

Influence of Ethical Sourcing Practices on Procurement Performance: A Case of Nairobi City County

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Abstract: Ethical sourcing is one of the very many simple concepts that make a lot of sense to any well-meaning organization. Unfortunately, implementing the concept is not very simple, and over the years, companies have crumbled due to failure to master the best practices in ethical sourcing. The purpose of this research is to investigate the influence of ethical sourcing on procurement performance, with specific reference devolved systems of governance in Nairobi County. Specifically, it seeks to determine whether supplier selection ethics, ethical policies and codes, procedural justice ethics and supplier diversity influence the procurement performance in Nairobi County. The study employed descriptive research design, and the study population was the procurement department in Nairobi county government. The target population of the study is 187 staffs, and the sample size is 65 staffs. Data were collected using questionnaires with both open and closed questions, and they were administered by the researcher through a drop and pick technique through simple random sampling technique. A pilot study was undertaken for the study to determine validity and reliability of the study instruments. The collected data was then analyzed by SPSS Version 23.0 using descriptive and inferential statistics. Supplier Selection Ethics have a positive and significant effect on procurement performance, $\beta_1 = 0.232$, $p = 0.036$, Ethical Policies and Codes have a positive and significant effect on procurement performance, $\beta_2 = 0.309$, $p = 0.005$, Procedural Justice Ethics have a positive and significant effect on procurement performance, $\beta_3 = 0.243$, $p = 0.026$ while Supplier Diversity Ethics have a positive and significant effect on procurement performance, $\beta_4 = 0.347$, $p = 0.002$. Based on these findings, priority needs to be given to suppliers who can effectively meet specifications and code of conduct needs to be developed to enhance effectiveness and reduce costs. There is a need for regular assessment of whether the suppliers use forced labor is not carried out, prohibition of selection of suppliers who collude to fix or hike market prices, and carrying out a regular assessment of suppliers' health and safety practices to ensure ethical sourcing. There is need to put in measures to address any conflict of interest in the procurement process to reduce internal and external derived fraud; there is a need to have a policy on gifts and hospitality offered to ensure ethical and fair procurement processes. Also, transparency to the criteria used when offering/bidding needs to be defined to encourage open and fair competition. The procurement department needs to put in measures in the creation of awareness of the preference (supplier diversity) for public benefit, develop and implement a preferential policy and ensure that the management or administration is encouraged to be committed to strengthening strategic partnerships with minority-owned businesses.

Keywords: Public Procurement, Ethical Codes, and Policies, Public entities, Supply Chain Management.

1. INTRODUCTION

One important consideration in designing a supply chain is the sourcing decision, that is, where to obtain your materials, in what quantities and at what time. Firms can opt to use either single sourcing or multiple sourcing, but more and more managers are recognizing the advantages of developing a close collaborative relationship with their suppliers.

Multiple sourcing is considered to be the most suitable strategy to maintain equilibrium among them and reinforce the relationships. However, the choice of numerous sourcing for a firm depends on the trade-off between the benefits of numerous sourcing and those of single sourcing [7]. Sourcing ethics majorly focuses on conducting procurement activities

at the highest possible standards of responsible, sustainable and socially responsible business practice. Companies across industries include ethical sourcing policies in their operational standards and principles. While the primary goal is to ensure that products/goods and services are procured and delivered ethically, responsibility extends beyond the act of sourcing goods and services. It also includes the processes of evaluating and engaging with a supply market through to managing relationships with suppliers.

[13] in his study of Starbucks Coffee Company established that the suppliers are required to comply and expected to exceed local employment and environmental laws and regulations. He also emphasized on zero tolerance of any forced or involuntary labor either directly or indirectly by the suppliers, contractors or subcontractors. On environmental protection, the suppliers should establish and implement safety practices and standards for the identification and handling of hazardous waste, and suppliers must provide transparency into their operations and relevant records. Contrary to private procurement, public procurement is operated within a political system and has, therefore, an excellent consideration for integrity, accountability, national interest and effectiveness [3]. [4] define unethical behavior as acts committed at high levels of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of public good.

According to [3] the applicable ethics in public procurement as outlined in the Kenya's Public Procurement and Disposal Act, which the government-owned entities must also adhere to include avoidance of collusion, avoidance of conflict of interest, equal opportunity, confidentiality and limited disclosure, evasion of fraudulent practices, and avoidance of obstruction and undue delay in procurement processing. The Department for International Development (DFID) provides financial support for the ethical trading initiative and has produced a report reviewing the codes of conduct of UK companies concerning sourcing ethics. The Organization for Economic Co-operation and Development (OECD) has agreed on guidelines for multinational enterprises which cover a wide range of ethical and social issues [2].

2. EMPIRICAL REVIEW

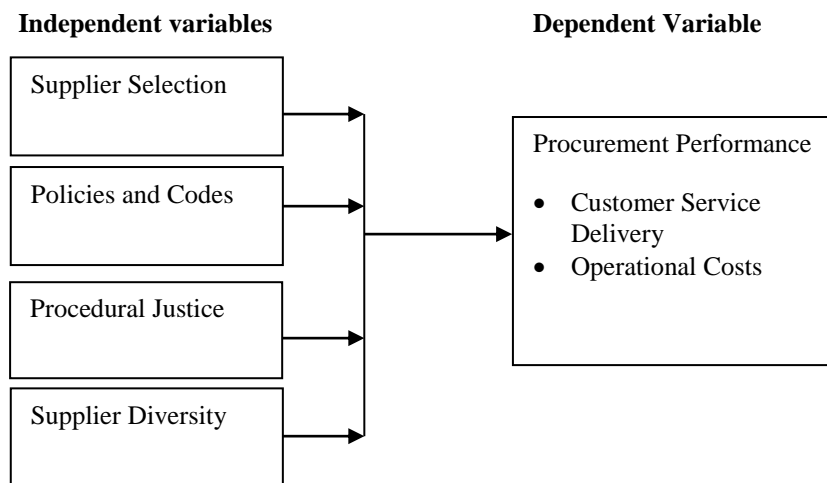
A study by [9] on ethics in public procurement provides legal regulations in a country to make sure that procurement is carried out most ethically. His study established that the pillars of ethical public procurement are equity, ethics and fair dealing, accountability and transparency, open and effective competition and they all lead to value for money procurement. He concludes that the provisions in the Acts and Codes of Ethics provide a technical solution to an adaptation problem. People are not born unethical, they acquire such behaviors as they grow up and the laws and code of ethics will not work well if there is no system that is going to reverse the way people think and behave. He recommends that we need to ensure that we inculcate ethical behaviors to our industry professionals.

[10] in his study on social value orientation and regulatory compliance in Ugandan public procurement established that self-interested public procurement officers follow rules which they do not believe in but which are perceived by the government to promote transparency and accountability. He also found out that regulatory compliance is a function of legitimacy and perceived receipt of entitled procedural outcome according to norms of justice and norms of fairness. [5] studied the implementation of supply chain management ethics in government ministries in Kenya and established that there is a high level of awareness of procurement regulation and this influences the application of supply chain management ethics in Kenyan government ministries. The study also established a high degree of correlation between transparency and accountability and supply chain management ethics. The study recommended that supply chain practitioners should be trained on how to comply with the procurement law to facilitate the implementation of supply chain management ethics.

[1] studied the factors influencing procurement performance in the Kenyan public sector, and the study measured performance regarding efficiency, effectiveness, and dependability. Their study concluded that procurement performance should be realigned with key performance indicators such as performance contracts and service charter to enhance service delivery. The study also suggested further research on areas such as leadership, ethics, integrity, and governance.

[8] found out that weak oversight authority, non-transparent practices among other factors influence the implementation of procurement law in Kenya. His study concluded that inefficiencies in procurement lead to increased procurement costs, causing longer cycle times and lower quality procurement decisions in the government. [6] studied factors affecting procurement performance in the Kenyan ministry of energy and found out that there was poor contract management at the ministry, characterized by delays in the payments to suppliers which hampers significantly on their service delivery. His study also measured procurement performance regarding efficiency and effectiveness and recommended that management of the procurement process should be administered by qualified, competent and experienced procurement professionals. This will not only help maintain proper procurement standards but also will help achieve high levels of efficiency and effectiveness in the procurement function.

3. CONCEPTUAL FRAMEWORK



4. SUMMARY AND CRITIQUE OF EXISTING LITERATURE

The public procurement goals include; satisfying the customer regarding cost, quality and promptly, minimizing administrative operating costs, conducting business with integrity, fairness, and openness and fulfilling public objectives. The level of application of procurement ethics has been used as a measure of the state of organization corporate image and corporate social responsibility practices hence supply chain management ethics is nowadays considered a core factor for business success. Low level of procurement regulations compliance by government ministries and lack of adequate enforcement of regulations implementation by the government encourages cases of unethical procurement practices in Kenya.

[11] in his comparison and analysis of the judicial system concerning conflict of interest found out that the proceedings for establishing the existence of a conflict of interest are administrative. These proceedings are conducted by regulatory bodies, result in the issuance of administrative acts and the event that the presence of a conflict of interest is established most countries impose administrative penalties (fines, penalty payments, prohibition to perform a particular profession or activity). [12] also emphasize that buyers should treat their suppliers fairly and as strategic partners and never to exploit them.

5. RESEARCH METHODOLOGY

The descriptive study design was used. The target population of this research was 65 staff working in procurement departments, who have been with Nairobi County for a minimum period of one year. In this formula, sample size can be calculated at 3%, 5%, 7% and 10% precision (e) levels. Confidence level used is 95% with degree of variability (p) equivalent to 50% (0.5).

n = sample size

N= target population (187)

e = margin error of 10%

In the proposed study, the sample size was calculated at the precision level of 10% (e = 0.1). Therefore, the sample size is 65 staffs within procurement department in Nairobi County. The questionnaires were administered by the researcher to the respondents on a pick and drop basis to limit interference and also ensure privacy. Pick and drop method was used to administer the questionnaires to 19 respondents who did not take part in the study to evaluate the survey questionnaire for the flow of questions, accuracy clarity, readability and understandability of the research instruments to be used in this study.

The researcher also used inferential statistics through correlation and regression. Regression analysis was used to establish the relationship between the independent and dependent variables with a regression model as stated below. The following multiple linear regression was used:

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

Where:

Y = Procurement Performance

X1 = Supplier selection ethics

X2 = Ethical policies and codes

X3 = Procedural justice ethics

X4 = Supplier Diversity Ethics

ε = Error term

β_1 , β_2 , β_3 , and β_4 = regression coefficient of the four variables.

Finally, the study findings were presented using tables, pie charts, and graphs which are essential to any examination of the data.

6. RESULTS AND DISCUSSION

Response Rate:

Data were collected regarding the age of the sampled employees. The researcher considered this critical because employees perceive staff is working in procurement departments of Nairobi County. The study collected data from 65 employees drawn from the procurement department of Nairobi County government, a total of 60 respondents' responded constituting 92 % of the respondents' rates.

The findings showed that 28 (46.7%) of the employees of Nairobi County government were from the executive category, 18 (30%) are from the commercial category, 7 (11.7%) are from the regulatory agency while 7 (11.7%) are from research/ education/ training category of the procurement department. Also, the findings show that 30 (50%) of the respondents indicated that there are 6 to 10 employees within the procurement department, 20 (33.3%) stated that there are 11 to 15 employees while 10 (16.7%) stated that there are less than five employees from the procurement department. There is a clear indication that the procurement department has between 6 to 15 employees. Furthermore, 35 (58.3%) of the employees indicated that the County government was centralized while 25 (41.7%) indicated that the government was decentralized.

6.1 Supplier Selection Ethics:

The findings showed that 20 (33.3%) and 20 (33.3%) of the Nairobi county government staff agreed and strongly agreed respectively that the organization has mechanisms in place to ensure objectivity in supplier evaluation while 3 (5%) and 17 (28.3%) strongly disagreed and were neutral respectively regarding this thus giving a mean response of 3.90 (SD = 1.040). However, 9 (15%) and 34 (56.7%) of the respondents strongly disagreed and disagreed respectively that in supplier evaluation, priority is always given to those suppliers who can effectively meet the organization (buyers) specifications and code of conduct while 12 (20%) and 5 (8.3%) of the respondents held a neutral view and agreed respectively thus giving a mean of 2.22 (SD = 0.800) that showed that majority of the respondents disagree regarding this. The findings further indicate that 15 (25%) and 23 (38.3%) disagreed and held a neutral view that the organization prohibits selection of suppliers who collude to fix or hike market prices while 17 (28.3%) and 5 (8.3%) of the respondents agreed and strongly agreed respectively with this statement thus giving a mean response of 3.20 (SD = 0.920) indicating that majority of the respondents held a neutral view regarding this.

The findings showed that 1 (1.7%) and 25 (41.7%) strongly disagreed and disagreed respectively that the organization regularly assesses if the suppliers used forced labour while 12 (20%), 17 (28.3%) and 5 (8.3%) of the respondents held a neutral view, agreed and strongly agreed respectively regarding this giving a mean response of 3.00 (SD = 1.060) indicating that majority hold an unbiased perspective. On the other hand, 26 (43.3%) and 12 (20%) of the respondents agreed and strongly agreed respectively that the organization regularly assesses suppliers working conditions as criteria in supplier selection while 10 (16.7%) and 12 (20%) of the respondents disagreed and held a neutral view regarding this thus giving a mean response of 3.67 (SD = 0.990) showing that majority of the respondents do not agree with the statement. The findings indicate that 26 (43.3%) and 9 (15%) of the respondents agreed and strongly agreed respectively that the

organization regularly assesses suppliers working conditions as criteria in supplier selection while 12 (20%) and 13 (21.7%) disagreed and held a neutral view regarding this thus giving a mean response of 3.53 (SD = 0.980) indicating agreement by majority of the respondents regarding this.

The findings also show that 22 (36.7%) and 6 (10%) of the respondents agreed and strongly agreed respectively that the organization conducts a regular assessment of suppliers' health and safety practices to ensure ethical sourcing while 2 (3.3%), 18 (30%) and 12 (20%) of the respondents strongly disagreed, disagreed and held a neutral view regarding this thus giving a mean response of 3.20 (SD = 1.090) indicating neutrality by majority of the respondents. From these findings, although the department practices various supplier selection ethics strategies, there are gaps in terms of supplier evaluation where priority is not always given to those suppliers who can effectively meet the organization (buyers) specifications and code of conduct which would eventually risk effectiveness in terms of cost and operations, regular assessment of whether the suppliers use forced labour is not carried out, prohibition of selection of suppliers who collude to fix or hike market prices is not practiced, and the department does not conduct a regular assessment of suppliers' health and safety practices to ensure ethical sourcing. Basing on this, the findings show that supplier selection ethics overall response was 3.40 (SD = 0.510) indicating that though the department implements certain aspects of supplier selection ethics, not all the elements are implemented.

6.2 Ethical policies and Codes:

The findings showed that 35 (58.3%) and 25 (41.7%) of the respondents strongly disagreed and disagreed respectively that buyers are supposed to declare any conflict of interest in the procurement process is giving a mean response of 1.42 (SD = 0.500) indicating strong disagreement by the majority of the respondents. However, the findings show that 20 (33.3%) and 17 (28.4%) of the respondents agreed and strongly agreed respectively that buyers in the organization they don't deal with suppliers directly where they have beneficial shareholding while 3 (5%) and 20 (33.3%) of the respondents disagreed and held a neutral view regarding this thus giving a mean response of 3.90 (SD = 1.040) showing agreement by majority of the respondents. Furthermore, the findings also show that 29 (48.3%) and 5 (8.3%) of the respondents agreed and strongly agreed respectively that the procurement function has a clear policy on gifts and hospitality offered to the buyers by the suppliers while 10 (16.7%) and 16 (26.7%) disagreed and held a neutral view regarding this respectively giving a mean response of 3.48 (SD = 0.870) showing that majority of the respondents were neutral regarding this.

The findings also show that 16 (26.7%) and 11 (18.3%) of the respondents agreed and strongly agreed respectively that the organization has a policy on the confidentiality of information provided by suppliers to ensure an ethical and fair procurement process while 10 (16.7%) and 23 (38.3%) of the respondents disagreed and held a neutral perspective regarding this thereby giving a mean response of 3.47 (SD = 0.980) indicating neutrality by majority of the respondents.

In addition, the findings show that 28 (46.7%) and 15 (25%) of the respondents agreed and strongly agreed respectively that the organization verifies the accuracy of information given and received from the suppliers while 3 (5%), 5 (8.3%) and 9 (15%) strongly disagreed, disagreed and held a neutral view thus giving a mean response of 3.78 (SD = 1.080) indicating agreement by majority of the respondents. The findings further show that 21 (35%) and 21 (35%) of the respondents agreed and strongly agreed respectively that the procurement function has mechanisms to prevent any form of internal or external collusion during the procurement process while 2 (3.3%), 4 (6.7%) and 12 (20%) strongly disagreed, disagreed and held a neutral view thereby giving a mean response of 3.92 (SD = 1.060) indicating agreement by majority of the employees.

6.3 Procedural Justice Ethics:

The findings showed that 44 (73.3%) and 16 (26.7%) of the respondents strongly disagreed and disagreed respectively that There is transparency as to the criteria used when inviting suppliers to offer/bid giving a mean response of 1.27 (SD = 0.446) indicating strong disagreement by the majority of the respondents. The findings also show that 39 (65%) and 13 (21.7%) of the employees agreed and strongly agreed respectively that opening of suppliers' bids is always transparently done in the presence of suppliers'/suppliers' representatives while 8 (13.3%) of the respondents were not sure of this thus giving a mean response of 4.08 (SD = 0.591) indicating agreement by majority of the respondents. Furthermore, the findings show that 20 (33.3%) and 20 (33.3%) of the respondents agreed and strongly agreed respectively that the bid evaluation process is always apparent and made known to the suppliers early enough during procurement/bidding process while 2 (3.3%) and 18 (30%) of the respondents disagreed and were not sure of this respectively. The mean response was 3.97 (SD = 0.882) which indicated agreement by a majority of the respondents. In addition, 23 (38.3%) and 10 (16.7%) of

the respondents agreed and strongly agreed respectively that the department ensures equity in the treatment of suppliers through non-discrimination (e.g. on basis of gender, religion, ethnic background) giving a mean response of 3.63 (SD = 0.863) while 5 (8.3%) and 22 (36.7%) of the respondents disagreed and were not sure regarding this respectively.

The findings further showed that 28 (46.7%) and 26 (43.3%) of the respondents agreed and strongly agreed respectively that the department always ensures consistent application of the same standards to all suppliers thus giving a mean response of 4.33 (SD = 0.655) indicating that majority of the respondents were in agreement with this while 6 (10%) of the respondents were not sure of this. Also, 10 (16.7%), 16 (26.7%) and 25 (41.7%) of the respondents strongly disagreed, disagreed and were not sure respectively whether to boost suppliers' confidence with the firm's procurement procedures, suppliers are dealt with objectively and without any favoritism while 9 (15%) of the respondents agreed thus giving a mean response of 3.55 (SD = 0.946) indicating agreement by majority of the respondents. Finally, it was revealed that 25 (41.7%) and 3 (5%) of the respondents agreed and strongly agreed respectively that the department gives all potential suppliers equal opportunity through encouraging open and fair competition while 12 (20%), 5 (8.3%) and 15 (25%) of the respondents strongly disagreed, disagreed and were not sure of this thus giving a mean response of 3.03 (SD = 1.235) that indicated overall neutrality by majority of the respondents.

Although the department seems to implement the majority of procedural justice ethics strategies towards enhancing procurement performance, there are gaps regarding transparency as to the criteria used when inviting suppliers to offer/bid and the department does not give all potential suppliers equal opportunity through encouraging open and fair competition. This shows that the procurement process is not revealed to the bidders and there is a risk of malpractice as well as biases in the bidding process. These are gaps that can be addressed to ensure further improvement in procurement performance.

6.4 Supplier Diversity Ethics:

The findings revealed that 35 (58.3%) and 25 (41.7%) of the respondents strongly disagreed and disagreed respectively that the department creates awareness of the preference (supplier diversity) schemes initiated by the government for public benefit giving a mean response of 1.42 (SD = 0.500) showing strong disagreement by majority of the respondents. The findings also showed that 17 (28.3%) and 20 (33.3%) of the respondents agreed and strongly agreed respectively that the department has developed shortlists of suppliers to reach out to a broad mix of bidders that reflect diversity in the public while 2 (3.3%) and 21 (35%) of the respondents disagreed and were not sure of this respectively giving a mean response of 3.92 (SD = 0.910) indicating agreement by majority of the employees.

The findings further revealed that 10 (16.7%) and 19 (31.7%) of the respondents agreed and strongly agreed respectively that their department's top management is always committed to developing and implementing supplier diversity programmes while 6 (10%) and 25 (41.7%) of the respondents disagreed and were not sure regarding this thereby giving a mean response of 3.70 (SD = 1.030) indicating agreement by majority of the respondents.

The findings also showed that 15 (25%) and 15 (25%) of the respondents agreed and strongly agreed respectively that the department is committed to strengthening strategic partnerships with minority-owned businesses while 9 (15%), 8 (13.3%) and 13 (21.7%) of the respondents strongly disagreed, disagreed and were not sure respectively regarding this. The mean response was 3.32 (SD = 1.380) indicating neutrality by the majority of the respondents. Finally, the findings show that 33 (55%) and 14 (23.3%) of the respondents agreed and strongly agreed respectively that the department always sets goals to measure progress in supplier diversity programmes while 3 (5%), 3 (5%) and 7 (11.7%) of the respondents strongly disagreed, disagreed and were not sure regarding this thus giving a mean response of 3.87 (SD = 1.000) which indicated agreement by majority of the respondents. The overall mean response was 3.68 (SD = 0.720) which showed understanding by a majority of the respondents regarding supplier diversity ethics.

6.5 Procurement Performance:

From the findings, 44 (73.3%) and 16 (26.7%) of the respondents strongly disagreed and disagreed respectively that there has been improved sourcing decisions and adherence to procurement laws giving a mean response of 1.27 (SD = 0.450) indicating strong disagreement. The findings further showed that 29 (48.3%) and 17 (28.3%) of the respondents agreed and strongly agreed respectively that the procurement department responds to customer queries and solving any problems with the first call while 4 (6.7%) and 10 (16.7%) of the respondents disagreed and were not sure regarding this thereby giving a mean response of 3.92 (SD = 1.030) indicating agreement by majority of the respondents. Furthermore, it was revealed that 34 (56.7%) and 17 (28.3%) of the respondents agreed and strongly agreed respectively that there are better supplier management policies and favorable procurement terms while 9 (15%) of the respondents were not sure regarding this thus giving a mean response of 3.98 (SD = 0.950) indicating agreement by majority of the respondents.

The findings further revealed that 19 (31.7%) and 21 (35%) of the respondents agreed and strongly agreed respectively that there are adequate contract reviews and payment terms negotiations with the suppliers while 1 (1.7%), 14 (23.3%) and 5 (8.3%) of the respondents strongly disagreed, disagreed and were not sure regarding this thereby giving a mean response of 3.75 (SD = 1.220) indicating agreement by majority of the employees. The findings also showed that 36 (60%) and 15 (25%) of the respondents agreed and strongly agreed respectively that there is seeking feedback (regarding customer satisfaction) from both its internal and external customers while 1 (1.7%), 6 (10%) and 2 (3.3%) of the respondents strongly disagreed, disagreed and were not sure respectively regarding this thus giving a mean response of 3.97 (SD = 0.920) indicating agreement by majority of the respondents.

Finally, the findings showed that 12 (20%) and 9 (15%) of the respondents agreed and strongly agreed respectively that there is improved communication between the user departments and the procurement department while 11 (18.3%), 8 (13.3%) and 20 (33.3%) of the respondents strongly disagreed, disagreed and were not sure regarding this respectively thus giving a mean response of 3.00 (SD = 1.300) indicating neutrality by majority of the respondents. The overall mean for procurement performance was 3.72 (SD = 0.680) that stated that majority of the respondents agreed with the majority of the various aspects of procurement performance. Despite there being better procurement performance at multiple levels, there were gaps identified regarding the sourcing decisions and adherence to procurement laws, setting timelines and accurately processing of customer orders and the level and quality of communication between the user departments and the procurement department.

6.6 Correlation Results:

The findings revealed that Supplier Selection Ethics have a positive and significant relationship with procurement performance, $\rho = 0.491$, $p = 0.001$ at 0.01 level of significance. This means that with an increase in Supplier Selection Ethics, there is 0.491 probability that procurement performance will increase. Further, Ethical Policies and Codes have a positive and significant relationship with procurement performance, $\rho = 0.440$, $p < 0.001$ at 0.01 level of significance such that there is a probability of 0.440 that procurement performance would increase with an increase in the implementation and use of Ethical Policies and Codes. Moreover, Procedural Justice Ethics was positively and significantly correlated with procurement performance, $\rho = 0.327$, $p = 0.011$ at 0.05 level of significance indicating that there is a probability of 0.327 that procurement performance will increase with an increase in the use of and implementation of Procedural Justice Ethics. Finally, Supplier Diversity Ethics have a positive and significant relationship with procurement performance, $\rho = 0.519$, $p < 0.001$ at 0.01 level of significance such that with increased use and implementation of Supplier Diversity Ethics, there is a probability of 0.519 that procurement performance will improve. Finally, the inter-factor relationships showed that there were significant and positive relationships. These findings demonstrate that the various factors complement each other for the benefit of increasing the level of procurement performance in the procurement department.

6.7. Model Summary:

Table 1 illustrates the model summary of multiple regression models, the results showed that all the four predictors. The results showed that all the four predictors (Supplier Diversity Ethics, Procedural Justice Ethics, Ethical policies and Codes, Supplier selection Ethics) explained 49.3% variation of Procurement Performance. This showed that considering the four study independent variables, there is a probability of predicting Procurement Performance by 49.3% (R-squared = 0.493, R = 0.702).

Table 1: Model Summary

R	R Square	Adjusted R Square	Std. The error of the Estimate
0.702a	0.493	0.456	0.50289

a Predictors: (Constant), Supplier Diversity Ethics, Procedural Justice Ethics, Ethical policies and Codes, Supplier selection Ethics

Analysis of Variance:

Study findings for the analysis of variance indicated that the above-discussed coefficient of determination was significant as evidenced by $F(4, 55) = 13.362$ with $p < 0.001$. Thus, the model was fit to predict Procurement Performance using Supplier Diversity Ethics, Procedural Justice Ethics, Ethical policies and Codes, Supplier selection Ethics.

Table 2: Analysis of Variance (ANOVA)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	13.517	4	3.379	13.362	0.000b
Residual	13.909	55	0.253		
Total	27.426	59			

a Dependent Variable: procurement Performance

b Predictors: (Constant), Supplier Diversity Ethics, Procedural Justice Ethics, Ethical policies and Codes, Supplier selection Ethics

7. CONCLUSION

The primary objective of this study was to examine the influence of ethical sourcing Practices on procurement performance in Nairobi County. More specifically, the study sought to: determine how supplier selection influence procurement performance in Nairobi County, find out the influence of policies and codes on procurement performance in Nairobi County, establish how procedural justice influences the procurement performance in Nairobi County and examine how supplier diversity influence procurement performance in Nairobi County.

The findings have shown that increased implementation of supplier selection ethics further enhances procurement performance. Also, it has been revealed that expanding the implementation of ethical policies and codes improves procurement performance. The findings also show that further use of procedural justice ethics enhances procurement performance. Finally, the findings have showed that supplier diversity ethics and their implementation within the procurement department further enhance procurement performance. This is mainly because the procurement department of Nairobi County implements various policies and ethical practices that guide the procurement process. However, the findings have shown that there are existing gaps in the implementation of a significant number of the ethical practices in the procurement department and need to be addressed to further enhance procurement performance.

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