

Determinants of Effective Implementation of Public Procurement Reservation Scheme in Kenya: A Case Study of the County Government of Nakuru.

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Abstract

The study sought to examine the determinants of effective implementation of public procurement reservation scheme in Kenya. Specifically, the study analyzed the effect of Legal Compliance, Staff Competency and Organization Culture on the Implementation of Public Procurement Preference and Reservation scheme in the County Government of Nakuru. The target population comprised of 40 employees working as procurement professionals and accountants in the County Government of Nakuru, Kenya. The study adopted Census Sampling framework, Research hypotheses and descriptive research design. Both descriptive and inferential analysis was undertaken and the result be presented in frequency tables for ease of understanding and interpretations. The results of the study revealed that Legal compliance and organizational culture had a significant positive influence on effective implementation of public procurement preference and reservation scheme in Kenya. While supplier competency was found not to have significant influence on effective implementation of public procurement preference and reservation scheme in Kenya. The study recommends that that County Governments should comply with legal provision on preference and reservation as outlined in the public procurement and asset disposal Act 2015 and its regulations of 2020 and the constitution of Kenya 2010 by awarding 30% of tenders to the youth, people of disabilities, women and small and medium scale traders so as to promote social economic growth. The study also recommends that the organizations should have supplier forums to sensitize the disadvantage group on requirements and procedures of bidding. They should go an extra mile on educating them on how to use IFMIS procure to pay system when bidding with the county. It recommends that the Counties should cultivate a positive organization culture by paying attention to best practices such as; benchmarking and best practices sharing, change Management planning, adherence to ethical Employment Practices and conformance to the principle of Accountability in the conduct of their operations including but not limited to procurement processes. The research findings are expected to be beneficial to the county government management, procurement function and policy makers.

Key words; Legal Compliance, Supplier Competency, Organization Culture.

Introduction

Public procurement has been used as a tool to promote the government's economic, social or environmental objectives (Wanderi, 2014). It is widely used to enhance a country's development agendas, such as the economic development of disadvantaged social groups (Arrowsmith, 2013).

Public procurement expenditure makes up the biggest spend for any given nation. Worldwide, governments spend approximately US\$11 trillion per annum on procurement (Hetland, 2012). The Organization for Economic Cooperation and Development (OECD) estimates the value of government procurement in the world to be equivalent to 7% of world GDP and 30% of global merchandise trade on average (Agaba & Shipman, 2008), it may also be expressed as 30% of the world budgets (OECD, 2010). The size of public

procurement in Africa is thought to be between 9% and 13% of GDP and as much as 20% of GDP in other developing economies (Ghana Business News, 2013). Public procurement is estimated to comprise as much as 10–15% of the gross domestic product (GDP) in developed countries and 30–40% in developing countries (Kirton, 2013). The government of Kenya spends approximately 70% of its budget on procurement (Muraguri, 2013). In the financial year 2013/2014, the budgeted expenditure was Ksh 1.77 trillion giving an approximate of 1.24trillion of public procurement (KNBS, 2013). It is therefore expected that in the 2021/2022 financial year, the budgeted expenditure being 3.03 trillion that approximately 2.121 trillion will be spent on public procurement.

Existing literature indicate that in developed countries, for example the United Kingdom, public procurement is linked to enhancing a wider range of socio-economic development goals and implementing regulatory aspects related to issues like tackling unemployment, promotion of fair working conditions and payment of fair wages by private sector employers (Monari, 2017). In Brazil, a new legislation introduced in 2006 provided special treatment for MSEs. The Brazilian Government faced a new paradigm: to buy of prominent and strategic segments in order to promote the sustainable social and economic development. (Mwangi, 2017). Compliance with the new legislation was capable of increasing the MSMEs participation in public procurement to 30% of the total government's purchases and in 500% in value in a four 4-year period (Teixera, 2012). In Netherlands Municipal Governments have used Public Procurement for social purposes and to increase labor participation especially for those that have been unemployed for long periods of time (Monari, 2017). The different models of procurement used in the United States of America to promote growth of small businesses and in reinforcing the affirmative action in respect to women & the disabled include set-asides, Procurement breakouts, Prime contracts, and subcontracting assistance (Roussel, 1998). The same policy options are used to foster the implementation of the non-discrimination policy in employment (Monari, 2017)

In Africa preference and selection of procurement policies have been utilized, for Example South Africa uses selective public procurement contracts in favour of the Black Africans to alleviate social disparities occasioned by the post-Apartheid (McCrudden, 2004). The country also uses targeted procurement as a means for enhancing attainment of constitutional objectives geared towards redressing institutional discrimination and inequality, foster growth of small Black African's business enterprises and tackle poverty and unemployment among the persons formerly disadvantaged by the apartheid regime (Watermeyer, 2000).

Preference And Reservation Scheme In Kenya

The Constitution of Kenya 2010, through Article 227(2) (a) provides for an Act of parliament to prescribe a framework for categories of preference in allocation of contracts. Consequently, the Public Procurement and Asset Disposal Act (PPADA), 2015 was enacted. Part XII of the Act prescribes the preference and reservation procedures in public Procurement. In exercise of the powers conferred by section 180 of the Public Procurement and Asset Disposal Act, 2015, the Cabinet Secretary for the National Treasury and Planning made the Public Procurement and Asset Disposal Regulations (PPADR, 2020-Legal notice no 69). Part XII of PPADR 2020 regulates the conduct of preference and reservation in Kenya.

Further, Article 55 (b) of the Kenyan constitution requires the state to take measures that will provide for affirmative action in programs that will give the youth opportunities to participate in economic development. Pursuant to this constitutional provision, the minister for finance gazetted legal notice No. 58 on the public procurement and disposal (preference and reservations) Regulations, (2011). These regulations provided for preference and reservations in public procurement when soliciting tenders from the prescribed target groups such as; SMEs, disadvantaged groups such as youth, PWDs and the women owned enterprises. This was further entrenched through enactment of the Public Procurement and Asset Disposal Act (PPADA) (2015) that provides how the preference and reservation scheme shall be implemented. Section 155 (5) of PPADA, (2015) stipulates that, an accounting officer of a procuring body shall set aside a prearranged percentage of its procurement budget, which shall not be below thirty percent, to the groups that are disadvantaged and comply with the Acts provisions and the regulations regarding reservations and preferences. For one to qualify for a particular reservation or preference, an individual shall give eligibility evidence as specified.

Statement of The Problem

The youth, women and PWDs have the potential of accelerating growth and productivity, although if left idle may signify a threat to social stability and in the long run a threat to nation's economy development. (Moturi, 2018) According to Transparency international (2013), in Kenya special groups (women, youth and people living with disabilities) constitute of over 85% of the entire population yet they contribute to less than 10% of public procurement involvement thus it hampers economic growth leading to unemployment and the achievement of vision 2030. Guaranteeing successful integration of these groups into the economy via procurement will advance competitiveness of Kenya, decrease poverty, increase household incomes and create a circle of growth as well as investment. (Mwangi, 2019)

The Preference and Reservation Procurement policy requires that at least thirty percent (30%) of all Public Procurement budgets be reserved for special groups. However, the PPRA, Financial Year 2017-2018 report indicated that Government failed in its promise to reserve tenders for the groups. Cumulatively, the two levels of reserved Ksh. 46,869,469,839.06 for the target groups (Youth, women and PWDs) out of an aggregated annual planned procurement budget of Ksh. 256,199,255,070.20 (Moturi ,2018). Therefore, cumulatively, the two levels of reserved an average of 18.29% of the total planned annual procurement budget. Thus, a number of procuring entities at both levels of Government did not reserve the requisite 30% of their procurement budgets for the target groups (PPRA, 2018). During the half-year (January -June 2017), 7 County Executives and 5 County Assemblies reported to the Authority on the contracts awarded to the youth, women and PWDs. During the half –year July-December 2017, 5 County Executives and 2 County Assemblies reported to the Authority on the contracts awarded to the youth, women and PWDs (PPRA, 2018). The low number of contracts awarded by the Commissions and Independent Offices and County Governments was attributed to their dismal reporting to the Authority (PPRA, 2018).

The uptake of Preference and reservation opportunity by the special groups has been low. A number of problems have been suggested as potential reasons as to why the uptake is low, these include lack of access to information, lack of funding, poor tendering process and lack of training among others (Mwangi, 2019). Similarly, there are many youths, women and persons with disabilities competing for government procurement opportunities to little success. This is because most procuring entities are mainstreaming the legal requirement of reservations at a very slow pace as evidenced by low levels of reporting compliance on the preference and reservation schemes (Moturi, 2018). This leads to the question, what are the determinants of effective implementation of Public Procurement reservation scheme, which the study intends to determine in the county government of Nakuru.

Objective of the Study

The general objectives of the study was to analyze the determinants of effective implementation of public procurement reservation scheme in Nakuru County Government. The specific objective of the study were

- i. To evaluate the extent to which Legal Compliance determines the effectiveness of public Procurement reservation Scheme in Nakuru County Government
- ii. To examine the extent to which Supplier Competency determines the effectiveness of public procurement reservation Scheme in Nakuru County Government
- iii. To establish the extent to which Organization culture determines the effectiveness of public reservation Scheme in Nakuru County Government

Research Hypotheses

The research hypotheses of the study were:

H₀₁: Legal compliance has no significant significance influence on Effective implementation of Public Procurement Reservation Scheme in Kenya.

H₀₂: Supplier Competence has no statistical significance influence on Effective implementation of Public Procurement Reservation Scheme in Kenya.

H₀₃: Organization culture has no statistical significance influence on the Effective implementation of Public Procurement Reservation Scheme in Kenya.

Literature Review

Empirical Review

Legal Compliance

Gatere and Shale, (2014) Conducted a study on Challenges affecting the implementation of access to government procurement opportunities for special interest groups in Kenya: A case of Nairobi County. The study concluded that the legal framework has a duty to facilitate in the implementation of access to government procurement opportunities for Special Interest groups in Kenya. It also concluded that training and capacity building to public entities will ensure compliance with the Preference and reservation policy. In an effort to establish factors affecting procurement audit legislative framework in Kenya, Achuora, Arasa and Ochiri (2010) conducted a study that used primary data from closed questions. The findings revealed that there existed no clear procurement regulations at that time and that is why there was a problem of adherence at that time.

In an effort to establish the role of legal environment and best practices policies on performance, Raymond (2008) conducted a study on the role of legislative framework on procurement performance in Bangladesh. The Study findings revealed that legislative framework positively and significantly influences performance. The study showed that firms in Bangladesh adopt legislative framework practices of benchmarking best practices and accessing the existing legal environment so as to improve on their procurement performances.

Kotoka (2012) assesses the level of compliance with public procurement in public entities in Ghana. The study revealed that the Public Procurement Act, succeeded in harmonizing the process of procurement in the public entities to secure fiscal transparency, efficiency, and increase competition among the local industry. However, the challenge of creating procurement structures and recruiting appropriate personnel to manage procurement process limits the scope for efficiency and value for money. These findings concur with those of a study on the analysis of implementation of preference and reservations policy in public procurements by state owned enterprises in Kenya (Thairu & Chirchir, 2016). The study concluded that it is essential that qualified staff perform these activities with high professional and ethical standards using sound procedures anchored in appropriate policies and regulations.

Supplier Competency

Mwangi and Namusonge (2017) conducted a study on the determinants of compliance with access to government procurement opportunities regulations for special groups by public universities in Kenya. The Study revealed that lack of capability of the youth, women and disabled entrepreneurs, failure in involvement in pre-qualification decisions and lack of information sharing hinder compliance with AGPO regulations.

A study by Wachiuri (2017) on the Influence of Supplier Competence on the Performance of State Corporations in Kenya revealed that supplier competence and performance of state Corporations. The Study also concluded that most Organizations do not have information on whether their suppliers are abreast with the newest information technology developments. Lastly the study recommended the technical dimensions that suppliers should develop competence to include; compliance with Quality, Compliance with due date, compliance with packaging standards, supplier production planning systems, maintenance activities, plant layout and material.

Organization Culture

Kibet and Metto (2016) conducted a study to interrogate the effect of organizational culture on adhering to procurement regulations. The study established a significant relationship between Organizational Culture and implementation of public procurement strategic plans.

The study showed that culture determines the work climate that influences public procurement processes, contributes to the procedures of implementation of procurement plans, promotes policies and harmony as well as accountability in the procurement systems.

A study by Kiama, (2014) established the organizational factors that were useful in implementation of the procurement policies. The findings revealed that the culture of the organization was not only important, but also very critical if the procurement procedures

Were to be adhered to.

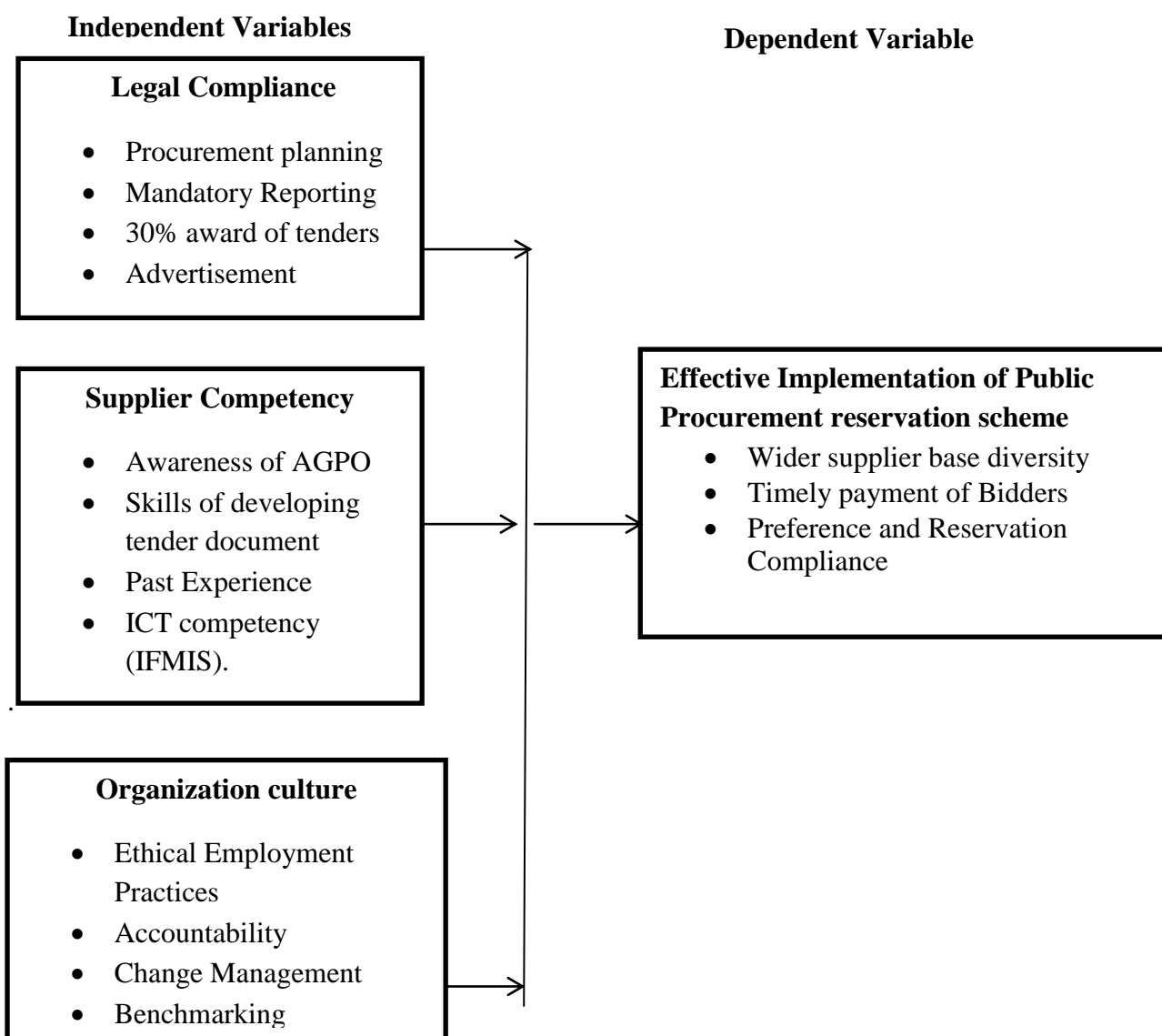
In establishing the determinants of public procurement procedures implementation in universities in Kiambu County, Mutinda and Paul (2016) noted that Procurement in Kenyan public universities is essential in-

service delivery. The study found out that strategic planning, staff competence, support from top management and organizational culture plays an important role in enhancing implementation of procurement procedures in public universities.

A study by Monari (2017) on analysis of the factors influencing performance of the preference and reservation policy among persons with disabilities at Moi Teaching and Referral Hospital, Kenya revealed that preference and reservation performance is still low and that persons with disabilities are still marginalized even in procurement. The Study revealed that most organizations are corrupt and need to be bribed for PWDs to be considered in procurement operations. It also showed that there exist a lot of competition for Procurement undertaking between the PWDs and their able counterparts making it hectic for them to achieve their procurement activities, till they opt for bribery.

Conceptual Framework

According to Philip (2013) a conceptual framework is a diagrammatic representation of inter-relationships among the study variables. Conceptual framework helps to make relationships between variables in research and illustrate diagrammatically (Mugenda, 2008). It is intended to help the researcher in understanding, relating and explaining the variables of the study. The diagrammatic representation of the study variables is as indicated in Figure 1



Source: Moronge (2021).

Figure 2.1 Conceptual Framework

Figure 2.1: Conceptual Framework
Source (Author, 2021)

Research Methodology

Research Design

The study used descriptive research design. Descriptive research design is used when data is collected to describe persons, organizations and phenomena (Creswell, 2003). It was also appropriate as it is structured and free from bias and represents data as it is (Kothari & Garg, 2019).

Target population

The target population in this study comprised of the 24 Procurement Practitioners, 16 Finance officers working in The County Government of Nakuru. The Researcher adopted census method Since the target population was small.

Data collection instrument

The study used questionnaires as the instruments for collecting data. A questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents (Kombo, 2002). The reasons of choosing questionnaires as the method of data collection is that they are relatively cheap, quick and efficient way of obtaining large amounts of information from a large sample of people.

Data Collection Procedure

The questionnaire was self-administered using the drop and pick later approach. To ensure that the questionnaires were filled the researcher gave them enough time to respond to the questions as well maintain a questionnaire register. Follow ups were also done ensure timely response.

Pilot Study

The researcher conducted a pilot study were 4 respondents from county Government of Bomet from supply chain department. This represented 10% of the target population. In a pilot study the rule of the thumb is that the sample should be 10% of the target population (Cooper & Schilder, 2014). Questionnaire validity was provided via the adequate coverage of the research topic and a detailed assessment by two independent resource individuals who are supply chain Management Experts. Construct validity was ascertained via a clear definition of the variables to be measured. The reliability test results indicated that all the variables had Cronbach alpha coefficient values greater than 0.7, hence the questionnaire was considered to be reliable for data collection

Table 1: Reliability Test Results

Indicator	Cronbach Alpha	No of Items
Legal Compliance	0.70	5
Supplier Competence	0.76	5
Organization Culture	0.73	5
Implementation of P&R Scheme	0.71	5

Source: Research Data (2022)

Data analysis and Presentation

The study used both descriptive and inferential statistics to analyses quantitative data. With the help of Statistical Package for Social Sciences (SPSS) version 22.0, descriptive statistics were generalized and presented inform of mean, frequencies, standard deviation and percentages by use tables. Inferential statistics entailing correlation Analysis, regression analysis and ANOVA were utilized to evaluate the association between variables at 95% confidence level, p-value ± 0.05 . The following multi linear regression equation was adopted:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

Where Y= Effective implementation of public procurement preference and reservations scheme

β_0 = Intercept

X1= Legal Compliance

X2= Supplier competence

X3= Organization Culture

$\beta_1, \beta_2, \beta_3, \beta_4$ = Coefficients

e= error term.

FINDINGS

Legal Compliance on Effective Implementation of Reservation Scheme

Respondents were asked to show their level of agreement with statement about legal enforcement and compliance. The findings are shown on Table 2.

Table 2: Legal Compliance

Statement	5	4	3	2	1	Mean	SD
The county government Adheres to public procurement reservation requirement in its procurement planning	18 (50.0%)	13 (36.1%)	2 (5.6%)	1 (2.8%)	2 (5.6%)	4.22	1.072
The county Government Adheres to mandatory reporting requirements as far as public procurement reservation is concerned	19 (52.8%)	15 (41.7%)	2 (5.6%)	0 (0.0%)	0 (0.0%)	4.47	.609
The county Government reserves and award at least 30% of all it contracts value to the special Groups	14 (38.9%)	18 (50.0%)	2 (5.6%)	1 (2.8%)	1 (2.8%)	4.19	.889
Advertisement of Tenders enhances the county Government Compliance with preference and reservation requirements	12 (33.3%)	16 (44.4%)	3 (8.3%)	3 (8.3%)	2 (5.6%)	3.92	1.131

Source: Research Data (2021)

Findings on Table 2 uncovered that most of the respondents (86.1%) agreed with the statement that the county government Adheres to public procurement reservation requirement in its procurement planning. Those of a contrary opinion amounted to 8.4%. A further 5.6% of the respondents took a neutral position to the statement.

On the question of The County Government adhering to mandatory reporting requirements as far as public procurement reservation is concerned, a significant 94.5% of the respondents agreed. Only 5.6% of the respondents were neutral and no respondent disagreed.

Most respondents (88.9%) agreed with the statement that the county Government reserves and award at least 30% of all it contract value to the special Groups. Those who disagrees and were neutral to the statement were each 5.6% of the respondents.

The findings revealed that 77.7% of the respondents agreed with the statement that advertisement of tenders enhances the county Government Compliance with preference and reservation requirements. Those of a contrary opinion were 13.9% and 8.3% were neutral to the statement.

It can be deduced from the findings that Legal Compliance is a key a determinant of Effective implementation of Public Procurement Reservation scheme in the County Government of Nakuru. These findings are in agreement with those Raymond (2008) that found out that legislative framework positively and significantly influences Organization performance. They were also convergent with Gatere and Shale (2014) that found out that the legal framework has a duty to facilitate in the implementation of access to government procurement opportunities for Special Interest groups in Kenya

4.2 Supplier Competency on Effective Implementation of Reservation Scheme

Respondents were asked to show their level of agreement with statement about supplier competence. The findings are shown on Table 3.

Table 3: Supplier Competency

Statement	5	4	3	2	1	Mean	SD
The Suppliers of the county are aware of the AGPO initiative and comply with them	16 (44.4%)	17 (47.2%)	1 (2.8%)	1 (2.8%)	1 (2.8%)	4.28	.882
The suppliers of the county have adequate and relevant skills required in filling the tender documents	13 (36.1%)	16 (44.4%)	3 (8.3%)	2 (5.6%)	2 (5.6%)	4.00	1.095
Most AGPO suppliers have a Past experience in providing similar or the same service requirement	18 (50.0%)	14 (38.9%)	2 (5.6%)	1 (2.8%)	1 (2.8%)	4.31	.920
The County Government offers training and Capacity building to its AGPO suppliers	19 (52.8%)	14 (38.9%)	1 (2.8%)	1 (2.8%)	1 (2.8%)	4.36	.899
The AGPO suppliers have the necessary ICT skills that may be Required in the bidding process.	8 (22.2%)	16 (44.4%)	4 (11.1%)	6 (16.7%)	2 (5.6%)	3.61	1.178

Source: Research Data (2021)

According to findings on Table 3, a significant majority of 91.6% of the respondents agreed with the statement that the suppliers of the county are aware of the AGPO initiative and comply with them. A proportion equaling 5.6% disagreed with the statement. A very small proportion of 2.8% of the respondents were neutral to the statement.

Most respondents (80.5%) agreed with the statement that the suppliers of the county have adequate and relevant skills required in filling the tender documents. 11.2% of the respondents disagreed with the statement. Those who were neutral to the statement were 8.3%.

On the question of most AGPO suppliers having a past experience in providing similar or the same service requirement, 88.9% of the respondents were in agreement. Those who disagreed and those who were neutral formed 5.6% of the respondents a piece.

The findings on the Table 3 revealed that most of the respondents (91.7%) agreed with the statement that the County Government offers training and Capacity building to its AGPO suppliers. However, 5.6% of the respondents disagreed with the statement. Only 2.8% of the respondents were neutral to the statement.

A majority of 66.6% of the respondents believed that the AGPO suppliers have the necessary ICT skills that may be required in the bidding process. A 22.3% proportion of the respondents disagreed with the statement. A further, 11.1% of the respondents took a neutral position about the statement.

Based on the findings, respondents appeared to agree that Supplier Competency is a determinant of effective implementation of public procurement reservation Scheme. These findings are in agreement with Mwangi and Namusonge (2017) that found out that lack of capability of the youth, women and disabled entrepreneurs, failure in involvement in pre-qualification decisions and lack of information sharing hinder compliance with AGPO regulations.

4.3 Organization Culture on Effective Implementation of Public Procurement Reservation Scheme

Respondents were asked to show their level of agreement with statement about organizational culture. The findings are shown on Table 4.

Table 4: Organization Culture

Statement	5	4	3	2	1	Mean	SD
The County Government adheres to ethical Employment Practices	14 (38.9%)	12 (33.3%)	2 (5.6%)	6 (16.7%)	2 (5.6%)	3.83	1.276
Procurement operations at the County Government are in strict conformance with the principle of accountability	12 (33.3%)	12 (33.3%)	2 (5.6%)	6 (16.7%)	4 (11.1%)	3.61	1.400
The County Government has a Structured mechanism of Change Management as far as the legal framework and personnel are concerned	10 (27.8%)	14 (38.9%)	3 (8.3%)	6 (16.7%)	3 (8.3%)	3.61	1.293
The County Government embraces Benchmarking and Best practices sharing in the implementation of the preference and reservation Scheme	15 (41.7%)	18 (50.0%)	2 (5.6%)	1 (2.8%)	0 (0.0%)	4.31	.710

Source: Research Data (2021)

According to Table 4, 72.2% of the respondents agreed with the statement that the County Government adheres to ethical employment practices. Those of the contrary opinion were 22.3% of the respondents. Those that were neutral to the statement were 5.6% of the respondents.

On the statement of procurement operations at the County Government being in strict conformance with the principle of accountability, 66.6% of the respondents agreed with the statement. However, 27.8% of the respondents disagreed with the statement. A further, 5.6% of the respondents were neutral to the statement.

The findings uncovered that most (66.7%) of the respondents agreed with the statement that the County Government had a Structured mechanism of change management as far as the legal framework and personnel are concerned. However, a quarter (25%) of the respondents disagreed with the statement. A further 8.3% of the respondents neither agreed nor disagreed with the statement.

Most respondents (91.7%) agreed with the statement that the County Government embraces benchmarking and best practices sharing in the implementation of the preference and reservation scheme. Only 5.6% of the respondents were neutral. A small proportion of 2.8% disagreed with the statement.

The above findings show that Organization Culture is Key in ensuring effective implementation of Public Procurement Reservation Scheme. These findings are in agreement with Kibet and Metto (2016), that showed that culture determines the work climate that influences public procurement processes, contributes to the procedures of implementation of procurement plans, promotes policies and harmony as well as

accountability in the procurement systems. These findings also converge with those of Kiama, (2014), that revealed that the culture of the organization was not very critical if the procurement procedures were to be adhered to. They also converge with those of Mutinda and Paul (2016) that found out that organizational culture plays an important role in enhancing implementation of procurement procedures. These findings also converge with those of Raymond (2008) that showed that benchmarking best practices as a tool to improving on procurement performance.

4.4 Effective Implementation of Public Procurement Reservation Scheme

Respondents were asked to show their level of agreement with statement about effective implementation of public procurement reservation scheme. The findings are shown on Table 5.

Table 5: Effective Implementation

Statement	5	4	3	2	1	Mean	SD
Wider Supplier Base (Diversity, Equality and Inclusion)	13 (36.1%)	12 (33.3%)	4 (11.1%)	4 (11.1%)	3 (8.3%)	3.78	1.290
Timely Payment of Bidders	14 (38.9%)	14 (38.9%)	3 (8.3%)	4 (11.1%)	1 (2.8%)	4.00	1.095
Compliance with Preference and reservation Regulations	13 (36.1%)	17 (47.2%)	3 (8.3%)	2 (5.6%)	1 (2.8%)	4.08	.967
Continuous Registration of AGPO Suppliers to the county Government Suppliers list	15 (41.7%)	13 (36.1%)	4 (11.1%)	3 (8.3%)	1 (2.8%)	4.06	1.068
Training Suppliers on effective Compliance with PPADA 2015 and PPADR 2020	12 (33.3%)	14 (38.9%)	5 (13.9%)	3 (8.3%)	2 (5.6%)	3.86	1.150

Source: Research Data (2021)

According to results on Table 5, 69.4% agreed with the statement that wider Supplier Base (Diversity, Equality and Inclusion). 19.4% of the respondents, however disagreed with the statement. 11.1% of the respondents were neutral to the statement.

A majority of 77.8% of respondents believed that there was timely payment of bidders in the county. A 13.9% of the respondents had a contradicting opinion. Those who neither agreed nor disagreed were 8.3% of the respondents.

On the question of compliance with preference and reservation regulations, 83.3% of the respondents agreed. On the other hand, 8.4% of the respondents disagreed with the statement while 8.3% of the respondents were indifferent.

The findings uncovered that 77.8% of the respondents believed there was continuous registration of AGPO suppliers to The County Government suppliers list. Those who were indifferent and in disagreement were each 11.1%.

Most respondents (72.2%) believed that there were training suppliers on effective compliance with PPADA 2015 and PPADR 2020 . A further, 13.9% of the respondents were indifferent. Only 13.9% of the respondents disagreed with the statement.

Regression Analysis

Multivariate regression analysis was used to determine the significance of the relationship between the dependent variable and all the independent variables pooled together. This analysis was used to find out how the independent variables affected the dependent variable collectively. The findings are shown in the model summary in Table 6.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.989 ^a	.979	.977	.828
a. Predictors: (Constant), Organization Culture, Legal Enforcement, Supplier Competency				

The findings on Table 6, revealed that the value obtained for R, which is the model correlation coefficient was $r = 0.989$ which was higher than any zero-order value in the table. This indicated that the model improved when more variables were incorporated when trying to evaluate effective implementation of reservation scheme. The r square value of, $r = 0.979$, also indicated that the multiple linear regression model could explain 97.9% of the variations in effective implementation of reservation scheme.

The researcher did a multiple regression analysis and the results are shown on Table 7.

Table 7: Multiple Regression Model

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.488	.842		2.955	.006
	Legal compliance	1.084	.291	.703	3.722	.001
	Supplier Competency	.336	.230	.292	1.463	.153
	Organization Culture	.714	.095	.593	7.526	.000
a. Dependent Variable: Effective Implementation						

According to Table 7 from the table, the model constant was 2.488 with a t-value of 2.955 which was insignificant at $p < 0.05$ level of significance. This demonstrates that the autonomous Y (value of the dependent variable with all other factors held constant) was a constant of 2.488 units.

Findings from the table indicated that the parameter (β) for legal compliance was 1.084 with a t-value of 3.722 which was significant at $p < 0.05$ level of significance. The model implies that taking all other factors constant, a unit change in legal enforcement and compliance will lead to 1.084 change in the effective implementation of reservation scheme.

Further, the parameter estimate (β) for supplier competence was 0.336 with a t-value of 1.463 which was significant at $p < 0.05$ level of significance. This implied that a unit change in supplier competency would lead to 0.336 change in the effective implementation of preference reservation scheme.

Finally, the parameter estimate (β) for organization culture was 0.714 with a t-value of 7.526 which was significant at $p < 0.05$ level of significance. This implied that a unit change in organizational culture would lead to 0.714 change in the effective implementation of preference and reservation scheme.

At 5% level of significance and 95% confidence level, legal enforcement had a 0.010 level of significance, supplier competency had a 0.153 level of significant and organizational culture had a 0.000 level of

significant. This meant that all the variables were significant in the effective implementation of preference and reservation scheme.

ANOVA was used to test the significance of the model and therefore its suitability in reaching a conclusion on the population. The ANOVA table is presented on Table 8,

Table 8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1018.262	3	339.421	494.600	.000 ^b
	Residual	21.960	32	.686		
	Total	1040.222	35			
a. Dependent Variable: Effective Implementation						
b. Predictors: (Constant), Organization Culture, Legal Enforcement, Supplier Competency						

According to Table 8, the F calculated value of 494.600 implied that the overall model was significant and could, therefore, be used to reach conclusions on the population parameters. This was supported by the p-value (0.000) being lower than the significance level (0.05).

Correlation Analysis

The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all. The Correlation matrix is used to determine the extent to which changes in the value of an attribute is associated with changes in another attribute. When the values are greater than 0.01 then the variables are correlated and when values are less than -0.01 then the values are not correlated.

Legal Compliance on Effective Implementation of Reservation Scheme

The finding on the correlation between legal compliance and effective implementation of reservation scheme is shown on Table 9

Table 9: Correlation between Legal Compliance and Effective Implementation of Reservation Scheme

Correlations			
		Legal Enforcement	Effective Implementation
Legal Enforcement	Pearson Correlation	1	.970 ^{**}
	Sig. (2-tailed)		.000
	N	36	36
**. Correlation is significant at the 0.01 level (2-tailed).			

The finding on Table 9 shows a correlation coefficient of 0.970. This implied that legal compliance was significant in determining effective implementation of reservation scheme. The results are consistent with the argument of Thairu and Chirchir (2016) that poor legislation has negative and significant effect on implementation of the youth preference and reservations policy in public procurement.

Supplier Competency on Effective Implementation of Reservation Scheme

The finding on the correlation between supplier competency and effective implementation of reservation scheme is summarized on Table 10.

Table 10: Correlation between Supplier Competency and Effective Implementation of Reservation Scheme

		Supplier Competency	Effective Implementation
Supplier Competency	Pearson Correlation	1	.965**
	Sig. (2-tailed)		.000
	N	36	36
**. Correlation is significant at the 0.01 level (2-tailed).			

According to Table 10, Supplier competency had a correlation coefficient of 0.965. This meant that supplier competency was significant in determining effective implementation of reservation scheme. These results are in agreement with a study carried out by Ouko and Juma (2020) on Effect of Supplier Evaluation on Performance of the Procurement Function of Private Health Institutions in Kisumu County, Kenya, which found out that Supplier Competence knowledge have positive correlation on Procurement Performance.

Organization Culture on Effective Implementation of Public Procurement Reservation Scheme

The finding on the correlation between organizational culture and effective implementation of reservation scheme is shown on Table 11.

Table 11: Correlation between Organization Culture and Effective Implementation of Public Procurement Reservation Scheme

		Organization Culture	Effective Implementation
Organization Culture	Pearson Correlation	1	.976**
	Sig. (2-tailed)		.000
	N	36	36
**. Correlation is significant at the 0.01 level (2-tailed).			

As per Table 11, Organizational culture had a correlation coefficient of 0.976. This meant that organizational culture was significant in determining effective implementation of reservation scheme. These results are in agreement with a study carried by Moturi (2018) on the determinants of Implementation of Preference and Reservation Procurement Policy in Professional Regulatory Bodies in Kenya, which found out showed a positive and significant association between organizational culture and implementation of preference and reservation procurement policy in the professional regulatory bodies in Kenya.

Hypothesis Testing

At 5% level of significance and 95% confidence level, legal enforcement had a 0.001 level of significance, supplier competency had a 0.153 level of significant and organizational culture had a 0.000 level of significant. This meant that all the variables were significant in the effective implementation of preference and reservation scheme.

Hypothesis I

The hypothesis stated that:

H₀₁: Legal compliance has no significant influence on Effective implementation of Public Procurement Preference and reservation Scheme in the County Government of Nakuru

The hypothesis was tested by determining the relationship between legal compliance and effective implementation of public procurement preference and reservation scheme in the County Government of Nakuru. The test was done at a 0.005 significance level. The test result on Table 4.10 shows that the relationship between legal compliance and effective implementation of public procurement preference and reservation Scheme was positive and statistically significant with a significance level of 0.001 which was < 0.05 . The null hypothesis was therefore rejected and a conclusion made that legal compliance had a significant influence on effective implementation of public procurement preference and reservation scheme. This finding agrees with that of Raymond (2008) which revealed that legislative framework positively and significantly influenced performance of banks in Bangladesh. The finding is also in agreement with that of Gatere and Shale (2014) that concluded that the legal framework had a duty to facilitate in the implementation of access to government procurement opportunities for Special Interest groups in Kenya.

Hypothesis II

The hypothesis stated that:

H₀₂: Supplier Competence has no Significant influence on Effective implementation of Public Procurement Preference and reservation Scheme in the County Government of Nakuru

The hypothesis was tested by determining the relationship between supplier competency and effective implementation of public procurement preference and reservation scheme in the County Government of Nakuru. The test was done at a 0.005 significance level. The test result on Table 4.10 shows that the relationship between supplier competence and effective implementation of public procurement preference and reservation had a significance level of 0.153 which was > 0.05 . The null hypothesis was therefore accepted and a conclusion made that staff competency has no statical significant influence on effective implementation of public procurement preference and reservation scheme.

This finding disagreed with that of Mwangi and Namusonge (2017) that revealed that lack of capability of the youth, women and disabled entrepreneurs, failure in involvement in pre-qualification decisions and lack of information sharing hinder compliance with AGPO regulations.

Hypothesis III

The hypothesis stated that:

H₀₃: Organization culture has no significant influence on the Effective implementation of Public Procurement Preference and reservation Scheme in the County Government of Nakuru

The hypothesis was tested by determining the relationship organizational culture and effective implementation of public procurement preference and reservation scheme in the County Government of Nakuru. The test was done at a 0.005 significance level. The test result on Table 4.10 reveals that the relationship between organizational culture and effective implementation of public procurement preference and reservation Scheme had a significance level of 0.000 which was < 0.05 . The null hypothesis was therefore rejected and a conclusion made that organizational culture had a significant influence on effective implementation of public procurement preference and reservation scheme.

These finding agrees with that of Kibet and Metto (2016) that established a significant relationship between organizational culture and implementation of public procurement strategic plans. It was also consisted with the finding of Mutinda and Paul (2016) that strategic planning, staff competence, support from top management and organizational culture played an important role in enhancing implementation of procurement procedures in public universities. Finally, the finding concurs with that of Kiama, (2014) which concluded that the culture of the organization was not only important, but also very critical if the procurement procedures were to be adhered to.

Summary, Conclusions And Recommendations

Summary of the Study Findings

The first objective of the study was to explore whether Legal Compliance determines the effectiveness of public procurement preference and reservation Scheme in the County Government of Nakuru. At least 77.7% of the respondents agreed with all the statements about legal compliance. The correlation coefficient

for this objective was 0.970. Multiple regression model revealed a positive relationship between legal compliance and public procurement preference and reservation scheme.

The second objective was to determine whether Supplier Competency determines the efficiency of Public Procurement Preference and reservation Scheme in the County Government of Nakuru. The statements about supplier competency had an agreement proportion of 66.6% or more. The correlation coefficient for this objective was 0.965. Multiple regression model uncovered a negative relationship between supplier competency and public procurement preference and reservation scheme.

The final objective of the study was to establish the extent to which Organization culture determines the efficiency of Public Procurement Preference and reservation Scheme in the County Government of Nakuru. At least 66.6% of the respondents agreed with all the statements about organizational culture. The correlation coefficient for this objective was 0.976. Multiple regression model revealed a positive relationship between organizational culture and public procurement preference and reservation scheme.

Conclusions of the Study

The multiple regression model revealed a significant positive relationship between legal compliance and effective public procurement preference and reservation scheme. The study, therefore, concludes that legal compliance has a significant influence on effective implementation of public procurement preference and reservation scheme in Nakuru County Government.

The multiple regression model revealed supplier competency had no statistical significance influence on the effective implementation of public procurement preference and reservation scheme. The study, therefore, concludes that supplier competency has no statistically significant influence on effective implementation of public procurement preference and reservation scheme in Nakuru County Government.

The multiple regression model revealed a significant positive relationship between organizational culture and effective public procurement preference and reservation scheme. The study, therefore, concludes that organizational culture has a significant positive influence on effective implementation of public procurement preference and reservation scheme in Nakuru County Government.

Recommendations of the Study

The study recommend that County Governments should comply with legal provision on preference and reservation as outlined in the public procurement and asset disposal act and its regulations and the constitution by awarding 30% of tenders to the youth, people of disabilities, women and small and medium scale traders so as to promote social economic growth.

The study also recommends that the organization should have supplier forums to sensitize the disadvantage group on requirements and procedures of bidding. They should go an extra mile on educating them on how to use IFMIS procure to pay system when bidding with the county.

Finally, the study recommends that the Counties should cultivate a positive organization culture by paying attention to Best practices such Benchmarking and Best practices sharing, Change Management planning, adherence to ethical Employment Practices and conformance to the principle of Accountability in the conduct of their operations including but not limited to procurement processes.

Areas for Further Research

The study makes the following recommendations for further study:

This study considered the County Government of Nakuru. It is therefore, recommended that other County Governments be considered in other studies. This will help in determining if the findings reflect in other County Governments.

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