

**ETHICAL PRACTICES AND PROCUREMENT PERFORMANCE IN
PARASTATALS IN KENYA: THE CASE OF KENYA PORTS AUTHORITY**

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DECLARATION

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DEDICATION

I dedicate this thesis to my mother Anne Okwera, my brothers Dr. Andrew Okwera and George Okwera, not forgetting the Almighty God our Father.

ACKNOWLEDGEMENT

My acknowledgement goes directly to the almighty God for without whom I would not have come this far. My utmost gratitude is also extended to my family and friends for their continuous support and encouragement to aim higher even from miles away. My sincere appreciation goes to my lecturers whose support towards the achievement of this course cannot be overemphasized. I would like to thank my project supervisors Dr. Earnest Saina and Dr. Joel Chepkwony for their patience, guidance, and constructive assistance throughout this study which was invaluable. Finally, I am thankful to all the people who in their special ways made this research a success.

ABSTRACT

Ethical logistics practices are acceptable norms that supply chain professionals and institutions should adopt to ensure flawless procurement process. The study general objective was ethical practices and their effect on procurement performance in state parastatals in Kenya, the case of Kenya Ports Authority. The specific objectives of the study were to establish the effect of transparency, to determine the effect of integrity, to assess the effect of integrity and to establish the effect of transparency on procurement performance at Kenya Port Authority. The study was guided by the deontological theory, the teleological theory and the transaction cost theory (the anchor theory). The study adopted an explanatory research design. The target population of the study was 154 employees of Kenya ports authority. A sample size of 110 respondents was selected using Borg and Gall sampling formulae and simple random sampling method was used to select the 110 respondents. The main data source was primary sources and data was collected by using structured questionnaires that were administered through drop and pick technique. Pilot study was conducted on ten procurement employees at the county assembly of Mombasa. The validity and reliability of the research instrument was tested and was confirmed both valid and reliable. Data was analyzed using SPSS version 25 and descriptive statistics and inferential statistics were reported. Descriptive results established that transparency, integrity, accountability and confidentiality to a great extent affected procurement performance at Kenya ports authority. Correlation results revealed that accountability ($R=.362$, $p=.001$), confidentiality ($R=.400$, $p=.000$), integrity ($R=.601$, $p=.000$) and transparency ($R=.529$, $p=.00$) had positive significant correlation with procurement performance at Kenya ports authority. Multiple regression results revealed that accountability ($\beta=.073$, $p=.782$), confidentiality ($\beta=.066$, $p=.024$), integrity ($\beta=.092$, $p=.000$), and transparency ($\beta=.074$, $p=.044$) had positive significant relationship with procurement performance at Kenya ports authority. Adjusted R^2 was 45.3% and ANOVA ($F 16.340$, $p=.000$) was significant. The study concluded that confidentiality, integrity and transparency positively influences procurement performance at Kenya ports authority. The study further recommended that managers should implement confidentiality, integrity and transparency to increase procurement performance at Kenya ports authority. Lastly, the government need to institute a culture of ethical practices in state parastatals to improve on procurement performance.

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ABBREVIATIONS

KPA	Kenya Ports Authority
KRA	Kenya Revenue Authority
MRA	Multiple Regression Analysis
PPDA	Public Procurement and Disposal Act
SPSS	Statistical Package for Social Sciences

OPERATIONAL DEFINITION OF TERMS

Accountability	state of being responsible or answerable for a system, its behavior, and its potential impacts. It is an acknowledgement of responsibility for actions, decisions, and products. Responsibility can be legal or moral (ethical).
Confidentiality	obligation of an individual or organization to safeguard entrusted information. It includes obligations to protect information from unauthorized access, use, disclosure, modification, loss or theft (Thai, 2017).
Ethical Practices	application of ethical values in procurement and applies in all aspects of organizational conduct (Bag, Venkatesh, Luthra & Anand, 2018).
Ethics	Acceptable norms and values in conduct governing and individual or group on the matters provided to what is right or wrong (Atkinson, 2020).
Integrity	understanding, accepting, and choosing to live in accordance with good principles and character which will include honesty, fairness, decency and being free of corruption (Kafimbou, 2019).
Parastatal	state owned organizations/institutions that are non-profit making.

Procurement Performance a measure of identifying the extent to which the procurement function is able to reach the objectives and goals with minimum costs and includes effectiveness and efficiency (Eekozien, 2019).

Procurement: every activity involved in obtaining the goods and services a company needs to support its daily operations, including sourcing, negotiating terms, purchasing items, receiving and inspecting goods (Lysons, 2016).

Transparency open, honest, and accessible communication. Transparency essentially has three purposes: to provide information to publics, to increase participation and to hold organizations accountable (Ahmad, Hassan & Ismail, 2021).

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter covered the background of the study, the statement of the problem, the objectives, the hypotheses, significance and the scope of the study.

1.1 Background of the Study

Procurement refers to the activity of buying and acquiring of goods and services by any organization or entity, which it includes the need identification, need specification, sourcing, order placement, follow up, inspection, invoicing and payment. Procurement can be of goods, services and works (Lysons, 2016). Public procurement is the purchase by public authorities of goods, services, and works. Governments are responsible for ensuring that procurement is carried out efficiently and with due diligence to guarantee quality of public service delivery and to protect the public interest. Procurement is the core activity throughout in supervision of all activities in the movement of goods and services across the globe. It controls the accessibility, price and value of resources also with responsiveness and tractability throughout the organization; it is strategic function of the organization. So as to enable the purchasing party to ensure value for money in any given situation ethical standards must be employed (Kavoo, & Gichure, 2016).

Procurement performance is considered to be the result of two elements: purchasing effectiveness and purchasing efficiency. This means that procurement performance is not an end in itself but a means to effective and efficient control and monitoring of the purchasing function. Procurement efficiency and procurement effectiveness represent different competencies and capabilities for the purchasing function. Procurement efficiency reflects that the organization is “doing things right” whereas effectiveness

relates to the organization “doing the right thing”. This means an organization can be effective and fail to be efficient, the challenge being to balance between the two. Measuring the performance of the purchasing function yields benefits to organizations such as cost reduction, enhanced profitability, assured supplies, quality improvements and competitive advantage (Thai, 2017). Procurement performance is a measure of identifying the extent to which the procurement function is able to reach the objectives and goals with minimum. Procurement should be based on value for money (defined as the optimum combination of whole life costs and fulfillment of customer’s requirements) rather than initial purchase price.

Effective and efficient procurement systems and collaborative relationships are essential to the achievement of organizational goals, cost reduction and supply chain performance. This is achieved by identifying key saving potential areas and driving innovative sourcing models which can enable operators to reinvent their cost structures. Thai (2017) noted that every organization that purchases goods or services must have effective standard procurement procedures, the methods they use to acquire those things required for an organization to provide goods/services to its clients. These procedures should cover all aspects of the procurement cycle, including the selection of the supplier, contract negotiations, order placement and payment and should ensure appropriate service (Kakwezi, & Nyeko, 2019).

Procurement effectiveness is the extent to which the previously stated goals and objectives are being met. It refers to the relationship between actual and planned performance of the procurement function. It is the relationship between planned and actual resources required to realize the established goals and objectives and their related activities, referring to the planned and actual costs of the procurement process.

As a result, supplier performance is the most important procurement performance driver.

Procurement performance is a key driver to improving quality of services while its absence or use of inappropriate means can act as a barrier to change and may lead to deterioration of the purchasing function (Ebekoziem, 2019).

Procurement performance provides a basis for effective control and stewardship of resources and demonstrates the value of the procurement function. Most organizations have performance measures in place for assessing procurement efficiency and effectiveness. It is favorable that the goods/services are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location. Corporations and public bodies often define processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion. Thus, there is need for procurement to maintain good relationship with the suppliers being the source of supplies (Bag, Venkatesh, Luthra, & Anand, 2018).

The Procurement process purpose is to procure quality goods, services, construction and professional, technical, and advisory services based on the principles of open competition and fairness with the highest level of integrity. Unethical behavior in business runs the gamut, from simple victimless crimes to huge travesties that can hurt large numbers of people. Whether it is stealing a pen, padding an expense report, lying to avoid a penalty or emitting toxic fumes into the air, unethical behavior cannot be condoned by a company. A strict ethics policy is the cornerstone for any business that wants to maintain a good reputation. Unethical practices in procurement enterprise management often encourage the compromising of the process leading to poor quality

of goods and all related unethical behavior thus leading to poor procurement performance (Atkinson, 2020).

When considering that purchasers fulfilling the procurement function for a company are the major spenders of company funds, and that purchasers are frequently tempted to accept gifts and prevailing double standards within the company, it is no wonder that they sometimes succumb to unethical behaviour. The purchasing environment thus creates an atmosphere conducive to unethical behaviour. However, the cause of unethical behaviour is not necessarily the individual's lack of moral standards. Research has shown that the actions of managers, the ethical climate in the enterprise and the absence of a company policy on the matter are all contributing factors towards unethical behaviour. Unethical behaviour of purchasers and other personnel involved in procurement can therefore be prevented or limited by implementing strong ethical measures across organizations (Brown, Cowden, & Wright, 2021).

Public procurement is the purchase by public authorities of goods, services, and works. Governments are responsible for ensuring that procurement is carried out efficiently and with due diligence to guarantee quality of public service delivery and to protect the public interest. This includes corruption; public procurement holds the greatest risk for corruption amongst all government functions. While the conditions which lead to corruption within the procurement process are many, what is certainly a facilitator is the potential for substantial financial rewards from large procurement contracts (Kafimbou, 2019).

Procurement is the core activity throughout in supervision of all activities in the movement of goods and services across the globe. It controls the accessibility, price and value of resources also with responsiveness and tractability throughout the

organization; it is strategic function of the organization. So as to enable the purchasing party to ensure value for money in any given situation ethical standards must be employed. As a result, ethics play a greater role making sure goals are met. For one to be ethical it means acting according to rules and principles and regulations set that are acceptable at a given surrounding. The standards of profession, as procurement is directly associated with sourcing, contract management, as engaging with supplies they should be treated in an ethical manner. Procurement professionals must be conducting their business practices in the most ethical manner. Failing to stand for ethical practices can lead to corrupt and unlawful practices such as bribery, preferential treatment, unlawful sourcing which can bring substantial loss to the procuring organization (Hughes, Morrison, & Ruwanpura, 2019).

1.1.1 Global Procurement Performance

Witjes & Lozano, (2016) noted that international procurement practices are derived from the procurement process and methods and include the following: procurement planning, international sourcing, international supplier evaluation, international contract administration and monitoring. In contrast to domestic procurement, international procurement practices have: increased purchasing scope because the scope of procurement activities extends to the global arena. Therefore, they no longer just focus on the resources available in one country, they can acquire their resources from all over the world, increased purchasing risk because international procurement always involves a series purchases as companies usually buy the materials or goods on a larger scale (Kamoni, Rotich, & Ochir, 2018).

Chokshi, Farooqui, Selvaraj & Kumar (2015) dubbed measuring efficiency in international public procurement, brought out empirical techniques that help in understanding the determinants of efficiency in the procurement cycle by focusing on

time taken and drawing on exclusive datasets on the procurement processes. Procurement competences provide knowledge standard and management knowledge standard of procurement and supply of goods and services (Celentani, & Ganuza, 2019). This kind of knowledge includes; management of integration, scope, time, quality, human resource communication, risk and procurement. Additionally, competent procurement managers have been described by different attributes as the key aspects of procurement success.

The following benefits of global sourcing could accrue to the global procurement process: lower contract prices; technology transfer in mega projects (contractors from developing nations could be seen to have more experience and expertise, as well as advancement in level of technology; higher quality due to accessing international standards (such as compliance to ISO standards by contractors) (Kavoo, & Gichure, 2016). When sourcing globally for contractors to undertake mega projects, there is opportunity to acquire qualified and experienced contractors from developed nations thereby deriving benefits such as: higher technical expertise and experience and technology transfer among other benefits. It can thus be argued that global sourcing practice could result in better procurement performance since there is stiff competition on quality and pricing.

Global procurement involves proactively integrating and coordinating common items and materials, processes, designs, technologies and suppliers across worldwide purchasing, engineering, and operating locations for efficiency and effectiveness in sourcing. Global sourcing is the practice of sourcing from the global market for goods and services across geopolitical boundaries. Global sourcing can also be described as the business process of identifying, evaluating, negotiating and configuring supply chains across multiple suppliers and geographies in order to cut cost, improve

performance and mitigate risks. Global sourcing is a procurement strategy that aims to take advantage of global efficiencies for the delivery of goods and services. Global sourcing concerns issues central to any supply chain strategy: what constitutes the key elements of a supply chain strategy, where to locate factories, where to source components and how to configure products, strongly impacted on any globalization effort (Mutangili, Awuor, & Cheluget, 2020).

1.1.2 Procurement Performance at KPA

KPA is a statutory body under the ministry of transport established by an act of parliament in 1978 with a mandate to maintain, operate, improve and regulate all scheduled sea ports situated along Kenya's coastline. In 1986, the authority mandate was expanded to providing port services after it merged with the former autonomous Kenya Cargo Handling Service Company. KPA is a commercial entity that operates and manages the Mombasa port. The authority is also responsible for other social infrastructure seaports of Funzi, Kilifi, Kiunga, Lamu, Malindi, Mtwapa, Shimoni and Vanga, and it also has 3 Inland Container Depots (ICD's) in Nairobi, Kisumu, Eldoret as well as liaison office in Kampala which caters for all transit countries. The authority has in addition established transit desks at the headquarters to serve the hinterlands through targeted services for Uganda, Rwanda, and Burundi, DRC, Southern Sudan and Northern Tanzania markets (KPA, 2015).

The port of Mombasa includes Kilindini harbor, Port Reitz, the old port, port Tudor and the tidal waters encircling Mombasa Island. Since its establishment in 1978; the port has undergone rapid expansion and is now the leading port in Eastern Africa serving a wide hinterland: Kenya, Uganda, Rwanda, Burundi, Eastern DRC, North Eastern Tanzania, Southern Sudan, Ethiopia and Somalia. It is a major port of call for

international shipping lines serving over 33 shipping lines and is well connected to over 80 seaports worldwide.

The Procurement Process at KPA consists of six divisions and several units. The Process provides client services to the Kenya Port Authority and ensures procedural and operational integrity, compliance, consistency and transparency of the procurement process through public disclosure. Procurement best practices, as Guide to Procurement well as innovative techniques and tools are employed to foster opportunities for participation in its solicitations as required to provide best value for the Kenya Ports Authority while contributing to the economic viability of the region (KPA, 2015).

When Kenya Ports Authority procures goods, services (which include professional, technical and advisory consulting services) and construction related contracts, it seeks the best value. In the purchase of goods and some services, this usually means obtaining the highest quality at the lowest cost within the required timeframe. Whenever practical for such goods and services, KPA requirements are met through competitive public bidding procedures, with an award made to the lowest qualified responsive/responsible bidder. The primary mechanism for procuring such services is through a publicly advertised solicitation process although the process is usually marred with unethical practices in procurement, a common problem in public procurement in Kenya (Mutangili, 2021).

1.2 Statement of the Problem

For decades procurement performance has been attracting great attention from practitioners, academicians and researchers due to poor performance resulting from non-

adherence to proper processes and procedures (Adow, Edabu, & Kimamo, 2020). Most public entities in developing countries have been known for their poor procurement performance that can be linked to corruption, non-adherence to procurement processes and procedures, lack of transparency and accountability (Mutangili, 2021). With the enactment of the PPDA and other Regulations, Kenya today has in place a sound and comprehensive legal framework for public procurement with a clear hierarchical distinction. The PPDA clearly establishes the procurement methods to be applied, advertising rules and time limits, the content of tender documents and technical specifications, tender evaluation and award criteria, procedures for submission, receipt and opening of tenders, and the complaints system structure and sequence. However, this increased professionalism has not, however, proved to be an adequate defense against the temptation to act unethically by purchasing and sales people. Unethical practices lead to poor quality, lack of value for many and or completely flopped procurement (Ebekozi, 2019).

Despite the availability of regulations and policies on procurement, it can be seen that still many firms don't give much attention on the implementation of ethics in procurement processes. The culture of noncompliance combined with lack of accountability, transparency and integrity contributes to unethical procurement practices thus fail to meet expected procurement performance standards. Unethical conduct of procurement officials goes along with corruption, bribery, fraud and nepotism which impact on poor quality products and services delivered to the people. Oromo & Mwangangi (2017) noted that over seventy percent (70%) of public sector organizations in Kenya experience supply chain management challenges and this negatively affects effective delivery of services that definitely affect procurement performance. Kavoo & Gichure, (2016) found out that international sourcing increases

procurement performance. Kohler, & Dimancesco, (2020) found out that anti-corruption, transparency and accountability mechanisms are helpful towards reducing the risk of corruption. Islam, & Alharthi, (2020) established a relationship among ethical commitment, ethical climate, sustainable procurement practices, and SME performance. Adow, Edabu, & Kimamo, (2020) found out that secondary schools rarely comply with moral ethics in procurement. Mutangili, (2021) found out that causes of public procurement challenges include inadequate procurement planning, lack of pre-qualification of suppliers, failure to follow due process, lack of adequate numbers of qualified procurement professionals among others. Mutangili, Awuor, & Cheluget, (2020) found out that procurement practices through international sourcing, international supplier evaluation, ethical procurement practices and supplier relationship management positively affect supply chain performance. Kamoni, Rotich, & Ochir (2018) found out that global sourcing has a significant influence on procurement performance. Despite these very valuable studies, there still exist a gap and therefore this study went out to seal the gap by establishing the ethical practices and its effect on procurement performance of Kenya ports authority.

1.3 Research Objectives

1.3.1 General Objective

The main objective of this study was to evaluate ethical practices and its effect on procurement performance of parastatals in Kenya, a case of Kenya Ports Authority.

1.3.2 Specific Objectives

Specific objectives of the study included

- i. To establish the effect of accountability on procurement performance in Kenya Ports Authority.

- ii. To determine the effect of confidentiality on procurement performance in Kenya Ports Authority.
- iii. To assess the effect of integrity on procurement performance in Kenya Ports Authority.
- iv. To establish the effect of transparency on procurement performance in Kenya Ports Authority.

1.4 Research Hypothesis

The study was guided by the following null hypotheses

H₀₁: Accountability has no significant effect on procurement performance in Kenya Ports Authority.

H₀₂: Confidentiality has no significant effect on procurement performance in Kenya Ports Authority.

H₀₃: Integrity has no significant effect on procurement performance in Kenya Ports Authority.

H₀₄: Transparency has no significant effect on procurement performance in Kenya Ports Authority.

1.5 Significance of the Study

This study would be important to many players. The Kenya Government will use the information to curb unethical practices in procurement so as to improve on procurement performance. Kenya Ports Authority will benefit by improving ethical practices and procurement performance. Academic and Research Scholars: – This work will aid research scholars in reference aspect to enrich further scholarly work.

1.6 Scope of the Study

The study sought to establish ethical practices and its effect on procurement performance at Kenya ports authority and was conducted in Mombasa County. It covered the accountability, confidentiality, integrity and transparency. The target population was 154 procurement employees of Kenya ports authority and was conducted May and July 2017.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covered a review of relevant literature. Specifically, it covered the concepts, the theoretical framework, and empirical review, critique of existing literature, research gaps, the summary and the conceptual framework.

2.1 The Concept of Procurement Performance

Procurement performance is a measure of identifying the extent to which the procurement function is able to reach the objectives and goals with minimum costs. Thai, (2017) noted that there are two main aspects of the procurement performance: effectiveness and efficiency. Procurement effectiveness is the extent to which the previously stated goals and objectives are being met. Procurement efficiency is the relationship between planned and actual resources required to realize the established goals and objectives and their related activities, referring to the planned and actual costs. Measuring procurement performance is important as the purchasing department plays an ever increasingly important role in the supply chain in an economic downturn. In most cases, a reduction in the cost of raw material and services can allow companies to competitively market the price of their finished goods in order to win business. An obvious performance measure of the success of any purchasing department is the amount of money saved by the company. Other measurement of procurement performance includes; procurement cycle time, vendor performance, spend under management and cost savings. Procurement department, like all other departments in a company, is an element of the overall organizations, and must contribute to the achievement of the corporate goals (Lysons, 2016).

The Chartered Institute of Procurement & Supply (CIPS) promotes a model of "five rights cites the general criteria by which procurement performance is measured", namely that goods and services purchased should be of the right quality, in the right quantity, delivered to the right place at the right time and obtained at the right price. CIPS has in the past also offered an alternative listing of the five rights as "buying goods or services of the right quality, in the right quantity, from the right source, at the right time and at the right price. Right source is added as a sixth right in CIPS' 2018 publication (CIPS, 2018).

2.2 The Concept of Ethical Practices

Ethical practices are the bottom line of not only procurement performance, but also overall organizational performance. Supply management professionals must subscribe to a set of ethical principles and standards to guide individual and group decisions and actions. Some of the ethical principles are integrity, value, accountability, transparency, integrity, confidentiality and loyalty. From these principles, standards are established to encourage adherence to uncompromising ethical behavior, increase awareness and acceptance of ethical conduct, and emphasize the role of ethics when formulating decisions (Mazharul, & Alharthi, 2020). These standards are guidelines for use by all who manage or influence the supply chain. The standards do not supplant an organization's policies but are a model for consideration. Ethics play a greater role in making sure procurement goals are met. For one to be ethical it means acting according to rules and principles and regulations set that are acceptable at a given surrounding. The standards of profession, as procurement is directly associated with sourcing, contract management, as engaging with supplies they should be treated in an ethical manner. Procurement professionals must be conducting their business practices in the most ethical manner. Failing to stand for to ethical practices can lead to corrupt and

unlawful practices such as bribery, preferential treatment and unlawful sourcing (Thai, 2017).

2.2.1 The Concept of Accountability

Accountability is the mechanism that make individuals or agencies answerable or responsive to their particular publics. Accountability makes reference to the mechanisms that make institutions responsive to the publics they serve. Accountability refers to the responsibility of any person or entity to comply and being responsible for its activities, accept duties for them, and to reveal the outcome in a clear manner. The basic values of ethical behavior must possess accountability where efficient methods must be in position in order to enable procuring entities use the partial resources with awareness (Thai, 2017). Accountability matters because it helps to ensure that relevant entities answer to those who will be affected by decisions or actions taken by them. It can reduce corruption and other abuses, assure compliance with standards and procedures, and improve performance and organizational learning. It also demands that institutions explain and justify their results to internal and external monitors or stakeholders and impose sanctions when performance falls short or corruption is found. Described differently, accountability is when 'A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct' (Kohler, & Bowra, 2020).

For example, the use of electronic bidding, that ideally creates a platform through which firms can upload tenders and prequalified suppliers (reliable suppliers that a government agency has preapproved as capable of delivering the particular products) can improve accountability. If designed appropriately, e-procurement helps increase the transparency and accountability of procurement procedures and prices by allowing the

collection of data on tender bids, tender offers, terms and conditions, contract awards, supplier performance, and prices paid that can be disseminated to all suppliers and the public. E-procurement can also reduce supply costs, save time, and increase compliance with supplier contracts. In short, it is potentially efficient, transparent and thus brings in accountability. Accountability increases procurement performance (Mwangi, & Arani, 2021).

2.2.2 The Concept of Confidentiality

A confidentiality agreement is a legal contract or clause that is used to protect the owner's proprietary or sensitive information from disclosure by others. Protecting confidential information related to a public procurement process must be considered within the wider public sector context and to safe guard public interest. When planning a procurement, entities should consider the nature of the procurement and whether it is likely to raise confidentiality issues which may be including potential suppliers need to have access to confidential information in order to understand the procurement and lodge a submission, the successful tenderer needs access to confidential information in order to fulfil the requirements of the contract; or the information generated as a result of performing the contract is confidential (Lysons, 2016).

Entities must ensure all submissions are treated as confidential for the duration of the procurement process. Similarly, all submissions must be kept confidential after the award of the contract. Following the evaluation process, entities need to assess any supplier claims to confidentiality to determine whether the information should be treated as confidential. Confidential information should be managed in accordance with any relevant legislation and confidentiality provisions in public procurement. Irrespective of the terms of the contract, disclosure of a supplier's confidential information may be necessary in some cases, for example to a parliamentary committee.

It is common practice to require bidders to sign a confidentiality agreement as a pre-condition of participation in the procurement process, including requiring the bidder to specify which individuals and third party advisors (if any) will be given access to the confidential information. The objective of maintaining confidentiality is to ensure the integrity of the procurement process, prevent any bidder/proposer from gaining an unfair advantage, and minimize the likelihood of protests or lawsuits. It is important to understand that the disclosure of certain confidential or procurement-sensitive information could jeopardize the procurement timeline or the entire procurement. Individuals involved in the procurement must be careful to avoid a breach of confidentiality both inside and outside of the workplace.

2.2.3 The Concept of Integrity

The integrity of the procurement process assures confidence in the public procurement process. Integrity refers to upholding ethical standards and moral values of honesty, professionalism and righteousness, and it is a cornerstone for ensuring fairness, non-discrimination and compliance in the public procurement process. Integrity translates to reliability. Bidders and all other stakeholders need to have assurance that they can rely on any information disseminated by the procurement entity, formally or informally. The risks of corruption in procurement are receiving increasing attention in the world due to increased citizen knowledge and exposure. Fraudulent and corruption actions could start with accepting expensive gifts and bribery, ending with commissions on sales and purchases. Therefore, suppliers and vendors are part of such actions and accordingly integrity is also crucial when it comes to managing the procurement process. Hence, a code of ethics should be part of any organization's code of conduct and all people in the procurement chain and cycle should comply with it (Obura, 2019).

Integrity, while perhaps not subject to exhaustive and precise definition, must be judged on the basis of the total behavior of the person concerned. Such elementary personal or private qualities as honesty, truthfulness, fidelity, probity and freedom from corrupting influences, are clearly included. “The concept of integrity includes qualities as honesty, truthfulness, impartiality, and incorruptibility. These qualities are as basic as those of competence and efficiency in procurement performance (Kafimbou, 2019).

2.2.4 The Concept of Transparency

Purchasing and supply management professionals should encourage colleagues to declare any material personal interest which may affect, or be seen to affect, their impartiality or judgment in respect of their duties. Examples include owning a significant shareholding in a supplier or close family members being employed by a key supplier. Organizations should have a clear policy on accepting business gifts. Purchasing and supply management professionals should encourage colleagues to comply with any such policy. Transparency is ‘the degree to which access to government information is available’. ‘Understanding how decisions are made requires information about the procedures followed and the criteria used by policy makers to reach decisions. Understanding why decisions are made necessitates disclosure of the information drawn on by policy makers and revelation of the arguments adduced in favour and against particular decisions (Gabriel, & Castillo, 2020).

Greater transparency in the procurement process allows for easy comparison of prices and quality being sold by different suppliers. This allows buyers to make more informed decisions and can, over time, lead to greater purchasing power to negotiate prices with suppliers. Ideally, these measures help curb price gouging, price manipulation, and overpayments. Importantly, data can illuminate patterns and any outliers, which may

suggest that there are overpayments, collusion, or kickbacks happening in the procurement process. Ultimately, transparency can be understood as governments making information publicly available so that their actions and decisions are visible and understandable to the public, who can in turn hold them accountable (Kohler, & Bowra, 2020). Transparency in the context of ethical procurement practice refers to the ability of stakeholders to know and understand the actual means and processes by which contracts are defined, awarded and managed. A key challenge across countries has been to define an adequate level of transparency to ensure fair and equal treatment of providers and integrity in public procurement. Transparency in public procurement bears an immediate cost both for government and bidders and as a result, all procurement activities must be transparent.

2.3 Theoretical Framework

2.3.1 Deontological Theory

The center-piece of Kant's deontological sensibility is the prioritization of duties over consequences. According to Kant, comes from voluntary, informed obedience to the dictates of moral law, regardless of the circumstances (Portmore, 2007). Tethering moral life to the uncertainties of everyday existence is a prescription for socio-political instability, civil chaos and even extreme moral relativism. The violation of a deontological duty is a per se violation of the moral law; consequences are only secondarily relevant. However, of all of the core components in Kant's system freedom constrained by obedience to universal moral law, the prioritization of duties over consequences, recognition of the danger of assuming certainty in the selection of optimal outcomes the categorical imperative, which demands that we not only treat others as ends rather than means, but also treat others as we would want them to treat us, seems to leave room for consequentialist tinkering. Actions in deontological theories

are judged as ethical or unethical based on duty or the intentions of an actor without regard to human happiness. Deontological approach is practiced by companies that follow legal and generally accepted moral norms by following codes of ethics to avoid improper behaviours (Jackson & Eunice, 2014). This theory is useful in this study because for a company to be efficient and effective in their procurement in terms of value for money there must be morals in the procurement process.

2.3.2 Teleological Theories- Utilitarianism

Teleological theory originates from two Greek words which are 'Telos' and 'Logos'. Is the theory of Morality that derives duty or moral obligation from what is good or desirable as an end to be achieved? The theory is believed that each action taken at a particular situation should be chosen basing on the likely good and instead on following the moral and worlds rules. This theory is based on understanding human nature since humans always try to avoid pain and seek happiness and pleasures. The theory is based on the utility standard, "the greatest goodness for the greatest amount of people". According to utilitarianism, an action is right from an ethical point of view if only if the sum total of utilities produced by that act is greater than the sum total of utilities produced by other act the agent could have performed in its place the theory can explain better on the bases of the ethical consideration by procurement specialists. It can help in assessing the reason behind an employee's behavior to determine the decision made based on the nature of a good outcome rather on what is morally acceptable (). This is important in this study as it directly links with ethics and morals which hold that ethics consist in some function or activities appropriately to a human being, which tend to emphasize the cultivation of excellence in organizations. Excellence in procurement leads to increased procurement performance.

2.3.3 Transaction Cost Theory

Transaction cost theory posits that the optimum organizational structure is one that achieves economic efficiency by minimizing the costs of exchange. It is theory accounting for the actual cost of outsourcing production of products or services including transaction costs, contracting costs, coordination costs, and search costs. The inclusion of all costs are considered when making a decision and not just the market prices. The theory suggests that each type of transaction produces coordination costs of monitoring, controlling, and managing transactions. Transaction costs are simply the costs of carrying out any exchange, whether between firms in a marketplace or a transfer of resources between stages in a vertically integrated firm, when the neoclassical assumption of perfect and costless information is relaxed. It is useful to divide transaction costs into three main classifications: information costs, negotiation costs, and monitoring (or enforcement) costs ().

Firms and individuals face costs in the search for information about products, prices, inputs and buyers or sellers. Negotiation costs arise from the physical act of the transaction, such as negotiating and writing contracts (costs in terms of managerial expertise, the hiring of lawyers, etc.), or paying for the services of an intermediary to the transaction (such as an auctioneer or a broker). Monitoring or enforcement costs arise after an exchange has been negotiated. This may involve monitoring the quality of goods from a supplier or monitoring the behavior of a supplier or buyer to ensure that all the pre- agreed terms of the transaction are met. Also included are the costs of legally enforcing a broken contract, should the need arise (). This theory was important in this study as it explained the aspect of procurement performance as it covers cost saving and management spend saving thus it was the anchor theory.

2.4 Empirical Review

This part reviewed related literature on accountability, confidentiality, integrity and transparency.

2.4.1 Accountability and Procurement Performance

Accountability is a key ethical procurement practice. Accountability in public procurement essentially means to be responsible for actions and decisions, and having the obligation to report and/or answer to a designated oversight entity (and the public) on the consequences of those actions and decisions. All public servants, procurement practitioners, and others involved in the public procurement process, are accountable and thus exposed to sanctions as a remedy for any behavior that contravenes the public procurement legal framework and principles. Procurement officials are in the public eye because of the significant impact of procurement on the economy (Gabriel, & Castillo, 2020).

Accurate records are a pre-condition for accountability and control, these are written records of the different stages of the procedure are essential to maintain and provide an audit trail of procurement decisions for controls, serve as the official record in cases of administrative or judicial challenge and provide an opportunity for citizens to monitor the use of public funds. Agencies need procedures in place to ensure that procurement decisions are well documented; justifiable and substantiated in accordance with relevant laws and policies in order to promote accountability. When defining priorities, policy makers need to decide what stakeholders public procurement primarily serves end-users, government, the private sector, the media, or the public at large. Public procurement is increasingly regarded as a core element of accountability of the government to the public on how public funds are managed. Governments all over the

world have reinforced their control and accountability mechanisms on public procurement in recent years due to the increased need for citizens to put governments on its toes (Kohler, & Bowra, 2020).

Furthermore, some countries have indicated the difficulty of coordinating internal controls and external audits in procurement. There has been growing recognition that internal controls and external audits should be based on a more risk-based approach in order to help prevent and detect corruption in procurement, based on the type of procurement (specificity, complexity, value and sensitivity) and the vulnerable points in the procurement process (Brown, et. al. 2021) with increased accountability, value for money is guaranteed as it weeds out possible unethical behavior. Accountability has become an important topic in the discussion about the legitimacy of international institutions. Basically, good ethical foundation states that a strong accountability governments ensure public resources are used —effectively and efficiently (producing —value-for-money); promotes ethical and policy-based decisions, motivated by a concern for the public interest; rewards good performance and carries consequences when —rules are knowingly broken, and embraces accountability as a way to make —government more accountable and support the participation of citizens and organizations in public policy development (Hassan, Ismail, Ahmad, & Mutalib, 2020).

Accountability is not just a one-way street of reporting. To work best it involves a relationship that allows for and supports decision-making, and feedback that informs program delivery and outcomes performance. Pertinent strategies that can aid in enhancing accountability include information systems which is basically used to measure how inputs are engaged to yield outcome, overseer establishments, appropriate board or public organization that require justification of results, performance incentives

to reward good performance, and sanctions for poor performance. It is important to note that when there is no accountability, corruption gap is opened for all participants involved in procurement process (Kohler, & Bowra, 2020).

2.4.2 Confidentiality and Procurement Performance

To uphold ethics of competitive procurement, firms should maintain appropriate confidentiality to protect information and to give suppliers the confidence to do business. Confidential information may include: designated or defined elements of the tender responses, proprietary methodologies held by the tender participant, specific intellectual property and pricing and staffing structures (Lysons, 2016). Most of the information contained in tender responses should be kept confidential. Confidentiality can be achieved in a number of ways, which should be scaled to match the size, complexity and risk of the procurement. Follow defined document management and control procedures, including the physical security of submissions (and related documents) and confidentiality of commercial information and inform staff of these procedures. Others may include using a specific lockable tender room, maintaining a document register, providing secure storage and working areas, limiting the number of document copies, restricting access to controlled documents to authorized personnel and ensuring strict movement controls on all offer-related documents. Enhanced confidentiality increases procurement performance (Hughes, Morrison, & Ruwanpura, 2019).

Further, documented procedures for paper and electronic security including information storage and communication processes can enhance confidentiality. Others may include: controlling how documents are delivered electronically, protecting data stored on networks, segregating information held on networked devices, using independent

security passwords and transmitting documents securely, such as via password protected files and verifying procedures to ensure the correct transmission of emails and attachments. The need to maintain the confidentiality of participants' information continues after the contract has been awarded. In particular, when contracts must be disclosed in full, commercially sensitive information should be redacted ().

Confidentiality is a highly pertinent issue in public procurement engagements. For example, disclosure of the winning bidder's tender, together with all of the contracting authority's associated evaluation and scoring materials are confidential documents. This documentation inevitably contains commercially sensitive information that the winning bidder wishes to keep confidential and out of unnecessary public scrutiny to avoid court petitions. Disclosure of commercially sensitive information to a competitor might result in commercial advantage and/or distortions in the market. This creates difficult issues for the management of public procurement and can adversely affect procurement performance. Confidential information is that which is sensitive and meant to be kept secret or private. Commercially sensitive information can be protected, provided that it is confidential and has not been released into the public domain. Increased confidentiality leads to increased procurement performance (Mutsoli, & Ndolo, 2020).

2.4.3 Integrity and Procurement Performance

Integrity in the context of public procurement implies that procurement procedures are transparent and promote fair and equal treatment for bidders. Public resources linked to public procurement are used in accordance with intended purposes. A very important objective of many public procurement systems and of public procurement regulation is to ensure integrity in the system. This refers, first, to the idea that procurement should

be carried out without any influence of corruption. Corruption can cover various types of practice. Many such practices involve various forms of collusion between government and bidders, notably in awarding contracts on the basis of bribes; to firms in which one has a personal interest; to firms in which one's friends, family or business acquaintances have an interest; and to political supporters (e.g. to firms who have provided financial support; or to regions which have voted for a particular political party). Such corruption can occur in the execution as well as award of contracts e.g. officials can collude with bidders to allow them to claim extra payments for non-existent work (Dávid-Barrett, & Fazekas, 2020).

Ethical procurement best practices start with the employees in procurement following an ethical code which dictates their behavior and actions while conducting business. Ethical procurement practices should be extended to all stakeholders in the procurement cycle. Ethical procurement should also include an understanding of suppliers' operations and the procurement professional should offer guidance and support when improvement is necessary or appropriate. Organizations and professions often seek to address standards of conduct through the adoption of codes of conduct. Professional codes of conduct generally are written in broad conceptual terms rather than in specific situational or descriptive terms. They leave room for interpretation and often may seem ambiguous. Procurement professionals cannot abide merely by the letter of the law or the specific words in any code, but rather, they are guided by the spirit of the law or the broader concept that the code is intended to express (Mutangili, 2021).

Procurement personnel with honesty and integrity are vital in procurement for safeguarding the procurement function and being conscious about any action that may lead to corruption or fraud. Furthermore, they will level up the ethics standards within the organizations and demonstrate a lead by example prototype. Public procurement

and Asset disposal act (2015) has a provision of ensuring a procurement professional is of honesty and unquestionable integrity. The cornerstone of a public procurement system operating with integrity is the availability of mechanisms and capacity for ensuring effective internal control and audit. Furthermore, mechanisms for lodging complaints and challenging administrative decisions contribute to ensuring the fairness of the process. In order to respond to citizens' demands for greater accountability in the management of public expenditures, some governments have also introduced direct social control mechanisms by closely involving stakeholders not only the private sector but also end-users, civil society, the media or the public at large – in scrutinizing integrity in procurement. Increased integrity in procurement leads to increased procurement performance (Mutsoli, & Ndolo, 2020).

2.4.4 Transparency and Procurement Performance

Transparency in the context of ethical procurement practice refers to the ability of stakeholders to know and understand the actual means and processes by which contracts are defined, awarded and managed. A key challenge across countries has been to define an adequate level of transparency to ensure fair and equal treatment of providers and integrity in public procurement. Transparency in public procurement bears an immediate cost both for government and bidders. However, it is a key element to support fundamental principles of the public procurement system, especially competition and integrity. All suppliers should be treated fairly and even-handedly at all stages of the procurement process. This means being open with all those involved, so that everyone, especially suppliers, understands the elements of the process, that is, the procedures, timescales, expectations, requirements, criteria for selection and so on. Supplier confidentiality should be safe-guarded, and unsuccessful suppliers should be

debriefed with as much transparency about the procurement process as can be provided, for example, on the weaker aspects of their tender (Kohler, & Bowra, 2020).

Governments need to find an adequate balance between the objectives of ensuring transparency; it also requires that the selection and award processes are based on known criteria. This means that the criteria for assessing the suitability of bidders and for assessing the tenders in order to award a contract must form part of the minimum information contained in the letter of invitation or contract notice. It also means that, where the award was made to the most economically advantageous tender, all criteria the contracting authority is intending to apply must be stipulated, where possible, in descending order of importance providing equal opportunities for bidders, and other concerns, in particular efficiency (Mazharul, & Alharthi, 2020).

2.5 Critique of Existing Literature

Despite their strengths, deontological theories have their own weak spots. The most glaring one is the seeming irrationality of our having duties or permissions to make the world morally worse. Deontologists need their own, non-consequentialist model of rationality, one that is a viable alternative to the intuitively plausible, “act-to-produce-the-best-consequences” model of rationality that motivates consequentialist theories. Until this is done, deontology will always be paradoxical. It is important to confront the apparent fact that careful reflection about the degrees of wrongdoing that are possible under any single moral norm does not make it easy to see deontological morality as consisting of general, canonically-formulated texts rather, such apparently simple texts as, “thou shalt not murder,” look more like mere epistemic aids summarizing a much more nuanced and detailed (and thus less text-like) moral reality.

On the other side and in reality, transaction costs exist and their implications can't be ignored. These important claims would suggest that transaction cost approaches have triumphed over rival explanations of the nature of the firm, particularly over competence-based approaches. Because of difficulties in observing and measuring transaction costs, analysts have had to rely on estimations of reduced-form relationships between observed characteristics and organizational forms.' But 'such indirect tests are unable to distinguish whether observed patterns of organization resulted from systematic, but as yet unexplored, variations in the costs incurred organizing production internally'. In particular, and especially in the absence of direct measures of transaction costs, a non-transaction cost explanation might be viable (Masten, 1996). Actually, without full information disclosure, the magnitude of transaction cost differentials and the effects of organizational form on performance cannot be inferred from standard empirical tests of transaction cost hypotheses (Williamson, 1985).

2.6 Research Gaps

Author	Study	Findings	Gaps
Kavoo & Gichure (2016)	global sourcing and supply chain performance	international sourcing increases procurement performance	Ethical practices missing
Oromo & Mwangangi, (2017)	Supplier Development On Procurement performance	Supply chain challenges affect procurement performance	Ethical practices missing
Kamoni, et. al. (2018)	Global Sourcing On Procurement Performance	global sourcing affects procurement performance.	Ethical practices missing
Ebekozien, (2019).	Unethical practices in procurement performance	Unethical practices lead to poor procurement performance	Ethical practices missing
Kafimbou, (2019)	Pursuit of Integrity and Performance in Public Procurement	Integrity model affects procurement performance	Ethical practices missing
Mazharul & Alharthi (2020)	Ethical Commitment, Ethical Climate, Sustainable Procurement Practices	Ethical commitment and ethical climate, sustainable procurement affect SME performance	Ethical practices missing
Kohler & Dimancesco (2020)	anti-corruption, transparency, and accountability	Anticorruption, transparency and accountability reduce risk of corruption	Procurement performance missing
Adow, Edabu, & Kimamo, (2020)	Monitoring And Evaluation On Management	Secondary schools rarely comply with moral ethics in procurement	Ethical practices, procurement performance missing

Adow et. al. (2020)	Monitoring And Evaluation On Management	Secondary schools rarely comply with moral ethics in procurement	Ethical practices, procurement performance missing
Kohler, & Bowra, (2020)	Exploring anti-corruption, transparency, and accountability	Anticorruption, transparency and accountability help reduce corruption	procurement performance missing
Mutangili, (2021)	Challenges Influencing Compliance to Public Procurement	procurement planning, pre-qualification of suppliers, procurement process, & procurement professionals qualification	procurement performance missing
Mutangili, et. al. (2021)	International Procurement Practices and Supply Chain Performance	international sourcing, international supplier evaluation, ethical procurement practices and supplier relationship management affect supply chain performance	Accountability, confidentiality, procurement performance missing

2.7 Summary

This chapter covered an extensive review of relevant literature on all the variables under study. Specifically, it covered the concepts of procurement performance, accountability, confidentiality, integrity, and transparency, the theoretical review, the empirical review of the same concepts, the theoretical framework, a critique of existing literature, research gaps, the summary and the conceptual framework.

2.8 Conceptual Framework

A conceptual framework explains the study variables and the presumed relationships among them. It also represents a synthesized and integrated way of understanding of issues which enables the researcher to address the research problem. The conceptual framework was based on the deontological theory, the teleological theory and the transaction cost theory. The relationship is shown in fig. 2.1 below.

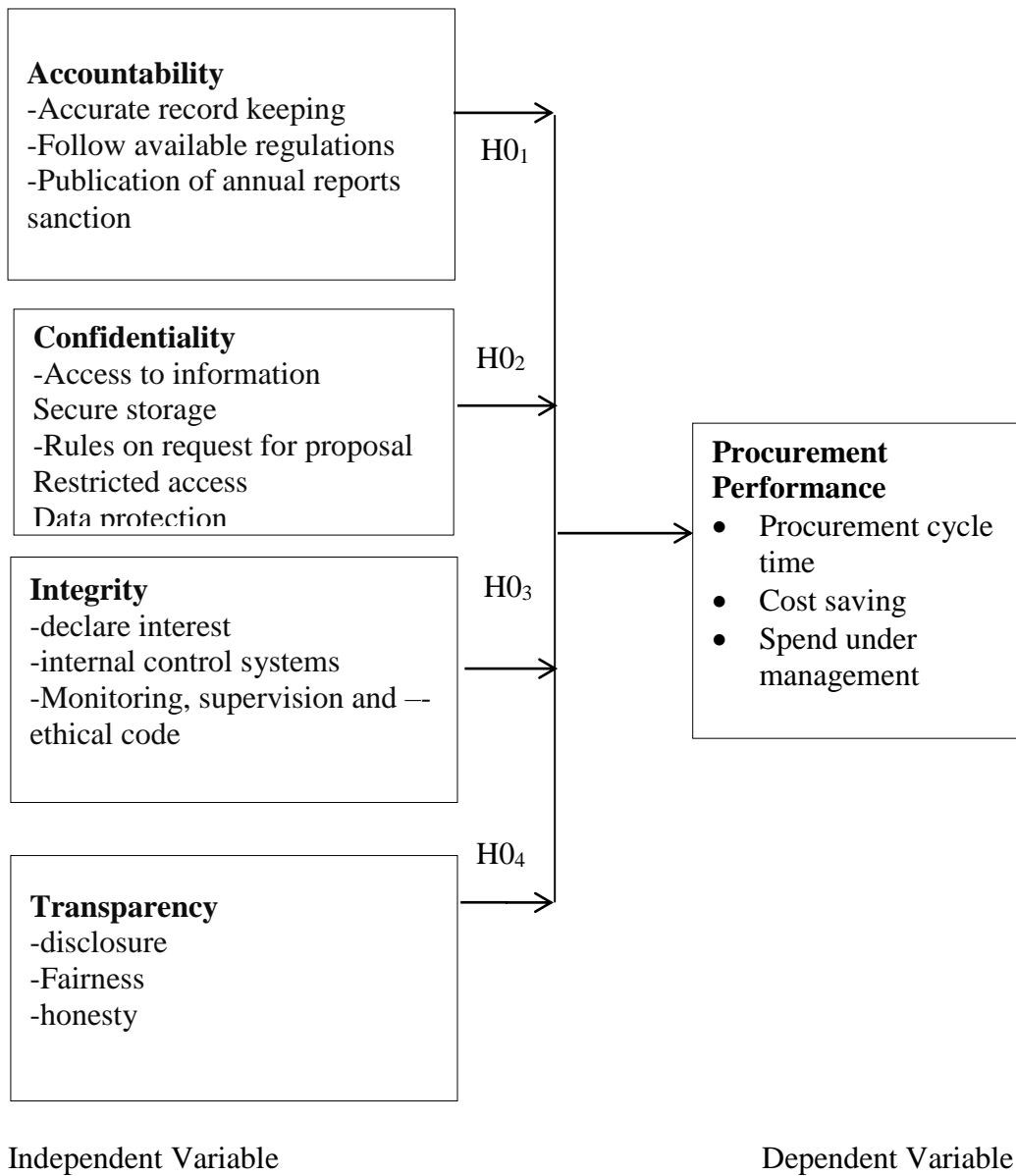


Figure 2.1 Conceptual Framework

Source: Researcher (2020)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covered the methods used in conducting the study. Specifically, it covered the research design, the study area, target population, sampling and sampling techniques, sample size, data sources and data collection instruments, data collection procedures, pilot study, data processing, analysis, and presentation, hypotheses testing, variable description and measurement as well as ethical consideration in the study.

3.2 Research Design

The research design refers to the overall strategy used to integrate the different components of the study in a coherent and logical way, thereby, ensuring it effectively address the research problem. This study employed explanatory research design. Creswell & Creswell (2017) explained that explanatory design answers the “why” questions and involves developing an explanation of a causal relationship between independent and dependent variables. Explanatory design allows the use of inferential statistics to find out the relationship between the dependent and independent variables thus was used to explain the relationship between ethical practices and procurement performance at Kenya ports authority.

3.3 Study Area

The study area was Mombasa County and included procurement staff of Kenya ports authority who were 154.

3.4 Target Population

Target population is the entire set of units for which the study data are to be used to make inferences. It helps to generalize the findings of a study and that target population

chosen helps to delimit the study and gather sufficient data within the limit and cost (Cooper, & Schindler, 2016). In this study the target population was 154 employees of Kenya Ports Authority who are directly involved in procurement function. This comprised of support staff (HG1 and HG2), Operations Director, Operations Manager, Transport Manager, Foremen, Clerks and Supervisors as shown in Table 3.1 below.

3.5 Sampling and Sampling Technique

Sampling is the procedure used in selecting the population units that constitute a sample. It is a process used in statistical analysis in which a predetermined number of observations are taken from a larger population.

3.5.1 Sampling Technique

Purposive sampling technique was used to select operations director, operations managers and transport managers because they had specific information sought by the study. Simple random sampling technique was used to choose the other respondents since each unit of the population has an equal probability of inclusion in the sample. With this method, each member had an equal opportunity of being chosen hence reduced cases of biasness (Kothari, 2016). The sampling frame was the staff involved in procurement at Kenya ports authority.

3.5.2 Sample Size

Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size of this study was computed based on the following formula as proposed by Borg and Gall (2006):

$$n = \frac{NZ^2 \times .25}{[d^2 \times (N - 1)] + [z^2 \times .25]} = \frac{154 \times 1.96^2 \times .25}{[0.05^2 \times (154 - 1)] + [1.96^2 \times .25]}$$

$$= \frac{147.9016}{1.3429} = 110$$

Where;

n = sample size

N= Target population size

Precision level (usually .05 or.10)

z= number of standard deviation units of the sampling distribution corresponding to the desired sample size

Thus, a sample size of 110 respondents was the representative of the population.

Table 3.1 Target Population

Designation	Target population	Sample Size
Operations Director	1	1
Operations Managers	2	1.4
Transport Managers	2	1.4
Foremen	39	28
Clerks	24	17.1
Support staff (HG1 and HG2)	60	43
Supervisors	16	11
Operatives	10	7.1
Total	154	110

Source: KPA manual (2017)

3.5.3 The Unit of Analysis and the Unit of Observation

The unit of analysis is the major entity that a researcher analyzes in a study. In research, the most common units of analysis are individuals, groups, social interactions, organizations and social and cultural artifacts (Bell, Bryman, & Harley, 2018). The unit of analysis for this study was the Kenya ports authority procurement department. A unit of observation is the item (or items) that you observe, measure, or collect while trying to learn something about your unit of analysis. The unit of observation in this study was the procurement staff at Kenya ports authority.

3.6 Data Sources, Data Collection Instruments and Procedure

3.6.1 Data Sources

The study employed primary data sources only. Primary data is data that is collected for the first time by the researcher. Primary data was best suited as it is timely, more relevant to specific research problem at hand (Adèr, Mellenbergh, & Hand, 2015).

3.6.2 Data Collection Instruments

Primary data was collected by use of a structured questionnaire. A structured questionnaire is commonly selected because it gives the respondent a common margin of response hence it makes it easy to collect and analyze data as it allows measurement for and against a particular view point (Creswell & Porth, 2017). The questions in the structured questionnaire were developed based on the objectives of the study. The structured questionnaires had two parts. Part one focused on the general information of the respondents while part two focused on the objective variables and dependent variables questions. The questions in part two were designed using a 5-point Likert scale with items ranging from (1) No extent to (5) Very great extent. Likert- type scales are most convenient as they rate the respondent's perception about the subject under study (Saunders, *et al.* 2009).

3.6.3 Data Collection Procedure

An introduction letter from Moi University for conducting the study were attached to the questionnaires. The researcher recruited and trained a research assistant to assist in administering the questionnaires to the respondents who were staff involved in procurement at KPA. The respondents were first briefed before the questionnaires were administered. The research assistant first dropped the questionnaire and picked the completed questionnaires at a later agreed day within the week.

3.7 Piloting Study

A pilot study is a pre-study done before the main study purposely to test the data instruments and can greatly increase the success of the main study as it helps identify any shortcomings of the research tool and fix them in time (Creswell & Creswell, 2017).

A pilot study was carried out on ten procurement employees at the county assembly of Mombasa and validity and reliability of the instruments was tested.

3.7.1 Reliability Test

The reliability of an instrument is the measure of the degree to which a research instrument yields consistent results or data after repeated trials (Bell, et. al., 2018). Pilot study was done to determine the consistency of the questionnaire and to establish the extent to which the questionnaire elicits the same responses every time it is administered. In order to test the reliability of the instrument, the Cronbach alpha test which is a measure of internal consistency was used in which closely relates a set of items are taken as a group. A "high" value of alpha often is used as evidence that the items measure an underlying (or latent) construct is sufficient. This study adopted a Cronbach Alpha score of 0.7 for all constructs and the results showed that all constructs had a score of above 0.7 and thus were all deemed reliable.

3.7.2 Validity Test

Instrument validity is quality attributed to proposition or measures of the degree to which they conform to establish knowledge or truth. An attitude scale is considered valid, for example, to the degree to which its results conform to other measures of possession of the attitude. In this case, to test the content validity of the instrument, the questionnaire was exposed to the two supervisors to ensure it had the correct content (Kothari, 2014).

3.8 Data Processing, Analysis and Presentation

This part covered data processing, data analysis and data presentation.

3.8.1 Data Processing

Data processing is the conversion of data into usable and desired form. This conversion or processing is carried out using predefined sequence of operations either manually or automatically. Data collected from the field was edited, coded, cleaned, summarized, checked for completeness, tabulated then entered into the computer for analysis using SPSS version 25.

3.8.2 Data Analysis

Data analysis is the process of analyzing the information and evaluating the relevant information that can be helpful in better decision making (Bell, et. al. 2018). The data collected was analyzed using Statistical Package for the Social Sciences (SPSS) version 25. Both descriptive and inferential statistics was generated. Descriptive analysis results were in mean, standard deviation, skewness and kurtosis. Inferential statistics was deduced using correlation analysis, multiple Regression analysis, ANOVA and model summary. Data was presented in tables and figures.

3.8.3 Correlation Analysis

Correlation analysis is used to quantify the association between two continuous variables (e.g., between an independent and a dependent variable or between two independent variables). The values of the correlation coefficients vary from a value of +1.00 to a value of -1.00 which represents extremely perfect relationships. When independent variables are highly correlated, it becomes difficult to establish the effect of each independent variable on the dependent variable (Gujarati, 2017). This study employed Pearson Product Moment correlation to test the association between ethical practices (independent variables) and procurement performance at Kenya ports

authority (dependent variable). Pearson's moment correlation was tested at 5% level of significance.

3.8.4 Multiple Linear Regression Analysis and its Assumptions

In research, Multiple Linear Regression Analysis model is used to determine the effects of the independent variables with respect to the dependent. It is concerned with describing and evaluating the relationship between a given variable and one or more other variables. More specifically, regression is an attempt to explain movements in a variable by reference to movements in one or more other variables. Multiple Regression analysis was tested using t-test at 5% level of significance. Analysis of variance (ANOVA) was used to test the significance of the model. R^2 was used to measure the extent of goodness of fit of the regression model. The regression model was shown as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where; Y – procurement performance

α : is the intercept.

$\beta_1, \beta_2, \beta_3$ and β_4 - Regression coefficients

X_1 - Accountability

X_2 - Confidentiality

X_3 - Integrity

X_4 - Transparency

ε - Error term

3.8.5 Assumptions of Multiple Linear Regressions

The assumptions of the multiple regression model tested were; normality, linearity, homoscedasticity and autocorrelation.

Normality test was done using Kolmogorov-Smirnov test. If the results of the test are significant that is $p < 0.05$ then rejecting the null hypothesis means rejecting the

assumption of normality for the distribution (Field, 2009). The data was found to be normally distributed.

Linearity was tested by creating a scatter plot using SPSS Statistics where the researcher did plot the dependent variable against the independent variable and then visually inspected the scatter plot to check for linearity. From the scatter diagram, the residuals distributed evenly around the zero line (the regression line). The conclusion is that the data was linearly distributed.

Multicollinearity was tested by an examination of tolerance and Variance Inflation Factor (VIF) with the thresholds of more than 0.1 and VIF of 10 (Hairr *et al.*, 2013). All constructs had a VIF factor of greater than 0.1 and less than 10. Multicollinearity was not a problem.

Homoscedasticity was tested by using a plot of standardized residuals versus predicted values can show whether points are equally distributed across all values of the independent variables. Homoscedasticity was not a concern.

Table 3.2 Measurement of Variables

Variable	Operationalization	Measurement
Accountability	-Accurate record keeping -follow available regulations -Publication of annual reports	5 Scale Linkert Scale
Confidentiality	Access to information Secure storage Restricted control Restricted access Data protection	5 Scale Linkert Scale
Integrity	Declare interest Ethical code Internal control	5 Scale Linkert Scale
Transparency	Honesty Awareness Disclosure Fairness	5 Scale Linkert Scale
Procurement Performance	Procurement cycle time Cost savings Spend under management	5 Scale Linkert Scale

Table 3.3: Hypotheses Testing

Objective	Null Hypothesis	Type of Analysis	Interpretation
i. To establish the effect of accountability on procurement performance of Kenya ports authority.	H0₁ : Accountability has no significant effect on procurement performance of Kenya ports authority.	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.
ii. To determine the effect of confidentiality on procurement performance of Kenya ports authority.	H0₂ : Confidentiality has no significant effect on procurement performance of Kenya ports authority.	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.
iii. To assess the effect of integrity on procurement performance of Kenya ports authority.	H0₃ : Integrity has no significant effect on procurement performance of Kenya ports authority.	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.
iv. To establish the effect of transparency on procurement performance of Kenya ports authority.	H0₄ : Transparency has no significant effect on procurement performance of Kenya ports authority.	Pearson Correlation Regression Analysis	If p-value < 0.05, Reject the null hypothesis.

CHAPTER FOUR
DATA ANALYSIS, PRESENTATION, INTERPRETATION AND
DISCUSSION

4.1 Introduction

This chapter presented the findings of the study. It covered the response rate, demographic characteristics of the respondents, factor analysis, descriptive results, correlation results, regression results, hypothesis testing and a discussion of key findings.

4.2 Response Rate

A total of 110 questionnaires were given out to collect data from the officers in procurement department at Kenya Ports Authority in Mombasa. Seventy-five were returned and used for the analysis. This translated to a response rate of 68%. This response rate is considered adequate.

Table 4.1 Response Rate

Sample Size	Returned Questionnaires	Response Rate (%)
110	75	68

Source: Research Data (2021)

4.3 Demographic Characteristics

The characteristics of the respondents was examined so as to better get the salient characteristics of the source of data. This consisted of the employee age, employee experience and employee highest level of education. The results are presented in table 4.2 below.

Table 4.2 Characteristics of Respondents

Characteristic		Frequency, n	Percentage, %
Age of respondent	Below 30 years	10	13%
	31-40	21	28%
	41-50	24	32%
	Over 50	18	24%
Experience in current station	Less 5 yrs	10	13%
	5-10 yrs	32	43%
	Over 10yrs	33	44%
Highest Education level	Other colleges and below	13	17%
	Bachelors Degree	23	31%
	Post bachelor's Degree	39	52%

Source: Research Data (2021)

The study found out that of the seventy-five respondents, most of them were between aged between 41 to 50 years (32%, n=24,) and over 50 years (24%, n=18,). It is also seen that respondents with experience of 5 to 10 years (43%, n=32) and over 10 years (44%, n=33) in the current station are majority. Slightly half of the respondents have post bachelor's degrees and about a third (31%) of them have bachelor's degree as highest Education level attained. This response rate is an indication that majority of the respondents had good education and sufficient experience thus have the right skills to perform their duty.

4.4 Factor Analysis – Validity and Reliability Tests

Factor Analysis is a dimension reduction technique that also critical in assessing the factor structure in a data. The structure helps confirm the measurement of the variables. The reliability and validity of the instrument is thus assessed through Factor Analysis.

Prior to factor analysis, the suitability of the data to fit be assessed on factor structure was assessed using the KMO and the Bartlett's statistics. KMO values should be close to 1 and Bartlett's Chi square significant to conclude that the data is suitable to run an FA. The KMO greater than 0.7 is considered adequate. The KMO (0.914) and significant Bartlett's chi value obtained justified to run the FA on the data.

Table 4.3 KMO Bartlett's Test Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.914
Bartlett's Test of Sphericity	Approx. Chi-Square	1177.055
	Df	276
	Sig.	.000

Source: Research Data (2021)

The data of the 24 research items hypothesized to comprise the five constructs were simultaneously subjected to factor analysis using 1CA extraction technique with a Varimax rotation. The PCA helps in identifying the principal components and the Varimax rotation helps in clarifying the structure. Two output are presented in Table 4.4 and Table 4.5. The results in Table 4.4 demonstrate two important issues in FA. It shown that the FA identified a five factor structure as expected. Again, it is revealed that the extracted factors collectively explain 69.7 percent of variance in the original data. This percentage is considered adequate in social sciences (which recommend a variance greater than 60%).

The results in Table 4.5 shows the alignment of each of the retained items to a factor. To enhance trust of our measurement of constructs, retained item satisfied two critical conditions. The retained items have a strong loading of greater than 0.7 (Armstrong, 2018) and the items loads only to one and only one construct. The items in the table 4.5

satisfied the conditions. Further, it is seen that a clear structure emerged with five clear factors.

Table 4.4 Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.756	36.485	36.485	4.025	16.772	16.772
2	2.675	11.146	47.631	3.785	15.772	32.545
3	2.149	8.955	56.586	3.224	13.435	45.980
4	1.658	6.907	63.493	2.930	12.209	58.189
5	1.501	6.253	69.747	2.774	11.557	69.747
6	.797	3.320	73.066			
7	.700	2.916	75.982			
8	.557	2.320	78.303			
9	.531	2.211	80.514			
10	.480	2.001	82.515			
11	.461	1.921	84.436			
12	.450	1.875	86.311			
13	.417	1.736	88.047			
14	.394	1.644	89.691			
15	.365	1.523	91.214			
16	.330	1.373	92.587			
17	.318	1.324	93.911			
18	.298	1.240	95.151			
19	.271	1.131	96.282			
20	.264	1.100	97.382			
21	.196	.817	98.199			
22	.181	.756	98.955			
23	.154	.640	99.594			
24	.097	.406	100.000			

KMO; .914, *Bartlett's Chi* 5808.855, *df*=276, *p*=0.000

Source: Research Data (2021)

Table 4.5 Component Matrix

	1	2	3	4	5
Integrity					
Strong believe in honesty, fair and ethical manner	.880				
The company keep its promises	.868				
Company keeps the policy of keeping necessary secrets	.832				
Company as inculcated a culture of not blaming others	.831				
The employees have high standards of integrity	.815				
Transparency					
provide information to clients and suppliers	.852				
There is workplace transparency here	.846				
There is adequate disclosure of information	.814				
Employees are fairly promoted and rewarded here	.779				
There is ease of access to information	.727				
Performance					
The procurement process is efficient			.780		
Procurement process effective			.751		
Procurement saves costs			.744		
Procurement saves management spend			.738		
Procurement department meets its set goals			.658		
Accountability					
Clear SMART goals for each employee					.833
Well defined accountable behaviors					.788
Employees are responsible for their deeds					.787
Employees are fairly well rewarded for job well done					.700
Confidentiality					
There is limited access to sensitive information					
Enhanced information security					.796
Effective workplace information destruction policy					.795
Employees understands the current laws and rules of confidentiality					.758
The employees understand information confidentiality					.757

Source: Research Data (2021)

Each item converged to the prior hypothesized construct. For instance, the five items meant to measure INTEGRITY construct, all converged to Factor 1 is the most robust

and explained 16.7% of variance of original data (Table4.5). Similarly, TRANSPARENCY items converged to factor 2 explaining a further 15.8% of variance. Items meant to measure PERFROMANCE construct converged to factor 3 explaining 13.4%. Items meant to measure ACCOUNTABILITY converged to factor 4 (12.2%) and factor 5 was the least robust comprising of only items meant to measure confidentiality construct, they account of 11.6% of variance. Cumulatively, the extracted factors explained 69.7 percent.

The items in one construct were used to form a composite scale of the respective construct for analysis. For instance, the five Integrity Items formed the observed INTEGRITY Construct. Similarly, the other four constructs were so calculating to come up with all the five construct. The constructs were subjected to reliability analysis to further check their measurement properties. The results presented in Table 4.6 below.

Table 4.6 Reliability Test

Construct	N of Items	Cronbach's Alpha	Decision on reliable
Accountability	4	.859	Reliable
Confidentiality	5	.796	Reliable
Integrity	5	.944	Reliable
Transparency	5	.917	Reliable
Procurement P.	5	.843	Reliable
Overall	24	.916	Reliable.

Source: Research Data (2021)

From the results, it is seen that the instrument demonstrated adequate reliability because all the Cronbach alpha values are greater than 0.7. They range from 0.843 for Performance construct to 0.944 for Integrity construct. The results mean that the

instrument passed the reliability test and the result obtained on the influence of ethical behavior on performance can be replicated. The descriptive results of the five constructs is presented in next section.

4.5 Descriptive Results of Cconstructs

The ethical practices and performance was measured on a scale of 1 to 5. A score close to 1 indicating low ethical behavior, scores close to five indicating presence of ethical conduct. The mean values of the refined scale for the five constructs shows that the scores for all the ethical practices is 4 meaning to a great extent they affect procurement performance at Kenya ports authority.

The ethical conduct scores range from 3.8020 for Transparency construct to 4.4053 for integrity construct. Collectively the result shows that the existence of ethical practices as perceived by the respondents to a great extent affects procurement performance at Kenya ports authority. This is supported by Mazharul & Alharthi, (2020) who noted that ethics affects sustainable procurement practices. The standard deviation which shows the variability in ethical conduct across the respondents' ranges from .513110 (Transparency) to .75262 (Accountability).

Table 4.7 Descriptive Results

	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Accountancy	4.311	.75262	.369	.277	.077	.548
Confidentiality	4.3813	.74193	-.371	.277	-.343	.548
Integrity	4.4053	.55040	-.520	.277	.209	.548
Transparency	3.8020	.51310	-.845	.277	.422	.548
Procurement	3.7967	.51309	-.815	.277	.386	.548

P.
Source: Research Data, (2022)

The skewness and kurtosis statistics are all less than 1 indicating normal distribution of the variables. To this end, the measurement properties have been assessed and the results is positive that ethical practices demonstrable a positive relationship with procurement performance at KPA. The next step entail studying the relationships expressed by correlation and regression analysis.

4.6 Correlation Results

Correlation analysis is a technique used to assess relationships. In this study it was employed to assess the relation between the procurement ethical practices (Accountability, Confidentiality, integrity and transparency) and procurement performance. Data collected on ethical practices and performance was correlated. The results in table 4.8 shows that ethical practices have positive significant association with procurement performance. This means that ethical practices are associated with high performance and unethical practices favor poor performance. The correlation between Integrity and Performance is the strongest ($R=0.601$, $P<.001$) and weakest between Accountability and Performance ($r=0.362$, $P<.001$).

Table 4.8 Correlations Results

		Accountability	Confidentiality	Integrity	transparency	Performance
Accountability	Pearson Correlation Sig. (2-tailed)	1				
Confidentiality	Pearson Correlation Sig. (2-tailed)	.426**	1			
Integrity	Pearson Correlation Sig. (2-tailed)	.260*	.210	1		
Transparency	Pearson Correlation Sig. (2-tailed)	.540**	.322**	.484**	1	
Procurement Performance	Pearson Correlation Sig. (2-tailed)	.362**	.400**	.601**	.529**	1

Source: Research Data (2021)

The correlation results have shown the nature and strength of relations between ethical practices and performance in procurement at KPA. In summary, ethical practices influence procurement performance and this is supported by Ebekoziem, (2019). The next section presents the multiple regression analysis to enable the study conclude on the research hypothesis. However, the regression diagnostics were first presented.

4.7 Regression Results

Multiple regression analysis was conducted to test the relationship between ethical practices and procurement performance at Kenya ports authority. The regression diagnostics were first tested and presented below.

4.7.1 Regression Diagnostics

The four model assumption were checked to ensure the model is accurate and unbiased. The no multicollinearity assumption states that two or more Independent variables in the model should not be highly correlated because they inflate the regression estimates.

The Variance Inflation Factor VIF, was used to assess multicollinearity assumption. VIF values should be less than 10 to demonstrate the assumption is met. The result in Table 4. 9 shows that the condition is met. Therefore, regressing the ethical practices with procurement performance, the observed estimates are not significantly inflated.

Table 4.9 Multicollinearity Assumption Test

Independent variable in model	Tolerance	VIF
Accountability practices	.638	1.568
Confidentiality Practices	.803	1.246
Integrity Practices	.762	1.313
Transparency Practices	.578	1.730

Source: Research Data (2021)

The no heteroscedasticity assumption on the other hand states that the regression residuals exhibit roughly a constant variance across all levels of the DV. The regression residuals were produced and a histogram plotted so as to visually inspect if the distribution indeed is similar to the normal distribution. The results are positive as indicated by the results in figure 4.1 below.

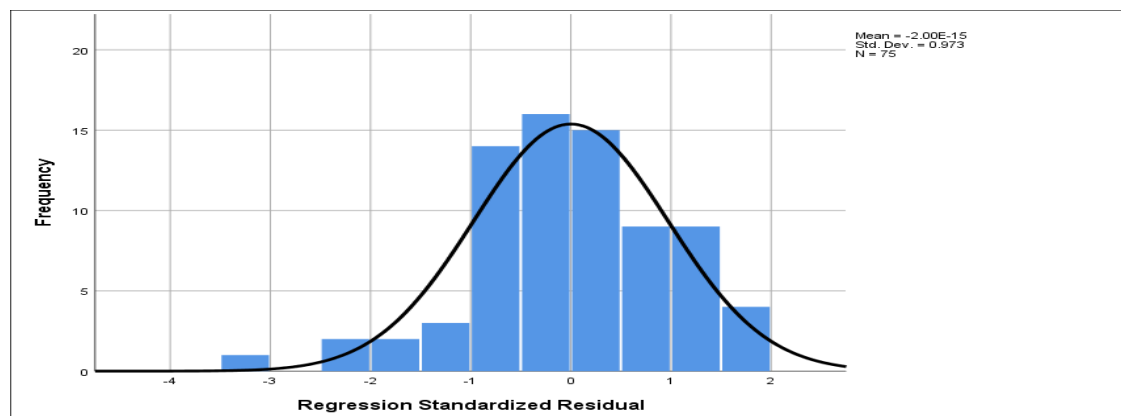


Figure 4.1 Histogram of Residuals

Source: Research Data (2021)

The constant variance assumption is assessed by inspecting the distribution of residuals in scatter plot or through statistical methods. In the residual analysis, the residuals should be distributed evenly below and above the regression line to demonstrate the assumption is met. A plot of predicted (standardized) values and standardized residuals shows that indeed the scatter points are divided into roughly two similar spread below and above the regression line (the line $y=0$). The result suggest that the residuals have a constant variance and therefore the regression estimates observed when regressing ethical data to performance data are not biased.

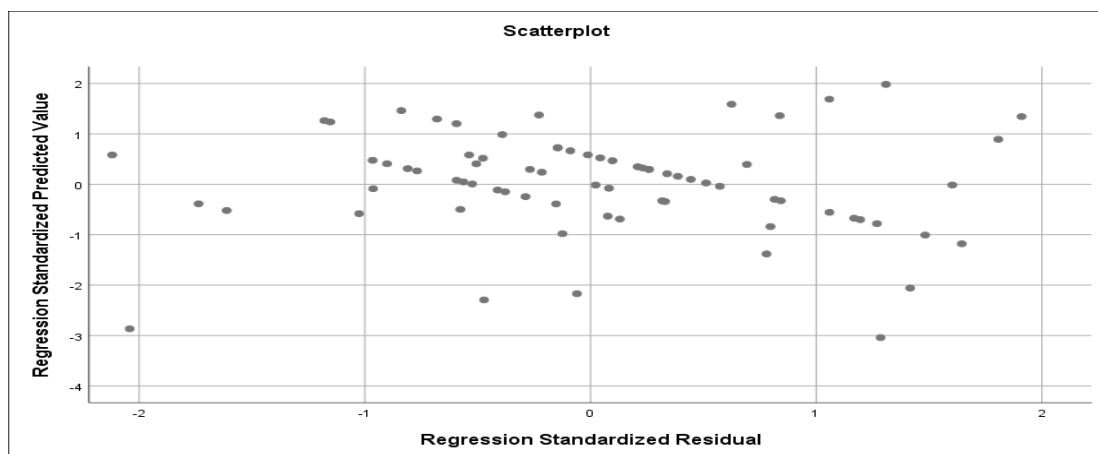


Figure 4.2 Scatter Plot

Source: Research Data (2021)

The linearity assumption states that the independent variables in the model are linear in relation with dependent variable. Independent Variables in the model that are linear with depended variable shows constant variance of errors as well; meets the constant variance assumption. They also meet the normality assumption. Since the two assumptions are met, it is concluded that the linearity assumption is implied. To this end the assumptions are met hence implying that the ethical data can be regressed on procurement performance data using a Multiple Linear Recession model to accurately test the research hypothesis.

4.7.2 Regression Results

Ethical data was now regressed on performance data to test the hypotheses. The main regression output is the regression estimates in the coefficient table. Additionally, the fit statistics (the R square in model summary and F in the ANOVA) provides the statistics to enable the research further assess the dependability and power of the estimated model. The model summary results, Table 4.10 shows that four ethical practices collectively explain close to half of performance variability, that is 48.3% (adjusted, 45.3%) of procurement performance variations at KPA. This confirms that 45.3% of the results of the model can be explained by the four constructs. The remaining 54.7% can be explained by other variables outside the study variables.

Table 4.10 Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.695 ^a	.483	.453	.37937	2.220

Source: Research Data, (2021)

The ANOVA, Table 4.11, shows that the data fitted the model well and therefore is an adequate model that can adequately predict procurement performance from ethical practices.

Table 4.11 ANOVA Results

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	9.407	4	2.352	16.340	.000 ^b
Residual	10.075	70	.144		
Total	19.482	74			

Source: Research Data, (2021)

The regression coefficient table provides the OLS estimates and associated p values that helps researcher conclude on the effect of the IV on the DV. The coefficient results,

Table 4.12, shows that accountability has no significant influence on procurement performance ($\beta = .030$, $t = .278$, $p = .782$) this is because the p values is greater than 0.05. The regression coefficient results reveal that confidentiality in the KPA ($\beta = .222$, $t = 2.311$, $p = .024$) has a significant positive effect on procurement performance. Thus, improving confidentiality of procurement information improves procurement performance. This is supported by Kohler, & Bowra, (2020). It is also revealed that Integrity practices among KPA employee has a significant positive effect on procurement performance ($\beta = .434$, $t = 4.409$, $p < .000$). This implies that increasing integrity practice improves procurement performance at KPA. This is supported by Kafimbou, (2019). Finally, it is revealed that transparency practice ($\beta = .231$, $t = 2.047$, $p = .044$) has a significant positive effect on procurement performance implying that increasing transparency practice through the workplace increases procurement performance. This has been confirmed by Gabriel, & Castillo, (2020).

Table 4.12 Regression Coefficient Results

Variables	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.169	.342		3.415	.001
Accountability	.020	.073	.030	.278	.782
Confidentiality	.153	.066	.222	2.311	.024
Integrity	.405	.092	.434	4.409	.000
Transparency	.151	.074	.231	2.047	.044

This study investigated the ethical factors influencing procurement performance. From these results, it is conclusive that ethical conduct is necessary in achieving superior procurement success. Integrity showed the strongest effect and accountability showed the last positive effect. The derived model is as follows;

$$\text{Procurement Performance} = 1.169 + .030\text{ACC} + .222\text{CON} + .434\text{INT} + .231\text{TRAN}$$

4.7.3 Hypotheses Testing

The study further tested the null hypotheses as shown below in table 4.13.

Table 4.13 Hypotheses Test Results

Variable	B-value	t-value	p-value	Hypotheses Test
Accountability	.030	.278	.782	Fail to reject Ho1
Confidentiality	.222	2.311	.024	reject Ho2
Integrity	.434	4.409	.000	reject Ho3
Transparency	.231	2.047	.044	reject Ho4

Source: Research Data (2021)

From the hypotheses test results it can be deduced that accountability does not significantly affect procurement performance. Therefore, we fail to reject hypothesis one. Confidentiality practice, integrity practice and transparency practice all have a positive significant effect on procurement performance, therefore hypotheses two three and four were rejected.

4.8 Discussion of Key Findings

The study investigated ethical practices and its effect on procurement performance at KPA. Analysis of the data reveal that the accountability has no significant effect on procurement. The findings contradict our alternate hypothesis that accountability has a significant effect on performance. It also contradicts Kohler, & Bowra, (2020) study who found out that accountability has positive significant effects on procurement performance. The lack of significant effect is perhaps due to the fact that accountability is able to influence other ethical practices. So its effect may be rather expressed through them. Confidentiality of information is a significant factor enhancing procurement performance. The findings are supported Hassan, et al. (2020) who noted that confidentiality and transparency brings value for money. Confidentiality of information

has many several positive effect on suppliers relate with procuring organizations thus it's a facilitator of procurement performance.

The integrity practices showed strong positive effect on performance. The findings are similar to other previous studies as found out by Dávid & Fazekas, (2020) that a culture of integrity is good for procurement performance. The observed positive effect of Integrity behaviors on procurement is not surprising. This is because integrity in the workplace champions for procurement performance enhancing values. It champions for strong believe in honesty, fair and ethical manner by procurement staff which has positive effect on procurement performance. Transparency practices showed a significant positive influence on procurement performance at KPA. These results support the findings from literature that transparency in the procurement process has potential to enhance procurement performance. Other previous empirical studies have also found similar positive enhancing effect of transparency and procurement performance (Gabriel, & Castillo, 2020). Transparency involves the management's efforts to provide necessary information to clients and other stakeholders in the procurement process. In summary, creating ethical practices is important because it improves procurement performance at Kenya ports authority.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study, the conclusions, managerial and policy recommendations as well as suggestions for future studies.

5.2 Summary of Findings

From the study, descriptive results pointed out that accountability, confidentiality, integrity and transparency practices to a great extent affects procurement performance at KPA. This indicates that by deploying accountability, confidentiality, integrity and transparency practices, procurement performance will increase.

On accountability, the correlation results showed that accountability has a positive significant correlation with procurement performance at KPA. This implies that an increase in accountability would lead to an increase in procurement performance. However, the regression results found out that accountability has a positive but insignificant relationship with procurement performance indicating that an increase in accountability may necessarily not lead to an increase in procurement performance at KPA.

The correlation and regression results found that confidentiality enhances procurement performance in KPA. Procurement performance can be improved through improved information confidentiality. Ensuring limited access to sensitive information, training employees of importance of document or information security, implementing an effective workplace information destruction policy and ensuring employees understands the current laws and rules of confidentiality.

The study further found a significant positive effect of integrity practice on procurement performance at KPA. Therefore, improved integrity practices are important to improve on procurement performance. By creating a strong believe system in honesty, fair and ethical conduct, striving to keep company promises to employees, suppliers and other stakeholders, inculcating a culture a high integrity culture will enhance superior procurement performance.

The study found out that transparency practice has positive significant effect on procurement performance at KPA. This implies that, increasing transparency throughout the procurement process increases procurement performance KPA. Readily providing all necessary financial and contractual information to clients and suppliers increases procurement performance. In summary, ethical practices positively and significantly affect procurement performance at KPA.

5.3 Conclusions

Based on the findings, the study concludes that;

Accountability practice has a positive effect on procurement performance at KPA. If accountability is well practiced, it can turn around the procurement performance at KPA.

Confidentiality practice has a positive and significant effect on procurement performance at KPA. By keeping confidentiality on supplier information, tender information, prices, bids KPA can benefit much through an improved procurement performance.

Integrity practice has a positive significant effect on procurement performance at KPA as it plays a key role in procurement performance at KPA. By employees upholding integrity procurement performance increases.

Lastly, transparency practice has a positive and significant effect on procurement performance at KPA. By conducting procurement activities in an open manner increases procurement performance at KPA.

5.4 Recommendations

Based on the study conclusions, the following managerial and policy recommendations were made;

5.4.1 Managerial Recommendations

1. The KPA management should instill high degrees of staff accountability so as to improve on procurement performance.
2. The KPA management should ensure high degrees of procurement information confidentiality so as to improve on procurement performance.
3. The KPA management should strengthen integrity practice in the workplace for the improvement in procurement performance to be realized.
4. The KPA management should nurture and inculcate a culture of transparency in their practice so as to improve on procurement performance.

5.4.2 Policy Recommendations

1. The Kenya government should institute the culture of ethical practices in state parastatals to improve on procurement performance.
2. Stakeholders in the procurement sub industry should work together to improve on ethical practices so as to improve on procurement performance,

5.5 Recommendation for Future Research

This study was on ethical practices and its effect on procurement performance in state comparisons the case of KPA. Future studies should consider doing same study in other state parastatals as well as the private firms to bridge the gap on the ethical practices and their effect on procurement performance.

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APPENDICES

Appendix I: Introduction Letter

EVANS OKWERA
P.O. BOX 82667-80100,
MOMBASA.,
KENYA.

PROCUREMENT DEPARTMENT,
KENYA PORTS AUTHORITY
P.O BOX 86966-80100,
MOMBASA.
KENYA

Dear Sir/ Madam,

**RE: REQUEST FOR PERMISSION TO CARRY OUT RESEARCH (DATA
COLLECION)**

I am a student at Moi University Coast Campus pursuing a Degree of Masters in Logistics & Supplies Management (MLS).

Pursuant to the pre-requisite course work, I would like to conduct a research titled

**‘ETHICAL PRACTICES AND ITS EFFECT ON PROCUREMENT
PERFORMANCE IN STATE PARASTALS IN KENYA, THE CASE OF
KENYA PORTS AUTHORITY’**

I kindly seek your permission to conduct the research at your company through questionnaires and use of relevant documents. Data collected shall be treated as confidential and strictly be used for academic purposes.

Thanking you in advance as I look forward for your cooperation.

Yours faithfully,

Evans Okwera

Student, School of Business and Economics

Appendix II: Questionnaire

Please give answers in the spaces provided and tick (√) in the box that matches your response to the question where applicable.

Part A: Demographic and Respondents Profile

1. What is your age bracket? (Tick as applicable);

Under 30 years ()

31 – 40 years ()

41 – 50 years ()

Over 50 years ()

2. What is your highest professional qualification?

Masters ()

Degree ()

Diploma ()

3. Length of continuous service with the organization?

Less than five years ()

5 – 10 years ()

Over 10 years ()

Section B

Please indicate the extent of your agreement with the following statement in regard to accuracy of information in your organization. Use the scale of: 1- Not at all, 2- Small extent, 3- Moderate extent, 4- Great extent, 5- Very great extent

ACCOUNTABILITY	1	2	3	4	5
Clear SMART goals for each employee					
Well defined accountable behaviors					
Well set clear performance metrics					
Employees are fairly well rewarded for job well done					
CONFIDENTIALITY	1	2	3	4	5
There is limited access to sensitive information	1	2	3	4	5
Employees are well trained and aware of importance of document or information security	1	2	3	4	5
There is an effective workplace information destruction policy	1	2	3	4	5
Employees understands the current laws and rules of confidentiality	1	2	3	4	5
The employees understand the business, employee and management information confidentiality	1	2	3	4	5
INTEGRITY	1	2	3	4	5
Strong believe in honesty, fair and ethical manner by employees	1	2	3	4	5
The company strives to keep its promises to employees, suppliers and other stakeholders	1	2	3	4	5
The company keeps the policy of keeping necessary secrets	1	2	3	4	5
The company as inculcated a culture of not blaming others	1	2	3	4	5
The employees of the company have high standards of integrity, polite, do right things without expecting rewards	1	2	3	4	5

TRANSPARENCY	1	2	3	4	5
We readily provide necessary information to our clients and suppliers	1	2	3	4	5
There is workplace transparency here where employees are feel recognized achievement	1	2	3	4	5
There is adequate disclosure of information throughout the organization	1	2	3	4	5
Employees are fairly promoted and rewarded here					
There is ease of access to financial information regarding the organization	1	2	3	4	5
PROCUREMENT PERFORMANCE	1	2	3	4	5
The procurement process is efficient as expected	1	2	3	4	5
Procurement process has minimum complaints	1	2	3	4	5
Procurement is well streamlined in this organization	1	2	3	4	5
Procurement department is exciting to work in	1	2	3	4	5
Procurement department meets its set goals	1	2	3	4	5

Thank you