

International Journal of Supply Chain and Logistics

(IJSCL)

**FACTORS AFFECTING IMPLEMENTATION OF PREFERENCE AND
RESERVATION DIRECTIVE ON GOVERNMENT PROCUREMENT
OPPORTUNITIES IN KENYA: A CASE OF THE CENTRAL BANK OF
KENYA.**

AUDREY CHRISTINE AWUOR ARUNGA & DR. SAMSON NYANG'AU PAUL



**FACTORS AFFECTING IMPLEMENTATION OF PREFERENCE AND
RESERVATION DIRECTIVE ON GOVERNMENT PROCUREMENT
OPPORTUNITIES IN KENYA: A CASE OF THE CENTRAL BANK OF KENYA**

^{1*} Audrey Christine Awuor Arunga,

^{1*} Post graduate student, Department of Procurement and Logistics

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

* Corresponding author's email: Arungac@gmail.com

² Dr. Samson Nyang'au Paul

Lecturer, Department of Procurement and Logistics,

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

Abstract

Purpose: The purpose of the study was to determine factors affecting implementation of preference and reservation directive on government procurement opportunities in Kenya: A case of the central bank of Kenya.

Methodology: The investigation utilized stratified arbitrary inspecting, the adolescent, ladies and people with handicaps being the strata of particular elements prequalified with the Central Bank of Kenya in its mind office in Nairobi and the three branches (Mombasa, Kisumu and Eldoret). From that point straightforward arbitrary testing was utilized to choose 310 respondents from the strata whom were issued with surveys. Information was gathered utilizing self-regulated polls. The information gathered was broke down by utilization of illustrative and inferential measurements. Numerous relapse models were utilized to demonstrate the connection between the reliant variable and the free factors.

Results: R square value of 0.768 means that 76.8% of the corresponding variation in implementation of the 30% preference and reservation directive on government procurement in Kenya can be explained or predicted by (regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues) which indicated that the model fitted the study

Conclusion: The discoveries of the study demonstrated that administrative system and prerequisites, obtainment opportunity mindfulness and sharpening, limit of distraught gatherings, moral and consistence issues have a positive association with execution of the 30% inclination and reservation order on government acquirement openings in Kenya.

Contribution to Policy and Practice: Open organizations should grasp administrative structure and prerequisites, acquisition opportunity mindfulness and refinement, limit of impeded gatherings, moral and consistence issues in order to improve usage of the 30% inclination and reservation.

Keywords: *regulatory framework and requirements, ethical and compliance issues, preference and reservation directive*

1.0 INTRODUCTION

In the ongoing past, most governments have concocted a technique for guaranteeing that the less burdened, nearby sellers and little and medium endeavors inside the economy have an edge while contending in a similar pool with vast and built up organizations (Liebrandt & Mlastsheni, 2014). The securing elements in that occurrence may choose to make inclination to an impeded gathering amid an assessment by expanding the offer of the non-favored organizations most likely by a consistent 10%. The inclination to the burdened gatherings, for example, the young, debilitated and the ladies is intended to protect them from segregation. It is up and coming that the realization of the inclination gather is intended to guarantee that these gatherings participate in the exercises of a formal economy (Mahmood, 2010).

1.1 Global Perspective

Most developed nations spend about 20% of gross domestic product (GDP) on public procurement while developing nations spend up to 50% (Carter, 2010). For instance, in the United States, federal public procurement during 2009 accounted for over \$534 and over 13% of the total federal budget. Instructions to the United States treasury are to ease the assessment of funds to start-ups at affordable interest rates and extended payback period (Christine, 2006).

1.2 Regional Perspective

For the longest time, the Africa continent has been marred by persistent corruption and lack of proper public procurement machineries (Badenhorst, 2012). It is imperative to note that an effective public procurement system that offers high level of transparency, accountability and value for money is critical for poverty reduction in developing countries. It is also the pillar for promotion of good governance and sustainable development in any economy.

1.3 Local Perspective

According to the World Bank (2008) a public procurement system is said to be well functioning if it achieves the objectives of transparency, economy, fairness, competition and accountability. In pursuit of this, the Kenyan government enacted the Public procurement and Disposal Act 2005 which become operational in 2007 and was followed by other regulations. As described by Public Procurement Oversight Authority, the Public Procurement System in Kenya has evolved from a crude system with no regulations to an orderly legally regulated procurement system (Wanyama, 2010).

1.4 Problem Statement

In Kenya, special groups constitute over 85% of the entire population yet they contribute to less than 10% of public procurement involvement thus hampering economic growth and achievement of vision 2030 (Transparency International, 2010). Current statistics show that the special groups also constitute the highest unemployment rate of 67% (KNBS, 2013). In the financial year 2013/2014, 200 billion (30% of government procurement) was allocated for the youth. However, analysis of the financial year 2013/2014 expenditures by the Women Enterprise Fund on special group access reveal that only Ksh. 2.8B against an allocation of Kshs.200B was expended showing that only 1.4% of the allocation was actually spent on Access to Government Procurement Opportunities (AGPO) instead of the mandatory 30% (UNESCO, 2014).

Many of the problems cited by the special groups have included capacity building, lack of access to credit, inadequate skills, poor information and inhibitive legal regulatory framework (PPOA,

2007). The implementation outcome of the 30% government procurement preference for youth, women and persons with disabilities (access to government procurement opportunities) is anticipated to make a significant contribution to GDP of not less than 15% per annum (GoK, 2013). Consequently, the government has established institutions that are training the youth on various opportunities available in the market. They have also created institutions that provide financial help (YEDP and UWEZO funds) and relaxed registration requirement to make it easier for this group to get involved (KPMG, 2008).

Despite of all this efforts, it's unclear to what extent these groups are actually participating in public procurement. Several studies have been done; Ng'ang'a (2011) interrogated the factors influencing public bidding by youth entrepreneurs, while Gitari and Kabare (2014) assessed factors affecting access to procurement opportunities in public secondary schools by small and medium enterprises in Kenya. These studies barely focused on access to government procurement opportunities. Ogachi (2011) examined the effectiveness of public procurement audits for constituency development funds in Kenya. However, they did not address the challenges facing the implementation of 30% preference and reservation directive in Kenya.

While much research has focused on the problems facing performance of special groups companies under the 30% preference and reservation directive on government procurement projects in Kenya, not much research has been done to study factors affecting implementation of the 30% preference and reservation directive on government procurement opportunities in Kenya and also considering the pivotal role that the youth play in development, their participation in public procurement is paramount. It is against this back drop that this study seeks to assess the factors affecting implementation of the 30% preference and reservation directive on government procurement opportunities in Kenya, with particular focus on the Central Bank of Kenya.

1.5 Objectives of the Study

- i.** To assess the effect of regulatory framework and requirements on implementation of the 30% preference and reservation directive on government procurement in Kenya.
- ii.** To establish the effect of procurement opportunity awareness and sensitization on implementation of the 30% preference and reservation directive on government procurement in Kenya.
- iii.** To determine the effect of capacity of disadvantaged groups on implementation of the 30% preference and reservation directive on government procurement in Kenya.
- iv.** To evaluate the effect of ethical and compliance issues on implementation of the 30% preference and reservation directive on government procurement in Kenya.

2.0 LITERATURE REVIEW

Information Technology Integration and Efficiency in Tendering Process

According to Alex (2013), IT is transforming the way the business is conducted. Computers prepare invoices, issue checks, track inventory movements and store staff and payroll data. Personal computers are changing models of office work, and the spread of information technology is affecting the efficiency and competitiveness of companies, the structure of the workforce and the general growth of economic production.

Regulatory Framework and Efficiency in Tendering Process

Organizations that face high pressure in terms of regulatory compliance tend to better implement the policies and regulations put in place (Zhu & Sarkis, 2010). However, government regulations are not very significant in sustainable procurement process (Carter & Jennings, 2014). Therefore, coercive isomorphism enables parastatals in adopting procurement regulations for efficient procurement process and to support performance of an organization. In a way it urges parastatals to make their regulations that intertwine with government's policies without necessarily relying on government's regulations (Arjaan & Van, 2010).

Procurement Opportunity Awareness and Sensitization

According to Lysons et al (2013), awareness is defined as knowing something; knowing that something exist and is important; being interested in something. Market opportunity awareness is a combination of commercial awareness and situation awareness which is defined as perception of environmental elements with respect to time and space, comprehension of their meaning and projection of their status after some variable have changed (Mahmood, 2010.).

Capacity of Disadvantaged Groups

Obanda (2011) analyzed the strategic and management interventions that can enable youth, women and persons with disabilities in Uganda obtain public procurement contracts to maximize sustainability in the context of inclusive growth. The study established that the challenge youth, women and persons with disabilities face in accessing public contracts also depends on how they themselves increase their capacity to fulfill government contracts. The study recommended among other things that governments in developing economies should play a significant role in eliminating the supply side constraints.

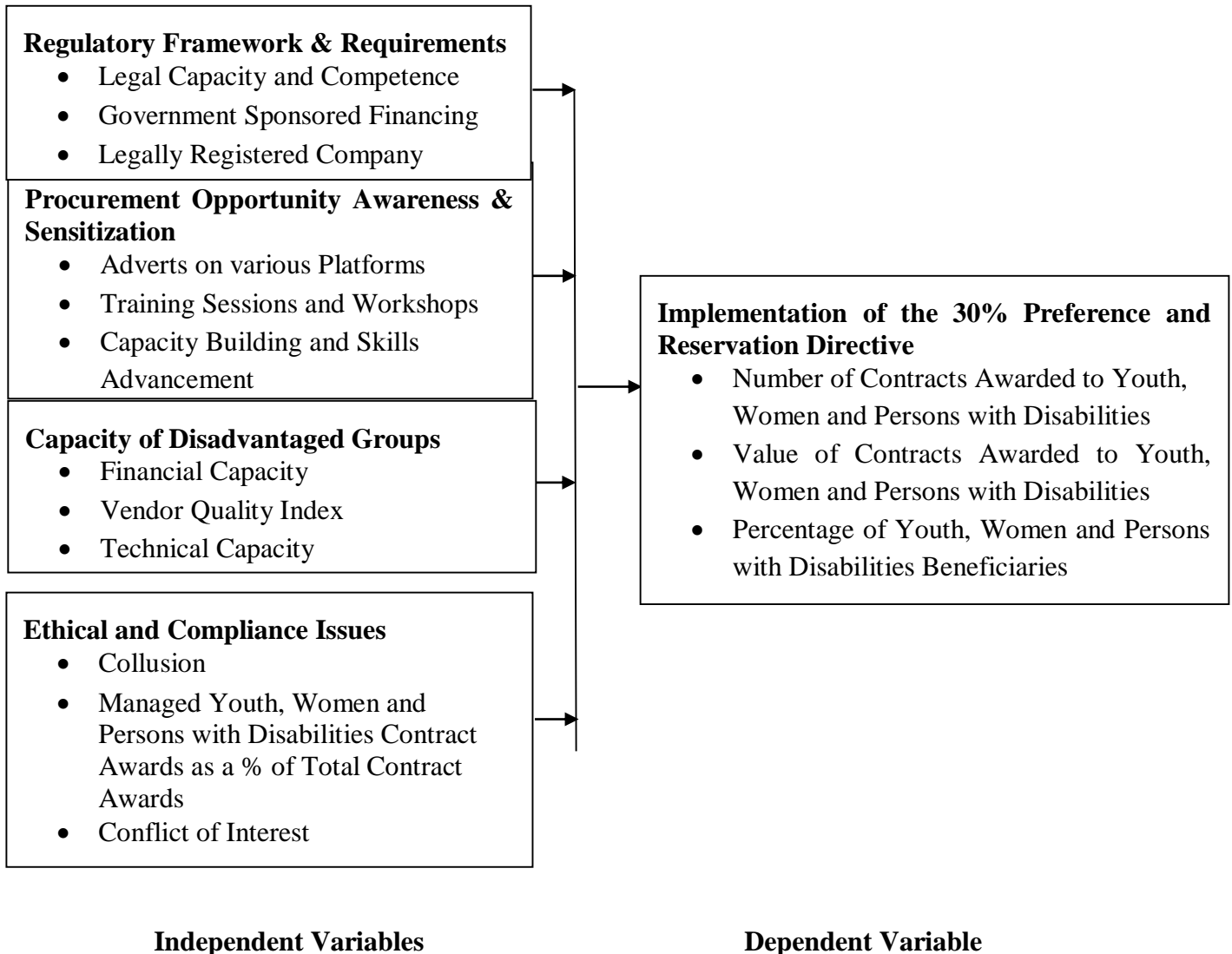
2.2 Theoretical review

Institutional Theory

Institutional theory is a widely used theory in social studies. Kraft's public policy summarizes the theory as a policy-making that emphasizes the formal and legal aspect of government structures (Zheng, 2007). It considers processes by which structures, including schemes and rules become established by authoritative figures as guidelines for social behavior.

Wood (2012) portends that it explains how the elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse. Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artifacts. Institutions operate at different levels of jurisdiction, from the world system to localized interpersonal relationships.

In this context, access to government procurement opportunities, is entrenched and implemented within the purview of the law, to provide tangible support to the special groups who form above 60% of the population yet facing wide unemployment. However, as this study has established, the rate of success of this institutional agenda is not giving an impressive output. As Puddephatt and Kaspar (2012) explain, this theory assisted the researcher to understand how the specific objective of determining the influence of regulatory framework and requirements on access to government procurement opportunities.



3.0 METHODOLOGY

The investigation utilized stratified arbitrary inspecting, the adolescent, ladies and people with handicaps being the strata of particular elements prequalified with the Central Bank of Kenya in its mind office in Nairobi and the three branches (Mombasa, Kisumu and Eldoret). From that point straightforward arbitrary testing was utilized to choose 310 respondents from the strata whom were issued with surveys. Information was gathered utilizing self-regulated polls. The information gathered was broke down by utilization of illustrative and inferential measurements. Numerous relapse models were utilized to demonstrate the connection between the reliant variable and the free factors

4. 0 RESULTS FINDINGS

4.1 Descriptive Statistics

The study set out to examine the factors affecting implementation of the 30% preference and reservation directive on government procurement in Kenya. To this end, four variables were conceptualized as components of implementation of the 30% preference and reservation directive on government procurement in Kenya. These included; regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues.

Regulatory Framework and Requirements

The first objective of the study was to assess the influence of regulatory framework and requirements on implementation of the 30% preference and reservation directive on government procurement in Kenya. The respondents were asked to indicate to what extent did regulatory framework and requirements influence had on implementation of the 30% preference and reservation directive on government procurement in Kenya. Results indicated that majority of the respondents 25% agreed that it was to a very great extent, 27% said that it was to a great extent, 35% said it was moderate, while little extent and not all were at 5 and 8% respectively.

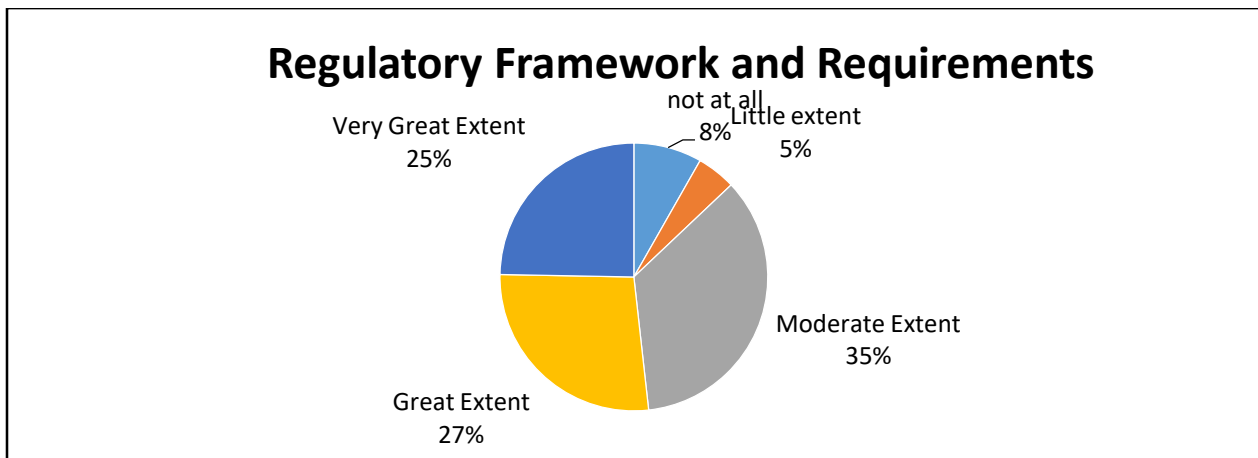


Figure: 2: Regulatory Framework and Requirements

The respondents were also asked to comment on statements regarding key performance indicators on procurement performance among county governments in Kenya. The responses were rated on a likert scale and the results presented in Table 1. It was rated on a 5 point likert scale ranging from; 1 = strongly disagree to 5 = strongly agree. The scores of ‘strongly disagree’ and ‘disagree’ have been taken to represent a statement not agreed upon. The score of ‘neutral’ has been taken to represent a statement agreed upon. The score of ‘agree’ and ‘strongly agree’ have been taken to represent a statement highly agreed upon.

The respondents were asked to indicate their responses on regulatory framework and requirements statements. The result revealed that majority of the respondent with a mean of (3.97) agreed with the statement that adherence to legal capacity and competence plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The measure of dispersion around the mean of the statements was 0.947 indicating the responses were varied. The result revealed that majority of the respondent as indicated by a mean of (4.02) agreed with the

statement government sponsored financing plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities.

Table 1: Regulatory Framework and Requirements

Statements	Mean	Std. D
Adherence to legal capacity and competence plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	3.97	0.947
Government sponsored financing plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	4.02	0.874
Checking if a company is legally registered plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	4.01	0.96
Adherence to legal capacity and competence plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.42	0.701
Government sponsored financing plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.35	0.64
Checking if a company is legally registered plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.43	0.529
Adherence to legal capacity and competence plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.41	0.709
Government sponsored financing plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.16	0.743
Checking if a company is legally registered plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.35	0.782

The standard deviation for was 0.874 showing a variation. The result revealed that majority of the respondent (4.01) agreed with the statement that checking if a company is legally registered plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The results were varied as shown by a standard deviation of 0.96.

The average response for the statements on adherence to legal capacity and competence plays a great role in increasing the value of contacts awarded to youth, women and persons living with

disabilities was (4.42). The results were varied as shown by a standard deviation of 0.701. The average response for the statements on government sponsored financing plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities was (4.43). The results were varied as shown by a standard deviation of 0.529. The results revealed that majority of the respondent with a mean of (4.41) agreed with the statement that adherence to legal capacity and competence plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The measure of dispersion around the mean of the statements was 0.709 indicating the responses were varied.

The result also revealed that majority of the respondent as indicated by a mean of (4.02) agreed with the statement government sponsored financing plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The standard deviation for was 0.874 showing a variation in the responses. The result revealed that majority of the respondent (4.16) agreed with the statement that government sponsored financing plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The results were varied as shown by a standard deviation of 0.743. The average response for the statements on checking if a company is legally registered plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries was (4.35). The results were varied as shown by a standard deviation of 0.782. The findings agree with Kingori (2012) that strictly adhering to regulatory frameworks is a smart move and can reduce expenses significantly.

Procurement Opportunity Awareness and Sensitization

The second objective of the study was to establish the influence of procurement opportunity awareness and sensitization on implementation of the 30% preference and reservation directive on government procurement in Kenya. The respondents were asked to indicate to what extent did procurement opportunity awareness and sensitization influence had on implementation of the 30% preference and reservation directive on government procurement in Kenya. Results indicated that majority of the respondents 25% agreed that it was to a very great extent, 27% said that it was to a great extent, 35% said it was moderate, while little extent and not all were at 5 and 8% respectively.

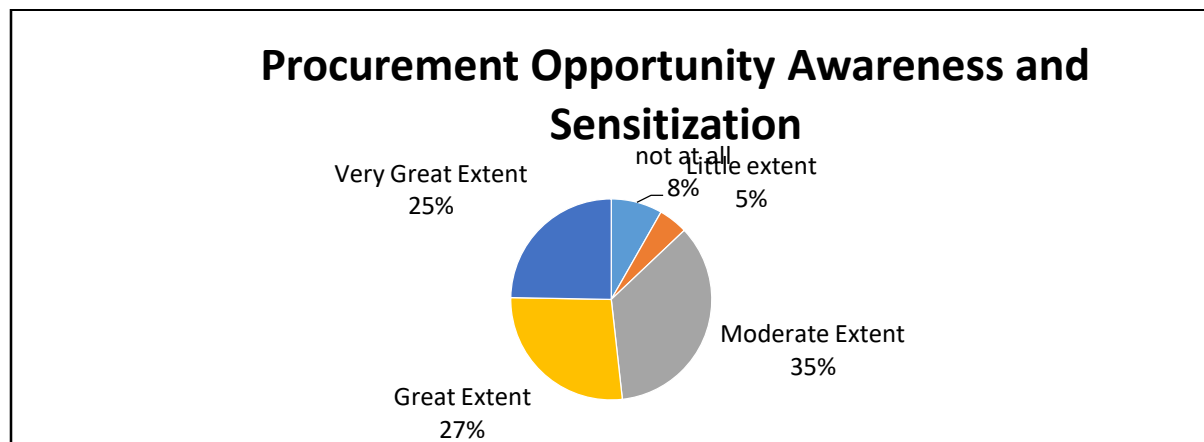


Figure 3: Procurement Opportunity Awareness and Sensitization

Table 2: Procurement Opportunity Awareness and Sensitization

Statements	Mean	Std. D
Advertisement on various platforms plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	3.96	0.905
Training sessions and workshops plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	3.8	0.875
Capacity building and skills advancement plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	3.95	0.802
Advertisement on various platforms plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.49	0.594
Training sessions and workshops plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.21	0.841
Capacity building and skills advancement plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	2.94	1.303
Advertisement on various platforms plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	3.08	1.347
Training sessions and workshops plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	3.57	1.086
Capacity building and skills advancement plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	3.55	1.061

The respondents were also asked to comment on statements regarding procurement opportunity awareness and sensitization influence on implementation of the 30% preference and reservation directive on government procurement in Kenya. The results revealed that majority of the respondent with a mean of (3.96) agreed with the statement that advertisement on various platforms plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The measure of dispersion around the mean of the statements was 0.905 indicating the responses were varied. The result revealed that majority of the respondent as indicated by a mean of (3.95) agreed with the statement training sessions and workshops plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The standard deviation for was 0.802 showing a variation. The result revealed that

majority of the respondent (4.49) agreed with the statement capacity building and skills advancement plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The results were varied as shown by a standard deviation of 0.594.

The average response for the statements on advertisement on various platforms plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities was (4.49). The results were varied as shown by a standard deviation of 0.594. The average response for the statements on training sessions and workshops plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities was (4.21). The results were varied as shown by a standard deviation of 0.841. The results revealed that majority of the respondent with a mean of (2.94) agreed with the statement capacity building and skills advancement plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities. The measure of dispersion around the mean of the statements was 1.303 indicating the responses were varied.

The result revealed that majority of the respondent as indicated by a mean of (3.08) agreed with the statement advertisement on various platforms plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The standard deviation for was 1.347 showing a variation. The result revealed that majority of the respondent (3.57) agreed with the statement that training sessions and workshops plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The results were varied as shown by a standard deviation of 1.086. The result revealed that majority of the respondent (3.55) agreed with the statement that capacity building and skills advancement plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The results were varied as shown by a standard deviation of 1.061. These findings agree with Kipchilat (2009) that through procurement opportunity awareness and sensitization, companies can improve number of contracts given to youth, women and persons with disabilities.

Capacity of Disadvantaged Groups

There was also need to establish influence of capacity of disadvantaged groups on implementation of the 30% preference and reservation directive on government procurement in Kenya as the third objective. Results indicated that majority of the respondents 47% agreed that it was to a very great extent, 45% said that it was to a great extent, 2% said it was moderate; little extent was 2% and not all at 4% .

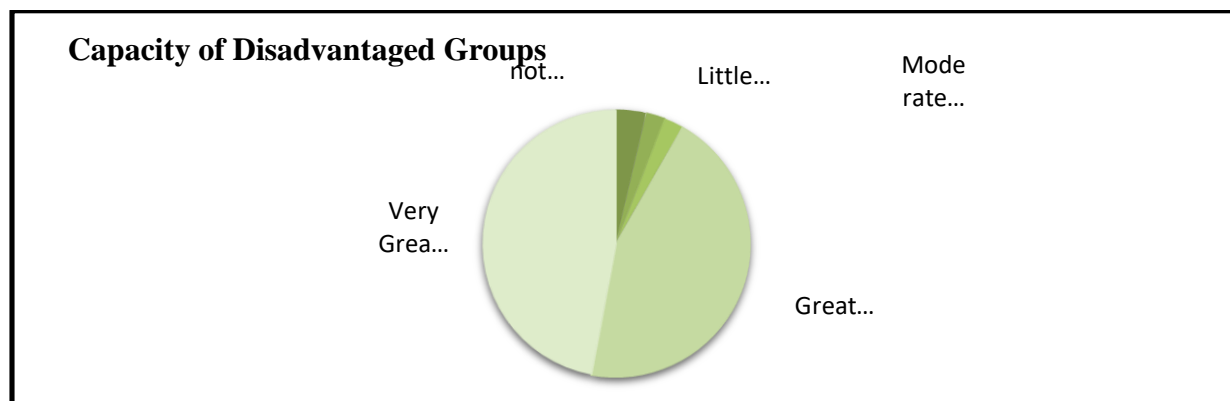


Figure 4: Capacity of Disadvantaged Groups

Table 3: Capacity of Disadvantaged Groups

Statements	Mean	Std. D
Financial capacity of vendors plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	3.96	0.81
Vendor quality index plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	3.94	0.946
Technical capacity of vendors plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	4.01	0.8
Financial capacity of vendors plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	3.94	0.866
Vendor quality index plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	3.89	0.899
Technical capacity of vendors plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	3.9	0.822
Financial capacity of vendors plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	3.21	1.413
Vendor quality index plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.44	0.61
Technical capacity of vendors plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.42	0.588

The respondents were asked to indicate their levels of agreement on statements regarding capacity of disadvantaged groups. The results revealed that majority of the respondent with a mean of (3.96) agreed with the statement that financial capacity of vendors plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The measure of dispersion around the mean of the statements was 0.947 indicating the responses were varied. The result revealed that majority of the respondent as indicated by a mean of (3.94) agreed with the statement vendor quality index plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The standard deviation for was 0.946 showing a variation. The result revealed that majority of the respondent (4.01) agreed with the statement that technical capacity of vendors plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities 4.01.

The results were varied as shown by a standard deviation of 0.8. The average response for the statements on financial capacity of vendors plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities (3.94). The results were varied as shown by a standard deviation of 0.866. The average response for the statements on vendor quality index plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities (3.89). The results were varied as shown by a standard deviation 0.899. The results revealed that majority of the respondent with a mean of (3.9) agreed with the statement

technical capacity of vendors plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities. The measure of dispersion around the mean of the statements was 0.822 indicating the responses were varied.

The result revealed that majority of the respondent as indicated by a mean of (3.21) agreed with the statement financial capacity of vendors plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The standard deviation for was 1.413 showing a variation. The result revealed that majority of the respondent (4.44) agreed with the statement that vendor quality index plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The results were varied as shown by a standard deviation of 0.61. The average response for the statements on capacity of vendors plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries was (4.42). The results were varied as shown by a standard deviation of 0.588. The results are in tandem with Martini (2012) who opines that an organization benefits greatly when capacity of disadvantaged groups are improved in their supplier relations.

Ethical and Compliance Issues

There was also need to establish the influence of ethical and compliance issues on implementation of the 30% preference and reservation directive on government procurement in Kenya. Results also showed that 3% of respondents indicated to very great extent, great extent was at 12%, moderate extent was 37%, while little extent was at 27% and not at all was at 21%.

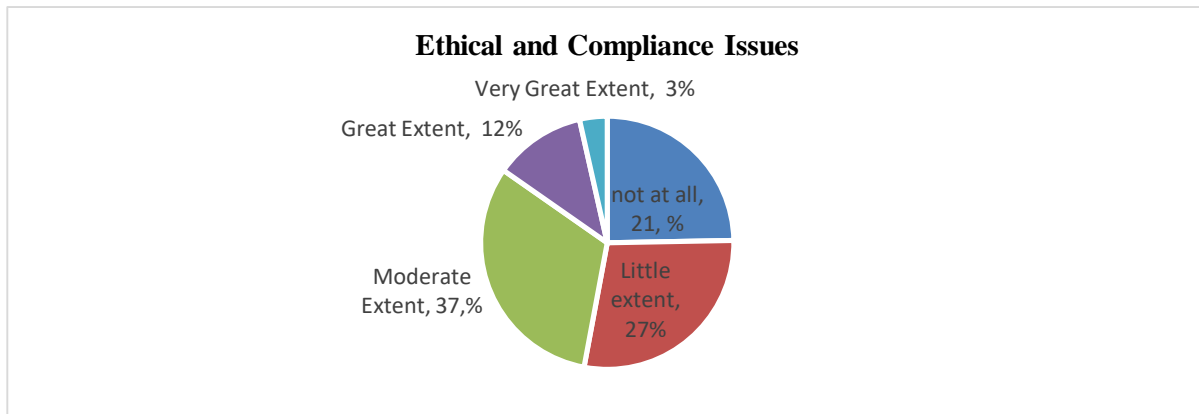


Figure 5: Ethical and Compliance Issues

The respondents were asked to indicate their views on ethical and compliance issues. The results were presented in table 4. The results revealed that majority of the respondent with a mean of (4.13) agreed with the statement that avoidance of collusion plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The measure of dispersion around the mean of the statements was 1.035 indicating the responses were varied. The result revealed that majority of the respondent as indicated by a mean of (4.47) agreed with the statement checking the managed youth, women and persons living with disabilities contract awards as a percentage of total contract awards plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The standard deviation for was 0.639 showing a variation. The result revealed that majority of the respondent (4.32) agreed with the statement that avoiding conflict of interest plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities. The results were varied as shown by a standard deviation of 0.675

Table 4: Ethical and Compliance Issue

Statements	Mean	Std. D
Avoidance of collusion plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	4.13	1.035
Checking the managed youth, women and persons living with disabilities contract awards as a percentage of total contract awards plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	4.47	0.639
Avoiding conflict of interest plays a great role in increasing the number of contacts awarded to youth, women and persons living with disabilities	4.32	0.675
Avoidance of collusion plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.2	0.956
Checking the managed youth, women and persons living with disabilities contract awards as a percentage of total contract awards plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.46	0.5
Avoiding conflict of interest plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities	4.44	0.498
Avoidance of collusion plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.44	0.654
Checking the managed youth, women and persons living with disabilities contract awards as a percentage of total contract awards plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.51	0.501
Avoiding conflict of interest plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries	4.43	0.496

The average response for the statements on avoidance of collusion plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities (3.94). The results were varied as shown by a standard deviation of 0.866. The average response for the statements on checking the managed youth, women and persons living with disabilities contract awards as a percentage of total contract awards plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities (4.46). The results were varied as shown by a standard deviation 0.5. The results revealed that majority of the respondent with a mean of (4.44) agreed with the statement avoiding conflict of interest plays a great role in increasing the value of contacts awarded to youth, women and persons living with disabilities. The measure of dispersion around the mean of the statements was 0.498 indicating the responses were varied.

The result revealed that majority of the respondent as indicated by a mean of (4.44) agreed with the statement avoidance of collusion plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The standard deviation for was 0.654 showing a variation. The result revealed that majority of the respondent (4.51) agreed with the statement that checking the managed youth, women and persons living with disabilities contract awards as a percentage of total contract awards plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries. The results were varied as shown by a standard deviation of 0.501. The average response for the statements on avoiding conflict of interest plays a great role in increasing percentage of youth, women and persons living with disabilities beneficiaries was (4.43). The results were varied as shown by a standard deviation of 0.496. The results agree with Ng'ang'a (2011) that an organization that embraces ethical and compliance issues benefits greatly in its operations.

4.2 Inferential Statistics

Correlation Analysis

Correlation analysis was used to determine both the significance and degree of association of the variables and also predict the level of variation in the dependent variable caused by the independent variables. The correlation summary shown in Table 5 indicates that the associations between each of the independent variables and the dependent variable were all significant at the 95% confidence level. The correlation analysis to determine the relationship between factors affecting implementation of the 30% preference and reservation directive on government procurement in Kenya, Pearson correlation coefficient computed and tested at 5% significance level.

The results indicate that there is a positive relationship ($r=0.815$) between regulatory framework and requirements and implementation of the 30% preference and reservation directive on government procurement in Kenya. In addition, the researcher found the relationship to be statistically significant at 5% level ($p=0.000, <0.05$).

The correlation analysis to determine the relationship between procurement opportunity awareness and sensitization and implementation of the 30% preference and reservation directive on government procurement in Kenya, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there is a positive relationship ($r=0.605$) between procurement opportunity awareness and sensitization and implementation of the 30% preference and reservation directive on government procurement in Kenya. In addition, the researcher found the relationship to be statistically significant at 5% level ($p=0.000, <0.05$).

The correlation analysis to determine the relationship between of capacity of disadvantaged groups on and implementation of the 30% preference and reservation directive on government procurement in Kenya, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there is a positive relationship ($r=0.663$) between of capacity of disadvantaged groups and implementation of the 30% preference and reservation directive on government procurement in Kenya. In addition, the researcher found the relationship to be statistically significant at 5% level ($p=0.000, <0.05$).

The correlation analysis to determine the relationship between ethical and compliance issues and implementation of the 30% preference and reservation directive on government procurement in Kenya Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there is a positive relationship ($r=0.656$) between ethical and compliance issues and implementation of the 30% preference and reservation directive on government procurement in

Kenya. In addition, the researcher found the relationship to be statistically significant at 5% level ($p=0.000, <0.05$). Hence, it is evident that all the independent variables could explain the changes in implementation of the 30% preference and reservation directive on government procurement in Kenya, on the basis of the correlation analysis.

Table 5: Summary of Pearson's Correlations

Correlations	Regulatory Framework and Requirements	Procurement Opportunity Awareness and Sensitization	Capacity of Disadvantaged Groups	Ethical and Compliance Issues	Implementation of the 30% Preference and Reservation Directive
Regulatory Framework and Requirements	1.000				
Procurement Opportunity Awareness and Sensitization	.531**	1.000			
Capacity of Disadvantaged Groups	.569**	.385**	1.000		
Ethical and Compliance Issues	.547**	.782**	.446**	1.000	
Implementation of the 30% Preference and Reservation Directive	.815**	.605**	.663**	.656**	1.000

** Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

In this study multivariate regression analysis was used to determine the significance of the relationship between the dependent variable and all the independent variables pooled together. Regression analysis was conducted to find the proportion in the dependent variable (implementation of the 30% preference and reservation directive on government procurement in Kenya) which can be predicted from the independent variables (regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues).

Table 6 presents the regression coefficient of independent variables against dependent variable. The results of regression analysis revealed there is a significant positive relationship between dependent variable and the independent variable. The independent variables reported R value of 0.876 indicating that there is perfect relationship between dependent variable and independent variables. R square value of 0.768 means that 76.8% of the corresponding variation in implementation of the 30% preference and reservation directive on government procurement in Kenya can be explained or predicted by (regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues) which indicated that the model fitted the study data.

Adjusted R square in table 7 is called the coefficient of determination which indicates how implementation of the 30% preference and reservation directive on government procurement in Kenya varied with variation in effects of factors which includes; regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues. The results of regression analysis revealed that there was a significant positive relationship between dependent variable and independent variable at ($\beta = 0.761$), $p=0.000 < 0.05$).

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876 ^a	.768	.762	.112

a) Predictors: (Constant), Regulatory Framework and Requirements, Procurement Opportunity Awareness and Sensitization, Capacity of Disadvantaged Groups, Ethical and Compliance Issues

b) Dependent Variable: Implementation of the 30% Preference and Reservation Directive

Table 8 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.21	4	1.803	143.696	.000 ^b
	Residual	2.183	174	0.013		
	Total	9.393	178			

a) Predictors: (Constant), Regulatory Framework and Requirements, Procurement Opportunity Awareness and Sensitization, Capacity of Disadvantaged Groups, Ethical and Compliance Issues

b) Dependent Variable: Implementation of the 30% Preference and Reservation Directive

The significance value is 0.000 which is less than 0.05 thus the model is statistically significance in predicting how regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues influence

implementation of the 30% preference and reservation directive on government procurement in Kenya. The F critical at 5% level of significance was 86.5. Since F calculated which can be noted from the ANOVA table above is 143.696 which is greater than the F critical (value= 86.5), this shows that the overall model was significant.

The study therefore establishes that; regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues influence implementation of the 30% preference and reservation directive on government procurement. These results agree with Njonjo, Rugo and Muigei (2011) results which discussed access of government procurement opportunities among the youth, women and persons with disabilities.

Table 9: Coefficients of Determination

Model		Unstandardized		Standardized	t	Sig.
		Coefficients	Std. Error			
		B		Beta		
1	(Constant)	0.713	0.216		3.298	0.001
	Regulatory Framework and Requirements	0.617	0.058	0.526	10.66	0.000
	Ethical and Compliance Issues	0.085	0.026	0.203	3.301	0.001
	Capacity of Disadvantaged Groups	0.062	0.012	0.245	5.167	0.000
	Procurement Opportunity Awareness and Sensitization	0.038	0.032	0.072	1.208	0.020

a) Predictors: (Constant), Regulatory Framework and Requirements, Procurement Opportunity Awareness and Sensitization, Capacity of Disadvantaged Groups, Ethical and Compliance Issues

b) Dependent Variable: Implementation of the 30% Preference and Reservation Directive

The research used a multiple regression model

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

Where Y= Implementation of the 30% preference and reservation directive on government procurement

B₀= Constant

X₁= Regulatory Framework and Requirements

X₂= Procurement Opportunity Awareness and Sensitization

X₃= Capacity of Disadvantaged Groups

X₄=, Ethical and Compliance Issues

ε= Error Term At 95% Confidence Level

The regression equation will be;

$$Y = 0.713 + 0.617X_1 + 0.085X_2 + 0.062X_3 + 0.038X_4$$

The regression equation above has established that taking all factors into account (regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues) constant at zero, implementation of the 30% preference and reservation directive on government procurement in Kenya will be an index of 0.713.

The findings presented also shows that taking all other independent variables at zero, a unit increase in regulatory framework and requirements will lead to a 0.617 increase in implementation of the 30% preference and reservation directive on government procurement in Kenya. The P-value was 0.000 which is less 0.05 and thus the relationship was significant.

The study found that ethical and compliance issues will lead to a 0.085 decrease in the implementation of the 30% preference and reservation directive on government procurement in Kenya. The P-value was 0.001 and hence the relationship was significant since the p-value was lower than 0.05.

In addition, the study found that a unit increase in capacity of disadvantaged groups will lead to a 0.062 increase in the implementation of the 30% preference and reservation directive on government procurement in Kenya. The P-value was 0.000 and thus the relationship was significant.

The study also found that a unit increase in procurement opportunity awareness and sensitization will lead to a 0.038 increase in implementation of the 30% preference and reservation directive on government procurement in Kenya. The P-value was 0.02 and thus the relationship was significant.

The findings of the study show that, regulatory framework and requirements contributed most to the implementation of the 30% preference and reservation directive on government procurement in Kenya.

5. 0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study sought to examine the factors affecting implementation of the 30% preference and reservation directive on government procurement opportunities in Kenya: a case of the Central Bank of Kenya. The study targeted preferential entities prequalified by the Central Bank of Kenya. A total of 179 preferential entities participated

Based on the study findings, the study concludes that implementation of the 30% preference and reservation directive on government procurement opportunities can be improved by regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues.

5.2 Recommendations

The study is a milestone for further research in the field of factors affecting implementation of the 30% preference and reservation directive on government procurement opportunities in Kenya. The

findings demonstrated the important factors affecting implementation of the 30% preference and reservation directive on government procurement opportunities to include; regulatory framework and requirements, procurement opportunity awareness and sensitization, capacity of disadvantaged groups, ethical and compliance issues.

The current study obtained an R2 of 76.8% and should therefore be expanded further in future in order to include other factors affecting implementation of the 30% preference and reservation directive on government procurement opportunities that may as well have a positive significance to affecting implementation of the 30% preference and reservation directive on government procurement opportunities.

REFERENCES

- Ibuathu, C. N., & Kubaison, S. T. (2013). Realizing equal opportunities among youth groups in accessing government financial credit facilities. *International Journal of Social Sciences and Entrepreneurship*, 1 (7), 699-712.
- ILO (2015). "Youth Pathways to decent work". Report IX Promoting Youth Employment tracking the challenge, ILO, 103rd Session, in Geneva
- International Finance Corporation (2011). *SME finance policy guide. G-20 finance policy guide*. Washington DC: World Bank.
- International Trade Centre (2008). *Governance, Management, and Accountability in Secondary Education in Sub-Saharan Africa*, working paper No. 127, New York: World Bank.
- Jackson, S.L. (2009). *Research Methods and Statistics: A Critical Thinking Approach 3rd edition*. Belmont, CA: Wadsworth.
- Kasomo, D. (2007). *Research Methods in Humanities and Education*, Eldoret; Zapf Chancery
- Kenya National Bureau of Statistics (2013). *Unemployment in Kenya: A situation analysis*.
- Kingori, N. (2012). *Factors Affecting Procurement Manual Adoption by Secondary Schools in Kenya*, Msc research project Jomo Kenyatta University of Science and Technology
- Kingori, N. (2012). *Factors Affecting Procurement Manual Adoption by Secondary Schools in Kenya*, Msc research project Jomo Kenyatta University of Science and Technology
- Kipchilat, G.T. (2009). "An Evaluation of the Impact of the Public Procurement Regulations on Procurement in Kenyan Public Universities." Unpublished MBA Project Egerton University, Nakuru, Kenya
- Kitindi, S. (2012). *Limuru District Development Plan*. Nairobi: Ascent Limited.
- Kothari, C.R. (2008). *Research Methodology; Methods & Techniques (2nd ed)*. New Delhi; New Age International Press Limited
- KPMG (2008). *Governance Survey*. Nairobi: KPMG.
- Liebrandt, M. & Mlastsheni, C. (2014). *Youth in South-Saharan Labour Markets*, Paper presented at African Development and Poverty Reduction: The Macro-Micro Linkage Forum, Somerset West, South Africa.
- Linarelli, J. & Wallace, D. (2010). *Regulating Public Procurement: National and International Perspectives*. Kluwer Law International

Lysons, K., & Farrington, B. (2008). *Purchasing and Supply chain Management*; (7th Ed) London: Prentice Hall.

Lysons, K., & Gullingham, M. (2013). *Purchasing and Supply Chain Management*, (6th Ed). London: Pearsons Hall.

Mahmood, S. A. (2010). Public Procurement and Corruption in Bangladesh. Confronting the Challenges and Opportunities. *Journal of Public Administration and Policy Research*, 2(6), 103-111.

Manasseh, P.N. (2007). *A text Book of Principles of Auditing*. Nairobi: McMore Accounting Books.