



## The influence of records management on tendering process in the public sector: A case of the EMBU county government, Kenya



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### ABSTRACT

*This study aims to investigate the influence of record management in the tendering process in the public sector in the context of the Embu County Government, specifically the study sought to investigate the influence of training in record keeping and the filing system on tendering process in Embu county government. The study adopted a descriptive research design. The study used the census method for the 33 members of the tendering committee in the county government of Embu. The study adopted a census because the population was small. A structured questionnaire was used to collect data needed in the study. Both descriptive and inferential statistics were used to analyze quantitative data. Quantitative responses based on the Likert scale were coded in the computer using Statistical Package for Social Sciences (SPSS) version 22. Processed data were summarized in tables and then presented using simple frequencies and percentages. The study established that records management affected the tendering process. The study also revealed that the tendering process in the public sector is statistically significantly ( $P = 0.000$ ) affected by records management. The study recommended that the County government of Embu should ensure that the tendering process is effective, by adopting advanced training in the record management and filing systems so as to maintain and secure all tender records in the procurement department.*

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## Introduction

Tendering in the public procurement is a procurement procedure whereby potential suppliers are invited to make a Firm and unequivocal offer on the price and terms in which they will supply specified goods, services or works which on acceptance shall be the basis of a subsequent contract (Lysons & Farrington, 2006). Tendering is based on the principles of competitiveness, fairness and accessibility, transparency, openness and probity (World Bank, 2008). Internationally, all Public entities are subjected to open tendering by law so as to prevent fraud, waste, unethical practices or local protectionism (Global Trade Negotiation, 2006). The tendering process is entrusted to the procurement department in the public service.

According to Osei-Tutu, Badu and Owusu-Manu (2010) public procurement has been identified as the most vulnerable government activity that is prone corruption. The prevalence of corruption of public procurement tenders is estimated to be up to 70% which has resulted to the inflation of project cost by not less than 20% (Osei-Tutu, Offei-Nyako, Ameyaw & Ampofo, 2014; Atiga & Azanlerigu, 2017). To ensure transparency and accountability, governments have introduced more regulations, giving more ammunition to aggrieved unsuccessful bidders. In Russia, the transparency of the procurement process is ensured to combat corruption (Balaeva & Yakovlev, 2017). Proper record keeping and management of procurement proceedings in accordance with international standards such as ISO 15489-1 (ISO, 2016) and accepted best practices is required.

In Sub-Saharan Africa, corruption in public procurement is still on the increase and is an established problem. According to Kabaj (2003), an efficient public procurement system is vital to the growth of African countries and is a concrete expression of their national commitments to making the best possible use of public resources. In Chad (Dough, Adjei-Kumi, Adinyira & Baiden, 2014) and

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Ghana (Ottou, Baiden & Nani, 2018) transparency and accountability have been identified as significant performance indicators of the procurement process which when achieved enhances the integrity of the process. Moronda (2014) revealed that in Tanzania the tendering procedures take too long to be performed without clear known reasons.

The public tendering system in Kenya has evolved from a crude system with no regulations to an orderly legally regulated Procurement System. The Government's procurement system was originally contained in the Supplies Manual of 1978, which was supplemented by circulars that were issued from time to time by the Treasury (Public Procurement Oversight Authority, 2015). The Manual created various tender boards for adjudication of tenders and their awards. However, a World Bank Group's Report (2007) revealed that the quality of service in the Kenya Public Sector was very low prior to 2003 due to inadequate accountability and transparency, training in record keeping and filing system, and poor governance. In Kenya, the Public Procurement and Disposal Act seeks among other things to promote competition, promote the integrity and fairness of procurement and disposal procedures, increase transparency and accountability the tendering process, and increase public confidence in those procedures (Public Procurement Oversight Authority, 2015).

There are a couple of studies that have showed the challenges hindering the tendering process in Kenya. For instance, Bukhala (2003) revealed that the supplies manual did not have sanctions or penalties against persons who breached the regulations. In the same line, a report by Government of Kenya (2010) showed that the public procurement still suffers from fraud and misconduct with public officials distorting the regulations to restrict the participation of interested firms in procurement, or still direct the outcome of others. Further, a survey conducted by National Treasury (2015) in Kenya showed that 30 per cent of the state corporation's award tenders fairly while 14 per cent are involved in procurement malpractices. The National Treasury Survey showed that the government losses more than Sh70 billion annually due to fraudulent manipulations in procurement process. Additionally, Ayoti (2012) found that there was practice of favoritism, tribalism and nepotism in the tendering process in public sector in Nyeri County, during tender's grant. Therefore, it is evident that the tendering process is faced by myriad of challenges which if not address it can lead to losses of government funds. A review of existing local studies such as Kiage (2013), Bashuna (2013), Shale, Guyo and Iravo (2013) shows that despite of an increased interest in public procurement in Kenya; there was very little empirical evidence to inform on the influence of records management and filing system on tendering process in the Kenya's public sector. Besides, there is no critical study on influence of records management on the tendering process in the public sector in context of Embu County Government. Thus, it is against this background that this study sought to investigate the influence of records management on tendering process in the public sector in Embu County government in Kenya.

## **Methodology**

The study adopted a descriptive research design. This design was used to obtain information concerning the current status of the phenomena and to describe "what exists" with respect to records management in tendering process. Descriptive research design was considered appropriate because it narrated facts and characteristics concerning records management in Embu County public service. Kothari (2004) maintains that descriptive research studies are concerned with describing the characteristics of a particular individual, or of a group. Descriptive survey design was also appropriate so that the researcher got information from those who have practical experience with respect to records management and tendering process.

The study population comprised of 33 members of the tendering committee in the county government of Embu (Embu County Government Human Resource Office, 2017). Since the population was small, the study respondents consisted of all members of the tendering committee. Therefore a census method was adopted for the study. A structured questionnaire was used to collect data needed in the study. Content validity was used to validate the tool of data collection. The questionnaire was given to experts in the field of business management for validation. Modification on the instruments was made based on their recommendations. The reliability of the questionnaire was determined using Cronbach's Alpha Method whose score was 0.83. Both descriptive and inferential statistics were used to analyze quantitative data. Quantitative responses based on Likert scale were coded in the computer using Statistical Package for Social Sciences (SPSS) version 22. Processed data were summarized in tables and then presented using simple frequencies and percentages. Chi-square test for independence was used to analyze whether there is a statistical significance between records management and the tendering process in the public service of Embu County.

Since the researcher was a person genuinely concerned about other peoples' quality of life, the study considered people's rights and ethical issues in research throughout the whole research process. For this reason, the researcher strictly observed ethical and legal issues in research like seeking consent of the study participants, maintaining confidentiality and anonymity throughout the research process, and acknowledging other people's input in study. Additionally, the researcher complied with all legal requires in the research process.

## **Analysis**

### *Demographic characteristics of respondents*

The demographic characteristics of the respondents included gender, age bracket, education level, and years of working experience. Two thirds (66.7%) of the respondents were female while the remaining 33.3% of them were male. This implies that that the leadership of the tendering committee in Embu County public service is sensitive to the gender parity in the appointment of the

members. On the age brackets of the respondents, more than half (55.6%) of the respondents were between 41-50 years, 22.2% of them were between 31-40 years, 14% of them were 20-30 years, and only 7.4% of them were 51 years and above. This implies that the tendering committee is fairly constituted by individuals from different cohorts thus enabling inclusivity during decision making in the tendering process. However, it may be a disadvantage to the youth in a situation where youth voting would be demanded to support youthful tender applicants as their numbers in the tendering committee are few.

The study established that more than half (59.3%) of the study participants had bachelor's degree as their highest education level, another 25.9% of them had post graduate qualification and only 14.8% of them were diploma holders. This implies that all tendering committee members in Embu County had attained a minimum education requirement to serve in the public service. The study further found out that slightly more than half (55.6%) of the study participants had a working experience of not more than 5 years. Another 14.8% of them had a work experience of between 6 to 10 years while those with work experience of between 11 to 15 years and 16 to 20 years had a similar score of 14.8% each. This was an indication that all the data collected from the thirty-three tendering committee members of Embu County public service who participated in the study produced reliable research findings.

*Influence of Records Management on Tendering Process in Public Sector*

The study sought to establish if record management have an influence on tendering process in the Public Sector in Embu County Government. A five (5) point Likert scale was used to assess the extent to which record management influences tendering process in the public sector in Embu County. Table 1 shows the distribution of the study participants by their views on the various indicators of record management in the tendering process of the Public Sector in Embu County Government. Procurement records are a vital resource to any organization that strives to conduct operations effectively. Organizations need accurate and accessible records that are tamper-free, original, reliable and able to reveal institutional memory for informed decision making. Procurement entities should strictly comply with documentation, recording, minuting and filing requirements. The documentation should be kept in orderly, accessible and clean conditions.

**Table 1:** Influence of record management on tendering process in the Public Sector

Item		5	4	3	2	1	Mean	SD
<i>Records management is the most significant driver in procurement performance in the county</i>	F	18	5	–	–	4	<b>4.2</b>	<b>1.2</b>
	%	66.7	18.5	–	–	14.8		
<i>The records of the tendering activities in the departments are accurate</i>	F	4	19	–	–	4	<b>3.4</b>	<b>1.6</b>
	%	14.8	70.3	–	–	14.8		
<i>Dysfunctional record management undermines legal and judicial reform creating room for corruption</i>	F	6	17	–	–	4	<b>3.7</b>	<b>1.3</b>
	%	22.2	63.0	–	–	14.8		
<i>There is low compliance in record keeping in Embu County</i>	F	–	2	–	5	20	<b>1.5</b>	<b>1.4</b>
	%	–	7.4	–	18.5	74.1		
<i>Procurement records at the departments are accurate and readily accessible</i>	F	9	14	–	–	4	<b>3.8</b>	<b>1.2</b>
	%	33.3	51.8	–	–	14.8		
<i>The procurement department in Embu County public service have poor electronic record management practices</i>	F	–	6	–	21	–	<b>2.4</b>	<b>1.6</b>
	%	–	22.2	–	77.8	–		
<i>Procurement units have a general responsibility for maintaining procurement records</i>	F	7	16	–	–	4	<b>3.8</b>	<b>1.3</b>
	%	25.9	59.3	–	–	14.8		
<b>Overall Aggregated Mean</b>							<b>3.8</b>	<b>1.4</b>

*Key: 5-Strongly Agree; 4-Agree; 3-Neutral; 2-Disagree; 1-Strongly Disagree; SD-Standard deviation; F-frequency; %-percentage; M-mean; SD-standard deviation; N= 27*

As shown in Table 1, two thirds (66.7%) of the study participants strongly agreed that records management is the most significant driver in procurement performance in the country. Another 18.5% of them further support this statement. On whether the records of the tendering activities in the departments are accurate, 70.3% and 14.8% of the study participants agreed and strongly agreed with the statement respectively.

On whether dysfunctional record management undermines legal and judicial reform creating room for corruption in Embu County Public service commission, nearly two thirds (63%) of the study participants confirmed the statement was true, another 22.2% also strongly agreed with the statement. Majority (74.1%) of the study participants strongly disagreed with a statement that there is low compliance in record keeping in Embu County. Another 18.5% of the study participants further disagreed with this statement. However, only 7.4% of them supported the statement.

The study sought to establish whether procurement records at the departments are accurate and readily accessible. While slightly more than a half (51.8%) of the study participants agreed with the statement, another 33.3% of them strongly supported that procurement records at the departments are accurate and readily accessible. In another item, a vast majority (77.8%) of the study participants disagreed that the procurement department in Embu County public service have poor electronic record management practices. The study also found out that more a half (59.3%) of the study participants agreed that procurement units have a general responsibility for maintaining procurement records. Another 25.9% of the study participants strongly agreed with the statement.

The overall aggregated mean of the study participants on the items of the influence of record management on tendering process in Embu County public service was 3.8 indicating that records management affects the tendering process with a great extent, thus, if improved the tendering process would be more effective.

### Chi-Square Test

The study sought to establish whether there is a significance statistical association between records management and tendering process in the department of procurement in Embu County. The Chi-square for independence was computed and results presented as shown in Table 2.

**Table 2:** Chi-square Test for the Association between Records Management and Tendering Process

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	35.237 <sup>a</sup>	8	.000
<b>Likelihood Ratio</b>	35.413	8	.020
<b>Linear-by-Linear Association</b>	1.013	1	.152
<b>N of Valid Cases</b>	27		

*a. Zero (0) cells (.0%) have expected count less than 5. The minimum expected count is 5.72.*

As shown in Table 2, the p-value is smaller than the threshold level of significance (.05),  $\chi^2 (9, N=27) = 35.237, P = .000$ . Thus, there is a statistically significant association between records management and tendering process in the procurement department in Embu County. This implies that the tendering process in public sector is significantly affected by the way the procurement records are managed.

### Results and Discussion

A vast majority (85.2%) of the study participants agreed that records management is the most significant driver in procurement performance in the public service in Embu County. The study finding concurs with a study conducted by Ayoti (2012) on the factors influencing effectiveness in tendering process in public sector in Nyeri County that showed that there were poor records keeping which affected the tendering process. This was attributed to inadequate training of staff that led to failure to employ good practices in procurement creating inefficiencies and high costs in the tendering process. In the same line, a study conducted by Chimwani, Iravo and Tirimba (2014) revealed that records management was the most significant driver in procurement performance.

Majority (85.1%) of the study participants supported the statement that the records of the tendering activities in the procurement department are accurate. This finding was a fulfilment of section 45(1), of the Public Procurement and Disposal Act of 2005 which states that records should be kept and maintained in tendering process. The Public procurement regulations in Kenya requires the procuring entities to keep records for each entity for at least six years after the resulting contract was entered into or, if no contract resulted after the procurement proceedings were terminated. Similarly, Kendo and Guteno (2016) carried out a case study on factors affecting tendering process in Kenya Literature Bureau. This study found out that the records on the tendering activities in Kenya Literature Bureau were accurate and that the tender and procurement activity documents were easily accessible. Namukasa (2017) carried out a study on Records management and procurement performance in Uganda: the study revealed that that procurement records management had a significant effect on procurement performance. Whereby, there was a positive and statistically significant relationship between records creation and procurement performance; there was a positive relationship between records maintenance, preservation and procurement performance; and, finally, records access and use also had a positive significant influence on procurement performance. This shows that the training in records management and filing system is imperative in the tendering process. In the same vein, Bailey, Farmer, Crocker, Jessop and Jone (2008) established that tender records are the most important records of an organization throughout the records life-cycle. This implies that the department of procurement in the public sectors in Kenya have maintained accountability in record keeping.

An overwhelming majority (85.2%) of the study participants confirmed that dysfunctional record management undermines legal and judicial reform creating room for corruption in Embu County public service commission. Similarly, a study conducted by Thurston

(2005) found out that dysfunctional records management undermines legal and judicial reform creating room for corruption or collusion between court officials and lawyers. This negatively affects enforcement and reduces compliance. In the same line a study carried out by Kemoni and Ngulube (2008) in Kenya found out that poor records management had adverse effect on service delivery and this forces individuals to act on adhoc basis, making it complicated to carry out meaningful audits and to prove fraud. Akech (2005) document a case where due to poor records management, a Minister in Kenya unlawfully obtained confidential information on the tender and used it to interfere with the procurement process. This is an indication that much attention needs to be put in place to ensure that all procurement records are well managed in compliance with the Public Procurement rules and regulations in Kenya. Alfresco (2009) asserted that proper records management controls, managing who can access and modify key documents and records have been identified as an integral part of achieving compliance.

A vast majority (77.8%) of the study participants disagreed that the procurement department in Embu County public service have poor electronic record management practices. A study conducted by Ahmed and Parasuraman (1994) found out that many companies still have poor electronic Record management Practices, which could result in business insurance claims if they are taken to court. This difference in the study finding could be attributed to technological advancement since 1990s to date.

## Conclusion

The study concluded that there is a statistically significant association between records management and tendering process in the procurement department in Embu County. Whereas records management in the procurement department in the public service is a provision by the Public Procurement and disposal Act of 2005, there is still a long way to go for the tendering process in the public sector to fully be carried out in compliance with the law of Kenya. Although the tendering committee members in the procurement department of Embu County seemed to appraise records management process in the County, there could be critical challenges facing the procurement department in the County. These may include failure in the filing system, and misplacement of tender records. The study was limited on the use of a small sample size and scope, only one institution in the County Government of Embu i.e. the procurement department was focused by the study. Future researchers should consider carrying out a comparative study that will involve a number of counties in order to acquire more reliable results by using a big sample size and study scope. There is need for the County Government of Embu to ensure that the tendering process is effective, by adopting an advanced filing system that would maintain and secure all tender records in the procurement department. This would promote accountability and transparency throughout the procurement process in the public sector. A study conducted in Kenya found out that poor records management had adverse effect on service delivery. It forces individuals to act on ad hoc basis, makes it intricate to carry out meaningful audits and to prove fraud (Kemoni & Ngulube, 2008).

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