

INFLUENCE OF STAKEHOLDER INVOLVEMENT ON EFFICIENT PROCUREMENT PRACTICES OF ROAD CONSTRUCTION PROJECTS IN KENYA

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Abstract: Organizations are embracing stakeholder management in their strategic operations in order to gain competitive advantage in business. Stakeholders have become an integral part in their different capacities as shareholders, customers, staff, government agents, the general public, suppliers and business partners. Involvement of stakeholders raises the chances of provision of better services and products. This study sought to establish the influence of stakeholder's involvement in efficient public procurement process in road construction in Kenya. This is because public procurement process has an effect on the cost, time and quality of road construction in any country. Each road construction procurement process has its own peculiarity in terms of the pre-tender and post tender activities and processes, division of risks between client and contractors, and the effectiveness of monitoring and control. Specifically it looked at the influence of sources of capital, government policies and adoption of corporate governance practices policies in ensuring effective procurement practices on road construction projects in Kenya. The study adopted survey research design to enable the researcher collect and analyze data from external stakeholders who are numerous. The target population for this study was 8 constituencies in Nairobi County, where its focus population was project managers, procurement officers, committee chairpersons and committee members making a total of 158 target respondents. The study used census of 158 respondents since it's manageable. Questionnaire was used as primary data collection instrument. The data was collected and analyzed using descriptive statistics, using SPSS version 20. The representation of the findings were in tables, charts and graphs.

Keywords: stakeholder's involvement, government policies, corporate governance, sources of capital and procurement practices.

1. INTRODUCTION

1.1 Background of the Study:

Procurement is a major organization function and an important activity that affects the operations of an entire organization. In Europe, every year, over 250 000 public authorities in the EU spend around 14% of GDP on the purchase of services, works and supplies. In many sectors such as energy, transport, waste management, social protection and the provision of health or education services, public authorities are the principal buyers (Lysons & Farrington, 2010). Procurement can be defined as the strategic process that involves acquisition of goods and services starting from identification of need, statement of objectives, supplier sourcing and selection, award of contract, delivery procedures, payment agreements and monitoring and evaluation. Public procurement on the other hand involves all the steps mentioned in the definitions which are carried out by different public authorities, government authorities and or local authorities (Gadde, 2009).

Public procurement practices is receiving a lot of attention worldwide and mostly in African states due to the important role it plays in ensuring service delivery and the large share of funds involved in public procurement processes. In many public sector, organizations view efficient procurement practices as an add-on or an approach that costs more. Sustainable solutions can often cost less over the whole life of the purchase. Lysons and Farrington (2010) noted that some key benefits include: value for money, protection and enhancement of the environment, more efficient use of resources, greater social inclusion, fair and ethical trade, support for innovation, better risk management, and lower whole-life costs improved supplier relationships, a diverse and flexible supply chain and a competitive edge. Efficient procurement policies and practices are critical for good public financial management and effective budget implementation (Meredith & Mantel, 2012). In many African countries, public procurement accounts for a substantial part of fiscal expenditures, making sound procurement methods central not only for sound public financial management but also for inclusive growth.

Poor planning has been a major constraint in successful implementation of public projects in India culminating in projects becoming uneconomical as a result of time and cost over-runs (Chandra, 2008). The end result has been retarded economic development. This view is supported by Oladipo (2008), who evaluated local government projects in Nigeria where he identified key project impediments as poor project planning, inadequate quality manpower, inadequate finance and poor project monitoring. The problem facing most African states in this area of public procurement is poor planning, incompetent policies and lack of accountability that has led to most of procurement processes being flawed and a lot of theft and misappropriation of funds.

1.1.1 Stakeholders Involvement

Lewis (2011) defined stakeholders as the group or persons who can affect the operations of the organization or who can be affected by the actions of the organization either positively or negatively and they include; management, directors, shareholders, auditors, employees, customers, suppliers, general public and competitors among others. Stakeholders can be a considerable asset, contributing knowledge, insights and support in shaping a project brief as well as supporting its execution. The high failure rate of major projects has been attributed to a lack of attention to stakeholders. Stakeholders' negative attitudes towards a project can cause cost overruns and time schedule delays due to conflicts over project design and implementation (Marius, 2017).

According to stakeholder's theory (Harrison and Freeman, 1999), an organization exists to create as much value as possible to its stakeholders. Scott and Lane (2000) notes that it is well-known that broad-based stakeholders' involvement and commitment are crucial for successful strategy and action plan implementation, thus, good for sustainable organizational development. An organization is an open system that has constant interaction with other players in the environment. The open system theory proposes that organizations behavior and structure are usually affected by the surrounding environment and also by the subsystems in the organization. Thus, organizations described as open systems are part of a much larger network rather than independent self-standing entities (Harrison & Freeman, 2001).

According to Rixon (2010) Projects serve the needs of stakeholders by ensuring that their expectations and needs are realized. Project management does not occur in a vacuum but requires an infusion of enthusiasm and commitment powered by the full range of project stakeholder energy sources in an energy grid that can develop a positive or negative trajectory. The key to effectively harnessing this force is for project managers to know how to connect into this organizational grid and how to identify tipping-point key stakeholders and their value propositions. Project managers are unlikely to deliver project success without paying attention to the expectations and needs of key influence-drivers and the diverse range of project stakeholders that may cumulatively exert a significant impact on the perception of project success. A project that does not meet expectations of influential stakeholders is not likely to be regarded as successful, even if it remains within the original time, budget and scope (Rixon, 2010).

1.2 Statement of the Problem:

Public procurement refers to the overall process by which public entities seek for and acquire goods, works and/or services from the various sources where these are available. This process covers all the activities undertaken from the period when the user expresses the need for a given item to the point when the specific item is received and all accompanying transactions completed (Farmer & Weele, 2011). It is a process that has not always ensured efficient utilization of the available resources and project implementation so as to achieve the objective of value for money in many public sector projects. One of the public sector projects in construction of roads in Kenya. Development and maintenance of physical infrastructure in Kenya is key to rapid economic growth and poverty reduction. Production costs,

employment creation, access to markets, and investment depend on the quality of infrastructure, especially transport. Road transport is the most widely used means of transportation (Helmsing, 2003).

The problem in most developing states and in this case, Kenya is that public projects and their procurement processes are flawed Mwikali (2016). Cases of implementation of projects such as road construction have failed in most parts of the country due to the fact that the first phase which is procurement process is not correctly carried out (Simiyu, 2016). In every project the first phase is getting the right people to run the project through a public tendering system, identification of the right supplier of raw materials and finally getting the right technical expertise to implement the project. To ensure such a project runs successfully other stakeholders are involved to ensure proper checks and balances are in place (Shen & Deng, 2006).

Luka (2016) Kenya Urban Roads Authority has been faced by challenges of public procurement regulations emanating from fiscal changes brought by the new constitution, encroachment on road reserves, inadequate funding of the road works, climate change, inadequate internal and external capacities to undertake the road works among others (Ministry of Roads, 2013). The challenge of public procurement hinders the project implementation of KURA. A study on the procurement practices affecting implementation of projects by international Non-governmental Organizations in Kenya, the study found that some organizations lack documented policies on how to carry out procurement planning, vendor selection, contract monitoring and control, as well as procurement negotiations (Wanjau & Omwenga, 2015). From the several studies that have been conducted, none tend to address the issue of major practice that should be adopted by Kenyan government to curb the problem involving both local and international stakeholders in project implementation to ensure that activities such as procurement planning process, enforcing proper procurement methods, sourcing for enough funds, adopting proper government policies and corporate governance practices that should be in place and this is what prompted the researcher to conduct a study tending to investigate the influence of stakeholder's involvement in ensuring efficient procurement practices in road construction projects in Kenya.

1.3 Research Objective:

The study was guided by the following objectives

1.3.1 General Objective:

The aim of this study was to establish the influence of stakeholder's involvement on efficient public procurement process on road construction projects in Kenya.

1.3.2 Specific Objectives

- i. To examine the influence of government policies on ensuring effective procurement practices on road construction projects in Kenya
- ii. To examine the influence of adoption of corporate governance practices on ensuring effective procurement practices on road construction in Kenya
- iii. To examine the influence of sources of capital on ensuring effective procurement practices on road construction projects in Kenya

1.4 Research Question:

- i. What is the influence of government policies on effective procurement practices on road construction projects in Kenya?
- ii. What is the influence of adoption of corporate governance practices on effective procurement practices on road construction in Kenya?
- iii. What is the influence of sources of capital on effective procurement practices on road construction projects in Kenya?

2. LITERATURE REVIEW

2.1 Introduction:

This chapter covers the theoretical framework highlighting the anchoring theory of the study which were stakeholder theory, Principal-Agency theory and Institutional theory. It also carries the conceptual framework explaining the various variables and their relationships, followed by a review of variables, empirical review and a critique of the reviewed literature, a research gap and the summary of the chapter.

2.1.1 Stakeholder Theory:

Mitroff (1980) proposed the stakeholder theory in his book 'Stakeholders of the organizational mind' as one that puts as a primary managerial task the charge to influence, or manage, or balance the set of relationships that can affect the achievement of an organization's or institution's purpose. Stakeholder theory is a managerial concept of organizational strategy and ethics (Donaldson & Preston, 1995; Freeman & Evan, 1990). The central idea is that an organization's success in its project initiatives is dependent on how well it manages the relationships with key groups such as customers, employees, suppliers, communities, financiers and others that can affect the realization of its purpose. Whereas minor decisions and emergency situations are generally not appropriate for stakeholder participation, complex situations with far-reaching impacts warrant stakeholder involvement and when done proactively, rather than in response to a problem, help to avoid problems in the future (Donaldson & Preston, 1995).

Patton (2008) elaborated that the stakeholder model entails that all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits and that there is no pre-set priority of one set of interests and benefits over another. In their study on 'Influence of Stakeholders' Participation on Performance of Road Projects at Kenya National Highways Authority', Nyandika and Ngugi (2014) emphasized the significance of the relationship between the top management staff with the stakeholders using the Stakeholders theory. Specifically, managers should understand the success of the projects can be influenced greatly by the participation of various stakeholders. These stakeholders will participate depending on the relationship they foster with the top management and not junior workers acting on their behalf. If the top management supports the involvement of stakeholders in the procurement process then they will be part of the decision making therefore ensuring that they take the products bought positively as opposed to products that have been imposed on them. Therefore the stakeholders' theory helps in understanding the relationship between top management support and the efficiency of the procurement process.

2.1.2 Principal-Agency Theory:

This theory in the area of procurement can help all stakeholders in public procurement better understand the role they play in purchasing decisions. It was proposed by Jensen and Meckling's (1976) Agency theory that states that, an agency relationship is a contract under which one or more persons (principals) engages another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent. When executing the tasks within the principal-agent relationship, the agent must choose actions that have consequences for both the principal and the agent. Since these outcomes can be either negative or positive for each of the actors, the chosen action of the agent affects the welfare of both. The principal-agent relationship is often forged because the agent possesses a greater abundance of the needed skills, abilities, and/or time to perform the desired activities (Cane, 2004).

It is based on situations where the principal is in position to induce the agent, to perform some task in the principal's interest, but not necessarily the agent's. According to principal-agency theory, an agent can be mandated to perform certain acts on behalf of the principal. The principal however has to provide all details relating to the product, service or work to be offered on his/her behalf. This is majorly because failure by the agent is largely a failure by the principal (Perreau, 2015). In the procurement environment, there are numerous stakeholders whose interests must be taken into consideration when making procurement decisions and when conducting procurement activities.

2.1.3 Institutional Theory:

According to Scott (2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. He further explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding). This theory is very important when it comes to the implementation of sustainable procurement policy and practice in organizations that serve the public. This is a matter of organizational culture and the degree to which the prevailing climate in an organization is supportive of sustainability and/or of change in general. In other respects, this dimension includes the extent to which there is support for SP at senior levels in an organization and the degree to which organizational processes and structures support, or retard, the development of SP (Brammer & Walker, 2007).

2.2 Conceptual Framework:

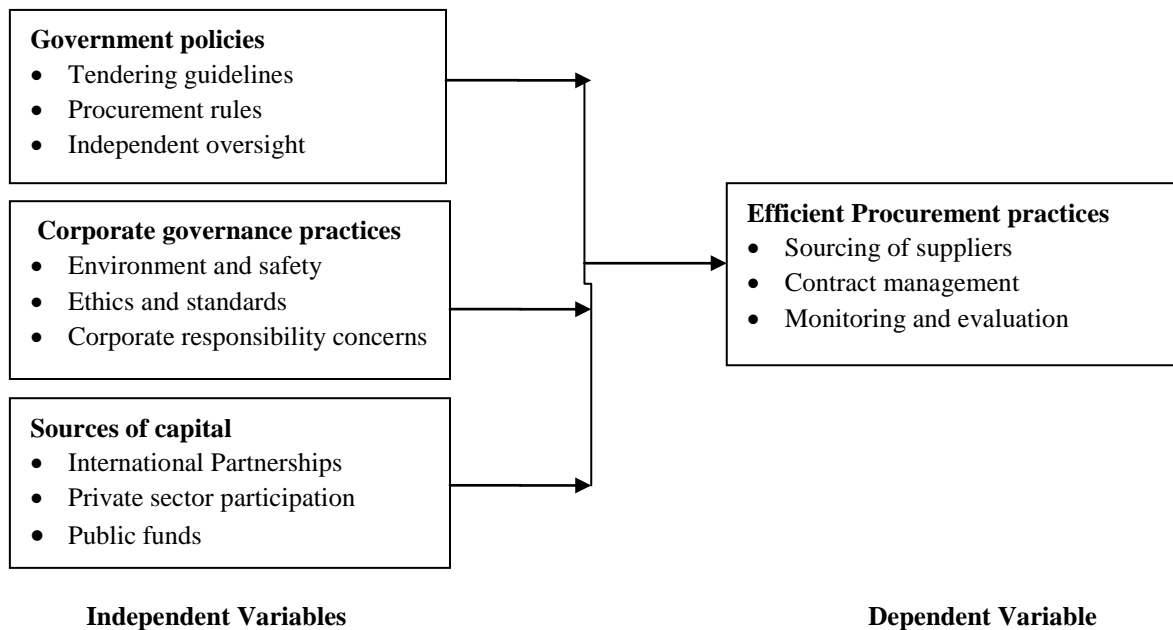


Figure 2.1: Conceptual Framework

2.2.1 Government policies:

Ofori (1990) specified that, the government is an important participant in the construction industry of every country, playing the role of a major client, regulating authority and the administrator of the development of the industry. Government policies and regulations are very rigid external factors which affect to the construction procurement selection. Hence Hashim et al. (2006) argued that, client's choice of procurement method could be affected by various government policies. This could be seen where the clients have to follow government procedure in choosing a particular procurement route to construction project.

Government procurement is necessary because governments cannot produce all the inputs for the goods they provide themselves. Governments usually provide public goods, e.g. national defense or public infrastructure. Public goods are non-rival and non-excludable, which means that one individual's consumption does not diminish the quantity or quality of the commodity available to others, and individuals cannot be prevented from freely consuming the commodity, or "free-riding". Consequently, private markets cannot provide public goods. Instead the government provides those goods and finances them by raising taxes from all citizens.

Burguet, & Che, (2004) Government procurement involves a high risk of corruption because of the great size of financial turnover and the complexity of many procurement processes in which businesses interact very closely with politicians and civil servants. Often the personal interests of the public officials are not the same as the interests of the public. Such a conflict of interest problem, known as the principal-agent-problem, increases the risk of corruption. According to OECD, the highest percentages of bribery cases occur in the area of public procurement to influence the awarding of public contracts. Corruption in public procurement causes inefficiencies and high costs to the public. In order to prevent corruption and to ensure transparency and competition among suppliers, public procurement is subject to legal regulation.

Audit committee (2005) to enable the government to effectively manage the contract, certain roles and responsibilities must be required of the private partner through the contract. It is very important that the reporting system of the private partner complies with the government's requirements. In this context, the government will have clear policies and procedures with respect to private partner reporting.

2.2.2 Corporate governance practices:

Council (2003) corporate governance is the system of rules, practices and processes by which a company is directed and controlled". Corporate governance essentially involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community. Corporate

governance also provides the framework for attaining a company's objectives and encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. The responsibility to drive and achieve the Company's corporate governance objectives is placed on the Board of Directors.

According to Schapper, Veiga Malta, & Gilbert (2006) Principles of procurement are inherent to the governance framework for the implementation of e-procurement. Governance framework should be designed without having to confront the difficult questions of how the principles are interrelated and whether there are any trade-offs among them that must be weighed. A broad manner of talking about public procurement governance framework for the successful implementation of e-government procurement makes it largely synonymous with management and administration of public procurement through electronic tools and technologies. The Practices for Public Procurement are founded upon the Values of Public Procurement necessary to preserve the public trust, protect the public interest, and ensure fairness for the public good. Those Values are: Accountability, Ethics, Impartiality, Professionalism, Service, and Transparency.

According to Wee (2002) ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. Ethical behavior includes avoiding conflicts of interest, and not making improper use of an individual's position. Ethical behavior is important in public procurement as it involves the expenditure of public money, and is subject to public scrutiny. Public officials should always behave ethically and fairly, including in their business undertakings. Ethical behavior supports openness and accountability in a procurement process and gives suppliers confidence to participate in the Government marketplace. Ethical behavior can also reduce the cost of managing risks associated with fraud, theft, corruption, and other improper behavior; and enhance confidence in public administration (Wee, 2002).

2.2.3 Sources of capital:

Brealey, Myers and Marcus (1995) the way of financing investments of the public infrastructure is a very important issue. In the past, many project ideas ended up in a drawer or in the bin for the simple reason of lack of public funds. In most public projects, due to the massive capital requirements, there are several alternative sources of capital that are usually considered possibly for financing the investment/project. Therefore for carrying out infrastructure investment to meet public needs, the following three are considered option, first we have the traditional public financed approach, secondly there is private sector financing approach and lastly we have the international partnership approach (Hodge & Greve, 2007).

Gramlich, (1994) traditionally, investment into the public infrastructure is done by using public funds. Among these services are public utilities (supply of water, sewerage, electricity, communication), roads, public transport (by air, rail, boat, bus), education (kindergarten, primary, secondary, and tertiary education and research facilities), health care facilities (hospitals, Physical Therapy Assistance [PTA], rescue services), cultural and recreational facilities (museums, theatres, parks, television, radio), public security services (police, jails), consumer protection (product information and expertise in cases of disputes with a supplier), social security (pensions, health insurance, nursing care insurance, welfare).

Gramlich, (1994) the general idea is: public funds, basically tax payers' money, are used for building and maintaining the infrastructure. The state then provides the services of the infrastructure to the public; sometimes at cost, but often subsidized, or even free of charge. Citizens could feel in the role of beneficiaries. The main advantage of the traditional approach is that it can be used as an efficient development tool. A good infrastructure attracts businesses, people, generates jobs, taxes and, if used as a development tool, can avoid "desertification" of rural areas and problematic degrees of urbanization.

Tarp (2003) according to the provisions of international Regulations and the Treaty for provision of financial assistance to developing states, countries is eligible to receive financing from the international bank for development and the IMF for structural development Funds. The selection of the projects to be financed is done with transparency and according to the provisions of the Regulations. The projects are selected according to criteria, which are predefined from the Monitoring Committees. The detailed analysis of the procedures for selecting projects eligible for funding is presented in the Circular issued by the Managing Authority (Planning Bureau).

Faso (2016) during the last decades, new models for infrastructure investment have been developed. Many such models, under different names, can be found these days in developed and also developing countries. The European Union uses the term Public-Private Partnership – PPP. Such models shift most of the roles and responsibilities for infrastructure

investment from the public sector to the private sector. The assumption of this new approach is that the private sector can plan, finance, build, operate, maintain, and replace facilities in a more efficient way than the public sector, thus providing better infrastructure services to the public. However, better services might have, this goes without saying, their price.

Faso (2016) at present we witness an ongoing trend towards private service production and mixed or private financing by public providers in the fields of energy supply, water supply, waste treatment. Security services and operations of prisons are already privatized or in the process of privatization. The state is on its retreat in virtually all sectors of the physical and social infrastructure. As a consequence, the citizen has mutated from a beneficiary to a customer – sometimes to his advantage, sometimes not.

2.2.4 Efficient Procurement practices:

Lewis (2009) defines procurement as the commercial administration function that guarantees identification, obtaining, admission and administration of the exterior assets that a business wants or may require to fulfil the planned intentions. This occurs to explore supply market opportunities and to implement resourcing strategies that deliver the best possible supply outcome to the organization, its stakeholders and customers. However, one of the hitches in describing the term 'procurement' is that it does not deal with a single action or process. Procurement covers the whole range of steps from the identification of a want for a good or service through to its removal or end (Manetti, 2011). Brammer and Walker (2007) say that procurement includes actions and happenings preceding and afterwards the adoption of an agreement as well as the general administration activities linked with a range of contracts: pre- contract activities such as design, essentials identification and examination, and sourcing, post- contract activities such as contract administration, supply chain administration and disposal, and general activities such as corporate supremacy, supplier correlation administration, risk controlling and regulatory submission. According to Simchi-Levi, Simchi-Levi, and Kaminsky (2009), the procurement function is responsible on one hand for the identification of the end-user's needs and, by utilizing suppliers, meeting them. By its very nature therefore, procurement is a "service" function (Ishola, 2010). Hence, in this paper we define procurement as a service function provided by a dedicated team of professionals operating at the interface between the organization's suppliers and the end-user department in order to effectively and efficiently meet the needs of the organization. Some key benefits include: value for money, protection and enhancement of the environment, more efficient use of resources, greater inclusion, air and ethical trade, support for innovation, better risk management, lower wholelife costs improved supplier relationships, a diverse and flexible supply chain and a competitive edge in your industry (Care, 2011). The Procurement processes are the core processes that connect all organizational activities together. These processes ensure smooth and effective flow of the organizational activities throughout its cycle. Procurement undergoes the process of identifying needs, specifying requirements, sourcing, conducting market research on the best price and best item and choosing a supplier, issuing a purchase order, expediting delivery, receipt and inspection of the purchases, invoice approval and payment and record maintenance. Specifically, management of procurement determines and monitors appropriate supply sources; evaluates suppliers' performance; chooses a buying approach; monitors actual delivery; assesses the results of use of the products; evaluates new products and the overall market (Basheka, 2008). All identified needs cannot be addressed by one procurement process therefore, priorities have to be set. This has to be done with all stakeholders concerned. The implementation of this process has been tarnished by repeated accusation of abuse of funds, incomplete projects, lack of technical capacity, poor planning and lack of sufficient involvement of the local communities (Bashuna, 2013). Physical interactions with end-users and various stakeholders, reports and emails have highlighted the quality of services and/or commodities and shown growing dissatisfaction and queries towards procurement practices. According to Passas (2007), some of the challenges facing the procurement process include; contract modifications and lack of accountability whereby the bidders or winner keeps on changing the price due to alleged inflation and lack of receipts for documentation, separate companies or shell companies whereby one person submits multiple companies with different prices in an attempt to control the outcomes, services provided at inflated costs where the involved bidders source for the items at greatly reduced costs then increase the costs on the submitted bids in order to acquire double the profits from the organization involved and submission of false invoices where some contractors collide with the procurement officers to commit fraud and submit invoices for air purchases. According to Gikonyo (2008), a purchase is considered complete if it; comes in on-schedule (time criteria), comes in on-budget (monetary criteria), achieves basically all the goals set for it (effective criteria), is accepted and used by the clients for whom the purchase is intended (end user satisfaction criteria). Thus, for any purchase to be considered successful, the criterion of time, efficiency, effectiveness and quality delivery among others are to be satisfied. (Knight, 2010) concludes

that an efficient public procurement system is vital to the advancement of all countries and is a concrete expression of their national commitments to making the best possible use of public resources. Non-adherence to standardized procurement processes culminates in poor co-ordination within various departments and enhances presence of leakages of financial resources, which turns out to be costly component to the whole management process of the procurement function.

2.3 Empirical Review:

According to Nyandika and Ngugi (2014), challenges facing the performance of road projects include cost overruns and inadequate planning for instance changing the sewerage system after completion of construction. The study focused on stakeholders' participation on the performance of road projects and it focused mainly on user involvement, influence of technology, top management support and influence of resources. They used the Stakeholders, Diffusion on Innovation, Top Management Team and Resource Based theories for their study and they found that there is a positive significant relationship between user involvement, technology, top management support and availability of resources to the performance of road projects at Kenya National Highways Authority.

According to Aketch (2005), public procurement often constitutes the largest domestic market in developing countries. Depending on how it is managed, the public procurement system can thus contribute to the economic development of these countries. Indeed, public procurement is the principal means through which government meet developmental needs such as the provision of physical infrastructures and the supply of essential medicines. Again, many government use public procurement to support the development of domestic industries, overcome regional economic imbalances, and support minority or disadvantaged communities. Because the deployment of the public procurement system to pursue these development goals entails governmental exercise of enormous discretion, public procurement is often an extremely controversial subject matter. This is especially the case in developing countries where "the ability to exercise discretion in the award of government contracts has been a source of valued political patronage" and procurement has been "a means for the illicit transfer of funds from government to private hands."

According to Odhiambo and Kamau (2003) a sound public procurement system should emphasize four principles, namely competition, publicity, use of commercial criteria and transparency. The principle of competitions means that contracts should be awarded by holding competitions between a numbers of contractors to establish which can offer the most favorable terms for delivering governments requirements. Competitions not only ensures that government obtains value for money but is also important in maintaining the integrity of public procurement, since it is an effective means of achieving the transparency which prevents abuse of discretion. From an economy perspective, competition ensures that government obtains goods and services that are appropriate to its requirements from contractors with the requisite financial and technical capability on the best possible terms.

According to Turban and Vie (2008), carrying out procurement efficiently under bank financed projects such as the central bank of Kenya is critical to good project implementation, to the attainment of the objectives of the projects and to their sustainability. Equally, the bank as part of its developmental role is interested in strengthening the capacity of its borrowers to administer procurement in an effective and transparent way as part of sound governance and good project management. In this context, project, project teams are required as an integral part of project preparation and appraisal, to make an assessment of the capacity of the project implementation agency or project implementation unit to administer procurement.

According to Mwikali (2016) the study was set out to establish the effect of Procurement governance and Procurement performance of SMEs in Nairobi CBD. To accomplish this, the study set out five specific objectives which included; determining the effect of Procurement planning, Procurement and Disposal procedures, Procurement Record management, and Procurement code of ethics and Complaints Review mechanism on Procurement performance of SMEs in Nairobi CBD. The study adopted a descriptive research design of a cross sectional type approach and sampled forty (40) SMEs out of the total number of four hundred (400) SMEs in Nairobi CBD through random sampling to take part in the research. The study found out that, most of the respondents were Marketing and Sales managers, with some being Procurement managers. Majority had worked for more than 5 years in their designated roles, meaning that they had enough experience concerning the topic of study. Regression analysis findings revealed that Procurement governance has a positive effect on Procurement performance with all the variables (Procurement planning, Procurement Disposal procedures, Procurement Record management, Procurement Code of ethics, Complaints Review mechanism) hence all

these variables have a statistically significant effect on Procurement performance. Based on the conclusion, these practices improve Procurement performance which in turn ensures that there are no loopholes through which public resources can be misappropriated.

According to Simiyu and Namusonge, (2016) they investigated the factors affecting procurement of goods in government ministries a case study of The National Treasury. The study looked at the past literature on the procurement effectiveness with emphasis in the government ministries. The research used simple stratified sampling and the target population was 450 personnel from various departments at The National Treasury and the sample size was 45. This was 10% of the target population. The study sought to find out the extent to which procurement procedures affected procurement of goods in Government Ministries. From the findings, majority of the respondents rated procurement procedures factors such as procurement procedures, procurement rules, contract management and tendering guidelines as influencing procurement of goods in Government Ministries to a great extent. The study concludes that procurement of goods in the government ministries was affected by capital availability followed by government structure, government policy and then procurement procedures.

2.4 Critique of the literature of the study:

An effective procurement function is important to any organization that wants to succeed in today's competitive business world. Most organizations have not been able to successfully operationalize their procurement function (Koskey, 2011). Procurement of goods in the public sector differs from the private sector in several ways. First, government procurement systems administer the money that belongs to tax payers. In addition the number of customers and the suppliers of the government procurement are often excessively large. Further, the public sector must follow a set of procurement procedures and regulations bringing legislative requirement into force. (Basheka, 2008).

Kenya has lost more than Kes 475 billion to dubious procurement deals in the last decade (transparency international report, 2005) and the next decade would be worse if actions are not taken. The need for reform thus becomes urgent as the local business community has complained that inefficiencies in government ministries procurement were contributing to an unsuitable business environment. According to (Thai, 2004) there are common strategies. The overall strategy of improving public procurement reforms has rotated around instilling the principles of good governance in the public sector. Improved accountability, transparency, legislative frameworks and addressing corruption are among the much needed strategies for improving government ministries performance through procurement reforms.

2.5 Research Gap:

Procurement services in the organization are under considerable pressure to deliver performance improvements and to achieve financial savings through more efficient and coordinated service delivery. Schonberger (2007), posited that organizations are increasing efficiency and professionalism in their procurement process. Best procurement practices such as procurement risk management, planning and supply performance influence organizations in achieving the collaboration and communication capabilities while maintaining the flexibility and responsiveness capabilities of market-oriented governance structures.

A new area, which needs more research, to improvement of procurement practices is the involvement of other stakeholders in the process. In procurement terms, stakeholder engagement is critical at all levels. It is used primarily to gain knowledge, understanding and ideas from key individuals within the organization. Engaging with the right internal stakeholders can ensure procurement functions gain understanding of strategic issues, cost-saving goals, value-add, compliance and organizational input moving forward. Therefore this paper seeks to determine the influence of various stakeholders in ensuring proper procurement practices in road projects in Kenya.

3. RESEARCH METHODOLOGY

3.1 Introduction:

This chapter captures the methods that was used to collect data. It captures the research design was used and explains why the type of design is appropriate, data collection methods and data analysis tools utilized.

3.2 Research Design:

According to Orodho (2008), a research design is a comprehensive plan for data collection and analysis. The researchers' beliefs and understanding of the world influence the research design. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in

procedure. It constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2004). Research design is a model or an action plan upon which the entire study is built; dictates the manner in which a study is conducted and provides the road map of a study in terms of the sample, data collection instruments and analysis procedure. The study adopted a census survey research design. The survey may be qualitative or quantitative. According to Mugenda and Mugenda (2003), the advantages of this design are: First, it is an efficient way to collect information about a large group of people. Secondly, it is flexible medium that is standardized, so less susceptible to error, easy to administer and finally it can be tailored exactly to the phenomena the researcher wish to study.

3.3 Target Population:

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated. The target population for this study was 8 constituencies in Nairobi County, where the study population was, project managers, procurement officers, committee chairpersons and committee members making a total of 158 target respondents.

3.4 Sample Size and Sampling Procedures:

The study used census method to select the respondents for data collection since the population is manageable. Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample (Mugenda and Mugenda, 2003). The sampled population was given equal chance on participating on the study.

3.4.1 Sample Size

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole. When dealing with people, it can be defined as a set of respondents (people) selected from a larger population for the purpose of a survey. A sample is a model of the population or a subset of the population that is used to gain information about the entire population. It is a small collection of units, from a much larger collection of population, which is studied to enable the researcher to make more accurate generalizations about the larger group (Mugenda & Mugenda, 2003). Since the study targeted managers of the mention below department which added up to 158 the number is manageable and researcher adopted census involving all of them to the study. The sample size therefore comprised of; project managers, procurement officers, committee chairpersons and committee members

Table 3.1: Sample Size

Study Population	Respondents	Percentage
Project managers	15	8.0
Procurement Officers	25	13.2
Committee Chairperson	30	20.4
Committee Members	88	58.4
Total	158	100

3.4.2 Sampling Procedure:

According to Kothari (2011), sampling is the process of selecting a number of individuals for a study in such a way that the individual represents a larger group from which they are selected. Sampling means selecting a given number of subjects from a defined population as representative of that population. Any statements made about the sample should also be true of the population (Mugenda & Mugenda 2003).

3.5 Research Instruments:

This study used questionnaires as primary tool for data collection. The questionnaires contained both structured and unstructured questions. The questionnaires are preferred in this study because respondents are assumed to be literate and quite able to answer questions asked adequately. Kothari (2004), terms the questionnaire as the most appropriate instrument due to its ability to collect a large amount of information in a reasonably quick span of time. It guarantees confidentiality of the source of information through anonymity while ensuring standardization (Creswell, 2003).

3.6. Piloting of the Study:

A pilot test was conducted in order to test the validity of the questionnaire and it was carried out with the help of research assistants. The main reasons for the pilot study is to identify any potential deficiencies, omissions and errors in the questionnaire and eliminate them before it is used to collect the actual data (Cooper & Schindler, 2006).

3.6.1 Validity of Instruments:

Creswell and Clark (2007), describe the validity in quantitative research as “construct validity”. The construct is the initial concept, notion, question or hypothesis that determines which data is to be gathered and how it is to be gathered. To establish the validity of the instruments in this research, the instrument was presented to the research supervisor and defended in the faculty forums where the research proposal was presented. There after the questionnaire was administered with approval of the supervisor.

3.6.2 Reliability of the study:

Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials (Cooper & Schindler 2006). Reliability refers to the consistency of the research and the extent to which studies can be replicated. To ensure a high degree of reliability of instruments in this study, the researcher personally collected the data and only in a few cases where assistance was sought from well-trained and motivated research assistants. Test-retest technique of reliability testing was employed whereby the pilot questionnaires were administered twice to the respondents, with a one-week interval, to allow for reliability testing.

3.7 Data Collection Procedures:

According to Cooper and Schindler (2006), the use of structured questions on the questionnaire allows for uniformity of responses to questions; while unstructured questions give the respondent freedom of response which helps the researcher to gauge the feelings of the respondent, he or she uses his or her own words. The structured questions were informed of a five point Likert scale, whereby respondents were required to indicate their views on a scale of 1 to 5. The researcher exercised care and control to ensure all questionnaires issued to the respondents are received and achieved this, the researcher maintained a register of questionnaires, which was used.

3.8 Data analysis Techniques:

The data was collected and analyzed using descriptive statistics (measures of central tendency and measures of variations) to achieve the objectives of the study. The process of data analysis involved several stages: the completed questionnaires were edited for completeness and consistency, and checked for errors and omissions. The research yielded both qualitative and quantitative data. The quantitative data generated was analyzed using descriptive statistics with the help of excel. The findings were presented using tables, charts and graphs.

4. DATA ANALYSIS AND PRESENTATION**4.1 Introduction:**

This chapter presents analyzed data together with discussions of the research findings. The purpose of the study was to establish the influence of stakeholder’s involvement on efficient public procurement process on road construction projects in Kenya. Data was gathered through the administration of questionnaires and interpreted according to the research questions and objectives. The data collected was both qualitative and quantitative in nature, which was analyzed using statistical Package for Social Science (SPSS) to generate reports, which was then presented in form of tables and charts.

4.1.1 Response Rate:

Response from 158 questionnaires administered 152 was received, only 6 questionnaires were not returned. This translates to 96% response rate. This response was good enough and representative of the population and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and above is excellent.

4.2 Pilot study results:

A pilot study was conducted to establish whether or not the research instrument was valid or reliable for data collection. The testing was done using a sample of 15 questionnaires which were obtained randomly and where reliability, validity and factor analysis was performed and findings were discussed.

4.2.1 Reliability and Validity of research instruments:

Reliability of a measure indicates the extent to which it is without bias (error free) thus ensuring consistent measurement across time and the various items in the instrument. Reliability of the instrument was carried out using Cronbach's alpha constant (co-efficient) which is a measure of internal consistency and average correlation. It ranges between 0 and 1 (Kipkebut, 2010). As a rule of thumb acceptable alpha should be at least 0.70 (Mugenda & Mugenda, 2003). Higher alpha coefficient values mean there is consistency among items in measuring the concept of interest. Cronbach constant test was carried out for every variable. In this study, for the influence of government policies on ensuring effective procurement practices on road construction projects in Kenya there were seven items and from the findings no item was deleted and alpha coefficient recorded was 0.893 which was above 0.7. For the influence of adoption of corporate governance practices on ensuring effective procurement practices on road construction in Kenya, the alpha coefficient was again above the threshold. In this case seven items were tested and no item was expunged. The overall alpha coefficient was 0.887. Reliability test using Cronbach alpha for the influence of sources of capital on ensuring effective procurement practices on road construction projects in Kenya was conducted and out of four items, none of the items was deleted and the overall alpha coefficient was 0.810 which also above 0.7. In conclusion, the alpha co-efficient test for the all the items were found to be reliable for measurement because the reliability coefficient was found to be above the recommended threshold of 0.7. This finding was consistent with the studies done by Mugenda and Mugenda who recommended that as a rule of thumb acceptable alpha should be at least 0.7 for all the independent variables in this study. The findings are shown in the Table Below:

	Cronbach's	Cronbach's	No of Items	No of Items
Variables	Alpha before Removing some items	Alpha after Removing some items	Before removing some items	after removing some items
The influence of government policies on ensuring effective procurement practices	0.893	0.893	7	7
The influence of adoption of corporate governance practices on ensuring effective procurement practices	0.887	0.887	7	7
the influence of sources of capital on ensuring effective procurement practices	0.887	0.887	4	4
AVERAGE	0.837	0.857		

4.2.2 General Information Demographic characteristics of the respondents:

The aim of doing this was to enhance understanding of the background information of the respondents and their personal ability to provide relevant data sought for under this study The study covered the following areas; gender, level of Education, length of service and Office of service. Only selected population were used in this study.

Gender:

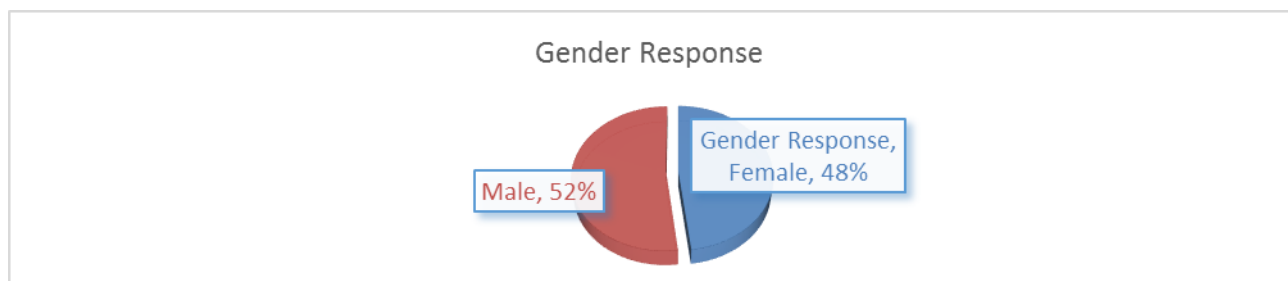


Figure 4.2: Gender Response

The study also sought to know the gender of the respondents where the study found out that 52% of the respondents were male while 48% were female. It is evident from the research findings that this study had more male respondents than the female respondents and most of the stakeholders were male

4.2.3 Highest level of education:

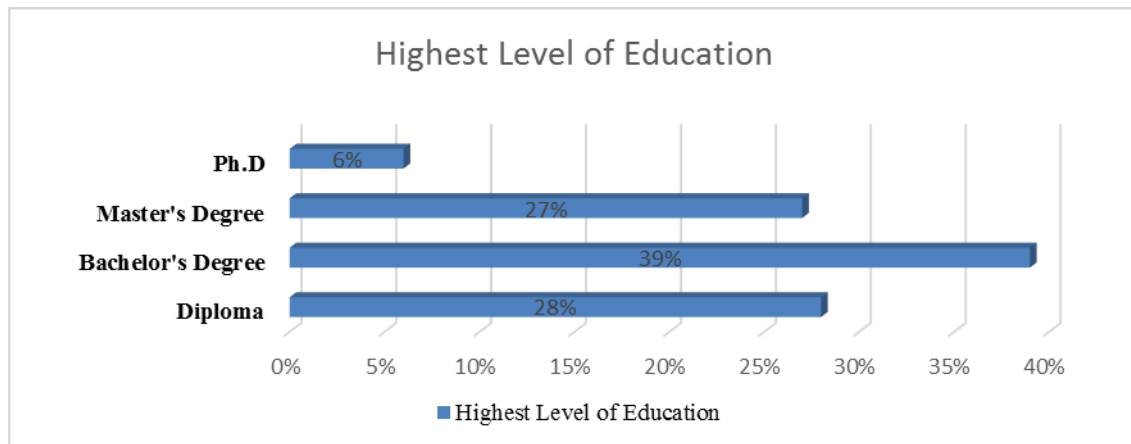


Figure 4.3: Highest Level of Education

The study established that 39% of the respondents are Bachelor's degree holders making the majority, 28% of the respondents are Diploma holders, 27% of the respondents are Master's degree Holders and 6% being the least number are PhD holders.

4.3 Stakeholders Involvement:

The study sought to find out the influence of stakeholders involvement on efficient procurement practice of road projects in Kenya and several statements were used to explore more on how the variable influence the efficient procurement practices as discussed below;

4.3.1 Government Policies:

Table 4.1: statements relating to government policies

Government Policies	1	2	3	4	5
Tendering guidelines are followed candidly to award tenders to eligible and competent contractors.	22%	36%	3%	20%	19%
It's strictly through tendering guidelines that tenders are awarded and that there is no any form of nepotism or corruption on awarding tenders.	19%	39%	2%	23%	17%
Procurement of equipment has become efficient and transparent due to the procurement rules that requires transparency and accountability	26%	47%	0%	17%	10%
Procurement officers abide by the procurement rules on obtaining road construction project materials	24%	42%	0%	23%	11%
The independent oversight keenly oversee the procurement process to ensure the rules are abided with.	23%	38%	4%	24%	11%

The study sought to find out respondents' opinion on the statements in table 4.1 above. The respondents were asked whether tendering guidelines are followed candidly to award tenders to eligible and competent contractors, on response, 22% of the respondents strongly disagreed with the statement, as 36% of the respondents disagreed, making majority of the respondents disagreeing with the statements, alluding that the stipulated guidelines are not followed. On the other hand 19% of the respondents strongly agreed with statement as 20% of the respondents agreed with statement. 3% of the respondents remained neutral. On the statement that 'it's strictly through tendering guidelines that tenders are awarded and that there is no any form of nepotism or corruption on awarding tenders.' 19% and 39% of the respondents strongly disagreed and disagreed respectively suggesting that tendering programs are perhaps a warded on the basis of how much your known or how much you can put on the table in terms of money. However, 23% and 17% of the respondents agreed and strongly agreed with the statement, representing a group that believes in ethics and standards and that programs must follow due process. 2% of the respondents however remained neutral. On the statement that procurement of equipment has become efficient and transparent due to the procurement rules that requires transparency and accountability, 73% of the respondents overwhelmingly disagreed with the statement, suggesting perhaps there's malpractices in procurement process. 17% however, agreed with the statement, supporting that with procurement rules and laws, procurement process

become very efficient and transparent the findings concurred with the study conducted by Wanjau and Omwenga (2015) on factors affecting successful completion of road project and find out that one of the greatest danger is the malpractice that is usually observed in the procurement practice.

Procurement officers abide by the procurement rules on obtaining road construction project materials, 66% of the respondents disagreed with the statement while 34% of the respondents agreed with the statement. Suggesting that procurement office rarely abide the procurement rules. On the statement that the independent oversight keenly oversee the procurement process to ensure the rules are abided with.

4.3.2 Government policies:

The study sought to find out if government policies ensures efficient procurement practices in the public offices, 68% of the respondents disagreed by saying no, citing that efficiency of the procurement practice does not solemnly depend on government policies. On the other hand 32% of the respondents cited yes.

4.3.3 Corporate Governance Practices:

Table 4.2: Statements relating to corporate governance practices

Corporate Governance Practices	1	2	3	4	5
When procuring of the construction materials, environmental concerns and safety are taken into considerations.	12%	29%	5%	29%	25%
Procurement officers display good ethical standards on discharging their duties in the public offices.	26%	36%	2%	20%	16%
Stakeholders are keen on the corporate responsibilities concerns to ensure efficiency in the procurement processes	23%	39%	0%	23%	15%
Ethical standards of the procurement public officers helps prevent misappropriation of public funds	29%	34%	0%	22%	15%
Project managers discharge their corporate responsibility concerns to ensure right use of public funders, thus prevents unnecessary expenditure	24%	29%	6%	22%	19%

The study sought to know the level of agreement concerning when procuring of the construction materials, environmental concerns and safety are taken into considerations where 41% were in contrary opinion that environmental concern are not taken into consideration when it comes to procurement, 5% neither agree nor disagreed and majority of the respondents summing up to 53% were in agreement with the statement. Procurement officers display good ethical standards on discharging their duties in the public offices. On this statement 62% of the respondents were in disagreement while 36% were in agreement, 2% of the respondents were nonaligned. On the statement that stakeholders are keen on the corporate responsibilities concerns to ensure efficiency in the procurement processes 62% were in disagreement with the statement while 38% were in agreement.

In finding out whether ethical standards of the procurement public officers helps prevent misappropriation of public funds, 63% of the respondents disagree with the statements, claiming perhaps the procurement officers have displayed low ethical standards. 37% of the respondents agreed with the statement that ethical standard of the procurement public officers helps prevent misappropriation of public funds. 53% of the respondents had a contrary opinion on the statement that Project managers discharge their corporate responsibility concerns to ensure right use of public funders, thus prevents unnecessary expenditure. The findings is not in agreement with the study conducted by Schapper, Veiga Malta, & Gilbert (2006) Principles of procurement are inherent to the governance framework for the implementation of e-procurement. Governance framework should be designed without having to confront the difficult questions of how the principles are interrelated and whether there are any trade-offs among them that must be weighed. And it assert that proper control should be put in place.

4.3.4 Corporate governance practices:

On the question that, does corporate governance practices ensures ethical standards among public procurement officers? 37% of the respondents indicated yes representing minority while 63% of the respondents indicated no representing the majority. Suggesting that corporate governance practices does not entirely ensure ethical standards among public procurement officers.

4.3.5 Sources of Capital:

Table 4.3: Statements relating source of capital

Source of Capital	1	2	3	4	5
Public funds are enough to take care of road projects within the county	28%	39%	0%	24%	9%
Donor fund are usually obtained on time before the commencement of the project	29%	38%	0%	20%	13%
State corporation usually take a major role in funding their own road project lowering burden to the state government	25%	45%	0%	16%	14%
Since there is no enough funds from the national government, the county government is forced to engage in private sector participation.	28%	39%	1%	22%	19%

The study sought to find out the reactions of the respondents on the statement that public funds are enough to take care of road projects within the county 67% were in disagreement claiming that public fund is not enough to take care of all the projects and unless they receive funds from other sources is when the project will come to the point of conclusion. 33% were in the agreement and claiming that public usually budget for the projects and the allocation of the resources are done according to the project need. And on the statement of donor fund are usually obtained on time before the commencement of the project also experience the same view where 67% of the respondents were in disagreement claiming that are not provided on time and this is what usually affect the successful completion of the projects, 33% were in contrary opinion asserting that the projects are well managed and funded by the donors on effective way. On the statement of State Corporation usually take a major role in funding their own road projects lowering burden to the state government the stamen was not viewed 70% were in disagreement that the projects that are being supported by the state government are small project and they are not always supportive the mega road projects and should not be counted and credited with the fact that they support the road project, 30% were in agreement. The study is in agreement with the funding of Nyandika and Ngugi (2014) on challenges facing the performance of road projects include cost overruns and inadequate planning for instance changing the sewerage system after completion of construction.

4.3.6 Effective Procurement Practices:

On the statement of effective procurement practices lot of statement were used to address the problem as discussed below;

Table 4.4: statements relating to effective procurement practices

Effective Procurement Practices	1	2	3	4	5
Sourcing of suppliers are done in relation to the road projects policies	19%	31%	6%	23%	19%
Contract management are usually done by public work ministry with a stipulated policies in place	17%	38%	4%	21%	20%
When Monitoring and evaluation of projects are done effectively, the project run within a set framework to its completion	11%	19%	0%	41%	29%
All stakeholders involved in procuring are required to abide by procurement code of conduct.	12%	26%	0%	42%	20%

Study sought to find out whether Sourcing of suppliers are done in relation to the road projects policies, 50% of the respondents disagreed with the statement that sourcing are done in relations to the policies, and asserts that most people in charge are done by compromising the system for financial gain, 6% neither agreed nor disagreed, 44% were agreement that sourcing is done in line with the project policies. Contract management are usually done by public work ministry with a stipulated policies in place, however 55% of the respondents disagreed with the statement citing stipulated policies are not abode with by public works on contract management. 41% on the side were in agreement with the statement. 70% of the respondents awesomely agreed with the statement that when Monitoring and evaluation of projects are done effectively, the project run within a set framework to its completion, though, 30% of the respondents were in disagreement with the statement. On the statement that all stakeholders involved in procuring are required to abide by procurement code of conduct was supported by 62% of the respondents, indicating that procurement practices require high ethical standard officers that also abide by the code of conduct of the practice.

4.4 Correlation:

Correlation analysis is a measure of the degree of association between two or more variables that have been obtained from the same group of subjects (Ngechu, 2004). Used when a researcher wants to predict and describe the association between two or more variables in terms of magnitude and direction. On the correlation of the study variable, the researcher conducted a Pearson moment correlation.

Table 4.5: Correlations

		Government Policies	Corporate Governance Practices	sources of capital	Effective procurement practices
Government Policies	Correlation Coefficient	1.000	.653	.801	.662
	Sig. (1-tailed)	.	.003	.000	.001
	N	152	152	152	152
Corporate Governance Practices	Correlation Coefficient	.653	1.000	.142	.037
	Sig. (1-tailed)	.003	.	.000	.003
	N	152	152	152	152
Sources of capital	Correlation Coefficient	.801	.142	1.000	.046
	Sig. (1-tailed)	.000	.001	.	.000
	N	152	152	152	152
Effective procurement practices	Correlation Coefficient	.662	.037	.046	1.000
	Sig. (1-tailed)	.001	.000	.001	.
	N	152	152	152	152

From the finding in the table above, the study found that there was strong positive correlation coefficient between influences of government policies on ensuring effective procurement practices on road construction projects in Kenya, as shown by correlation factor of 0.662. This implies that a unit change in government policies, increases effectiveness of procurement practices by 66.2%.

The study found strong positive correlation between the influence of adoption of corporate governance practices and effective procurement practices on road construction in Kenya as shown by correlation coefficient of 0.037, the significant value was 0.000 which is less than 0.05, This implies that a unit change in adoption of corporate governance, increases effectiveness of procurement practices by 3.7%.

The study found strong positive correlation between the influence of Sources of capital and effective procurement practices on road construction in Kenya as shown by correlation coefficient of 0.046, the significant value was 0.000 which is less than 0.05, This implies that a unit change in Sources of capital, increases effectiveness of procurement practices by 4.6%.

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction:

This chapter presents the summary, conclusions, recommendations of the study and the Suggestions for further studies are also presented.

5.2 Summary:

5.2.1 Government policies:

The study sought to find out respondents' opinion on the statements relating to the governance policies. The respondents were first asked whether tendering guidelines are followed candidly to award tenders to eligible and competent contractors, on response majority of the respondents disagreed and claiming that tendering guidelines does not candidly followed and the process are normally compromised, making majority of the respondents disagreeing with the statements,

alluding that the stipulated guidelines are not followed. Only few respondents were in the positive opinion that awards of tenders usually follow the normal and prescribed rules. On the statement that 'it's strictly through tendering guidelines that tenders are awarded and that there is no any form of nepotism or corruption on awarding tenders.' majority of the respondents strongly disagreed respectively suggesting that tendering programs are perhaps awarded on the basis of how much your known or how much you can put on the table in terms of money. However, few of the respondents agreed with the statement, on the statement that procurement of equipment has become efficient and transparent due to the procurement rules that requires transparency and accountability, majority of the respondents overwhelmingly disagreed with the statement, suggesting perhaps there's malpractices in procurement process. A few agreed with the statement, supporting that with procurement rules and laws, procurement process become very efficient and transparent. Procurement officers also not abiding by the procurement rules on obtaining road construction project materials from the majority of the respondents, further the respondents. Suggested that procurement office should abide by the procurement rules.

5.2.2 Corporate governance practices:

On corporate governance practices the study sought to know the level of agreement concerning when procuring of the construction materials, environmental concerns and safety are taken into considerations, majority of the respondents were in contrary opinion that environmental concern are not taken into consideration when it comes to procurement, majority were in agreement with the statement. Procurement officers display good ethical standards on discharging their duties in the public offices. On this statement majority of the respondents were in disagreement claiming that the process is done in controversy with the stated ethics. On the statement that stakeholders are keen on the corporate responsibilities concerns to ensure efficiency in the procurement processes majority of the respondents were in disagreement with the statement

In finding out whether ethical standards of the procurement public officers help prevent misappropriation of public funds, majority of the respondents disagree with the statements, claiming perhaps the procurement officers have displayed low ethical standards. Minority of the respondents agreed with the statement that ethical standard of the procurement public officers helps prevent misappropriation of public funds. Majority of the respondents had a contrary opinion on the statement that Project managers discharge their corporate responsibility concerns to ensure right use of public funders, thus prevents unnecessary expenditure

5.2.3 Sources of Capital:

The study sought to find out the reactions of the respondents on the statement that public funds are enough to take care of road projects within the county majority of the respondents were in disagreement claiming that public fund is not enough to take care of all the projects and unless they receive funds from other sources is when the project will come to the point of conclusion. Only few of the respondents were in agreement and claiming that public usually budget for the projects and the allocation of the resources are done according to the project need. And on the statement of donor fund are usually obtained on time before the commencement of the project also experience the same view where majority of the respondents were in disagreement claiming that are not provided on time and this is what usually affect the successful completion of the projects, On the statement of State Corporation usually take a major role in funding their own road projects lowering burden to the state government the statement was not viewed almost all the respondents were in disagreement that the projects that are being supported by the state government are small project and they are not always supportive the mega road projects and should not be counted and credited with the fact that they support the road project.

5.2.4 Efficient procurement practices:

On the statement relation to effective procurement practices, study sought to find out whether Sourcing of suppliers are done in relation to the road projects policies, majority of the respondents disagreed with the statement that sourcing are done in relations to the policies, and asserts that most people in charge are done by compromising the system for financial gain, few neither agreed nor disagreed, and rest were in agreement that sourcing is done in line with the project policies. Contract management are usually done by public work ministry with a stipulated policies in place, however majority of the respondents disagreed with the statement citing stipulated policies are not abide by public works on contract management. Only few on the other side were in agreement with the statement. Majority of the respondents awesomely agreed with the statement that when Monitoring and evaluation of projects are done efficiently, the project run within a set framework to its completion, though, few of the respondents were in disagreement with the statement. On the

statement that all stakeholders involved in procuring are required to abide by procurement code of conduct was supported by majority of the respondents, indicating that procurement practices require high ethical standard officers also to abide by the code of conduct of the practice.

5.3 Conclusions:

In conclusion the study view, governance policies, corporate governance practices, sources of capital are vital for the effective procurement practices of the road projects to be successful, the study further asserts that the funds are the blood stream of the projects and the state government should provide enough capital for the successful accomplishment of all the road projects the state are undertaking.

5.4 Recommendations:

The study recommended the following;

5.4.1 Government policies:

The awarding of tenders should be eligible and competent contractors should be used, the stipulated guidelines should always be followed. And this should be strictly done through tendering guidelines procurement of equipment should also be done efficiently and in a transparent manner. Procurement officers also not abiding by the procurement rules on obtaining road construction project materials from the majority of the respondents, further the respondents. Suggested that procurement office should abide by the procurement rules and guidelines in place.

5.4.2 Corporate governance practices:

On corporate governance practices the study recommended that procuring of the construction materials, environmental concerns and safety should be taken into considerations, Procurement officers should always display good ethical standards on discharging their duties in the public offices. The process should always be done in line with the stated ethics lastly stakeholders should always be keen on the corporate responsibilities that is concerned to ensure efficiency in the procurement processes. Ethical standards of the procurement public officers should also be considered to help in preventing misappropriation of public funds and Project managers should always discharge their corporate responsibility for right use of public funders, thus prevents unnecessary expenditure

5.4.3 Sources of Capital:

On sources of capital the study recommended that public funds should be provided sufficiently enough to take care of road projects within the county, public should budget for the projects and the allocation of the resources should be done according to the project need, donor fund should be obtained on time before the commencement of the project and State Corporation should take a major role in funding their own road projects lowering burden to the state government

5.5 Suggestions for further Research:

The issue of stakeholders involvement on efficient procurement practices had been in the verge of research and upon considering findings from this study it will be of great importance to suggest that a further research should be done to specifically view how stakeholders involvement influence successful completion of road projects to devolve units of Kenya.

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