

The Influence of Procurement Agents on Effective Disposal of Stores in Government Ministries in Kenya

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Abstract

The objective of the study was to establish the relationship between qualifications of staff of procurement agents and effective disposal of stores in Government ministries in Kenya. The scope of this study was the government ministries in Kenya. The major limitations in the study were time and cost constraints which were addressed through sampling. It was assumed that the responses submitted were factual and the sample size was a true presentation of the population. The study was grounded on scientific management theory. The research methodology in this study was a descriptive research design that utilized both quantitative and qualitative data analysis techniques. The research population in this study was 1446 comprising all supply chain officers in government ministries in Kenya. A sample of 30% of the population was selected through simple random sampling technique which translated into a sample size of 433 supply chain officers. A structured questionnaire was used for data collection after pilot testing for validity and reliability. Quantitative data was analyzed descriptively using measures of central tendency and standard deviation and presented by use of frequency tables. Qualitative data was analyzed using content analysis. Ethical considerations of benevolence, confidentiality and disclosure of findings were observed throughout the research. The results show that qualification of the staff of procurement agents influences effective disposal of stores. Level of skills possessed by staff, management courses, and skills on records management are important aspects in assessing procurement agents' qualifications. It was recommended in this study that the National Treasury and Public Procurement Oversight Authority should come up with a standardized way of classifying procurement agents. In addition, it was recommended that Government Ministries should improve on the criteria used to vet procurement agents and should ensure that procurement agents are paid on time.

Keywords: Procurement agents, Effective disposal, Stores, Government Ministries

Introduction

Effective disposal of stores is concerned with ensuring that all surplus stores, obsolete stores, unserviceable stores, scrap and empties to create space for storage are get rid to improve efficiency of the system in an organization (Rotemberg, and & Saloner, 2009). Disposal of stores concepts enhance communication and coordination by bringing together to one responsible individual, all functions which are interrelated. This integration of interrelated materials functions is the basis of effective disposal of stores concept (Jacobs, Chase & Aquilano, 2009).

Government ministries in Kenya are the principal actors in macro socio-economic policy making infrastructure and an architect of an enabling environment for national development. Government ministries management covers such aspects of management as productivity management, and management of human, financial, stores and other resources. It involves an array of activities ranging from planning, formulation and implementation of policies, programmes and projects for the delivery of goods and services to the nation through a number of government and quasi-government institutional arrangements (GoK, 2006).

The public procurement and disposal Act 2005, clause 28(1) authorized procurement entities to appoint a procurement agent, on competitive basis, to carry out such procurement proceedings on its behalf as may be prescribed (The public procurement and disposal Act, 2005).

Stores disposal is concerned with ensuring that all procurement activities involved in storekeeping and stock control are carried out efficiently and economically by procurement agents (Lafayette, 2012). Store disposal in the government ministries is based on the need to demonstrate accountability for public resources, improve transparency and credibility of information used for making policy choices, and improved procurement efficiency (European Union, 2009).

The problem that this study sought to address is disposal of stores in government ministries in Kenya. The objective of this study was to establish the relationship between qualification of the staff of procurement agents and effective disposal of stores in government ministries in Kenya. The research question this study sought to address was the extent to which qualification of staff of procurement agents influence disposal of stores in government ministries in Kenya?

The findings of this study will be of value to the government ministries especially the National Treasury as they will be used to capacity build those involved in the disposal process. To the private sector business organizations and members of the general public the study will enlarge existing literature on stores disposal. To the Public

Procurement and Oversight Authority the study will help in capacity building supply chain officers and contribute to policy development in areas related to the disposal process.

This study was limited to the influence of qualifications of staff of procurement agents in effective disposal of stores in government ministries. The limitations of the study were availability of materials and those interviewed. The researcher overcame these limitations by drawing literature from other sectors and by booking appointments early enough and also using mail correspondents.

Literature Review

To investigate the influence of procurement agents' qualification on effective stores disposal, the study was based on scientific management theory. The theory consists of the works of Fredrick Taylor. Fredrick Taylor started the era of modern management in the late nineteenth and early twentieth centuries and sought to overthrow management by rule of thumb and replace it with actual timed observations leading to the one best practice (Watson, 2002).

Taylor advocated for the systematic training of workers in the one best practice rather than allowing them personal discretion in their tasks. He further believed that the workload would be evenly distributed between the workers and management with management performing the science and instruction and the workers performing the labour, each group doing the work for which it was best suited (Watson, 2002).

Taylor's strongest positive legacy was the concept of breaking a complex task down into a number of subtasks, and optimizing the performance of the subtasks, hence, his stopwatch measured time trials (Osborne and Rubinstein, 1990). As a result, he proposed four underlying principles of management. Firstly, there is need to develop a science of work to replace old rule of thumb methods, pay and other rewards linked to achievement of optimum goals, measures of work performance and output. Failure to achieve these would in contrast result in loss of earnings. Second is that workers should be scientifically selected and developed; Training each to be first class at some specific task (Watson, 2002). Thirdly, the science of work to be brought together with scientifically selected and trained people to achieve the best results. Finally, work and responsibility to be divided equally between workers and management cooperating together in close interdependence.

According to Watson (2002) scientific management is essential for effective store disposal as it aims to improved methods of storage and distribution and removal of wastage and inefficiency in undertaking storage activities. This is especially relevant in the government ministries where there is constant demand for uniformity of treatment, regularity of procedures and public accountability for operations. Scientific management in this case would ensure adherence to specific rules and procedures and to keeping of detailed records of operations in government ministries.

One of the principles of scientific management as forwarded by Fredrick Taylor is performance standards. Taylor found out that there were no scientific performance standards. No one knew exactly how much work a worker should do in one hour or in one day. The work was fixed assuming rule of thumb or the amount of work done by an average worker. Taylor introduced Time and Motion Studies to fix performance standards. He fixed performance standards for time, cost, and quality of work, which lead to uniformity of work. As a result, the efficiency of the workers could be compared with each other. The principle of performance standard was therefore applied in investigating effective stores disposal in the government ministries.

The dependent variable in this study was effective disposal of stores. The indicators that were used to measure this variable were lead time, value for money and process transparency. The independent variable in this study was qualifications of procurement agents. The indicators that were used to measure the variable were level of education, skills possessed by staff, staff development, management courses and skills on records management. The researcher argues that there is a relationship between the qualification of procurement agents achieved overtime through the level of education, skills possessed by staff, how well they are developed and management courses they have attended and effective stores disposal as may be noted through lead time, value for money and process transparency.

Empirical Review

Ngulube and Tafor (2006) in a study on impact of management of records in the government ministries in Africa found that records and information management in developing countries was significant in effective management of the sector. This is because effective record management leads to accountability. However, the researchers observed that record management in most government ministries in developing countries were poorly managed hence the poor performance of most public institutions. One of the problems identified was lack of staff and appropriate training, inadequate funding to maintain records and the digital divide. This implies that if these problems are looked into, stores disposal and management in the government ministries could be improved. In Kenya, having changed the procurement system by introduction of Public Procurement and Disposal Act (2005), an assessment of the impact these changes have had on some aspects such as qualifications of procurement agents would be an interesting contribution. Although Ngulube and Tafor (2006) highlighted the shortage of

qualified staff, they did not look into the influence of qualifications on stores disposal function. Maria (2011) in her study on the relationship between stores operations and human capital, she found that stores operations management depends highly on the skills of the human resource handling them. She observed that every task and action required to be carried out by the operatives will impact the inventory as well as the delivery lead times and other parameters. Workers who do not know why they are carrying out a task, what is required to be done and the consequences are prone to carry out wrong inventory operations and in the long run lead to ineffective stores disposal. She also observed that when warehouse operations were being managed by a third party service provider and the principle customer is not present at the location, the quality of staff and operatives were compromised and people were not given adequate training before being allocated responsibility, this led to stores discrepancies hence ineffective store disposal. The study by Maria (2011) should have included other aspects of human capital like experience, type and capacity. This study sought to add these aspects. World Bank (2000) in a study on managing records as the basis for effective service delivery and public accountability in development; it was found that the quality of any records management program was directly related to the quality of the staff that operated it. The study established that lack of considering the quality and quantity of staff needed to run a store in the civil service often led to incompetence and ineffective stores disposal. It was also found that because the care of records calls for a continuous management process at any phase of the life-cycle of the records, the functions of registrar, records manager, records centre manager, and archivist should be performed within an integrated structure, with no rigid boundaries that limit professional collaboration and development. The study by World Bank (2000) did not establish direct link between influence of procurement agents and effective stores disposal. It only highlighted the essence to have the right quality and quantity of staff. This current study sought to establish this link.

Research methodology

In this study descriptive research design was adopted whereby data was analyzed using both quantitative and qualitative techniques.

The target population consisted of supply chain officers in all government ministries in Kenya. There are 1446 supply chain officers in 18 government ministries in Kenya.

A sample of 30% of the entire population was selected through simple random sampling technique which translated into a sample size of 433 supply chain officers.

Primary and secondary data were collected. Secondary data was obtained from publications and government ministries reports. Primary data was collected using two instruments; a semi-structured questionnaire and an interview guide.

The semi-structured questionnaires were administered to supply chain officers at the middle levels (job group G-M) because they were many, homogeneous and their experience could be similar.

The interview guide was used to obtain information from supply chain officers in job group N-T. This category of respondents was selected purposively owing to their experience as decision and policy makers in public procurement.

In order to test the reliability of the instruments that were used in the study, 18 respondents participated, one from each ministry. Test – retest criterion was applied in determining reliability of the research instruments. A time lapse of two weeks was allowed between the two tests. This established the extent to which the questionnaires were in a position to elicit the same responses every time it was administered. A correlation coefficient of 0.79 was achieved and was considered reliable for the study according to Paton (2001).

The content validity of the instruments was achieved through a focus group discussion comprising of PPOA and Treasury officials. Estimation of the proportion of true score variance that was captured by the items was done by comparing the sum of item variances with the variance of the sum scale.

Quantitative data was analyzed descriptively using measures of central tendency and standard deviation. This is because data was anticipated to scatter around means. Data analysis results were presented by use of frequency tables and percentages. The statistical packages for social science (SPSS) aided in data analysis. Qualitative data was analyzed using content analysis whereby responses from interviews were categorized based on themes and results were presented in prose form.

Research finding and discussions

The response rate was 336 officers out of anticipated 433 which translated into 77.6% which according to Babbie (2002) was adequate for making conclusions on the study findings.

Respondents were asked to rate the qualification statements in regard to their influence on effective disposal of stores. The respondents were to use a scale of 1-5 where: 1-strongly disagree, 2- disagree, 3- neutral, 4-agree and 5- strongly agree. The table below presents the results.

Table 1. Qualification of Procurement Agents

Statement /indicator	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Level of education	0%	24.4%	11.3%	36.9%	27.4%	3.67	1.122
Type of skills possessed by staff	0%	0%	11.3%	11.3%	77.4%	4.55	.964
Management courses undertaken by staff	0%	0%	0%	59.5%	40.5%	4.40	.492
Level of skills in records management	0%	11.3%	11.3%	14.6%	62.8%	4.29	1.055
Composite						4.2275	0.90825

The research objective was to establish the relationship between qualification of the staff of procurement agents and effective disposal of stores in government ministries in Kenya.

Respondents were asked to indicate whether the level of education possessed by staff of the procurement agent influence effective disposal of stores. The mean was 3.67 and the standard deviation was 1.122. This indicates that respondents agreed that the level of education influence effective disposal of stores.

Respondents were asked to indicate whether the type of skills possessed by staff of the procurement agent influence effective disposal of stores. The mean was 4.55 and the standard deviation was 0.964. This indicates that respondents strongly agreed that the type of skills possessed by staff of the procurement agent influence effective disposal of stores.

Respondents were asked to indicate whether management courses undertaken by staff of the procurement agent influence effective disposal of stores. The mean was 4.40 and the standard deviation was 0.492. This indicates that respondents strongly agreed that management courses undertaken by staff influence effective disposal of stores.

Respondents were asked to indicate whether the level of skills on records management possessed by staff of the procurement agent influence effective disposal of stores. The mean was 4.29 and the standard deviation was 1.055. This indicates that respondents agreed that the level of skills on records management possessed by staff of the procurement agent influence effective disposal of stores.

The composite mean was 4.2275 and the composite standard deviation was 0.90825 which indicate that the respondents strongly agreed that the qualifications of the procurement agent influence effective disposal of stores in government ministries in Kenya.

Information from interviews supported the above findings as it indicated that qualifications of a procurement agent are assessed through verification of the documents presented to the ministry before entering into a contract with it. Respondents also noted that Government ministries should improve on the criteria used to vet procurement agents and should ensure that they are paid on time when hired. Respondents recommended that the public Procurement and Oversight Authority should come up with a way of classifying procurement agents.

Summary and Conclusions

Based on the research findings in this study, it was concluded that the qualifications of the procurement agent's staff influence effective disposal of stores in government ministries in Kenya.

Qualifications of staff are established through level of formal education and staff training. The level of skills possessed by staff, management courses, and skills on records management are important aspects in assessing procurement agent's qualifications.

Recommendation of the Study

Based on the research findings in this study, it was recommended that the National Treasury and Public Procurement Oversight Authority should come up with a standardized way of classifying procurement agents especially those interested in public procurement. The government ministries should improve on the criteria used to vet procurement agents. The criteria should be simple and flexible to allow an efficient procurement system. The government ministries should ensure that measures are in place to facilitate quick payment to procurement agents in order to enhance supplier relations.

The members of the public and government employees who participate in the process of disposal of stores should know the role of procurement agents and also understand the rules and regulations in place governing the process.

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