accountability are more inclined to the open sharing of information as well as the responsibility nature of practitioners. Although transparency

and accountability is documented in a number of studies (Kaspar&Puddenphatt 2012; Leitch & Leitch, 2017; Biela,2014 &Balsevichet al., 2011), the studies do not however pin point the influence of transparency and accountability practices on procurement performance of the Judiciary. The current study thus envisions bridging this gap

II. LITERATURE REVIEW

2.1 Normalization Process Theory

The study was anchored on Normalization Process Theory (NPT). Propounded by May& Finch (2009), the theory enlists a set of tools that are vital in understanding and clarifying the processes through which new or tailored practices of thinking, enacting and organizing work are operationalized in an organization set up. Although the theory was first limited to health care service provision, recent developments on the theory have expanded its scope to encompass the broad implementation and incorporation of technological and organization innovations. More specifically, May & Finch (2009) argue that NPT is contemporarily a vital tool in organizations’ complex interventions, where they regard a complex intervention as an intentional attempt to introduce a new rule, principle or edify the existing patterns (Nyaboke&Muturi, 2017).

According to NPT, there are three key issues that underlie a complex intervention. Firstly, Implementation, which denotes the organization of bringing a practice or practices into deed; Embedding, which implies the processes through which a practice or practices become or do not become routinely integrated in everyday work of individuals and groups; Integration, which signifies the processes by which a practice or practices are reproduced and sustained among the boundaries of an organization set up. The process of buying a new practice or edified model is dynamic, nevertheless the theory puts more stress on the works that participants do as they ensemble activities, which may include thinking, acting and organizing. The tentative approach to a complex intervention is schematically shown below.

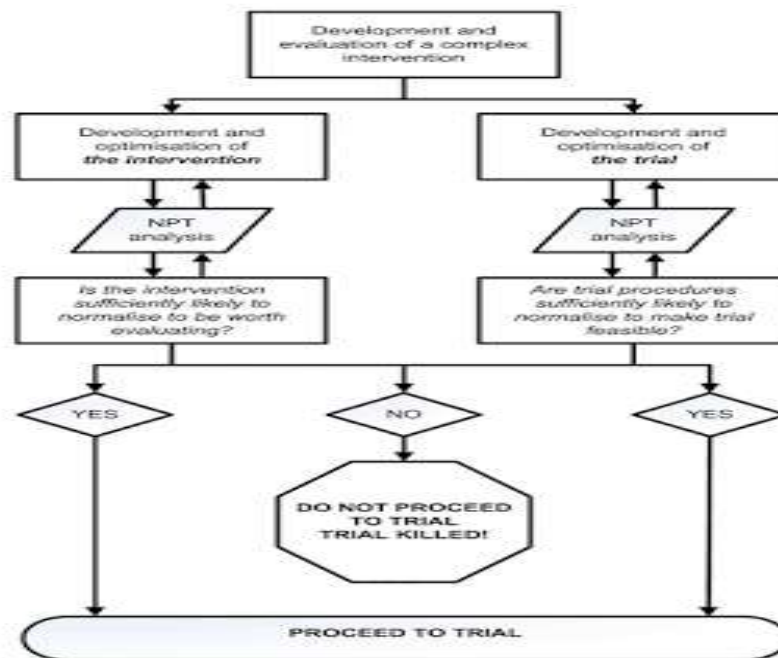


Figure 2.1: NPT’S approach to a complex intervention

Source: (Adopted from May& Finch, 2009).

The process begins with evaluating a complex intervention, then either optimizing the intervention or taking the intervention as a whole. An NPT analysis of implementation, embedding and integration is performed. If the intervention or trial is worth to be normalized, then a trial is opted. Where the intervention or trial cannot be normalized, then no advances are made as the trial is halted, the stakeholders need to retrieve and re strategizes.

In their research study, Murray et al. (2010) additionally opined that the NPT’s complex intervention is an edified or new pattern that has three subsets. One, the new plan to an organization set up has actors. These are persons, parties or groups or networks that work in harmony and encounter one another towards realization of a common goal. Two, objects, which are the organizational wide ways in which knowledge and practices are enacted such as procedures, hardware, software. Murray et al. stressed that the goal of objects is to change individual’s know how, expertise and actions. Three contexts which include the physical, organizational,

institutional as well as the legislative systems which allow, limit, have resources and opportunities, and define the people and procedures. Their main aim is to transform the way people do their work in order to achieve the objectives of the organization (Murray et al., 2010).

NPT is a theory of action that accurately befits ethical standards, transparency, accountability as well as procurement and asset disposal planning. The complex intervention is the effect realized from implementation of PPAD Act principles, putting the act into practice at the judiciary by supply chain parties denotes its embedding while integrating indicates the sustenance of the act in the judiciary supply chain in order to achieve transparency, required ethical standards, accountability as well as profound procurement and asset disposal planning.

2.2 Transparency & Accountability and Procurement Performance

Procurement is the central function of an organization since it coordinates all the purchasing activities for various departments. Performance of the procurement process is pegged on the principles underlying the procurement system. A fundamental principle that ensures sound procurement performance is transparency & accountability (Nyaboke&Muturi, 2017).

In his study, Bukhala (2013) opined that transparency and accountability is a fundamental undertaking which ensures that the performance of procurement systems is not jeopardized. The principle enunciates that there should be open access to information in public procurement management. Access to information by all legitimate interested stakeholders should be a priority of any public procurement dealing. Transparency is tinted as a major aspect that has been dealt with in public procurement, including its importance to public procurement and relevance on the economic activity of the country. Public procurement tends to encourage the local organizations over foreign suppliers to be transparent in order to enhance economic growth. Additionally, procurement by various arms of government can also result to growth in innovation among organizations within a specified region if transparency is not overlooked as one of the fundamental drivers. Prajogo et al. (2008) more so reasoned that public procurement can advance innovation policy on both international and national levels through observation of accountability and transparency. This subject is coherent with research in the private sector that has exposed how supply chain value activities affect innovation through this key principle. This is due to the achievements obtained in the procurement process in value chain activities which are aimed at getting greater product quality and innovation (Prajogo et al., 2008).

Studies on transparency & Accountability have been documented though not extensive. Global corruption report, GCR, (2007) published by the transparency international on transparency of the judiciary indicated that procurement performance in the judiciary should to a greater degree be practicable while at the same time being transparent in all its external as well as internal processes. The report further narrates that there should be confidentiality in all procurement matters that do not require civic knowledge.

In an attempt to explain implementation of public procurement and asset disposal act 2015 Kenya and organization Performance, Getuno et al. (2015) through a survey research design established that technology integration is an important aspect that enables supply chain practitioners to maintain high levels of transparency. It is important for the public to gain access to government's data but this earnestly depends on the organizations use of technology. The was done on 187 corporations and found out that government arms can ensure transparency through the use of technology by obtaining a website that enlists procurement opportunities, contract bids, tender documents, prequalified suppliers; establishing data formats for statistical data; establishing a public procurement liaison link with a procurement professional who provides services not enlisted on the website and augmenting terms of operations online to seal off corrupt people (Getuno et al., 2015).

Osei-Tutu, Mensah and Ameyaw (2011) established the level of compliance of implementation of public procurement law and principles in Ghana at 19.58% and 17.8%, citing lack of transparency and accountability as impediments to implementation of procurement law and principles. The study also explained that in the instance where a government arm has no prudent gain to its information by the necessary parties, then effective implementation of procurement law and principles will be hampered. Equally, where a supply chain organization allows prohibited participants to gain access to its information system, then performance of the supply chain will be kept in jeopardy. The study further observed that supply chain organization need to provide a reliable gain to its information as this is an important cushion against corruption and promotion of competition as well as the development of relationship between supply chain practitioners. In order to enable access to information, supply chain organizations need to publish yearly procurement proceedings in a way that is accessible and simple to understand; giving access to up to date procurement proceeding, policies and procedures, giving access to the public and shareholders access to proposed amendments in procurement as well as the limitation of privacy to legally protected information (Osei-Tutu et al, 2011)

Limo et al. (2017) carried out a study on effect of supplier prequalification on procurement performance of the judiciary of Kenya. Using a descriptive research design with a target population of 134 respondents, the study

observed that good supplier relationship maintains high levels of transparency. It was also noted that supply chain organizations which have strong ties with their suppliers are in good position to foster transparency and accountability in their operations, and this improves procurement performance. Ensuring equal access opportunities to all qualified suppliers, according timely, complete and accurate information on procurement opportunities and ensuring that there are no 'insiders' in procurement units, and no competing vendor ought to write specifications for the organization are important transparent practices that improve procurement performance (Limo et al., 2017).

Balsevichet al. (2011) undertook a study on information transparency in public procurement by surveying and rating various procurement websites in Russia and accentuated that accountability and transparency have a direct influence on the results of procurement. They argued that transparency and accountability optimizes corruption and collusion, which in turn may reduce prices and improve the quality of service delivery to the final consumers. Concentrating on 83 public procurement websites in Russia, Balsevichet al. (2011) further precludes that transparency and accountability improves competition which limits collusion and corrupt practices among parties in a supply chain. There is more so a direct influence of transparency and accountability on the behavior of suppliers which ultimately determines collusion and corruption. Therefore, transparency and accountability are strongly interlinked with control, competition, collusion and corruption which affects supply chain results in terms of prices and quality (see figure 2.2). At the end, prices of supplies will be affected and subsequently, the quality of procured materials.

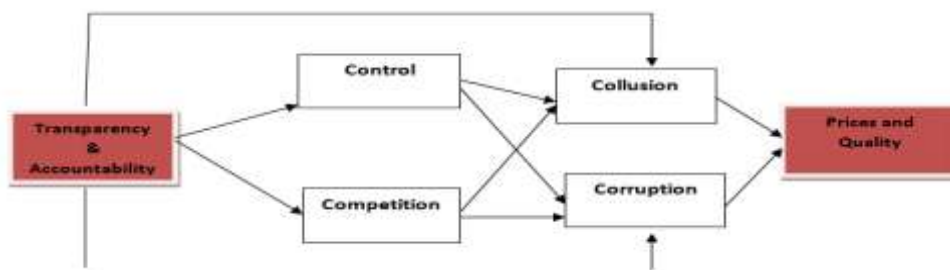


Figure 2.2: Transparency & Accountability and results of procurement performance.

Source: (Adopted from Balsevichet al., 2011).

While Getunoet al. (2015) studied implementation of public procurement and asset disposal act 2015 Kenya and organization performance; Osei-Tutu, et al., 2011: level of compliance of implementation of PP law and principles in Ghana; Limo et al., 2017: effect of supplier prequalification on procurement performance of the judiciary of Kenya and Balsevichet al., 2011; information transparency in public procurement on websites in Russia, the studies do not adeptly unravel the influence of transparency & accountability on procurement performance. The current study henceforth hopes to achieve this objective by examining the effect of transparency and accountability on procurement performance of the judiciary of Kenya.

H₀ Adoption of transparency and accountability practices has no significant effect on procurement performance of the Judiciary, Kenya.

III. METHODOLOGY

The study adopted a correlation research design. Correlation research design was chosen for the study due to its ability to ensure minimization of bias and maximization of reliability of evidence collected. It was suitable since it considered issues such as economy of the design, rapid turnaround in data collection and its suitability for extensive research (Mugenda & Mugenda, 2003). Target population defines those units for which the findings of the study are meant to be generalized from (Mugenda & Mugenda, 2003). The study targeted 100 respondents from the Supreme Court of Kenya who comprised of supply chain officers, senior managers, departmental heads and suppliers.

According to Kothari (2004) a sample is a part of the statistical population whose properties are studied so as to obtain information about a whole. Sampling is a process of selecting a number of individuals or subjects from a population such that the selected group contains elements representative of the characteristics found in the entire group. An ideal sample should be large enough to serve as adequate representative of the population and small enough to be selected economically, that is in terms of subject availability (Hofmann & Patel, 2014). In order to arrive at the sample size, Mathematical approach developed by Miller and Brewer (2003) was adopted. Given a population of 100 and precision level of 0.1 the sample size was calculated as follows;

$$= N1+(e)^2$$

Where; n is the sample size; N is the population size and e is the level of precision (0.1)

$$n = \frac{100}{1 + 100(0.1)^2}$$

n= 50

Stratified random sampling was adopted to select 50 respondents from the SCOK. Hofmann & Patel (2014) established that stratified sampling ensures that the resulting sample is distributed in the same way as the population in terms of the stratifying criterion and is ideal where there is a good statistical database.

Instruments Reliability Test

The reliability of the questionnaire was evaluated through Cronbach’s Alpha which measured the internal consistency. The Alpha measures internal consistency by establishing if certain item measures the same construct. Cronbach’s Alpha was established for every objective in order to determine if each scale (objective) produced consistent results. The Cronbach’s Alpha test was conducted and a composite correlation coefficient of 0.7505 established indicating sufficient levels of reliability. Various scholars have used different cut off alpha values differently (Hair, Money & Samouel, 2007; Nunnally 1978). Hair et al. (2007) established that an Alpha coefficient value less than 0.6 depict a poor association of relationship in data instruments. George & Mallery (2003) postulated that an Alpha coefficient value of at least 0.7 is acceptable and recommendable. His assertions were proved by Connelly (2008) who propounded that a correlation coefficient of 0.7 or more is a sufficient reliability indicator. The alpha coefficient value of 0.7505 was therefore considered sufficient and reliable to ascertain reliability.

Instruments Validity Test

Validity is the accuracy and meaningfulness of inferences which are based on the research results. It is simply a measure of how well a test measures what it ought to measure (Zammuto & Krakower, 1991). Face validity was established through expert opinion from the supervisors and SCM lecturers and their suggestions and recommendations incorporated in the final data collection tool.

IV. DISCUSSIONS

Effect of Transparency and Accountability on Performance

The study purposed to establish the effect of the adoption transparency and accountability practices on procurement performance of the Judiciary in Kenya. Transparency and accountability practices involved Open and frequent communication with suppliers, disclosure of conflicts of interest, standardization of bid requirements, open and frequent communication, public advertisement of tenders and creation and publishing annual reports of procurement activities. These were averaged and a composite mean of the practices used in the regression analysis. Performance was measured based on the lead time, availability of goods and services required, quality of goods and services supplied. There were also averaged and the composite mean used in the regression analysis.

A regression analysis was computed and the results are as presented in Table 2.

Table2: Effect of Transparency and Accountability on Performance

	B	Std Error	T	Sig
(Constant)	0.511	0.096	0.625	0.000
Transparency & Accountability Practices	0.294	0.103	0.039	0.012

a. Dependent variable-Procurement Performance

Source: (Survey data, 2018)

A β constant of = 0.511 indicates that holding transparency and accountability constant the performance of the procurement function would be at β = 0.511 at a significant level of 0.00 which is less than the threshold significance level of 0.05.

The study established transparency and accountability practices to be having a positive significant effect on procurement performance (β= 0.294, α = 0.012 < 0.05). This statistically indicates that a change of one standard deviation in the adoption of transparency and accountability practices results in a (0.294) standard deviations increase in performance of the Judiciary at 95% confidence level. Ideally if the judiciary was to adopt transparency and accountability practices they would experience an augment in their performance. The study’s null hypothesis that adoption of transparency and accountability practices has no significant effect on procurement performance of the Judiciary was therefore rejected.

These results are in consonance with the results established by of Balsevich et al., (2011) who studied information transparency in public procurement in Russia. They pin pointed that there is a direct influence of transparent and accountability practices on the behavior of suppliers, which strongly determines collusion and corruption practices. Considering 83 public procurement websites, they further put that transparency harnesses open competition and improves controls. In the long run, this optimizes prices and improves quality of

products(Balsevichet al., 2011).Mesa et al. (2017) affirmed this argument when they observed that procurement performance in the Judiciary is influenced and determined by a number of aspects, specifically mentioning transparency and accountability practices.

The results are also in the same vein with the findings of Getunoet al., (2015). Studying implementation of public procurement and asset disposal act 2015 Kenya and organization Performance, they established that transparency and accountability is an important aspect that strongly influences the public procurement function in Small Medium Enterprises. They singled out access to information through adoption of technology as an important aspect of transparency which influences procurement performance. More so, the researchers stressed that. It is important for citizens to gain access to organizationdata which requires civic attention but this earnestly depends on the organization's integration and use of technology.

The findings moreover corroborate the establishment by Limo et al., (2017) who studies the effects of Pre-Qualification of Suppliers on Procurement Performance of the Judiciary in Kenya. In their conclusion they narrated that making sure that there are equal chances to all qualified suppliers and according timely and complete information in procurement proceedings will ensure that no 'insiders' exist thus improve performance of the procurement function.

V. CONCLUSSIONS

Based on the findings of the study objective which was to establish the effect of the adoption of transparency and accountability practices on performance of the Procurement function of the judiciary.The study established that transparency and accountability practices had a significant positive effect on the performance of the procurement function of the Judiciary. The study therefore concluded that an increase in adoption of transparency and accountability practices i.e. (open and frequent communication with suppliers, disclosure of conflicts of interest, standardization of bid requirements, open and frequent communication, public advertisement of tenders and creation and publishing annual reports of procurement activities) by the procuring entity which in this case was the Judiciary would enhance the performance of the procurement unit which in turn would trickle down to the overall organization's performance.

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Albert Washington Ochung Tambo" Effects of the Adoption of Transparency and Accountability Practices on Procurement Performance of the Judiciary, Kenya" *International Journal of Business and Management Invention (IJBMI)*, vol. 07, no.12, 2018, pp 49-54