

INFLUENCE OF PROCUREMENT ETHICS ON ORGANIZATIONAL PERFORMANCE (A CASE OF EWASO NGIRO NORTH DEVELOPMENT AUTHORITY)

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Abstract: Procurement ethics has become an important strategic tool and many organizations are leveraging on it in order to remain competitive. Procurement personnel and organizations in entirety are expected to adopt procurement ethics in order to ensure flawless procurement processes. There are lots of ethical challenges that organizations go through before attaining desired performance levels. The general objective of this study was to examine the influence of procurement ethics on the organizational performance of Ewaso Ngiro North Development Authority (ENNDA), Kenya. The study was guided by the following specific objectives: to evaluate the influence of transparency resulting from procurement ethics on organizational performance of ENNDA; to assess the influence of accountability resulting from procurement ethics on organizational performance of ENNDA; to determine the influence of integrity resulting from procurement ethics on organizational performance of ENNDA; and to examine the influence of confidentiality resulting from procurement ethics on organizational performance of ENNDA. The study was anchored on three theories namely: theory of procurement contracts; agency theory and person-situation interaction theory. A case study research design was adopted for the study. The target population comprised of 42 employees of ENNDA who included the top management, middle level managers, procurement personnel, as well as finance personnel. A census approach was used to include all the 42 respondents for the study. The study used a structured questionnaire containing closed ended questions as the primary data collection instrument. The questionnaires were pretested at Ewaso Ngiro South Development Authority to ensure validity and reliability. The collected data was summarized and analyzed with the aid of SPSS using both descriptive and inferential statistics and then presented in form of tables and charts. The study established that transparency, accountability and integrity resulting from procurement ethics did not have a significant influence on organizational performance of ENNDA. Confidentiality resulting from procurement ethics had a significant influence on organizational performance of ENNDA. Following this, the study recommended that the management of ENNDA should consider reviewing and scaling up the quality of ethical procurement processes; adopting stringent measures that promote record keeping accuracy, effective communication between and among stakeholders; putting in place measures that promote employees adherence to set ethical code that dictates their behavior and actions while doing business; and ensuring that appropriate measures are put in place to ensure maximum protection of commercially sensitive information that a supplier provides during the procurement process. The information can be useful for guiding the development supportive policies and regulations that help in strengthening procurement ethical practices in ENNDA and similar programs

Keywords: transparency, accountability integrity, confidentiality and on organizational performance.

I. INTRODUCTION

1.1 Background of the Study

Procurement remains to be a significant organizational function which enables the acquisition and disposal of goods and services in both private and public entities. Eshleman (2002) holds it that the process of procurement bears the greatest potential for ethical abuses and violations. Hence, the smooth running of organizations calls for ethical procurement where good procurement management practices identify potential ethical pitfalls and address them in good time.

Procurement ethics is the principle conduct governing an individual or group concern to what is right or wrong (Chartered Institute of Purchasing and Supply (CIPS), 2007). Ethics is about fairness, making decisions on what is right or wrong, outlining practices and rules which underpin responsible conduct between individuals and groups. It is a sense of uprightness both of conviction and action. Researchers globally, have over time established a link between operational efficiency, and specifically the supply chain to the organizational performance, thus justifying the need for embracing the best ethical practices in procurement. Today, the undermining practices and behaviors are many but this paper focuses on transparency and accountability, integrity, and confidentiality. The argument in this paper establishes what influence these practices have on the performance of organizations. Professionals and organizations often attempt to address behavioral standards by adopting codes of conduct. Professional codes of conduct are generally written in general terms and not precisely situational or descriptive terms (Eshleman, 2002).

1.1.1 Global Perspectives of Procurement Ethics on Organizational Performance

In as much as public procurement is a key policy instrument, empirical evidence shows that it accounts for 10% - 20% of GDP on average in EU countries (OECD, 2011). This is one of the areas where local and central governments intermingle with the private sector considering the fact that huge funds are relocated from public to private actors. This function is therefore regarded as an area particularly vulnerable to corruption (OECD, 2009). According to a transparency report by K-Monitor Public Association (2012), alongside with European Union regulations, the prevention of corruption has always been one of the main constitutive elements in the legislative framework of public procurement in the Visegrad countries. Corruption scandals led to recognition for the demand of more rigorous regulations.

According to the World Bank (2010) report, most countries have not yet developed procedural frameworks to handle unethical procurement practices. As such in most countries, especially the developing countries, there are documented cases of persons engaging into procurement malpractices done with the aim of enriching themselves. Ferrell (2010) in a study in the United States of America mentions big procurement scandals such as Enron and WorldCom which have overwhelmed international businesses making it necessary for the adoption of procurement ethical practices by most manufacturing firms.

A study by Hui, Othman, Omar and Rahman (2011) in Malaysia, reported ethical issues related to accountability, transparency, corruption, integrity and cronyism that affected the effectiveness of the public procurement system in Malaysia. The system was marred systemic procurement malpractice and non-compliance with set procurement policies and procedures. The World Bank (2009) noted that there were so many cases of non-compliance after conducting a survey to assess the implementation of the public procurement regulations in Bangladesh.

1.1.2 Regional Perspectives of Procurement Ethics on Organizational Performance

In most African countries, unethical procurement translates into budget implementation instead of activity implementation. Consequently organizational performance is compromised, for substandard materials are procured. In a county like Uganda, where procurement comprises of 70% of the national corruption, the situation is worse (Kiyu, 2011). Procurement ethics is necessary considering the fact that procurement comprises of large proportions of a nation's budget but register heavy losses due to unethical practices. Agyeman (2014) in a study on ethical procurement practices at Accra Metropolitan Assembly, Ghana found that ethical procurement practices were not consistently evaluated as well as audit performance of professionals. This was necessary to ensure procurement activities were conducted.

In Ethiopia, Chekol and Tehulu (2014) found that effective public procurement implementation was a function of procurement ethics. The study found that procurement ethics had a positive and statistically significant impact on the functioning of the department. Uganda's study by Eyaa and Oluka (2011) also highlighted the need for procurement ethics in considering the fact that there was a high level of public procurement malpractices in the country. In Tanzania, Mrope (2017) concludes that adherence to procurement professionalism and set ethical codes significantly contribute to the performance of procurement function in the public entities. As such, this explains why adherence to procurement ethical standards is important for organizational performance.

1.1.3 Local Perspectives of Procurement Ethics on Organizational Performance

In Kenya, public service ethics and integrity make stronger public trust and good governance, underpinning public servants' responsibility to exercise stewardship, and to use and develop all resources in the most economical, efficient and effective way. Makali, Wainaina and Ombati (2018) conclude that by practicing procurement ethics, organizations avoid a litany of unethical issues relating to suppliers. These include: avoidance of conflict of interest, protection of confidential information, maintaining good relationships with suppliers and third parties and avoiding receipt of gifts, donations and

hospitality inducements which are likely to compromise procurement decisions. The effect of procurement ethics on organizational studies is not a gray area of study. However, in Kenya, it is widely studied in public and private companies and not establishments such as authorities. In a study carried out by Ochola, Ibuu, Kilungu and Kadem (2016) on the effects of ethical sourcing on organization performance at the Kenya Power Company Limited, it was established that procurement ethical policies and codes adopted positively affected organizational performance. Onyinkwa's (2013) study in secondary schools in Nyamache Sub County, Kisii, Kenya found that procurement ethics, awareness and training influence compliances with procurement regulations. The scholar thus, recommended provision of ethics education to school tendering committee members a strategy to promote objectivity, accountability, and non-discrimination. Ogol and Moronge (2017) while studying ethical behavior in public hospitals in Kenya arrived at a conclusion that ethical behavior can help improve procurement performance in the organizations.

1.1.4 Ewaso Ngiro North Development Authority (ENNDA)

Ewaso Ngiro North Development Authority (ENNDA) was established on 1st December 1989 through the Ewaso Ngiro North River Basin Development Authority Act CAP 448 of the Laws of Kenya. Following the passing of the new constitution, CAP 448 was repealed and replaced with Ewaso Ngiro North Development Authority Act, 2013, which aligned the Authority to the new dispensation of counties being the political centres at the local level. ENNDA is amongst 6 basin development authorities namely; Lake Basin Development Authority, Kerio Valley Development Authority, Tana and Athi Rivers Development Authority, Coast Development Authority and Ewaso Ngiro South Development Authority (Ewaso Ngiro North Development Authority (ENNDA), 2016). The government has invested in Ewaso Ngiro North Development Authority and as such there is need for transparent and accountable procurement practices for organizational effectiveness and efficiency. However, there is limited research on the influence of practices and behaviours such as on corruption, integrity and confidentiality on the organizational performance of Ewaso Ngiro North Development Authority (Kagendo, 2012).

1.2 Statement of the Problem

In Kenya, the lack of procurement planning, corruption and conflict of interest and political interference has led to procurement of poor quality products in many government departments and organizations. There has been a public outcry about the violation of Public Procurement Disposal Act and the set guidelines. Reported cases of embezzlement of funds through means such as substituting specified goods with inferior goods and selective release of information to favor contractors, result into compromise of quality and subsequently poor organizational performance. According to a study by PwC Global Economic Crime Survey (2014), procurement fraud is the second most frequently reported form of economic crime behind the misappropriation of assets, according to a study showing that 29% of organizations have suffered fraud in procurement. State-owned enterprises were the sectors most affected by procurement fraud, followed by energy, utilities and mining, engineering and construction and transport and logistics. The report however, does not show us whether Ewaso Ngiro North Development Authority is one of the companies affected. The performance of public organizations such as Ewaso Ngiro North Development Authority is critical, considering the fact that it is a huge investment from taxpayers' money. In addition, the study is also motivated by the fact that research on the influence of procurement ethics on the organizational performance of Ewaso Ngiro North Development Authority is limited.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to examine the influence of procurement ethics on the organizational performance of Ewaso Ngiro North Development Authority (ENNDA), Kenya.

1.3.2 Specific Objectives

The study was guided by the following objectives:

- i. To evaluate the influence of transparency resulting from procurement ethics on organizational performance of ENNDA.
- ii. To assess the influence of accountability resulting from procurement ethics on organizational performance of ENNDA.
- iii. To determine the influence of integrity resulting from procurement ethics on organizational performance of ENNDA.
- iv. To examine the influence of confidentiality resulting from procurement ethics on organizational performance of ENNDA.

1.4 Research Hypothesis

The study sought to test the following hypotheses:

- i. H_{01} : Transparency resulting from procurement ethics has no significant influence on organizational performance of ENNDA.
- ii. H_{02} : Accountability resulting from procurement ethics has no significant influence on organizational performance of ENNDA.
- iii. H_{03} : Integrity resulting from procurement ethics has no significant influence on organizational performance of ENNDA.
- iv. H_{04} : Confidentiality resulting from procurement ethics has no significant influence on organizational performance of ENNDA.

2. LITERATURE REVIEW

2.1 Introduction

This section presents previous studies by other researchers and scholars who have conducted research in related field of study. The areas covered in this chapter include a review of literature on theories that guide the study, empirical studies related to procurement ethics and organizational performance. The section further provides a conceptual framework, summary of the reviewed literature, critique of reviewed literature and the research gap identified.

2.2 Theoretical Review

This section contains components of the theoretical aspects of the study. The study will be guided by three theories namely: Theory of Procurement Contracts, Agency Theory, and Person-Situation Theory.

2.2.1 Theory of Procurement Contracts

In the recent past, it has become evident that the procurement problem has generated substantial attention. Bajari and Tadelis (2001) assert that the main emphasis of literature touching on procurement problem has been on the public sector procurement. It can be argued that public sector procurement is of massive importance to the economy of any given country. As stressed by Laffont and Tirole (1993), modern economic procurement theories apply mechanism design to structure the procurement problem as one of ex-ante asymmetric information tied with moral hazard. In light of the foregoing, the seller is argued to possess information concerning production costs that the buyer does not have. The buyer is said to screen the seller by offering a list of contracts from which the seller selects a particular contract, a situation that turns out to reveal the buyer's private information. In this case, the seller has an upper hand in terms of requisite information. It is, nevertheless, noted that ENNDA does not demand for a list of contracts. Rather, the majority of contracts in this organization are alternatives of simple fixed price and cost-plus contracts. As for the fixed price contracts, the buyer offers the seller a pre-determined price for finishing the project. Conversely, cost-plus contracts do not specify a price; instead, they reimburse the contractor for costs plus a stipulated fee. While considering pertinent literature, Bajari and Tadelis (2001) established that there is little evidence to point out that either the contractor or the buyer has private information at the commencement of a procurement project. The scholars contend that both the contractor and the buyer share uncertainty about many vital design changes that occur after the contract is signed and production commences. This theory is highly relevant to procurement procedures and confidentiality of information during the procurement process. As such, understanding the theory of procurement contracts can be employed to explain the role of confidentiality in procurement processes in organizations such as ENNDA.

2.2.2 Agency Theory

According to Anderson and Marcie (1996), agency relationship is a contract under which one or more persons (principals) engage another person (the agent) to execute some service on their behalf which includes allocating some decision-making authority to the agent. It is postulated that when carrying out the tasks within the principal-agent relationship, the agent must specify actions that have consequences for both the principal and the agent. Additionally, it is supposed that due to the fact that the aforementioned consequences can be either positive or negative for each of the actors, the specified action of the agent affects the well-being of both hence the agent must act in an honest way (Aylesworth, 2003). When relating to procurement procedures in the public sector, taxpayers through the government are the principals whereas the procuring entities such as ENNDA are the agents. This is usually elicited by the challenge of choosing an appropriate agent. In the case of ENNDA, the taxpayers have minimal say, if any, regarding the composition of the procurement officials and tendering committees (top management). Consistent with the principles of agency theory, it is presumed that

agents, for example, purchasing officials, are rational, self-interested people. This concept assumes that the principal and agent do not share the same levels of information, and as such, the agent can exploit a situation, occasionally to the disadvantage of the principal (Aylesworth, 2003). Therefore, government organizations such as ENNDA are mandated to advance the interests of the taxpayers by ensuring that the requisite procedures are followed. Therefore, these organizations act as the agents whereas the taxpayers act as the principals in tandem with the agency theory.

2.2.3 Person-Situation Interaction Theory

The study adopts the person-situation interaction theory by Linda Klebe Trevino. The theory specifies that clarification of an organization's ethical decisions is easily explained by the interaction of situational and individual components. The key reason for such an explanation is that human beings generally react to various ethical dilemmas through reasoning that is highly influenced by the stage of cognitive development. The stage of an individual's cognitive moral development also dictates the manner of thinking in terms of ethical dilemmas and the decision to make with respect to what they regard as morally right or wrong. In view of this, personnel within the procurement department take actions that are dictated by their individual factors, the culture of their organizations and situational milieu. The personal factors include individual strength, ego, locus control, and field dependence. Situational factors include the contextual factors of the immediate job such as job-related pressures and reinforcement (Trevino, 1986).

By and large, ethical decisions of procurement personnel are basically impacted upon by these three factors. The factor of organizational culture involves normative structures, obedience to the superiors, and more so responsibility for any outcomes. Thus, how public officials will react to issues like collusion, conflicts of interest and abuse of office will be figured out by the factors mentioned above. The Contract Monitoring Kenya Network (CMKN) (2012) established that unethical practices mostly result in public institutions' procurement malpractices within Kenya. These malpractices in the procurement process result in mismanagement of public funds in the form of frauds, extravagance, and favoritism. This theory can thus be used to explain how ethical components such as transparency and accountability, integrity and confidentiality relate to the organizational performance of entities such as ENNDA.

2.3 Conceptual Framework

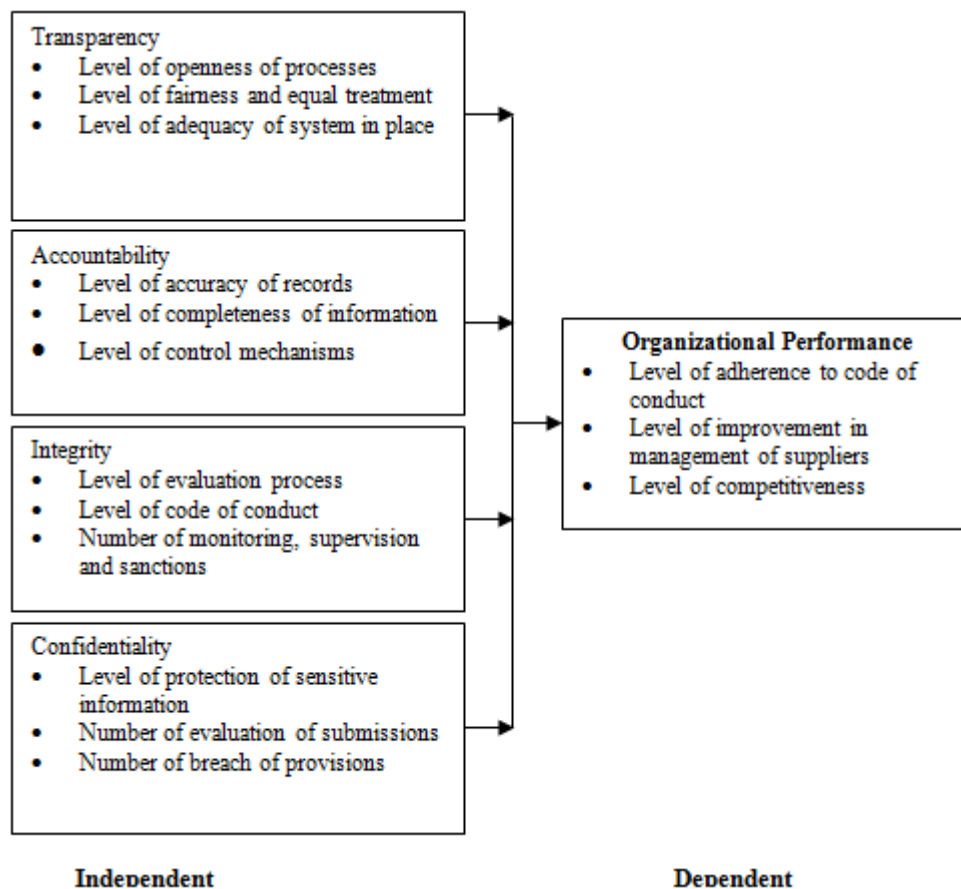


Figure 2.1: Conceptual Framework

2.4 Empirical Review

Numerous studies have been conducted on procurement ethics in both private and public organizations in Africa and other parts of the world. However, no comprehensive study has been carried out on the influence of procurement ethics on organizational performance. The available literature by numerous scholars attempts to look at other ethical areas such as ethical factors affecting the procurement process and effects of ethical issues on procurement performance. For example, Schweitzer, Ordonez and Douma (2004) conducted an empirical research on ethical standards in the Danish public sector and found out that unethical standards are caused by people with clear, unmet goals. The research was inclusive of all the 48 public corporations in the country.

A research done in the European public sector by Badenhorst (1994) equally pointed to individual factors as being significant in determining the ethical standards in the procurement profession. The researcher was of the view that a dishonest person with low integrity level in the purchasing department is capable of demanding or receiving personal enrichment or other personal advantages from the supplier in exchange for granting a purchasing contract or placing an order, or for preferential treatment. Personal advantages, in this case, may include, for example, gifts in either material or non-material form, money in the form of kick-backs, and even bribes. Badenhorst (1994) concluded that a purchasing environment characterized by an absence of clear ethical policies could immensely contribute towards unethical behaviour which is detrimental to both overall procurement performance as well as organizational performance as a whole.

In a research conducted by Andvig and Fjeldstad (2010) on public procurement ethics in the Less Developed Countries (LDCs) through the Norwegian Agency for Development Co-operation (NORAD) platform, it was established that the public procurement unethical behaviors manifest in the form of direct embezzlement of public funds and commitment of related offences which undermine the integrity of the entire process as well as that of the procurement personnel. Piff *et al.* (2012) carried out seven studies using experimental and naturalistic studies in the United States of America (USA) where the researchers sought to examine the factors that affect ethical standards in the public sector. The studies revealed that upper-class persons behaved more unethically than lower-class persons. Their study findings indicated that the unethical attitudes of the upper class bred unethical behaviour in the public sector procurement.

Ntayi *et al.* (2010) conducted a study which focused on explaining the unethical behavior of public procurement officers in Uganda using social cohesion, group think and ethical attitudes. The researchers established that these variables extensively contributed to expounding the unethical procurement behavior of procurement officers in Uganda.

Locally, Ndolo and Njagi (2014) in their study on the role of ethics in procurement process effectiveness in the water sector in Kenya observed that the more ethical the procurement practices are, the better the effectiveness of the procurement process and performance of the organization. The researchers suggested that transparency, equal treatment in bidding and awarding tenders; accountability and liable purchasing and supply have a positive effect on procurement processes in any firm and could thus lead to increased organizational performance and delivery. Additionally, Mbae (2014) on public procurement law and procurement performance of county governments in Kenya observed that unethical practices such as corruption, lack of transparency and accountability as well as conflict of interest amongst procurement officers in public procurement negatively affected procurement processes in Machakos County and the result was adversely felt on the county's overall procurement performance.

A study by Kabubu, Huho and Kyalo (2015) that examined the effects of procurement ethics on the procurement process of medical supplies of public hospitals in Nyeri County in Kenya indicated that there was a strong and positive correlation between ethics and procurement process as Pearson's correlation coefficient of ($r = 0.732$) was at 5% level of significance and ($p = 0.003$). Furthermore, the findings of the study also established that collusion, conflicts of interest and abuse of office had effect on the procurement process. The researchers recommended the need for ethical standards to be enhanced and public officers to be acquainted with the guidelines in the Kenyan Constitution (Chapter 6) and PPADA (2015) on the code of conduct.

2.5 Critique of Reviewed Literature

Various studies reviewed in the literature have reported conflicting findings on various components of procurement ethics. Firstly, Mwangi and Kwasira (2015) in their study on the effects of ethical practices specifically on accountability and transparency on the performance of procurement functions in State Regulatory Agencies in Nairobi County, Kenya, found out that accountability and transparency affected the performance of procurement function strongly, positively and

significantly. Additionally, Hussein and Shale (2014) in their study on the influence of procurement practices on performance of Unilever Kenya Limited established that ethical practices such as integrity, compliance, transparency and accountability undeniably contributed to the sustainable performance of the organization; hence a positive relationship was concluded. However, in an audit report by TISA (2009), it was established that in as much as ethical issues in procurement such as accountability and transparency have sufficiently been studied, research on the implication of the same on organizational performance seems to be scanty. Thus, further research is needed to ascertain the relationship between procurement ethics and organizational performance.

Secondly, the researcher was unable to find any comprehensive study that has been carried out on the influence of procurement ethics on organizational performance. Hence, there are no empirical studies that can be traced to explain the relationship between procurement ethics and organizational performance. This therefore calls for more empirical research to determine the relationship.

2.6 Research Gaps

From the literature review, most studies have looked at ethical issues in relation to other variables such as supply chain performance and procurement process effectiveness. However, no previous studies have been able to link procurement ethics with organizational performance in Kenya. As such, an understanding of the influence of procurement ethics on organizational performance would be prudent as it will provide empirical evidence on the relationship that exists. Hence, the present research will attempt to fill this research gap.

3. RESEARCH METHODOLOGY

3.1 Introduction

This section presents research methodology that was used in this study. The section contains the research design, methods of data collection, and methods of data analysis.

3.2 Research Design

For this study, a case study research design was adopted since the unit of analysis was biased to one organization, that is, ENNDA. A case study is an in-depth investigation of an individual, group, institution or phenomenon. It seeks to describe a unit in detail. The case under study is viewed as an example of a class of events on a group of individuals (Mugenda and Mugenda, 2009). A case study design was appropriate for this study because it allowed collection of comprehensive and detailed information as well as generalization of information related to the target population. The researcher aimed at investigating the influence of procurement ethics on organizational performance with specific reference to Ewaso Ng'iro North Development Authority.

3.3 Target Population

The target population for the study comprised of 42 employees of ENNDA who included the top management, middle level managers (departmental heads and assistants) as well as staff from procurement and finance departments. The study targeted all procurement staff since they are individually and collectively involved in the procurement processes. The finance personnel also play an instrumental role in making financial decisions regarding any kind of procurement in the organization. Furthermore, the top management is instrumental in making overall organizational decisions including procurement matters, while middle level managers represent the needs of their respective user departments, hence their involvement.

3.4 Sampling Frame

Kothari (2008) defines a sampling frame as an exhaustive list of subjects from which a study's sample is drawn. Hence, the sampling frame is essentially equivalent to the constituents of the study's population. Table 3.1 represents the study's sampling frame.

Table 3.1: Sampling Frame

Employee's Category	Number of Employees
Top Management Managing Director	1

Middle Level Managers	
Administration Department (Manager & Assistant)	2
Procurement Department (Manager & Assistant)	2
Transport Department (Manager & Assistant)	2
Technical Service (Manager & Assistant)	2
Finance Department (Finance Officer & Assistant)	2
Human Resource Department (Manager & Assistant)	2
Planning Department (Manager & Assistant)	2
Procurement Personnel	
Procurement Officers	2
Receiving / Issuing Supervisors	5
Receiving / Issuing Clerks	9
Finance Personnel	11
Total	42

3.5 Sample Size and Sampling Technique

Gupta and Gupta (2009) define sampling as the process by which a relatively small number of individual subjects or events is selected and analyzed with the aim of establishing something about the whole population from which it was selected.

3.5.1 Sample Size Determination

A sample is a segment of the population that is selected for investigation. It is also a small group taken from a larger population composed of members being studied. Considering that the target population of 42 employees was fairly small and manageable, the study undertook a census approach and thus all the 42 respondents formed the sample.

3.5.2 Sampling Technique

According to Kothari (2008), sampling is the selection of some part of an aggregate or totality on the basis of which a judgment or inference is made. Purposive sampling was used in targeting the said respondents at ENNDA. Purposive sampling was most suitable because the selected categories of employees were in a position to address study objectives adequately since they were part of the decision making process in the procurement chain. This technique ensured that the sample was not only representative, reliable, flexible and efficient but also relevant to meet the objectives of the present study.

3.6 Data Collection Instrument

A structured questionnaire containing five point likert scale questions was used as the data collection instrument for the study. It comprised of two sections whereby, the first section was designed to determine fundamental issues such as respondents' demographic characteristics, whereas the second section comprised of questions which focused on the three objectives of the study.

3.7 Data Collection Procedures

The study made use of primary data which is original information collected from firsthand experience. Cooper and Schindler (2008) consider primary data to be data collected at source. A closed-ended questionnaire, which was accompanied by a list of choices from which respondents picked the best that described their situation, was used as the data collection instrument for the study. The questionnaires were self-administered on a drop and pick-up later basis in order to give respondents sufficient time to respond to the questions and also increase response rate. Consent was also sought from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and ENNDA.

3.8 Pilot Testing

The questionnaire was pilot tested at Ewaso Ngiro South Development Authority, Kenya to evaluate its validity and reliability where 4 respondents from the procurement department and managers of user departments were randomly selected. These respondents did not form part of the sample. The organization was chosen since it was presumed to have similar characteristics and therefore undertook similar procurement processes as ENNDA.

3.9 Data Analysis and Presentation

The data collected from the questionnaires was analyzed using both descriptive (means and standard deviations) and inferential statistics (correlation and regression) with the help of Statistical Package for Social Sciences (SPSS) version 21.0. The results of the study were presented using tables. For the purpose of analyzing the relationships of each of the independent variable on the dependent variable, the study used the F-test to test both the effect of each variable and the overall effect of the independent variables on the dependent variable using the proposed functional relationship:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where: Y = Organization Performance,

X_1 = Transparency,

X_2 = Accountability,

X_3 = Integrity,

X_4 = Confidentiality,

$\beta_1, \beta_2, \beta_3$ & β_4 = Beta Coefficients

ϵ = Error Term

4. RESEARCH RESULTS AND DISCUSSIONS

4.1 Introduction

This section is a presentation of the study's data analysis, its presentation, interpretation and discussion. Detailed sections of data analysis in the form of descriptive analysis, descriptive statistics and inferential statistics as guided by the methodology in section three are included in the section. Questionnaires were used to collect data. The analysis and presentation are guided by the goals of the study and are related to the chapter two literature reviews.

4.2 Response Rate

The researcher issued out 42 questionnaires out of which 40 of them were filled and returned for analysis. Of the returned questionnaires, 1 was incorrectly filled and thus was not used in the final analysis. Therefore, 39 were correctly filled and hence were used for analysis representing a response rate of 92.8%.

4.3 Reliability Test

The questionnaire's reliability was determined by the Cronbach alpha method. Cronbach alpha provides a good measure of reliability because the more similar the test content and administration conditions are, the greater the internal consistency and reliability of other factors. Fraenkel and Wallen (2006) emphasize that a reliability coefficient of 0.70 or higher indicates consistency. Therefore in the context of this study, Cronbach alpha (α) values of greater than 0.70 were regarded sufficient in making the questionnaires reliable. Table 4.1 presents the findings of the reliability test.

Table 4.1: Reliability Test

Study Variables	Cronbach Alpha	Number of Items
Transparency	0.793	6
Accountability	0.765	6
Integrity	0.753	6
Confidentiality	0.732	6
Total Number of Items		24

From the table, all the variables scored a Cronbach alpha coefficient above 0.7. The variable with the highest Cronbach Alpha value was transparency with a value of 0.793.

4.4 Demographic Background

4.4.1 Gender of the Respondents

The response in respect to the gender of the respondents was as provided in Table 4.2.

Table 4.2: Gender of the Respondents

	Frequency	Percentage
Male	27	69.2
Female	12	30.8
Total	39	100

The findings in Table 4.2 reveal that 69.2% of the respondents were male while 30.8% were female. The implication was that there were more male participants in the study in comparison to female. This was also because there were more male employees than female working at Ewaso Ngiro North Development Authority (ENNDA), Kenya. However, the researcher noted that organization had engaged both gender and thus, it was fair that both genders are given the chance to participate in this study.

4.4.2 Age of the Respondents

The respondents were asked to indicate their age bracket and the responses were as provided in Table 4.3.

Table 4.3: Age of the Respondents

	Frequency	Percentage
Below 25 years	1	2.6
25 – 35 years	6	15.4
36 – 45 years	9	23.1
46 - 55 years	10	25.6
56 years and above	13	33.3
Total	39	100

The findings in Table 4.3 show that 33.3% of the respondents were aged 56 years and above, 25.6% were aged between 46 and 55 years, 23.1% were aged between 36 and 45 years, 15.4% were aged between 25 and 35 years, while 2.6% were aged below 25 years. This implied that most of the respondents were aged between 25 and 55 years. The representation in the study is in tandem with the current employment trends in the public sector. The result is a reflection of the fact that there are few youths employed at Ewaso Ngiro North Development Authority.

4.4.3 Highest Education Level

The results in respect to the respondents' highest education level were as provided in Table 4.4.

Table 4.4: Highest Education Level

	Frequency	Percentage
Certificate	6	15.4
Diploma	16	41.0
Degree	12	30.8
Masters	5	12.8
Total	39	100

The findings in Table 4.4 show that 41.0% indicated that their highest attained level was diploma, 30.8% of the respondents indicated that their highest attained level of education was Bachelors degree, 15.4% indicated certificate level, while 12.8% had attained a Masters Degree level. This implied that most of the employees had either Diploma or Bachelors as the highest educational qualifications.

4.4.4 Work Experience at the Ewaso Ngiro North Development Authority

The findings in respect to the number of years the respondents had worked for the Ewaso Ngiro North Development Authority was as provided in Table 4.5.

Table 4.5: Work Experience at the Ewaso Ngiro North Development Authority

	Frequency	Percentage
Below 5 years	1	2.6
5 – 10 years	9	23.1
11 – 15 years	9	23.1
16 - 20 years	10	25.6
21 years and above	10	25.6
Total	39	100

The findings in Table 4.5 show that 25.6% of the respondents indicated that they had worked for the Ewaso Ngiro North Development Authority for a period of 21 years and above, 25.6% had worked for a period of 16 to 20 years, 23.1% indicated a period between 11 to 15 years, 23.1% indicated a period of 5 to 10 years, while the rest of the respondents (2.6%) had worked for a period of below 5 years. This implied that majority of the respondents had worked for ENNDA for a period long enough to comprehend the influence of procurement ethics on the organizational performance.

4.5 Descriptive Statistics for Study Variables

This section presents the descriptive statistics for determinants of procurement ethics which are transparency, accountability, integrity and confidentiality.

4.5.1 Transparency Resulting from Procurement Ethics

This section presents the findings in respect to objective one which sought to evaluate the influence of transparency resulting from procurement ethics on organizational performance of ENNDA, Kenya. The study used selected factors to find out whether the respondents agreed that transparency resulting from procurement ethics influenced organizational performance of ENNDA, Kenya, and the results are provided therein in Table 4.6.

Table 4.6: Influence of Transparency Resulting from Procurement Ethics on Organizational Performance

Statement	SD	D	U	A	SA
The organization's stakeholders know and understand the actual means by which contracts are evaluated and awarded	0.0%	0.0%	2.6%	64.1%	33.3%
The organization debriefs all its unsuccessful suppliers on the weaker aspects of their tender documents	2.6%	5.1%	7.7%	48.7%	35.9%
There exists fair and equal treatment of providers and integrity in the organization's procurement process and no preference to any group of suppliers exists	0.0%	0.0%	5.2%	33.3%	61.5%
Suppliers are treated fairly and even-handedly at all stages of the procurement process	0.0%	0.0%	0.0%	41.0%	59.0%
An adequate system exists to prevent fraud and corruption in procurement for both procurement officers and suppliers/contractors	0.0%	2.6%	0.0%	51.3%	46.1%
Transparency is ensured in all the organization's procurement processes	0.0%	0.0%	2.6%	38.4%	59.0%

Key: SD = Strongly Disagree; D = Disagree; U = Undecided; A = Agree; SA = Strongly Agree

The findings in Table 4.6 show that 64.1% of the respondents agreed that their organization's stakeholders know and understand the actual means by which contracts are evaluated, 33.3% strongly agreed, while 2.6% were undecided. This implied that almost all the respondents indicated that the stakeholders had the knowledge and understood the actual means of contract evaluation. The study findings show that 48.7% of the respondents agreed that their organization debriefs all

its unsuccessful suppliers on the weaker aspects of their tender documents, 35.9% strongly agreed, 7.7% were undecided, 5.1% disagreed, while 2.6% strongly disagreed. This implied that according to most of the respondents, unsuccessful suppliers were debriefed on the weaker aspects of their tender documents. These findings are in agreement with Mlinga (2006) who established that transparency dimensions evolving around knowledge of contract evaluation were requisite for the performance of the procurement function. The scholar also pointed out that information, stakeholder involvement in crucial stages of the procurement cycle and clear review mechanisms are vital to transparency and accountability in public procurement, and therefore, are essential in averting conflict of interest and other forms of corruption.

It was established that 51.3% of the respondents agreed that an adequate system existed at ENNDA to prevent fraud and corruption in procurement for both procurement officers and suppliers/contractors, 46.1% strongly agreed, while 2.6% disagreed. This implied that almost all the respondents agreed that ENNDA had an adequate system to prevent fraud and corruption in procurement for both procurement officers and suppliers/contractors. It was shown in Table 4.5 that 38.4% of the respondents agreed that transparency is ensured in all the organization's procurement processes, 59% strongly agreed, while 2.6% disagreed. This implied that transparency was ensured in all the organization's procurement processes. The findings from this study are in concurrence with Ndolo and Njagi (2014) who revealed that an inadequate procurement system that did not address issues of fraud and corruption was detrimental to organizational performance. The researchers opined that transparency had a positive effect on procurement processes in any firm and could thus lead to increased organizational performance and delivery.

4.5.2 Accountability Resulting from Procurement Ethics

The second objective sought to assess the influence of accountability resulting from procurement ethics on organizational performance at ENNDA, Kenya. The study used selected factors to find out whether the respondents agreed that accountability resulting from procurement ethics influenced organizational performance of ENNDA, Kenya, and the results are provided therein in Table 4.7.

Table 4.7: Influence of Accountability Resulting from Procurement Ethics on Organizational Performance

Statement	SD	D	U	A	SA
The organization keeps accurate records as a pre-condition for accountability and control	0.0%	0.0%	2.6%	35.9%	61.5%
Accurate records are kept which provide an audit trail for all the procurement decisions and serve as official record in case of administrative or judicial challenge	0.0%	0.0%	2.6%	43.6%	53.8%
To ensure accountability, the information provided in procurement is complete, timely and accurate	0.0%	0.0%	2.6%	43.6%	53.8%
The organization maintains open and frequent communication between procurement personnel and supplier community	0.0%	0.0%	5.1%	46.2%	48.7%
There are direct social control mechanisms in place which closely involve stakeholders into the procurement process	0.0%	5.1%	10.3%	56.4%	28.2%
The organization maintains legal confidentiality in the procurement process	0.0%	0.0%	2.6%	35.9%	61.5%

Key: SD = Strongly Disagree; D = Disagree; U = Undecided; A = Agree; SA = Strongly Agree

The findings in Table 4.7 show that 35.9% of the respondents agreed that the organization keeps accurate records as a pre-condition for accountability and control, 61.5% strongly agreed, while 2.6% were undecided. This implied that almost all the respondents indicated that the organization keeps accurate records as a pre-condition for accountability and control. The study findings in Table 4.7 show that 43.6% of the respondents agreed that accurate records are kept which provide an audit trail for all the procurement decisions and serve as official record in case of administrative or judicial challenge, 53.8% strongly agreed, while 2.6% were undecided. This implied that accurate records are kept which provide an audit trail for all the procurement decisions and serve as official record in case of administrative or judicial challenge. Table 4.6 also shows that 53.8% of the respondents strongly agreed that, to ensure accountability, the information provided in

procurement is complete, timely and accurate, 43.6% agreed, while 2.6% were undecided. This implied that ENNDA certifies that there was complete, timely and accurate information for purposes of ensuring accountability in the procurement process. The findings are in tandem with those in a survey by OECD (2009) where it was established that keeping a complete and an acceptable record of procurement activities contributed favorably to organizational performance.

The study findings in Table 4.7 show that 46.2% of the respondents agreed that the organization maintains open and frequent communication between procurement personnel and supplier community, 48.7% strongly agreed, while 5.1% were undecided. This implied that there was open and frequent communication between procurement personnel and supplier community at ENNDA. The study found that 56.4% of the respondents agreed that there is direct social control mechanisms in place which closely involve stakeholders into the procurement process, 28.2% strongly agreed, 10.3% were undecided while 5.1% disagreed on this. The implication was that stakeholders' involvement into the procurement process was taken seriously at ENNDA. The study also established that 35.9% of the respondents agreed that the organization maintains legal confidentiality in the procurement process, 61.5% strongly agreed, while 2.6% were undecided. The implication was that ENNDA maintains legal confidentiality in the procurement process. The findings are in agreement with a study by Ngugi and Mugo (2011) who observed that lack of openness affected the entire process of procurement leading to low performance levels. Absence of direct social control mechanisms in an organization drove it towards poor organizational performance.

4.5.3 Integrity Resulting from Procurement Ethics

The third objective sought to assess the influence of integrity resulting from procurement ethics on organizational performance of ENNDA, Kenya. The descriptive statistics results are presented in this section. The study used selected factors to find out whether the respondents agreed that integrity resulting from procurement ethics influenced organizational performance of ENNDA, Kenya, and the results are provided therein in Table 4.8.

Table 4.8: Influence of Integrity Resulting from Procurement Ethics on Organizational Performance

Statement	SD	D	U	A	SA
The tender documents' evaluation process and its effectiveness is gauged separately and prices are considered only after completion of the evaluation	0.0%	10.3%	10.3%	43.5%	35.9%
The organization's ethical procurement process includes an understanding of suppliers' operations	0.0%	7.7%	10.3%	53.8%	28.2%
Employees of the organization subscribe to stated code of conduct in terms of execution of duties	0.0%	0.0%	5.1%	23.1%	71.8%
Employees of the procurement department follow an ethical code which dictates their behavior and actions while conducting business	0.0%	0.0%	2.6%	23.0%	74.4%
If an employee has personal interest in the tendering process, the firm stipulates that such member declares the same for exclusion from the process	0.0%	0.0%	5.1%	23.1%	71.8%
In order to ensure integrity of the organization, monitoring, supervision and sanctions are practiced in order to decrease engagement in corrupt activities	0.0%	2.6%	5.1%	48.7%	43.6%

Key: SD = Strongly Disagree; D = Disagree; U = Undecided; A = Agree; SA = Strongly Agree

The findings in Table 4.8 show that 43.5% of the respondents agreed that the tender documents' evaluation process and its effectiveness is gauged separately and prices are considered only after completion of the evaluation at ENNDA, 35.9% strongly agreed, 10.3% were undecided, while 10.3% disagreed. This implied that tender documents' evaluation process and its effectiveness are separately gauged and not together with pricing. The findings indicate that 53.8% of respondents agreed that the ethical procurement process of the organization includes an understanding of the operations of the suppliers, 28.2% strongly agreed, 10.3% were undecided, while 7.7% disagreed. This implied that an understanding of suppliers' operations was a key component of ENNDA's procurement process. The findings were in agreement with the findings Kabubu, Huho and Kyalo (2015) who found that non adherence of ethical standards in respect to the procurement

process of medical supplies of public hospitals in Nyeri County affected service delivery in the hospitals. This was attributed to lack of understanding of the operations of the suppliers and associated ethical practices among the employees.

The findings in Table 4.8 show that 23.1% of the respondents agreed that if an employee has personal interest in the tendering process, the firm stipulates that such member declares the same for exclusion from the process, 71.8% strongly agreed, while 5.1% were undecided. This implied that where an employee has a personal interest in the tendering process, the company stipulates that such an employee declares the same for exclusion from the process. This is to promote equity and fairness to the process. The findings indicate that 48.7% of respondents agreed that in order to ensure integrity of the organization, monitoring, supervision and sanctions are practiced in order to decrease engagement in corrupt activities, 43.6% strongly agreed, 5.1% were undecided, while 2.6% disagreed. This implied that monitoring, supervision and sanctions are practiced to ensure the integrity of the organization in order to reduce engagement in corrupt activities. The findings are in agreement with a study by Lewa (2007) who found that honesty and integrity were integral in procurement for safeguarding the procurement function and being conscious about any action that may lead to corruption or fraud.

4.5.4 Confidentiality Resulting from Procurement Ethics

The fourth objective sought to assess the influence of confidentiality resulting from procurement ethics on organizational performance of ENNDA, Kenya. The descriptive statistics results are presented in this section. The study used selected factors to find out whether the respondents agreed that confidentiality resulting from procurement ethics influenced organizational performance of ENNDA, Kenya, and the results are provided therein in Table 4.9.

Table 4.9: Confidentiality Resulting from Procurement Ethics on Organizational Performance

Statement	SD	D	U	A	SA
The organization protects commercially sensitive information provided by a supplier during the tendering process	0.0%	2.6%	5.1%	30.8%	61.5%
Procedures adopted in the organization ensure security and confidentiality of documents submitted which helps procurement personnel in handling sensitive information	0.0%	0.0%	2.6%	30.8%	66.6%
The firm manages the extent to which potential suppliers are required to submit commercially sensitive information in their submissions	0.0%	5.1%	2.6%	43.6%	48.7%
Any employee who breaches the provisions of confidentiality is guilty of gross misconduct and the firm disqualifies any breaching of confidentiality	2.6%	2.6%	2.6%	25.6%	66.6%
By maintaining confidentiality of the procurement process, the organization ensures success of the entire procurement	0.0%	2.6%	0.0%	35.9%	61.5%
A quality check of the organization's procurement process plays a crucial role in confirming the suitability of the goods in question	0.0%	0.0%	0.0%	46.2%	53.8%

Key: SD = Strongly Disagree; D = Disagree; U = Undecided; A = Agree; SA = Strongly Agree

The findings in Table 4.9 show that 61.5% of the respondents strongly agreed that the organization protects commercially sensitive information provided by a supplier during the tendering process, 30.8% agreed, 5.1% were undecided, while 2.6% disagreed. This implied that majority of ENNDA's employees indicated that their organization protected commercially sensitive information. The findings show that 66.6% of the respondents strongly agreed that procedures adopted in the organization ensure security and confidentiality of documents submitted which helps procurement personnel in handling sensitive information, 30.8% agreed, while 2.6% were undecided. This implied that according to majority of ENNDA's employees, the organization was keen on ensuring the security and confidentiality of documents submitted. The study findings corroborates with those in a study by Sacconi (2010) who found out that the preferred supplier sought to protect commercially sensitive information contained in the contract; or protect commercially sensitive information during and after the performance of the contract.

The study findings show that 66.7% of the respondents strongly agreed that by maintaining confidentiality of the procurement process, the organization ensures success of the entire procurement, 35.9% agreed, while 5.1% disagreed. The implication was that for ENNDA, success of the entire procurement was a function of confidentiality maintained during the procurement process. It was also established that 53.8% of the respondents strongly agreed that a quality check of the organization's procurement process plays a crucial role in confirming the suitability of the goods in question, while 46.2% agreed. This implied that all the respondents agreed that, quality check of ENNDA's procurement process played a pivotal role in the confirmation of the suitability of the goods in question. The findings are in agreement with a study by Sollish and Semanik (2012) who posit that procurement ethics, which are a set of moral principles or values, are vital in guiding the behavior of procurement managers, officials and personnel in their day to day procedures which are used in carrying out activities in an organization.

4.5.5 Descriptive Statistics for Organizational Performance

The descriptive statistics for the Organizational Performance were as presented in Table 4.10.

Table 4.10: Descriptive Statistics for Organizational Performance

	N	Minimum	Maximum	Mean	Std. Deviation
Through observance of the ethical code of conduct by procurement personnel, our organization enjoys better supplier relationship	39	2.00	5.00	4.4615	.64262
Adherence to the organization's ethical code of conduct has enabled for proper service delivery and therefore increasing the customer base	39	4.00	5.00	4.4615	.50504
Improvement in the management of suppliers is evident thus resulting in decreased operating costs	39	3.00	5.00	4.5128	.60139
There is increased level of competitiveness following our organization's ethical orientation	39	3.00	5.00	4.4615	.55470
Effective management of procurement processes improves the quality of goods supplied	39	3.00	5.00	4.5128	.60139
Our organization's ethical orientation has improved the critical analysis of business activities that affect the procurement processes	39	3.00	5.00	4.5128	.60139
Valid N (listwise)	39				

From the findings in Table 4.10, all the statements recorded a mean score above 3.0, which is the neutral mean score. This implied that majority of the respondents agreed as follows. Through observance of the ethical code of conduct by procurement personnel, ENNDA enjoyed better supplier relationship. Adherence to ENNDA's ethical code of conduct had enabled for proper service delivery and therefore increasing the customer base. Improvement in the management of suppliers was evident thus resulting in decreased operating costs. There was increased level of competitiveness following the organization's ethical orientation. Effective management of procurement processes improved the quality of goods supplied; and that ENNDA's ethical orientation had improved the critical analysis of business activities that affected the procurement processes.

4.6 Correlation Results

This section provides results for Pearson correlation between the independent variables (transparency, accountability, integrity, confidentiality) and the dependent variable (organizational performance).

4.6.1 Correlation between Transparency and Organizational Performance

The results for Pearson correlation between transparency and organizational performance were as provided in Table 4.11. The golden rule is that the association is statistically significant when $p < 0.05$ and vice versa.

Table 4.11: Association between Transparency and Organizational Performance

		Transparency	Organizational Performance
Transparency	Pearson Correlation	1	.562**
	Sig. (2-tailed)		.000
	N	39	39
Organizational Performance	Pearson Correlation	.562**	1
	Sig. (2-tailed)	.000	
	N	39	39

** . Correlation is significant at the 0.05 level (2-tailed).

The findings in Table 4.11 show that there was a positive Pearson correlation between transparency and organizational performance at ($r = 0.562$, $p = 0.000$). This means that there was a positive association between transparency and organizational performance at ENNDA. Given that the p value was less than the test significant level at 0.05, the association was statistically significant. The study findings are in agreement with Basheka (2008) who established a positive association between transparency and organizational performance. The scholar observed and argued that the procurement system that is proposed to contribute to effective service delivery is expected to be transparent.

4.6.2 Correlation between Accountability and Organizational Performance

The results for Pearson correlations between accountability and organizational performance were as provided in Table 4.12. The golden rule is that the association is statistically significant when $p < 0.05$ and vice versa.

Table 4.12: Association between Accountability and Organizational Performance

		Accountability	Organizational Performance
Accountability	Pearson Correlation	1	.508**
	Sig. (2-tailed)		.001
	N	39	39
Organizational Performance	Pearson Correlation	.508**	1
	Sig. (2-tailed)	.001	
	N	39	39

** . Correlation is significant at the 0.05 level (2-tailed).

The findings in Table 4.12 show that there was a positive Pearson correlation between accountability and organizational performance at ($r = 0.508$, $p = 0.001$). This means that there was a positive association between accountability and organizational performance at ENNDA. This further means that a rise in the level of accountability corresponds with a rise in organizational performance at ENNDA. Given that the p value was less than the test significant level at 0.05, the association was statistically significant. The findings are in agreement with those in a study by Vian and Collins (2006) who, with reference to district health planning and reporting system used in South Africa, noted a positive association between accountability and organizational performance. Similarly, Hussein and Shale (2014) recommended that proper and accountable systems are not only in place but are also adhered to. When this is done, organizational performance is almost assured.

4.6.3 Correlation between Integrity and Organizational Performance

The results for Pearson correlations between integrity and organizational performance were as provided in Table 4.13. The golden rule is that the association is statistically significant when $p < 0.05$ and vice versa.

Table 4.13: Association between Integrity and Organizational Performance

		Integrity	Organizational Performance
Integrity	Pearson Correlation	1	.683**
	Sig. (2-tailed)		.000
	N	39	39
Organizational Performance	Pearson Correlation	.683**	1
	Sig. (2-tailed)	.000	
	N	39	39

** . Correlation is significant at the 0.05 level (2-tailed).

The findings in Table 4.13 show that there was a positive Pearson correlation between integrity and organizational performance at (r = 0.683, p = 0.000). This means that there was a positive association between integrity and organizational performance at ENNDA. Furthermore, it means that a rise in the level of integrity attracts a rise in organizational performance at ENNDA. Given that the p value was less than the test significant level at 0.05, the association was statistically significant. These findings are in tandem with a study by Lewa (2007) who established a link between integrity and organizational performance. Lewa argued that honesty and integrity were, and still are integral in procurement for safeguarding the procurement function and being conscious about any action that may lead to corruption or fraud.

4.6.4 Correlation between Confidentiality and Organizational Performance

Shown in Table 4.14, are the results for Pearson correlation between confidentiality and organizational performance. The golden rule is that the association is statistically significant when $p < 0.05$ and vice versa.

Table 4.14: Association between Confidentiality and Organizational Performance

		Confidentiality	Organizational Performance
Confidentiality	Pearson Correlation	1	.856**
	Sig. (2-tailed)		.000
	N	39	39
Organizational Performance	Pearson Correlation	.856**	1
	Sig. (2-tailed)	.000	
	N	39	39

** . Correlation is significant at the 0.05 level (2-tailed).

In Table 4.14, the findings show a positive Pearson correlation between confidentiality and organizational performance as (r = 0.856, p = 0.000). This means that there was a positive association between confidentiality and organizational performance at ENNDA. This means that in ENNDA, confidentiality and organizational performance have been positively associated. An increase in confidentiality attracts an increase in organizational performance.

4.7 Multiple Regression Analysis

Multiple regression analysis was done to establish the relationship between the independent and dependent variables and the results are presented in this section. The variables under investigation included transparency, accountability, confidentiality and integrity (independent variables) and organization performance (dependent variable).

4.7.1 Model Summary

This section presents the multiple regression results with the aim of establishing the relationship between the independent variables and dependent variables.

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875a	.765	.738	.19019

a. Predictors: (Constant), Transparency, Accountability, Integrity and Confidentiality

The R Square value in the Model Summary table shows the amount of variance in the dependent variable that can be explained by the independent variables. The independent variables (transparency, accountability, confidentiality and integrity) accounted for 76.5 per cent of the variability in organization performance. The R-value (.875) is the multiple correlation coefficients between all the entered independent variables and the dependent variable. The Adjusted R Square adjusts for a bias as the number of variables increases. The Std. Error of the Estimate is a measure of the accuracy of the prediction.

4.7.2 Analysis of Variances (ANOVA)

The findings with respect to the analysis of variances are as provided in Table 4.16.

Table 4.16: Analysis of Variances (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.014	4	1.003	27.741	.000 ^b
	Residual	1.230	34	.036		
	Total	5.244	38			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Transparency, Accountability, Integrity and Confidentiality

In the study, the predictors are significant when Sig. (p value) $p < 0.05$. The findings in Table 4.16 show that p value was 0.000. Since the p values are less than 0.05 (confidence level), we can conclude that the effect of transparency, accountability, confidentiality and integrity (the independent variables) on organization performance is statistically significant. As $p < 0.05$ our predictors are significantly better than would be expected by chance. The regression line predicted by the independent variables explains a significant amount of the variance in organization performance of ENNDA. This is reported as follows: $F(4, 34) = 27.741$; $p < .05$, and therefore can conclude that the regression is statistically significant.

4.7.3 Coefficients

The Beta Coefficients with respect to the study variables are presented in Table 4.17.

Table 4.17: Beta Coefficients and Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	1.106	.435		2.541	.016
	Transparency	.022	.109	.023	.207	.838
	Accountability	.030	.115	.029	.264	.793
	Integrity	.197	.109	.215	1.807	.080
	Confidentiality	.504	.089	.690	5.645	.000

a. Dependent Variable: Organizational Performance

The following regression model was used

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

$$Y = 1.106 + 0.022 + 0.030 + 0.197 + 0.504 + 0.435$$

From the findings it emerges that the most influential determinant of organizational performance in the context of this study was confidentiality (Beta = 0.690). This was followed by integrity (Beta = 0.215). Accountability had a beta value of (Beta = 0.029) and Transparency, a beta value of (Beta = 0.023). The findings thus show that the best two determinants of organizational performance were confidentiality and integrity.

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the study's summary, findings and recommendations. The main objective of the study was to examine the influence of procurement ethics on the organizational performance of Ewaso Ngiro North Development Authority (ENNDA), Kenya. The chapter comprises a summary of the findings of the study, the conclusions, recommendations and further studies suggestions.

5.2 Summary of the Major Findings

Specifically, the study examined the influence of Confidentiality, Accountability, Transparency, and Integrity on the organizational performance of Ewaso Ngiro North Development Authority (ENNDA), Kenya.

5.2.1 Influence of Transparency Resulting From Procurement Ethics on Organizational Performance of ENNDA

On influence of transparency resulting from procurement ethics on organizational performance of ENNDA, the study findings revealed that almost all the respondents indicated that the stakeholders had the knowledge and understood the actual means of contract evaluation. Unsuccessful suppliers were debriefed on the weaker aspects of their tender documents. There existed fair and equal treatment of providers and integrity in their organization's procurement process and no preference to any group of suppliers existed. It was also found that there was fair treatment and even handedness of suppliers at all stages of the procurement process. Almost all the respondents agreed that ENNDA had an adequate system to prevent fraud and corruption in procurement for both procurement officers and suppliers/contractors. Transparency was ensured in all the organization's procurement processes.

5.2.2 Influence of Accountability Resulting From Procurement Ethics on Organizational Performance of ENNDA

In terms of the influence that accountability resulting from procurement ethics had on organizational performance of ENNDA, it was found that majority of the respondents agreed that ENNDA keeps accurate records as a pre-condition for accountability and control. Accurate records are maintained that provide an audit trail for all procurement decisions and serve as an official record in the event of administrative or judicial challenges. The information provided in procurement is complete, timely and accurate to ensure accountability. ENNDA maintains open and frequent communication between procurement personnel and supplier community. There are direct social control mechanisms in place which closely involve stakeholders into the procurement process. The study also found that the organization maintains legal confidentiality in the procurement process.

5.2.3 Influence of Integrity Resulting from Procurement Ethics on Organizational Performance of ENNDA

Results on the influence of integrity resulting from procurement ethics on organizational performance of ENNDA showed that majority of the respondents agreed that tender documents' evaluation process and its effectiveness is gauged separately and prices are considered only after completion of the evaluation. Further, the ethical procurement process of the organization includes an understanding of the operations of the suppliers. Additionally, ENNDA employees subscribe to the stated code of conduct regarding the performance of duties. Procurement department employees follow an ethical code that dictates their behavior and actions while doing business. Employees with a personal interest in the tendering process were required to declare the same for exclusion from the process. Furthermore, it was found that monitoring, supervision and sanctions are practiced to ensure the organization's integrity in order to decrease engagement in corrupt activities.

5.2.4 Influence of Confidentiality Resulting From Procurement Ethics on Organizational Performance of ENNDA

On the influence of confidentiality resulting from procurement ethics on organizational performance of ENNDA, the findings show that majority of the employees indicated that ENNDA protects commercially sensitive information that a supplier provides during the procurement process. Procedures adopted in the organization ensure that documents submitted are secure and confidential, which help procurement personnel handle sensitive information. In addition, ENNDA manages to what extent potential suppliers are required in their submissions to provide commercially sensitive information. According to majority of the employees, any employee who violates the confidentiality provisions is guilty of gross misconduct and the company disqualifies any breach of confidentiality. The study also found that maintenance of confidentiality of the procurement process, translated into the success of the entire procurement. Additionally, the study revealed that a quality check of the organization's procurement process plays a crucial role in confirming the suitability of the goods in question.

5.3 Conclusions

5.3.1 Transparency

The study concludes that despite the fact that efforts were made by the management to promote transparency in the procurement process, transparency did not have a significant influence on organizational performance of ENNDA. The employees understood that improved transparency levels in the procurement process translated into organization performance.

5.3.2 Accountability

The study concludes that the influence of accountability resulting from procurement ethics on organizational performance of ENNDA was not significant. Completeness, timeliness and accuracy of procurement records though properly done did not have much influence on organizational performance.

5.3.3 Integrity

Another conclusion is that integrity resulting from procurement ethics did not have a significant influence on organizational performance of ENNDA. The study concludes that the requirement by ENNDA to have employees subscribe to the stated code of conduct regarding the performance of duties, and follow an ethical code that dictates their behavior and actions while doing business translated into effectiveness of the procurement function, and subsequently organizational performance.

5.3.4 Confidentiality

The study concludes that confidentiality resulting from procurement ethics had a great and significant influence on organizational performance of ENNDA. The study also concludes that ENNDA's efforts of protecting commercially sensitive information that a supplier provides during the procurement process, and managing what extent potential suppliers are required in their submissions to provide commercially sensitive information had resulted into getting quality suppliers and thus contributed to the effectiveness of the procurement function and thus translated to better organizational performance.

5.4 Recommendations

The study recommends as follows:

5.4.1 Transparency

The management of ENNDA should consider reviewing and scaling up the quality of ethical procurement process. This can be achieved by organizing update training for the procurement staff so as to increase understanding of the operations of the suppliers and raising transparency levels in the department.

5.4.2 Accountability

The management of ENNDA should consider adopting stringent measures that promote record keeping accuracy, effective communication between and among stakeholders (for instance, suppliers, customers and the staff).

5.4.3 Integrity

The management of ENNDA should consider putting in place measures that promote employees' adherence to set ethical code that dictates their behavior and actions while doing business. Such measures will include disciplinary action to those who contravene the ethical code.

5.4.4 Confidentiality

The management of ENNDA should consider ensuring that appropriate measures are put in place to ensure maximum protection of commercially sensitive information that a supplier provides during the procurement process. Such information should only be available to authorized and well trained staff in the procurement department.

5.5 Suggestion for Further Studies

A replica study should be conducted to examine the level of compliance with the ethical code of procurement ethics and the resultant effect on the effectiveness of procurement function in public organizations in Kenya. This time the views of selected suppliers and programme beneficiaries should also be obtained.

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