

EFFECT OF EMPLOYEE COMPETENCE ON IMPLEMENTATION OF E-PROCUREMENT IN KISII COUNTY GOVERNMENT, KENYA

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Abstract: *Electronic procurement has become a household name in many organizations these days. This is because many of them have witnessed or tried-out the benefits associated with it. The main objective of this research was to determine the factors affecting implementation of e-procurement with a specific objective to ascertain the employee competence and its impact on the implementation of e-procurement within Kisii county government in Kenya. This study employed descriptive research design that gained an in-depth understanding of the connection that existed between the accomplishment of e-procurement and the performance of procurement among Kenyan county governments. The research adopted a simple random sampling technique which was used to get a sample population of 106 staff. The results show that there is high level of employee competence which has in turn improved implementation of e-procurement, that they are trained in e-procurement concepts and that the training they have in e-procurement has made it possible to improve on the performance of projects. The null hypothesis which stated that “employee competence has no significant effect on the implementation of e-procurement in Kisii county government” was rejected leading to the conclusion that employee competence has a significant effect on the implementation of e-procurement in Kisii county government.*

Keywords: *County Government, Electronic Payment, Less Developed Countries*

1. Introduction

Procurement is an undertaking of business management that is charged with the responsibility of assisting it to determine, source and access the external resources that an entity may require. Ongola (2017) on the impediments to effective implementation of e-procurement among the supermarkets' supply chain management in Nairobi and its environs reported that as much as management involvement, employee competence and management commitment had a positive effect on implementation of e-procurement, there existed a negative correlation between the cost of implementation and implementation of e-procurement.

Arunga and Paul (2017) on the factors affecting the adoption of e-procurement practices in public sector in Kenya developed sufficient reasons to believe that infrastructure, ethical malpractice and technical skills were vital factors in influencing e-procurement. However, the study stated that compliance strictness in use by the refugee affairs was not a significant factor in influencing e-procurement. The study discussed in favor of e-procurement adoption by claiming that, through it, an organization is able to purchase high quality of goods, leads to timely purchases, and leads to stock out reduction.

The government of Kenya has put in place policies which advocate an objective access to procurement opportunities to the members of public. These policies have been crafted to ensure that there is fairness during procurement and that there is a fair and accountable fashion to ascertain the attainment of value for money in all public procurement. These policies are aimed at driving the county's economy towards economic growth, reduce poverty, as well as manifest significant and improve on services delivery to the Kenyan citizenry. These policies are important to safeguard the government against over-payment for goods and services which it can otherwise get at a cheaper cost (Kipkorir, 2013; Makabira & Waiganjo, 2014). Recent studies have indicated that, through flawed public procurement processes, large sums of taxpayers' money have been lost in Kenya in the past; the main reasons being low personal ethical standards by concerned parties and organizational culture and the environment (Kangogo & Kiptoo, 2013).

Senior personnel in charge of procurement need the implementation of focused and continuous change management and enhancement plan to enable favorable behavioral and cultural change that brings forth a cost-effective and collaborative procurement plan. The advantages of that include enhanced efficiency in administration, improved contracts, more solid supplier relationships, as well as the provision of highest-value contracted goods and services to consumers (both internal and external). Culture change partly calls for the reconsidering of engagements between the procurement personnel and government projects as well as agency operations. The personnel of a centralized procurement agency must be entrenched within and held responsible to the programs that call for their services (Plant & Valle, 2008).

2. Employee Competence and Implementation of E-Procurement

The ICT industry is so dynamic and so are the industries or arenas dependent on ICT. For this reason, there is need to have constant research in an effort to ensure that the employees are up to date with the knowledge needed to place them at a competitive advantage. This implies that there is for the firms to ensure that employees are not only equipped with ICT skills in order to successfully implement Electronic Procurement, but also that the skills and knowledge are constantly updated (Mbeche, Ngari & Richu 2014).

Research has indicated that one of the major factors defining enactment of e-procurement in public procurement entities is an employee's ability to use Information Communication Technology (ICT), and this is the reason why they must be well trained on the same for this will change the way they do business (Asare & Prempeh, 2017). According to Chatterjee (2006), present top managers nowadays uninterruptedly try to emphasize the importance of oneself equipping with some knowledge on the various internet applications. Besides, they also offer guidance to the employees on the essence of expecting and coping up with competition, terming it as healthy and unavoidable in any business environment. The study quickly adds that its through embracing online business strategies that their enterprises can outsmart their competitors, hence the need to bring more of their business practices online in an effort to address customers' future needs. The study further reports that, managers on their part, are not only ready to finance all the necessary resources that are required in order to implement electronic business (e-business) practices but also giving guidance on how to cope with modern advancements in IT and internet related business practices so that they can be able to and integrate them in e-business practices in the firm. According to the study, managers' emphasis on e-business, would improve performance gains from e-business adoption.

3. Statement of the Problem

For the majority of organizations, it's been impossible to create effective techniques for the setting up of technological developments that are crucial in enabling e-procurement for the management of their procurement functions. E-procurement implementation within both the private and public sectors have had

their own bottlenecks due to certain hindering factors, but entities that have embraced e-procurement to improve performance have managed to register superior levels of accountability and transparency (Subramaniam & Shaw, 2012). In Kenya, procurement in county governments is executed through the guidance of the Public Procurement Oversight Authority as laid down in the 2005 Public Procurement and Disposal Act. It is government policy to allow free competition for procurement opportunities without bias in a clear, fair and accountable approach to guarantee the attainment of value for cash in all procurement. It is quite evident that, although e-procurement plays a key role as a key strategy and supply chain management tool, there are certain significant factors that seem to hamper its full implementation like technological resources, employee competence and stakeholder attitude but which no significant empirical study has associated with enactment of electronic procurement.

4. Hypotheses

H₀₁: Employee competence has no significant effect on the implementation of e-procurement in Kisii county government

5. Research Design

The study applied a case study research design; as such it was an intensive descriptive and holistic analysis of Kisii County in Kenya. It was an investigation of single entity in order to gain insight into the larger cases. In a case where the number of organizations that can be investigated are few, a small sample is available and an in-depth analysis is necessary, a case study is the most appropriate. The population was all the 207 employees who were recognized as the employees working in the procurement department in the county. A sample of 106 employees was arrived. Data were collected using a structured Likert scale type questionnaire.

6. Results and Discussion

Level of Education

It was important to establish the level of education for the respondents as this might influence the employees competence. The respondents were asked to disclose their highest level of academic qualification. The findings are as presented on table 1.

Table 1: Level of Education

Category	Count	Percentage
Primary	0	00.0%
Secondary	9	11.5%
Diploma	36	46.2%
Undergraduate degree	28	35.9%
Post graduate	5	6.4%
Total	78	100.0%

Table 1 shows that majority at (46.2%) were diploma holders, followed by 35.9% of the respondents studied to undergraduate degree level. It was also noted that 11.5% of the respondents had studied to secondary school level and only 6.4% had post graduate level of education. This submits that the respondents had made significant strides to further their academics. Consequently, it can be implied that those with first degree and above were adequately knowledgeable compared to those with less certification and were more suited for the job market and the changing requirements that characterize the market dynamics. Cheng *et al.*, (2013), had asserted that education is a necessary component in the social life of individuals and for the attainment of important and relevant skills and competencies for effective work.

Implementation of e-procurement

The study wanted to determine the respondents’ perception implementation of e-procurement in the County. The results are as seen in Table 2.

Table 2: Implementation of e-procurement

	Strongly Agree 5	Agree 4	Undecided 3	Disagree 2	Strongly Disagree 1	$\frac{\sum f_i x_i}{\sum f_i}$
The implementation of e-procurement is so far timely and sustainable	36	26	11	4	1	4.18
The implementation of e-procurement is done within the specified cost	38	23	11	3	3	4.15
The reports from citizens show that they are satisfied with the work done	8	17	10	30	13	2.71
The implementation of e-procurement is often completed on time as per the project work plan.	10	11	10	32	15	2.60
So far, almost all of the implementation of e-procurement has been certified top quality	9	12	11	31	15	2.60

Information gathered from Table 2, shows that the respondents agreed that the implementation of e-procurement is so far timely and sustainable (weight 4.18) and that the implementation of e-procurement is done within the specified cost (weight 4.15). However, the respondents disagreed with the claims that the reports from citizens show that they are satisfied with the work done (weight 2.71), that the implementation of e-procurement is often completed on time as per the project work plan (weight 2.60) and that, so far, almost all of the implementation of e-procurement has been certified top quality (weight 2.60). These findings contradict the findings by Zahra (2012) which mentioned that timely completion of any project was an indicator of high performance; the present result thus shows low implementation of e-procurement as far as timely completion is concerned. Chong (2010) had added that many public service projects were hampered by high costs. Richard et al, (2010) assertions that in the event there are problems with the performance of any public service project; issue like cost, and quality, citizens were often the first to complain.

Influence of Level of Employee competence on Implementation of e-procurement

The first objective of the study was to establish the effect of employee competence on the implementation of e-procurement in Kisii County government. To achieve this objective, some selected statements on employee competence were provided and the respondents were asked to rate them on a five point likert scale. The results were as seen in Table 3.

Table 3: Influence of level of competence on implementation of e-procurement

	Strongly Agree 5	Agree 4	Undecided 3	Disagree 2	Strongly Disagree 1	$\frac{\sum f_i x_i}{\sum f_i}$
The skills I have I am satisfied that I am satisfactorily equipped to e-procure	12	29	22	6	9	3.37
A significant number of staff members need to improve on e-procurement competence to avoid unscrupulous contractors of implementation of e-procurement doing poor quality work.	16	30	5	15	12	2.71

There is high level of employee competence which has in turn improved implementation of e-procurement	7	17	11	13	30	2.68
As staff, I am trained in e-procurement concepts.	11	15	5	12	35	2.60
The training in e-procurement I have has made it possible to improve on the performance of projects	5	18	11	13	31	2.46

It is evident on table 3 that, although the respondents were undecided on whether they are satisfied that the skills they have can satisfactorily equipped them to e-procure (weight 3.37), they disagreed to the claim that a significant number of staff members need to improve on e-procurement competence to avoid unscrupulous contractors of implementation of e-procurement doing poor quality work (weight 2.71), that there is high level of employee competence which has in turn improved implementation of e-procurement (weight 2.68), that they are trained in e-procurement concepts (weight 2.60) and that the training they have in e-procurement has made it possible to improve on the performance of projects (weight 2.46). All these statements were weighed on a five point likert scale. Similar sentiments were shared by Waniani et al. (2017) who observed that, in order to have improve e-procurement, it was necessary for an organization to have high level of employee competence.

Correlations analysis

To check for correlation between the study variables, Pearson’s Correlation was calculated and the analysis yielded the results that are seen in Table 4.

Table 4: Correlation Analysis for Variables

		implementation of e- procurement	Level of employee competence
implementation of e- procurement	Pearson Correlation	1	
	Sig. (2-tailed)		
Level of competence in M & E	N	78	
	Pearson Correlation	.643**	1
	Sig. (2-tailed)	.001	
	N	78	78

According to Wong and Hiew (2005), a correlation coefficient is regarded as feeble if its value of r ranges between 0.10 and 0.29; intermediate if the value of r is between 0.30 and 0.49 and high if its value of r is above 0.50. On the other hand, though, Field (2005) explained that the correlation coefficient that is bounded above the 0.8 mark is not encouraged as it will multi collinearity problems.

Accruing from the results in Table 4, the independent variable level of employee competence had a positive relationship with implementation of e-procurement (r=0.643, p< 0.01). This shows that the variable level of employee competence possess a statistically positive relationship or correlation to the dependent variable implementation of electronic procurement.

Table 5: Hypothesis Testing Summary

Hypothesis	Correlation Results	Regression Results	Comments
H ₀₁ : Level of employee competence does not have a significant influence on implementation of e-procurement in Kisii county.	r=0.643	$\beta_1 = .383$	Rejected

7. Summary of Findings

Premised on the objective, respondents were undecided on whether they are satisfied that the skills they have can satisfactorily equipped them to e-procure. The respondents also showed disagreement to the claim that a significant number of staff members need to improve on e-procurement competence to avoid unscrupulous contractors of implementation of e-procurement doing poor quality work, that there is high level of employee competence which has in turn improved implementation of e-procurement, that they are trained in e-procurement concepts and that the training they have in e-procurement has made it possible to improve on the performance of projects. The null hypothesis which stated that “Employee competence has no significant effect on the implementation of e-procurement in Kisii county government” was rejected leading to the conclusion that employee competence has a significant effect on the implementation of e-procurement in Kisii county government.

It can therefore be concluded that the staff were not sufficiently trained in e-procurement concepts and the skills they had were not sufficient to satisfactorily equip them to e-procure. Further, the lack of training in e-procurement had made it difficult for the county staff to improve on the implementation of e-procurement. Also, it can be concluded that the low level of employee competence had significant negative influence on Implementation of e-procurement’ performance in Kisii County.

8. References

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