

Assessment on the effect of procurement process on strategy implementation in road public corporations as per the Kenya's Vision 2030

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DOI Link: <http://dx.doi.org/10.6007/IJARBSS/v4-i1/552>

Published Date: 24 January 2014

Abstract

This article assesses the effect of procurement process on strategy implementation in road public corporations as per the Vision 2030 in Kenya. The study adopted a descriptive survey research design and the study population comprised of a total of 150 employees working in three road public sector corporations namely; Kenya National Highways Authority; Kenya Urban Roads Authority and Kenya Rural Roads Authority. The study applied a stratified random sampling technique to select a sample size of 75 respondents. The study collected primary data using semi structured questionnaires as the main data collection instruments. The gathered data was analyzed using descriptive statistics through the use of Statistical Package for Social Scientists (SPSS) to compute response frequencies, percentages and mean results. Multiple regression analysis was used to determine the level of relationship between the research variables. The analyzed data was presented using tables, pie charts and bar charts to demonstrate the respondent's opinions on factors affecting effective execution of procurement procedures in Kenya public sector. The study found out that road public corporations were unable to implement their strategic plans as per vision 2030. The study concluded that the major factor affecting strategy implementation in road public corporations as per the Kenya's Vision 2030 is ineffective procurement processes. The study recommends for application of effective procurement processes.

Keywords: Procurement Process, Vision 2030, Strategy Implementation.

Introduction

Strategy implementation has attracted much less attention in strategic and organizational research than strategy formulation or strategic planning (Noble, 2009). Transforming formulated strategies into action is a far more complex, difficult and challenging undertaking and not as straight forward as assumed by many managers (Hrebiniak, 2007). In October 2006, Parliament approved Sessional Paper No. 5 of 2006 on the Management of the Roads sub-sector for Sustainable Economic Growth. Subsequently, in 2007, Parliament enacted the Kenya Roads Act 2007, which provided for the creation of three new agencies to be responsible for the development and maintenance of the road network namely: Kenya National Highways Authority (KeNHA); Kenya Rural Roads Authority (KeRRA) and Kenya Urban Roads Authority (KURA) (Rotich, 2010). Kenya National Highway Authority (KeNHA) is an autonomous agency responsible for the management, development, rehabilitation and maintenance of trunk roads linking centers of international importance and crossing international boundaries or terminating at international ports (Class A), national trunk roads linking internationally important centers (Class B), and primary roads linking provincial centre or two higher class roads (Class C). Kenya National Highway Authority core functions are to construct, upgrade, rehabilitate and maintain Class A, B, C roads, implement road policies on national roads and ensure adherence to guidelines on axle load control in the Traffic Act (KeNHA, 2013). Kenya Rural Roads Authority KeRRA is a State Corporation whose mandate is to offer guidance in the construction, maintenance and management of the rural road network. Kenya Rural Roads Authority is responsible for the management, development and rehabilitation, of rural roads (D, E, F, G, K, L, P, R, S, T, U and W). Its role is to construct, upgrade, rehabilitate and maintain rural roads and control reserves for rural roads and access to road-side developments. It also implements road policies in relation to rural roads, ensure that motorists adhere to guidelines on axle load control, ensure that the quality of road is in accordance with standards defined by the Ministry (KERRA, 2013). Kenya Urban Roads Authority (KURA) manages and maintains urban roads in cities and major municipalities. Kenya Urban Roads Authority is responsible for planning, design and implementation of road projects in urban areas, comprising the City Council and municipalities (KURA, 2013).

The Kenya Vision 2030 is the national long-term development blue-print that aims to transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment. The Vision comprises of three key pillars: Economic; Social; and Political. The Economic Pillar aims to achieve an average economic growth rate of 10 per cent per annum and sustaining the same until 2030. The Social Pillar seeks to engender just, cohesive and equitable social development in a clean and secure environment, while the Political Pillar aims to realize an issue-based, people-centered, result-oriented and accountable democratic system. The three pillars are anchored on the foundations of macroeconomic stability; infrastructural development; Science, Technology and Innovation (STI); Land Reforms; Human Resources Development; Security and Public Sector Reforms (GOK, 2012).

In view of the above review the following study was investigated:

To assess the effect of procurement process on strategy implementation in road public corporations as per the Kenya's Vision 2030.

Methodology

The study applied a stratified random sampling technique to select a sample size of 75 respondents. The study collected primary data using semi structured questionnaires as the

main data collection instruments. The gathered data was analyzed using descriptive statistics through the use of Statistical Package for Social Scientists (SPSS) to compute response frequencies, percentages and mean results. Multiple regression analysis was used to determine the level of relationship between the research variables. The analyzed data was presented using tables, pie charts and bar charts to demonstrate the respondent’s opinions on factors affecting effective execution of procurement procedures in Kenya public sector.

Results and Discussion

Effect of Procurement Process on Strategy Implementation

The study further sought to determine the extent to which procurement process affected strategy implementation in the organization as per the Kenya’s vision 2030. From the findings in table 4.9, majority (46%) of the respondents felt that the procurement process affected strategy implementation in the organization as per the Kenya’s vision 2030 to very large extent, 38% to a large extent, 11% to a moderate extent and 5% to a small extent. The respondents explained that application of lengthy procurement procedures slowed the procurement process and this delayed timely implementation of road construction projects hence affecting achievement of the strategic plan objectives. These findings were in agreement with (Otieno, 2010) that effective implementation of public corporations strategic plans as per vision 2030 is hampered by application of bureaucratic procurement procedures which slows execution of major development projects in the country. The study therefore affirmed that the nature of the employed procurement process to a large extent affects strategy implementation in road public corporations’ as per the Kenya’s vision 2030.

Table 1.0 Effect of Procurement Process on Strategy Implementation

Response	Frequency	Percent
To a very large extent	26	46
To a large extent	21	38
To a moderate extent	6	11
To a small extent	3	5
Total	56	100

Effect of Procurement Process issues on strategy implementation

The study further sought to determine the extent to which procurement process issues affect strategy implementation in road public corporations as per the Kenya’s vision 2030. From the findings in table 1.1, understanding of strategy implementation goals had a mean score of 4.53, procurement need identification had a mean score of 4.53, suppliers sourcing strategies had a mean score of 4.39, supplier appraisal methods had a mean score of 4.25, negotiation process had a mean score of 4.26, transparency of tendering process had a mean score of 4.21, bureaucracy in the procurement process had a mean score of 4.42, level of compliance with public procurement and disposal act, 2005 had a mean score of 4.44, level of compliance with supplies practitioners management act, had a mean score of 4.48 and procurement process had a mean score of 4.48. These findings implied that all procurement process issues affected strategy implementation in road public corporations as per the Kenya’s vision 2030 to a large extent. The findings were in tandem with (Hassan, 2012) that issues such as

difficulties in understanding of strategy implementation goals, procurement need identification, application of poor supplier sourcing strategies, use of ineffective supplier appraisal methods, bureaucracy in procurement process and lack of high degree of transparency of tendering process lowered the level of efficiency and effectiveness of the employed procurement process and this hampered successful implementation of public corporations' strategic plans as per the vision 2030. Phillip (2010) also argued that effectiveness of procurement process in many public corporations' is hampered by low level of compliance with Public Procurement and Disposal Act, 2005 (PPDA) and low level of compliance with Supplies Practitioners Management Act, 2007.

Table 1.1 further presents the standard deviation results on procurement process issues affecting on strategy implementation in road public corporations as per the Kenya's vision 2030. Standard deviation greater than 1 means that the respondents had divergent views and if the standard deviation and variance is less than 1 it means that the respondents had similar opinions on the issues concerned (Mugenda & Mugenda, 2008). As presented in table 1.1 all the factors procurement process issues recorded a standard deviation and variance of less than 1 and this was a clear indication that all respondents expressed that the procurement process issues affected strategy implementation in road public corporations as per the Kenya's vision 2030. The study hence deduced that lack of understanding of strategy implementation goals, procurement need identification, application of poor supplier sourcing strategies, use of ineffective supplier appraisal methods, bureaucracy in procurement process and lack of high degree of transparency of tendering process, low level of compliance with Public Procurement and Disposal Act 2005 (PPDA) and low level of compliance with Supplies Practitioners Management Act, 2007 lowered the level of efficiency and effectiveness of the employed procurement process and this hampered successful implementation of public corporations' strategic plans as per the vision 2030.

Table 1.1: Effect of Procurement Process issues on strategy implementation

<i>Procurement Process</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
Understanding of strategy implementation goals	56	4.5357	.71260
Procurement need identification	56	4.5357	.76192
Suppliers sourcing strategies	56	4.39286	.778777

Supplier appraisal methods	56	4.2500	.79201
Negotiation process	56	4.2679	.84188
Transparency of tendering process	56	4.2143	.94800
Bureaucracy in the procurement process	56	4.4286	.65663
Level of compliance with Public Procurement and Disposal Act, 2005 (PPDA)	56	4.4464	.87219
Level of compliance with Supplies Practitioners Management Act, 2007	56	4.4821	.85261
Procurement Process	56	4.4821	.68732
Valid N (listwise)	56		

The study noted that procurement process affected strategy implementation in the organization as per the vision 2030 in Kenya to a large extent. The study revealed that that application of lengthy procurement procedures slowed the procurement process and this delayed timely implementation of road construction projects hence affecting achievement of the strategic plan objectives. These findings were in agreement with (Otieno, 2010) that effective implementation of public corporations strategic plans as per vision 2030 is hampered by application of bureaucratic procurement procedures which slows execution of major development projects in the country. The study therefore affirmed that the nature of the employed procurement process to a large extent affects strategy implementation in road public corporations' as per the vision 2030 in Kenya. The study finally identified that procurement process issues that affected strategy implementation in road public corporations as per the Kenya's vision 2030 included; lack of understanding of strategy implementation goals; lack of procurement need identification; application of poor suppliers sourcing strategies; use of ineffective supplier appraisal methods; lack of transparency of tendering process, application of bureaucratic procurement process, low level of compliance with public procurement and disposal act, 2005 (PPDA) and low level of compliance with supplies practitioners management act, 2007. These findings concurred with (Hassan, 2012) that issues such as difficulties in understanding of strategy implementation goals, procurement need identification, application of poor supplier sourcing strategies, use of ineffective supplier appraisal methods, bureaucracy in procurement process and lack of high degree of transparency of tendering process lowered the level of efficiency and effectiveness of the employed procurement process and this hampered successful implementation of public corporations' strategic plans as per the vision 2030. Phillip (2010) also argued that affirmed that effectiveness of procurement process in many public corporations' is hampered by low level of compliance with Public Procurement and Disposal Act, 2005 (PPDA) and low level of compliance with Supplies Practitioners Management Act, 2007.

Conclusion

Findings from the study revealed that most public road corporations employ lengthy procurement processes that lead to delay in implementation of various road construction projects. The Public Procurement and Disposal Act, 2005 (PPDA) Public Procurement and Disposal Regulations, 2006 (GOK, 2012) and the Supplies Practitioners Management Act, 2007 (KISM, 2009) provides guidelines on how public road corporations should execute procurement processes. The key notable procurement process issues that affect strategy implementation in road public corporations as per the Kenya's vision 2030 include; lack of understanding of strategy implementation goals; lack of procurement need identification; application of poor suppliers sourcing strategies; use of ineffective supplier appraisal methods; lack of transparency of tendering process, application of bureaucratic procurement process, low level of compliance with public procurement and disposal act, 2005 (PPDA) and low level of compliance with supplies practitioners management act, 2007.

Recommendation

The study recommends that the employed procurement processes supports strategy implementation in public road corporations as per the Kenya's Vision 2030. The study recommends that the management of public road corporations should improve on the level of compliance with the procurement legal framework by complying with the procurement guidelines stipulated in Public Procurement and Disposal Act, 2005 (PPDA) Public Procurement and Disposal Regulations, 2006 (GOK, 2012) and the Supplies Practitioners Management Act, 2007. The procurement management staff in public road corporations should understand strategy implementation goals, identify procurement needs, apply effective supplier sourcing strategies, use effective supplier appraisal methods and increase the level of transparency in tendering process and avoid bureaucratic procurement process.

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