ANALYSIS OF THE FACTORS INFLUENCING PERFORMANCE OF THE PREFERENCE AND RESERVATION POLICY AMONG PERSONS WITH DISABILITIES AT MOI TEACHING AND REFERAL HOSPITAL, KENYA

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International Academic Journal of Procurement and Supply Chain Management (IAJPSCM) | ISSN 2518-2404

Received: 14th January 2017
Accepted: 2nd March 2017

Full Length Research

Available Online at: http://www.iajournals.org/articles/iajpscm_v2_i3_1_15.pdf

ABSTRACT

Public procurement is the procurement of goods and services on behalf of a public authority, such as a government agency. Due to their inability to compete with gigantic global firms in bidding for and winning procurement contracts, special groups may need some form of protection. Indeed, in order to guard against the negative outcomes of opening up national markets, countries have been involved in various discrimination practices, both open and tacit. The study sought to analyze the performance of the preference and reservation policy in public procurement among persons with disabilities in Kenya. The study was guided by the following research objectives; To examine the perceptions towards the effects of corruption on the performance of preference and reservations policy among persons with disabilities; To explore the perceptions on how skills affect the performance of the preference and reservations policy in public procurement among persons with disabilities and to establish the perceptions of how culture affects the performance of the preference and reservations policy in public procurement. The study was based on Moi Teaching and Referral Hospital. It adopted a survey study design. It revolved around the persons with disabilities preference and reservations policy. Focus Group Discussions and questionnaires formed the studies primary data collection tools. The study focused on the senior management heads in the procurement department, persons with disabilities and the procurement officers. The study adopted purposive sampling on the senior management of procurement department and simple random sampling on the procurement officers and PWDs. Data was tabulated and statistically analyzed using both descriptive and inferential statistics descriptive statistics involved percentages, frequencies while inferential statistics adopted regression model. The purpose of descriptive statistics was to enable the researcher to meaningfully describe the findings. Data was presented in Tables and bar graphs. The study used SPSS (Statistical Package for the Social Sciences) program to aid the analysis. From the findings the performance of preference and reservation policy is still low and therefore there is need to adhere to the constitution on the 30% reservation for the youth, women and persons with disabilities. Organizations need to comply with the policies with regard to persons with disabilities in order for them to be equalized in all areas in the society. From the study it can be concluded that corruption is highly rated as the major influence of the performance of preference and reservation policy for persons with disabilities. Though skills and culture have been highlighted by the respondents as an influencing factor, the test on the hypothesis revealed that it has a negative influence on the performance of preference and reservation policy. The study recommended that the government should implement the disability policy and fast track provisions on procurement for persons with disabilities. The study hoped that the findings of this study will prove valuable to decision-makers, planners, institutions and researchers on sharing knowledge and experiences across the continent in order to enhance the performance of the preference and reservation policy among persons with disabilities.

Key Words: Preference and Reservation Policy, Corruption, Skills, Culture
INTRODUCTION

Public procurement is the procurement of goods and services on behalf of a public authority, such as a government agency. With 10 to 20% of GDP, government procurement accounts for a substantial part of the global economy. To prevent fraud, waste, corruption, or local protectionism, the law of most countries regulates government procurement more or less closely. It usually requires the procuring authority to issue public tenders if the value of the procurement exceeds a certain threshold. Government procurement is also the subject of the Agreement on Government Procurement (GPA), a plurilateral international treaty under the auspices of the WTO. Public procurement has tremendous impact on the economy, social, political and legal environment (White paper, 2005).

Public entities are the major purchasers of goods, works and services in a country hence influence the size, structure and performances of domestic industries. To this end, it is important for the government from time to time to review the effectiveness and efficiency of its procurement system. If any weakness is identified, then reforms should be introduced to strengthen the procurement system in order to get value for money. Macdonald, Walker, Moussau (2008). According to white paper (2005) emergence of global economy, increased decentralization of government function, greater discretions power officials and weakness of the current procurement system have led to need of regulating procurement in new ways, hence need for reforms to solve these emerging challenges in the public procurement. Success of public procurement system reforms depends on a clear articulation and understanding of what the legal and regulatory framework seeks to achieve.

Bell (2002) asserts that government’s role is to shove society towards attainment of goals indicated and articulated through public policy .It is, in addition, responsible for mobilizing for a common stand based on the country’s long term vision and strategy that, in most cases, focus on sustainable development goals. Morgan (1996) portrays public procurement as a means through which both national developments as well as socioeconomic welfare of the citizens can be attained. Telgen(2006) gives a more focused viewpoint by asserting that public procurement is capable of playing a substantial role in delivering state objectives and that reforms associated with public procurement can be a lever for socio-economic development in both the developed and developing countries. In addition Erridge and Fee (2001) re-emphases that public procurement has a considerable impact on employment. As such promotion of equal opportunities through contract compliance can at the same time contribute directly to broader social policy objectives. Collis & Hussey, (1997) crowns this by stating that public procurement policy can have positive spin-off effects on community policies and can contribute significantly to realization of social and environment policy objectives.

In developed countries, for example the United Kingdom, existing literature indicate that public procurement is linked to enhancing a wider range of socio economic development goals and implementing regulatory aspects related to issues like tackling unemployment, promotion of fair
working conditions and payment of fair wages by private sector employers (McCrudden, 2004). Hessel et al (2000) reveals how public procurement is used by large Municipal governments in Netherlands not only for social purposes but also to increase labour participation especially for those that have been unemployed for long periods of time. Also varied Forms of selective procurement policies have been used in the United States (USA) In USA the policies compel those involved in the execution of the public procurement function to, for instance, hire minority contractors in public works projects. The different models of procurement used in the United States of America to promote growth of small businesses and in reinforcing the affirmative action in respect to women & the disabled include set-asides, Procurement breakouts, Prime contracts, and subcontracting assistance (Roussel, 1998). The same policy options are used to foster the implementation of the non-discrimination policy in employment. In Belgium a regulation adopted in 1999 by the Brussels administrative region, provides for a social clause in their public procurement.

In Africa preference and selection of procurement policies have been utilized, in South Africa for example the law provides for use selective public procurement contracts in favour of the Black Africans to alleviate social disparities occasioned by the post-Apartheid (McCrudden, 2004). In addition targeted procurement was adopted as a means for enhancing attainment of constitutional objectives geared to redressing institutional discrimination and inequality. The same model is being used to foster growth of small Black African’s business enterprises and tackling poverty & unemployment among the persons formerly disadvantaged by the apartheid regime (Watermeyer 2000). Public Procurement in Kenya is governed through The Constitution of Kenya, 2010, in the provisions dealing with financial matters. The constitutional provisions are brought into operation through the statutes and regulations, among them; The Public Procurement and Disposal Act, 2005; Public Procurement and Disposal Regulations2006; and Public Procurement and Disposal (Preferences and Reservations) Regulations 2011. These laws protect the interest of the public and maintain the balance of the private sector participation in provision of works, goods and services.

STATEMENT OF THE PROBLEM

Public Procurement has important economic and political implications to the country Raymond(2008). In order for the government of Kenya to achieve the Millennium Development Goal (MDG) and vision 2030; public procurement should contribute to quality, reduce poverty and promote economic growth, to provide Kenyans with equitable accessible and affordable life. Inefficient resource utilization that arises out of discriminatory procurement ultimately creates a lot of concern among the various donors in addition to affecting government expenditure due to increasing interest rates. With global challenges such as disability, poverty, diseases, environment degradation and lack of basic education; any resource wastage would create a grave impact. Opening up procurement markets to foreign firms in Kenya, would expose domestic firms to large foreign firms with high quality products, produced at lower prices due to their
technological base and production mechanism. This would render many of them out of business leading to job losses and reduced standard of living (Odhiambo & Kamau, 2003).

In Kenya there is a traditional culture that assumes that people with disabilities (PWD) can’t really do anything because of their physical state, but in real sense these people can greatly contribute to the economy of this country through being given the opportunities and responsibilities to perform. The public procurement preferences and reservation policy of 2013 has given them the opportunities that had been deprived of them. Due to their inability to compete with gigantic global firms in bidding for and winning procurement contracts, special groups may need some form of protection. Indeed, in order to guard against the negative outcomes of opening up national markets, countries have been involved in various discrimination practices, both open and tacit. However, in trying to embed social objectives in their policy framework on procurement, such countries would be encouraging protectionism and giving a blow to efficient performance of these public institutions (Musila, 2004). It is against this problem that the study seeks to investigate the challenges facing implementation of special groups’ preference and reservation policy in public procurement.

GENERAL OBJECTIVE

The main objective of the study was to factors influencing performance of the preference and reservation policy in public procurement among persons with disabilities in Kenya.

SPECIFIC OBJECTIVES

1. To examine the perceptions towards the effects of corruption on the performance of preference and reservations policy among persons with disabilities
2. To explore the perceptions on how skills affect the performance of the preference and reservations policy in public procurement among persons with disabilities.
3. To establish the perceptions of how culture affects the performance of the preference and reservations policy in public procurement.

THEORETICAL REVIEW

The study was guided by resource based theory, Agency theory, Institutional theory and Human relations theory.

Resource based theory: The resource based theory perspective argues that sustained competitive advantage is generated by the unique bundle of resources at the core of the firm (Corner and Prahalad, 2007; Barney2010). In other words, the resource based view describes how business owners build their business from the resources and capabilities that currently possessed or can acquire (Dollinger, 2008). The term “resources” was conceived broadly as “anything that can be thought of a strength or a weakness” of the firm (Wernerfelt, 2007). The theory addresses the central issue of how special groups can attain relatively compared to other
people in the same place. Implicit in the resource-based perspective is the centrality of the venture’s capabilities in explaining the public procurement to people with disabilities.

**Agency Theory:** Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed (Shailer, 2012). Corporate governance has also been defined as "a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby, mitigating agency risks which may stem from the misdeeds of corporate officers (Greg, 2011). There has been renewed interest in the corporate governance practices of modern corporations, particularly in relation to accountability. Since the high-profile collapses of a number of large corporations during 2001–2002, most of which involved accounting fraud; and then again after the recent financial crisis in 2008. Corporate scandals of various forms have maintained public and political interest in the regulation of corporate governance. In contemporary business corporations, the main external stakeholder groups are shareholders, debt holders, trade creditors, suppliers, customers and communities affected by the corporation's activities.

**Institutional Theory:** Institutional theory can be used to explain the challenges facing implementation preference and reservation policy. (Obanda 2010) observes that, institutional theory is normally used to examine public procurement from varying perspective. Theoretically, institutions are social structures that have attained high degree of resiliency they are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life (Scott, 2004). Scott, (2004) further explains that the mainstays of any institutions are regulatory, normative and cultural-cognitive, where regulatory refers to rules and laws and the enforcing mechanism, the normative elements includes norms and values while cultural-cognitive are the shared beliefs and understanding. In the context of this study, procurement processes of are recognized as procurement entities governed by the Public Procurement Disposal Act (PPDA, 2005).

**Human Relations Theory:** Human relations theory, also known as behavioral management theory, focuses more on the individuals in a workplace than the rules, procedures and processes. Instead of directives coming directly from management, a human relations theory provides communication between employees and managers, allowing them to interact with one another to help make decisions. Instead of giving workers quotas and requiring certain procedures, workers are exposed to motivational and emotional tactics to get them to increase productivity. The focus of this style is creating fulfilled, productive workers and helping workers invest in a company (Mayo, 2000).
CONCEPTUAL FRAMEWORK

Independent Variables

- Corruption
  - Economic
  - Social
  - Political

- Skills
  - Procurement function
  - Procurement trends and logistics

- Culture
  - Organizational
  - Personal attitudes

Dependent Variable

Performance of reference and reservation policy

Figure 1: Conceptual Framework

EMPIRICAL REVIEW

The public procurement practitioners always face many challenges albeit the specific different country’s economic, social, cultural and political environment. Corruption is disastrous to the sound functioning of any government department and has been an intractable problem in many developing countries; especially where it has become systematic to the point, where many in government have a stake and therefore affects the performance of preference and reservation among the vulnerable groups in the society. Skills also forms a relationship between the performance of the preference and reservation policy, indeed lack of knowledge on various aspects of procurement deprives people with disabilities with their rights of accessing information therefore poor performance of the implemented policy. Some key aspects on culture hinder the performance of preference and reservation policies for example trade between different nationalities, less mobility of factors of production, customer heterogeneity across markets and use of different currencies, governmental economic policy and political issues, inside culture makes procurement much more complex and a difficult activity. It is therefore important to assess these factors and determine how it affects the performance of preference and reservation policy among persons with disabilities.

RESEARCH METHODOLOGY

This study adopted a descriptive survey research design. A survey is an attempt to collect data from members of a population in order to determine the current status of that population with
respect to one or more variables. This design is probably the best method available to social scientist and other educators interested in collecting original data for the purposes of describing a population which is too large to observe directly. Target population consisted of the staff of Moi Teaching and Referral Hospital. The study focused on 3 senior management staff in the procurement department, 34 procurement officers and 562 persons with disabilities in Moi Teaching and Referral Hospital; the preference of the target was because procurement officers are knowledgeable about the challenges faced during the implementation of the procurement policies.

The study used purposive sampling on the senior management heads of procurement department and simple random sampling on the procurement officers and PWDs from Moi Teaching and Referral Hospital. Mugenda and Mugenda (2003) asserts that in order to get a representative sample for a population, a study should use 100% for a population less than 100, 30% for a population between 100-1000, 10% for a population between 1000 and 10000 and 1% for a population over 10000. This increased the reliability of data. The researcher used questionnaire, interview schedule and focus group discussions to collect the data for research. The questionnaires was administered to the various procurement officers and the senior management heads of procurement department while focus group discussions was used to collect data from persons with disabilities.

The researcher constructed close-ended and open-ended questionnaires, which was administered to the target. The researcher used questionnaire because potentially information can be collected from a large portion of a group. This potential is not often realized, as returns from questionnaires are usually low. The researcher acquired a permit from Jomo Kenyatta University of agriculture and Technology and from the selected public entities in Moi Teaching and Referral Hospital to conduct the research. A research permit from the National Commission for Science and Technology and Innovation was sought. The researcher distributed the questionnaires and collects them immediately after the exercise to ensure efficiency in collection of the data. Focus group discussion was conducted among persons with disabilities of a group of 6-10 persons with disabilities.

Data was tabulated and statistically analyzed using both descriptive and inferential statistics. Descriptive statistics involved percentages, frequencies and means. The purpose of descriptive statistics was to enable the researcher to meaningfully describe the findings. Multiple regression model was adopted for inferential statistics. Data was presented in Tables, bar graphs. The study used SPSS (Statistical Package for the Social Sciences) program to aid the analysis. The study used multiple regression analysis, it involves finding the best straight-line relationship to explain how the variation in an outcome (or dependent) variable, \( Y \), depends on the variation in a predictor (or independent or explanatory) variable, \( X \).

\[
Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e
\]
Where: \( X = \) the independent variables, \( X_1 = \) corruption, \( X_2 = \) skills, \( X_3 = \) culture, \( Y = \) the dependent variable (reservation policy), \( b = \) Independent Variable Coefficients and \( e = \) Error margin

**FINDINGS AND DISCUSSIONS**

The findings revealed that their organization is unprepared for the preference and reservation policy, an average of 61% of the respondents agreed on this, 6% were undecided and 33% disagreed on this. The study also revealed that the procurement staff lack knowledge on the management of the policy, but a section 6% of the respondents disagreed on this, on the opinion that there is lack of effective monitoring and evaluation of procurement practices in my organization, majority 88% of the respondents agreed on this while 12% were in disagreement. It was found out that there is a lot of corruption in our organization thus the performance of the policies becomes difficult, this was supported by 88% of the respondents and a significant percentage of the respondents agreed that the political pressures around the organization interfere with the performance of the policies.

In the focus group discussion, persons with disabilities noted that indeed the organizations are corrupt and need to be bribed for them to be considered in procurement operations. They noted that there are a lot of competition with their able counterparts hence becomes real hectic for them to achieve their procurement activities till they opt for bribery. These findings were interpreted to mean that indeed preference and reservation performance is still low, persons with disabilities are still marginalized even in procurement. Organizations need to comply with the policies with regard to persons with disabilities in order for them to be equalized in all areas in the society. This finding is explained by Renders, (2000) who states that persons with disabilities are viewed by the society as “disabled”. This finding was also in agreement with Carson, (2009) who says that persons with disabilities faced discrimination, no wonder in his social model of understanding disability he says that persons with disabilities are constantly battling with the social stigma.

When asked during the focus group discussion, of the availability of the provisions stipulated in the disability policy, an overwhelming majority of the respondents simply chorused that they hardly feel any provision. These findings also concur with the procurement rules enacted in 2013. In 2013, His Excellency President Uhuru Kenyatta directed that the procurement rules be amended to allow 30 per cent of contracts to be given to the youth, women and persons with disability. It is affirmative action aimed at empowering youth, women and persons with disability-owned enterprises by giving them more opportunities to do business with Government. This initiative is known as Access to Government Procurement Opportunities (AGPO). The Public Procurement Directorate under the Ministry of Finance is in charge of the initiative.

With regard to the effect of skills on the performance of preference and reservation policy, Majority of the respondents 70% disagreed that there is little information on the preference and
reservation policy, also majority 56% of the respondents disagreed that knowledge on tender evaluation and award criteria is inadequate. This therefore can be interpreted to mean that though skills can influence the performance of preference and reservation policy, the respondents still perceive that they have or the organization caters well for their information needs as well as the skills on procurement. From the focus group discussion, the study findings also revealed that, PWDs suffer various forms of barriers including; access to employment, obtaining appropriate work, retaining work, receiving appropriate wages, discriminating attitude and lack of appropriate skills. Further a high proportion 60% of the respondents who had approached the banks indicated that they were just told out rightly that they did not qualify for the loan since they did not have collateral, security or guarantor, hence their disqualification for the loans.

On culture, the study revealed that majority of the respondents 70% perceive that culture influences the performance of preference and reservation policy as persons with disabilities largely depend on the non-disabled counterparts while a small section of the respondents 40% believe that persons with disabilities have the ability to manage themselves and most things in an organization only that they have not been given a chance to do so. In the focus group discussion, the respondents added that they are still being marginalized in the society, for example one respondent in the focus group had this to say “… In our view, it is society which disables impaired people. Disability is something imposed on top of our impairments by the way we are unnecessarily isolated and excluded from full participation in society. Disabled people are therefore an oppressed group in society.

These findings are in line with Helander (1995) study who notes that social perceptions on disabilities arise as a result of cultural beliefs and practices existing in communities (Helander, 1995). Some societies perceive disability as incurable illness (Ingstad, 1991). The Somali people, for example, regard disabled as ill and impaired and in Mali, a disabling condition for a woman is to be ugly (Helander, 1995). The latter further argues that all aspects of disabilities are located in a network of social relations and dependent on social resources of various kinds. These perceptions which focus on stigma and severe maltreatment of PWDs may be a product of lack of understanding of other fundamental social processes that shape the lives of the disabled persons (Ingstad, 1995). According to Groce (1989), cultural beliefs about disabilities are strongly influenced by religion, socio-economic status and education background. In turn, these beliefs about disabilities affect how PWDs are treated in each culture. Attitudes are built upon beliefs, but can be shaped by experience and encounters with PWDs.

Overall people with handicapping conditions from developing countries are victimized by neglect, superstition, inaccurate stereotyping and exploitation and excluded from the community (McConkey & O’Toole, 1995). As a result, obtaining appropriate education and training, entering the workforce, and being accepted in society are difficult to achieve when disabled people are viewed negatively or marginalized in the society. This is because, until very recently, disability-related issues, which are now considered development issues, have remained “the least
prioritized and inadequately factored section of the national budget” in Kenya and other African countries.

The study computed a regression model to ascertain the factors and its influence on performance. The model summary indicated that about 32.2% of the data from the respondents was used in calculating the regression model. This was deemed sufficient enough for the study as this was over the recommended 30% when computing a regression model. The ANOVA model was used to assess the accuracy of the regression model. The results of the ANOVA model indicated that there was a significant variation in the data used in the regression model (p = 0.39) to indicate that the data had not been computed by chance. This meant that the output of the regression model was valid and could be used in the regression equation.

Table 1: Coefficients Model table (Regression output)

<table>
<thead>
<tr>
<th>Coefficients a</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.075</td>
<td>.556</td>
<td></td>
<td>5.535</td>
<td>.000</td>
</tr>
<tr>
<td>Corruption</td>
<td>.305</td>
<td>.097</td>
<td>.674</td>
<td>3.145</td>
<td>.004</td>
</tr>
<tr>
<td>Skills</td>
<td>-.070</td>
<td>.138</td>
<td>-.105</td>
<td>-.510</td>
<td>.615</td>
</tr>
<tr>
<td>Culture</td>
<td>-.094</td>
<td>.155</td>
<td>-.131</td>
<td>-.608</td>
<td>.549</td>
</tr>
</tbody>
</table>

The regression model results from table 4.9 were as follows

\[
\text{Performance} = 3.075 + 0.674 \times \text{corruption} - 0.131 \times \text{culture} - 0.105 \times \text{skills}
\]

The results were interpreted to mean that in the current setting, corruption was the most important factor that influenced the performance of preference and reservation policy (p = 0.004, \( \beta = 0.674 \)). This therefore meant that for persons with disabilities to qualify in any procurement functions, corruption is the influencing factor. The findings however noted that both skills and culture had a negative influence on the performance of the preference and reservation policy (p = 0.615, \( \beta = -.105 \)) and (p = 0.549, \( \beta = -0.608 \)). This was interpreted to mean that though these two practices besides being favoured by the management in the organization hardly influence the performance of preference and reservation policy.

CONCLUSIONS

The study concludes that corruption is highly rated as the major influence of the performance of preference and reservation policy for persons with disabilities. Though skills and culture have been highlighted by the respondents as an influencing factor, the test on the hypothesis revealed that it has a negative influence on the performance of preference and reservation policy. The following recommendations are therefore opted to fill this gap.
RECOMMENDATIONS

This study recommends that the government should implement the disability policy and fast track provisions on procurement for persons with disabilities. It is also recommended that the government should ensure that the 5% of job opportunities stipulated in the disability act are taken by the persons with disabilities. This will ensure that persons with disabilities are able to earn a livelihood and let them be independent.

The provision of access to vocational training should be implemented in order to seek to introduce to persons with disabilities, their families and employers the wide range of vocational training and rehabilitation programmes, including job attachment opportunities which the persons with disabilities can be involved in. This will curb the cultural perceptions of people for persons with disabilities.

REFERENCES


