

# Responsible Purchasing and Supply Chain Management in Kenya: A Critical Analysis of the Ethical Considerations in Procurement Management

Githui Donatus Mathenge (corresponding author)

1. School of Business, Kimathi University College of Technology, P O box 657, 10100, Nyeri, Kenya.

\*E-mail: [frdonatusmathenge@yahoo.com](mailto:frdonatusmathenge@yahoo.com)

## Abstract

This paper presents the concepts of beneficence, responsibility and accountability in procurement management through an examination of ethical theories and their application to managerial challenges which typically confront procurement managers, their employees and suppliers in Kenya and in other countries. The main research drivers were focused on the ethical tendering, accountability, transparency and fairness in awards. The literature review employed various theories such as: Virtue Theory, Utilitarian Theory, and Kantian Theory. Of course, these approaches are considered in relation to the procurement management implications.

**Purpose:** The main purpose of the paper was to investigate the role of ethical consideration in Kenyan procurement management approaches.

**Methodology and Research design:** The paper employed a case research design. A survey of the selected study population from Central and Nairobi Provinces of Kenya was carried out by the use of questionnaires through focus group discussions. The sample size of this research was estimated at 150 participants.

**Findings:** The findings suggest that the current procurement management is deficient of ethical inclination and should therefore employ ethical consideration to re-invent itself.

**Conclusion:** This study is focused on the responsible purchasing and supply chain management in Kenya, with a critical analysis of the ethical considerations in procurement management. Taken as a whole, our findings suggest that, there are some impediments associated with the current procurement management and thus ethical consideration could help re-engineer the whole system.

**Keywords:** Ethical purchasing, procurement management, Theories and principles, Kantian theory, Virtue ethics, Utilitarian Principle, ethical tendering, responsibility accountability

## 1.0 Introduction

Procurement remains to be a key sector in Kenya, which facilitates the acquisition and disposal of goods and services, thereby leading to smooth running of various institutions, both public and private. Therefore, with respect to green procurement process executed on the basis of ethical codes of conduct, reference is made to ethical purchasing, ethical procurement and ethical sourcing (Graafland 2002). Ethical purchasing is used here as generic term to include sourcing, purchasing and procurement. It is the acquisition of goods and services through supply chains and subcontractors in a responsible manner, with consideration of the conditions under which goods and services are made and delivered and a strategy that promotes improvements (Mamic 2005). When people or business deal with contracting as a means of Procurement for their company, there may be issues regarding who the company will deal with. Procurement process

conducted correctly in ethical way can be a valuable tool when combating this problem (Fisher & Lovell 2009).

The Kenyan Government is a larger institution that relies on contractors to take care of many of the logistics necessary to keep our government running smoothly. More so, many large public corporations and institutions in Kenya rely on procurement to access most of their products and services, through purchasing and sourcing as well as tendering and contracting. Our government does not have the manpower or equipment and supplies to build its own buildings or streets, so it has independent companies bid on contracts for this work. This method of business has been so successful that it has move most of its product procurement needs to this type of business. Unfortunately this type of business has to be regulated through proper embracement and consideration of ethical drivers (Gichure 1997). It would be unfair to all of the companies trying to win a contract from the government if the same contractor was chosen time and time again (Polo 2008; Gomez 1999).

In order to be fair during the bidding process, the Government, through the Public Procurement Oversight Authority (PPOA) has established guidelines when selecting a contractor. These guidelines include the hiring of minority owned companies which include female owned companies. The company has to have established Equal Opportunity hiring policies and must not have a history of unfair treatment of bidders (Fisher & Lovell 2009). Another thing the Government must do when selecting a contractor is it must spread the wealth among the contractors. This assures that all contractors and their companies are fairly treated when being considered for a contract. The possibility is good that the smaller, minority owned companies will eventually be chosen to work on a contract. Now all we have to do is make sure that the person that awards the contract is also fair and impartial, and not influenced by outside parties.

This research which is ethical in nature of approach is an exploration of efficient and effective procurement and supply chain management in Kenya and any other country where such business practices take place. This process should involve citizens, who might be employees and customers that are of high caliber to fight temptations of conducting unfair and unscrupulous business contracts. As such Drumwright (1994) inferred that tendering processes should always be transparent and fair without any form of prejudice and favoritism. This is what the research aim to propose to procurement managers in Kenya as well as in any other country. With the use of ethical theories and principles (Gichure 1997; Gomez 1999), procurement process in Kenya can be turned into green practice where equality and transparency prevails. For many organizations, the process of procurement, or the purchase of goods and services, is the process that offers the most potential for ethical abuses or violations. Good procurement management practices should identify areas of potential ethics pitfalls, and address them ahead of time so employees know what practices to avoid.

### 1.1 Problem statement

The rise of supply chain management and procurement in Kenya has given rise to a number of unethical business practices that violates codes of conduct. For instance when tendering processes is not executed in a transparent manner, then suppliers may have chances and vantages to solicit for consideration by advancing bribes and other forms of corruption (Huang 2008). According to Gray et al (1997), transparency, fair treatment in bidding and awards of tenders, accountability and responsible purchasing and supply have a positive implication on procurement processes in any organization and could thus result into increased performance and delivery. This is not possible without employing ethical theories and principles (Gichure 1997) which form the basis and foundations of ethical organizations. The research will have implications for effective procurement and supply chain management thus fostering dedication and freewill drives between contractors and customers.

### 1.2 Research objectives

The research consisted of the general objectives as well as specific objectives

#### 1.2.1 General objective

To determine the extent with which responsible purchasing and supply chain management prevails in the

procurement management

### 1.2.2 Specific objectives

- (i) To investigate the extent with which ethical tendering process is practiced in Kenya.
- (ii) To identify the degree of accountability that both suppliers and customers hold in their actions.
- (iii) To identify the extent with which transparency exists in the procurement processes in Kenya.
- (iv) To investigate the degree with which fairness is exercised in the award of tenders in Kenya.

### 1.2.3 Hypotheses formulation

For the purpose of this research, the following hypotheses were formulated.

H<sub>1</sub>: If there are ethical tendering processes in contracting, then procurement and supply chain management will be green and responsible.

H<sub>2</sub>: With respect to accountability for actions, contractor-customer relationship is maintained.

H<sub>3</sub>: When an organization takes an initiative to ensure that the procurement processes are transparent enough, its growth and competitive advantage is maintained.

H<sub>4</sub>: The sustained growth of procurement processes in an organization will depend on how fair its tenders are awarded among the bidders.

## 1.2 Literature review

### 1.2.1 Overview

This section presents the key issues in the procurement processes that are coined around tendering processes, contractor hiring and relationship. The section builds on the ethical theories and principles to develop on the content of the reliable professionals and vendors in the supply chain management systems, which constitute the procurement processes.

### 1.2.2 Ethical issues in procurement process

According to Elshleman (2002) the process of procurement, or the purchase of goods and services, is the process that offers the most potential for ethical abuses or violations. Good procurement management practices should identify areas of potential ethics pitfalls, and address them ahead of time so employees know what practices to avoid.

In most organizations, the largest ethical issue in the procurement process is the potential for conflict of interest. Employees who purchase goods or services from individuals or companies with whom they have a personal or familial relationship leave the organization open to fraud at the worst or overpayment for the items or services procured at least (McWilliams & Siegel 2001). A good procurement management policy should outline what constitutes a conflict of interest, and forbid procurement where a conflict exists. Even when a conflict of interest is not evident, relationships between employees and vendors can result in ethical concerns during the procurement process if the employee is receiving kickbacks, either in the form of cash or gifts, from the vendor (Gomez 2002). A policy that forbids employees from receiving gifts or other rewards from vendors can reduce the potential for this concern in the procurement process and protect the organization from receiving substandard goods or services due to kickbacks.

Fisher & Lovell (2009) inferred that discriminating against vendors for reasons of nationality or other factors not related to the quality of the product or service can create ethical concerns for private organizations, and legal problems for organizations that are wholly or partly financed by public money. Any policy, stated or unstated, that allows discrimination against vendors due to nationality, gender, race or other factor should be

abolished, especially in organizations that rely on public funds, as state and federal laws often prohibit discrimination against vendors for these reasons (Gray et al 1997).

### 1.2.3 Ethical responsibility as accountability between supplier-customer relationships

According to McWilliams & Siegel (2001), firms should be responsible for the practices of their suppliers, to the extent of this responsibility and how they could effectively translate such responsibilities, if any, into practice. The paper starts by situating firm-supplier relationships within the broader context of firm buying behavior; and from Quite often, the fact that purchasing firms are customers is ignored in debates around responsible supply chain management. Supply chains and procurement should focus on such ethical issues in purchasing as: deception, bribery, price rigging, unsafe products and public safety (Wood 1996:185), since these are likely to arise from the internal environment of the purchasing firm and not necessarily from its relationship with the suppliers. Its procurement processes should solely focus on espousing the moral (and sometimes legal) connotations of the concept of responsibility (Polo 2008) and what it means to be held responsible while relating these to firm-supplier relationships. In their research, the MacIntyre (1984) attempted to set limits to responsibility in a supplier relationship by introducing the concepts of corporate control, transparency and corporate grouping as critical factors such as fairness.

Drawing from the works of other academics (Gray et al 1987; Williams 1987; Roberts & Scapens 1985), Swift (2001:17) characterizes accountability in both broad and narrow sense. Broadly speaking, he describes accountability as "... the requirement or duty to provide an account or justification for one's actions to whomever one is answerable". In a narrow sense, Swift talks of accountability as "... being pertinent to contractual arrangements only... where accountability is not contractually bound there can be no act of accountability".

Furthermore, borrowing from a later work of Gray et al (1997), Swift (2001) notes that "... essentially accountability is about the provision of information between two parties where the one is accountable, explains or justifies actions to the one to whom the account is owed". This form of accountability underlies principal-agent relationship, which is central to the firm as an economic and legal entity (Jones & Pollitt 1998). Despite the presence of semantic variations within the notion of accountability, the duty to account appears to convey a central meaning. The duty to account connotes institution of rights and obligations and as such, should be able to hurt if violated (McGee et al 2005).

### 1.2.4 The application of ethical theories and principles in procurement management

#### 1.2.4.1 *The Concepts of Beneficence and Benevolence in ethical procurement processes*

The term *beneficence* connotes acts of mercy, kindness, and charity, and is suggestive of altruism, love, humanity, and promoting the good of others. In ordinary language, the notion is broad; but it is understood still more broadly in ethical theory, to include effectively all forms of action intended to benefit or promote the good of other persons (Arneson 2004). The language of a *principle* or *rule* of beneficence refers to a normative statement of a moral obligation to act for the benefit of others, helping them to further their important and legitimate interests, often by preventing or removing possible harms. Many dimensions of applied ethics appear to incorporate appeals to beneficence in this sense, even if only implicitly (Hurley 2003). For example, when apparel manufacturers are criticized for not having good labor practices in factories, the ultimate goal is to obtain better working conditions, wages, and benefits for workers.

Whereas *beneficence* refers to an action done to benefit others, *benevolence* refers to the morally valuable character trait—or virtue—of being disposed to act for the benefit of others (Gert 2005). Traditionally, acts of beneficence are done from obligation, but they may also be performed from nonobligatory, optional moral ideals, which are standards that belong to a morality of meritorious aspiration in which individuals or institutions adopt goals that do not hold for everyone (Daniels 2006). Exceptional beneficence is usually categorized as *supererogatory*, a term meaning paying or performing beyond what is owed or, more generally, doing more than is required. The term usually refers to moral ideals of *action*, but it has links to *virtues* and to Aristotelian ideas of *moral excellence*. Such actions need not rise to the level of the moral saint

or moral hero. Not all supererogatory acts of beneficence are exceptionally arduous, costly, or risky. Examples of less demanding forms include generous gift-giving, uncompensated public service, forgiving another's costly error, and complying with requests made by other persons for a benefit when these exceed the obligatory requirements of ordinary morality or professional morality (Mack 2002).

#### 1.2.4.2 Virtue theory and responsible accountability in business

In the history of western philosophy, substantive reflections on the notion of moral responsibility date back to the ancient Greek philosophers, especially Aristotle. In *Nicomachean Ethics*, Aristotle considered the criteria for moral agency to include the capacity for rational choice and deliberation (Gomez 2002). A responsible act is a voluntary act. Therefore, an agent is praiseworthy or blameworthy depending on his or her voluntary acts and disposition of character traits. For an act to qualify as a voluntary act, the agent must be both in full control of his or her action and must be rationally cognizant of the consequences of his or her action. Involuntary acts are thus those acts for which the agent should not be held responsible, either because they are executed out of ignorance, external coercion or to avoid a greater evil (Cahn 2002). Covey (1992) exposes that corporative excellence is a form of human excellence, because it is produced by the people that believe in what they are doing. He also assures that the organizational success and personal satisfaction require of abundant doses of those four virtues. Finally, he mentions that the basic virtues proposed by Aristotle that allow people to work together in a good way are: Courage, temperance, liberality, magnificence, pride, good temper, cordiality, truthfulness, justice, astuteness. Virtue is not something that is done; it is more like a way of being.

#### 1.2.4.3 Utilitarian Theory and benevolence in business

In *Utilitarianism*, John Stuart Mill argued that moral philosophers have left a train of unconvincing and incompatible theories that can be coherently unified by a single standard of beneficence that allows us to decide objectively what is right and wrong (Mill 1969). The principle of utility, or the “greatest happiness” principle, he declares the basic foundation of morals: Actions are right in proportion to their promotion of happiness, and wrong as they produce the reverse (Gomez 2002; Fisher & Lovell 2009). This is a straightforward, and potentially very demanding, principle of beneficence: That action or practice is right (when compared with any alternative action or practice) if it leads to the greatest possible balance of beneficial consequences or to the least possible balance of bad consequences. Mill (1969) also holds that the concepts of duty, obligation, and right are subordinated to, and determined by, that which maximizes benefits and minimizes harmful outcomes. The principle of utility is presented by Mill as an absolute or preeminent principle—thus making beneficence the one and only supreme principle of ethics. It justifies all subordinate rules and is not simply one among a number of *prima facie* principles.

#### 1.2.4.4 Kant's Theory on benevolence and responsible accountability

Kant argues that everyone has a duty to be beneficent, i.e. to be helpful to others according to one's means, and without hoping for any form of personal gain thereby (Kant 1994). Benevolence done from friendly inclination he regards as “unlimited” (a term subject to different interpretations, but meaning “having no boundaries in potential scope”), whereas beneficence from duty does not place unlimited demands on persons. This does not mean that the limits of duties of beneficence are clear and precise (Daniels 2006). While we are obligated to some extent to sacrifice some part of our welfare to benefit others without any expectation of recompense, it is nonetheless impossible to fix a definite limit on how far this duty extends (Livnat 2004). We can only say that every single person has a duty to be beneficent, according to that person's means and that no one has an unlimited duty to do so (Miller 2004).

The Kantian idea of moral responsibility also stems from the conception of person as a moral agent. A moral agent or person is not only rational or capable of rational choice, but is one whose action is informed by a sense of duty (Kant 1994). The sense of duty is codified in universal law principles, which Kant referred to as categorical imperatives (Gomez 2002, pg 18). Therefore, a responsible or right action is not necessarily one that maximizes utility, but one that follows moral principles, which are capable of becoming universal moral laws (Cahn 2002:752).

### **1.3 Chapter Three: Research Methodology**

#### 1.3.1 Introduction

This chapter describes the proposed research design, data collection and the techniques for data analysis that was used.

#### 1.3.2 Research Design

The study was modeled on a case study design. Kothari (1990) defines a case study as a powerful form of qualitative analysis and involves careful and complete observation of a social unit be it a person, family, cultural group or an entire community and/or institution.

By using case studies, researchers were able to probe, collect data and explain phenomena more deeply and exhaustively

#### 1.3.3 Data collection method

Data was collected via personally-administered questionnaires from different sources such as the staff dining halls. The advantage of this method was that both the cost and the time required were low.

#### 1.3.4 Data collection procedure

A brief invitation and introduction to this research was provided to participants before they started filling out the questionnaires. If they accepted the invitation, questionnaires were handed out to them. Otherwise, they did not receive any questionnaires. After 30 minutes, the completed, anonymous questionnaires were directly collected by the researchers.

#### 1.3.5 Items and measurement

The questionnaire items was developed, rephrased and selected to suit the context of the study and to represent the variables in the research. The researcher developed four (4) research drivers with twelve (12) research variables for study. A five-point Likert scale, with anchors ranging from “strongly disagree” to “strongly agree”, will be used for all questions. Pre-testing of the items and their measurement will be conducted by going through the results of the focus groups (employees) and by asking the procurement employees, procurement managers and suppliers in the selected companies. All developed items will be relevantly matched to the effects, critical role and benefits of ethical drivers in procurement management, with respect to ethical tendering, accountability, transparency and fairness in awards. The research items and variables have been presented in table 1 in the appendices section below.

#### 1.3.6 Sampling and Demographics

Selecting a sample is a very important step for a positivistic study. Hussey & Hussey (1997) noted that the sample should be unbiased and large enough to satisfy the needs of the research. It is impossible to survey the entire population of a particular study because of limited funding and time. 80 procurement employees from 30 different companies based in Central and Nairobi Provinces of Kenya were chosen as participants because of their daily encounter with suppliers who were estimated at 20 in study population. Similarly 50 procurement managers from the same 30 companies (both public and private) were also chosen to help in data sourcing, because of the overall effects of ethical considerations to procurement.

#### 1.3.7 Sample selection

A complex process is normally involved in determining the sample size for a survey. If a sample size is small, the results may not properly represent the entire population. If the sample size is large, the survey may not be able to be carried out due to cost and time restraints. The sample size of this research was estimated at 150 participants.

#### 1.3.8 Data analysis method

The information was analyzed and evaluated to determine their usefulness, consistency, credibility and adequacy. Quantitative data was analyzed by using descriptive statistics and other standard quantitative methods (Kontio, Lehtola & Bragge 2004). To analyze our data we employed descriptive Analysis models. To get a perspective of the four research drivers that gather the 12 variables, Descriptive statistics was employed using SPSS analysis tools. Data collected from the survey was entered into the statistical package, SPSS (statistical package for social science) for analysis, discussion and presentation of the results in this research.

#### **1.4 Results and findings**

One hundred and forty nine hand delivered survey accesses were recorded during the designated survey collection period. This represents 65% of all procurement managers practicing in Central and Nairobi Provinces of Kenya. None of the surveys were found to contain no responses or respondent duplicated survey attempts and thus none was neglected. We noted that not all participants provided responses to all the survey questions.

##### **1.4.1 Respondent's Frequency based on variables of procurement management drivers**

The frequency demographic and respondents characteristics are summarized in table 2 in the appendices section below. The analysis of the data involved a purely descriptive analysis, which had frequency, percentage, cumulative percentage and the means of central tendencies which included mean, median and standard deviation (Table 2). Below is a description of what the data gathered from the survey regarding each of the variables of the research driver.

##### **1.4.2 Ethical tendering**

The driver had variables labeled  $V_1$  to  $V_3$ . With regards to  $V_1$  .it was noted to have mean score 3.57, median of 4.00 and standard deviation 1.108.  $V_2$ : noted a mean score 3.73 median of 4.00, and standard deviation 1.155.  $V_3$ : the variable came out with a mean score 3.43, median 3.00 and standard deviation 0.934. The driver of ethical tendering remains to be a significant dimension in the procurement. This confirms the hypothesis  $H_1$ : If there are ethical tendering processes in contracting, then procurement and supply chain management will be green and responsible. Though the hypothesis was confirmed, respondents proposed on the need of adopting ethical applications in the tendering processes, where equality prevails.

##### **1.4.2.1 Accountability**

The driver had its variables labeled as  $V_4$  to  $V_6$ .  $V_4$ : had a mean score: 3.85 and, median of 4.00 and, standard deviation: 0.857.  $V_5$ : noted to have a mean score 3.65, median of 4.00 and standard deviation 0.999.  $V_6$ : was observed to have a mean score 3.57, median of 4.00 and standard deviation 1.006. In order to have efficiency and effectiveness in an organization, there should be accountability for actions among the concerned parties in the procurement processes. This confirms the hypothesis  $H_2$ : With respect to accountability for actions, contractor-customer relationship is maintained.

##### **1.4.2.2 Transparency**

The driver had important variables labeled  $V_7$  to  $V_9$ .  $V_7$ : For this variable the median score is 3.55, median of 4.00 and the standard deviation is 1.101.  $V_8$ : noticed a mean score 3.03, median of 3.00 and standard deviation 1.133.  $V_9$  had a mean score 3.86, median of 4.00 and standard deviation 0.956. The result of the study shows that the transparency has a crucial impact on facilitating effectiveness in procurement management. For instance, some suppliers reported that transparency is not consistent in the procurement management in Kenya. In response to the driver we confirm the hypothesis  $H_3$ : When an organization takes an initiative to ensure that the procurement processes are transparent enough, its growth and competitive advantage is maintained.

##### **1.4.2.3 Fairness in awards**

As noted from the responses of demographics in the research, the driver had variables labeled  $V_{10}$  to  $V_{12}$ .

V<sub>10</sub>: From the analysis, this variable had a mean score of 3.37, median of 4.000 and standard deviation of 1.059. V<sub>11</sub>: scooped a mean score was of 2.77, median of 2.50 and standard deviation 1.233. V<sub>12</sub>: The analysis of the data gave rise to a mean score 3.18, median of 3.00 and standard deviation 1.156. The respondents from the suppliers reported that some companies would not practice fairness in awards. Under the drivers of fairness in awards, H<sub>4</sub>: The sustained growth of procurement processes in an organization will depend on how fair its tenders are awarded among the bidders. The descriptive analysis supported this hypothesis.

## 1.5 Discussions and Recommendations

### 1.5.1 Discussions

As noted in the literature review and the research findings, achieving efficiency and effectiveness in the supply chain management lies squarely on the moral and ethical nature of the participants. According to McWilliams & Siegel (2001) firms should be responsible for the practices of their suppliers, to the extent of this responsibility and how they could effectively translate such responsibilities, if any, into practice. The paper started by situating firm-supplier relationships within the broader context of firm buying behavior; and from quite often, the fact that purchasing firms are customers is ignored in debates around responsible supply chain management (Sako 1992). Supply chains and procurement should focus on such ethical issues in purchasing as: deception, bribery, price rigging, unsafe products and public safety (Wood 1996:185), since these are likely to arise from the internal environment of the purchasing firm and not necessarily from its relationship with the suppliers. Its procurement processes should solely focus on espousing the moral (and sometimes legal) connotations of the concept of responsibility (Polo 2008) and what it means to be held responsible while relating these to firm-supplier relationships.

In most organizations, the largest ethical issue in the procurement process is the potential for conflict of interest (Gomez 2002). Employees who purchase goods or services from individuals or companies with whom they have a personal or familial relationship leave the organization open to fraud at the worst or overpayment for the items or services procured at least. A good procurement management policy should outline what constitutes a conflict of interest, and forbid procurement where a conflict exists. This would lead to ethical tendering where accountability and transparency prevails and with which awards are executed based on principle of fairness (Gray *et al* 1997).

### 1.5.2 Recommendations

From the findings of the responses of the focus groups and the discussion of the research, the following recommendations were formulated based on the ethical theories and principles.

(i) In virtue ethics, integrity is a main issue for procurement management and shows up in the discussions about responsible agents in the procurement management, who are able to make rational decisions to depict their ethical and moral nature in the conduct. It is therefore relative that to elaborate a list of virtues be set and applied in the management of purchasing and supplies in Kenya. Integrate ethical purchasing into existing procurement management systems—incentives and performance reviews can be structured to reward rather than undermine ethical sourcing.

(ii) According to Utilitarian principle, actions are right in proportion to their promotion of happiness, and wrong as they produce the reverse. It is therefore very relative that companies and institutions in the supply chain void the attraction of searching for the cheapest labour and goods, at the expense of social and environmental responsibility. Avoid frequently changing suppliers as this undermines their commitment to long-term progress on labour standards and would thus lead to inefficient procurement processes.

(iii) Kantian theory also has implications for procurement management in Kenya. Kant argues that everyone has a duty to be beneficent, i.e. to be helpful to others according to one's means, and without hoping for any form of personal gain thereby. With this, there should be ethical tendering and fairness in the awards where indiscriminate acts are not witnessed. Bidders and tenders should be selected on the basis of

equality and merit.

(iv) Kantian ethics also proposes the need of moral agents. A moral agent or person is not only rational or capable of rational choice, but is one whose action is informed by a sense of duty. Therefore the participants of the supply chain management have an obligation to be accountable and transparent to each other and should always ensure that their purchasing and sourcing is ethical enough.

#### 1.5.3 Practical and Theoretical Implications of the research

Our research has implication for the procurement management by procurement managers and suppliers. It shows that a specific focus should be regarding on the challenges of purchasing and sourcing that procurement managers have had to deal with. Even if this study emphasized many challenges, it did found the reason why suppliers have had to increase their turnover. This has been caused by unethical tendering, lack of accountability and transparency in the tendering as well as unfairness in awarding the tenders. Consequently, the case of procurement managers, a specific focus should be put on ensuring that ethical considerations are adopted in the supply chain and procurement management approaches. The research has implications for social action in relation to the subject matter of procurement management quality, effectiveness and efficiency. For instance an organizational context where contractors are segregated could hinder their effort to perform and to access to all tendering processes. Our research also has implications for procurement managerial action in the sense that it will be always beneficial for our organization to let express different sensibilities and approach to problem-solving within the framework to promote participative management among procurement managers and suppliers.

#### 1.5.4 Limitations and Future Research

In the context of procurement management and ethical considerations, additional research with large samples will be necessary to support the current findings and its validity. Additional research is required to generalize these findings to the procurement managers employed specifically in the government institutions and the private sector. Also global level categories have to be included in the additional research to generalize the current research findings.

#### 1.5.5 Conclusion

This study is focused on the responsible purchasing and supply chain management in Kenya, with a critical analysis of the ethical considerations in procurement management. Taken as a whole, our findings suggest that, there are some impediments associated with the current procurement management and thus ethical consideration could help re-engineer the whole system. Even if these ethical principles are in multiple levels to develop and promote procurement management, it is imperative to study with more depth obstacles faced by procurement managers and suppliers in order to better understand the challenges they face and which can be eliminated if ethical consideration is adopted into procurement management to the development of their competencies and effective performance in general.

## References

- Arneson, R., J., (2004). "Moral Limits on the Demands of Beneficence?" in *the Ethics of Assistance*, Deen K. Chatterjee (ed.), Cambridge: Cambridge University Press.
- Bowie, N., E., & Dunfee, T., W., (2002). Confronting morality in markets. *Journal of Business Ethics*, 38(4):381-393
- Cahn, S., M., (2002). *Classics of Political and Moral Philosophy*. Oxford: Oxford Univ. Press p. 196-202
- Covey, S., R., (1992). *The 7 habits of highly effective people: restoring the character ethic*. London: Simon & Schuster
- Craig, E., (2000). *Prospective and retrospective responsibility*. *The Concise Routledge Encyclopedia of*

*Philosophy*, Routledge, London, 2000, p768

Crane, A. & Matten, D., (2004). *Business Ethics: A European Perspective -Managing Corporate Citizenship and Sustainability in the Age of Globalization*, Oxford, Oxford University Press.

Donaldson, T., & Preston, L., E., (1995). The stakeholder theory of the corporation: Concepts, evidence and implications. *Academy of management review*, 20:65-91

Drumwright, M., (1994). Socially responsible organizational buying. *Journal of Marketing*, 58:1 19

Eshleman, A., (2002). *Moral responsibility*. *The Stanford Encyclopedia of Philosophy* (summer edition), Edward N. Zalta (ed.)

Evan, W., & Freeman, R., E., (1998). "A stakeholder theory for the modern corporation: Kantian capitalism". In: T. Beauchamp and N. Bowie (Eds). *Ethical theory and business*. Englewood cliffs: Prentice Hall.

Fisher, C., & Lovell, A., (2009). *Business Ethics and values: Individual, Corporate and International Perspectives*, (3<sup>rd</sup> ed.). Edinburgh Gate, England: Pearson Education Ltd.

Freeman, R., E., (1994). The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly* 4(4): 409 421

Gert, B., (2005). *Morality*, New York: Oxford University Press.

Gichure, W., C., (1997), *Basic Concepts in Ethics*. Focus Publications Ltd. Nairobi, Kenya.

Gomez, R., (1999), *A Primer on Business Ethics: What's Right and Wrong in Business?*, 2<sup>nd</sup> Ed, Sinag-tala Publishers, Manilla.

Graafland, J., J., (2002). "Sourcing ethics in the textile sector: the case of C&A. Business Ethics": *A European Review*, 11(3):282-294

Gray, R., Dey, C., Owen, D., Evans, R. & Zadek, S., (1997). "Struggling with the praxis of social accounting. Accounting", *Auditing and Accountability Journal*, 10(3):325-364

Huang, J., H., (2008). *The Art of war: Sun-Tzu*. New York, NY: HarperCollins Publishers.

Hurley, P., (2003). "Fairness and Beneficence," *Ethics*, 113: 841–864.

Jones, I. W., & Pollitt, M., G., (1998). "Ethical and unethical competition: establishing the rules of engagement". *Long Range Planning*, 31(5):703-10

Kant, I., (1994). *Ethical Philosophy*, 2<sup>nd</sup> ed, James W. Ellington (trans.), Indianapolis: Hackett Publishing, 1994.

Livnat, Y., (2004) "On the Nature of Benevolence," *Journal of Social Philosophy*, 35: 304–317.

MacIntyre, A. (1984). *After Virtue: A study in moral theory* (2<sup>nd</sup> ed), Notre Dame, Ind.: University of Notre Dame Press.

Mack, E., (2002), "Equality, Benevolence, and Responsiveness to Agent-Relative Value," *Social Philosophy and Policy*, 19: 314–341.

Maignan, I., Ferrell, O., C., & Hult, G., T., M., (1999). "Corporate citizenship: cultural antecedents and business benefits". *Journal of the Academy of Marketing Science*, 27(4):455-469

Mamic, I., (2005). "Managing Global Supply Chain: The Sports Footwear, Apparel and Retail Sectors". *Journal of Business Ethics*, 59(1-2):81-100

McGee, A., Williams, C., & Scanlan, G.,(2005). *The Law of Business Organizations* (Exeter: Law Matters,

2005)

- McWilliams, A. & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26(1):7-127
- Mill, J., S., (1969). *Utilitarianism and On Liberty*, in the *Collected Works of John Stuart Mill* Toronto: University of Toronto Press, 1969.
- Miller, R., W., (2004). “Beneficence, Duty, and Distance,” *Philosophy & Public Affairs*, 32: 357–83.
- Naim, M., (2007). *Illicit: How Smugglers, Traffickers and Copycats are hijacking the Global Economy*, William Heinemann, London, UK.
- Polo, L., (2008), *Ethics: A modern Version of Its Classic Themes*, Sinag-tala Publishers, Makati City, Philippines.
- Sako, M., (1992). *Prices, Quality and Trust: How Japanese and British Companies Manage Buyer Supplier Relations*. Cambridge University Press, Cambridge
- Spence, L., J., (1999). Does size matter? The state of the art in small business ethics. *Business Ethics: A European Review*, 8(3):163-174
- Spender, P., (2000). “Scenes from a Wharf: Containing the Morality of Corporate Law”. In *Fiona Macmillan (ed.) International Corporate Law vol. 1*. Oxford; Portland, Oregon: Oxford University Press.
- Swift, T., (2001). “Trust, reputation and corporate accountability to stakeholders”. *Business Ethics: A European Review* 10(1):16-26
- Williams, P. F. (1987). “The legitimate concern with fairness”. *Accounting, Organizations and Society*, 12(2):169-1

Table 1: Research drivers and their variables

Table 1: Developed drivers for effective human resource management

Management driver	Research variable	Measurement
Ethical tendering	V <sub>1</sub>	I find the process of tendering in Kenya to be ethical
	V <sub>2</sub>	All tenders are always opened and witnessed by both suppliers and customers
	V <sub>3</sub>	I do find it quite unethical to solicit for payments so as to be awarded a given tender
Accountability	V <sub>4</sub>	All participants in the supply chain management are always accountable for their actions
	V <sub>5</sub>	Being accountable often leads to trustworthiness in the procurement process
	V <sub>6</sub>	When tenders are awarded in an accountable manner, both parties become satisfied
Transparency	V <sub>7</sub>	No back listing of awards is witnessed in Kenya.

	V <sub>8</sub>	There are good policies to curb against corruption in Kenyan tendering process
	V <sub>9</sub>	There is fairness and transparency in awarding for tenders
Fairness in awards	V <sub>10</sub>	No favoritisms exist in tender awards in Kenya
	V <sub>11</sub>	No discrimination exists in the tendering and the procurement process in Kenya.
	V <sub>12</sub>	Tendering process in Kenya is done on the basis of equal employment opportunities

Table 2: Summary of descriptive analysis of Respondent's Frequency based on variables of procurement management drivers

Driver	Variable	Frequency	Percentage	Measures of Central Tendency		
				Mean	Median	STD Deviation
Ethical tendering	V <sub>1</sub>	148	99.3	3.57	4.00	1.108
	V <sub>2</sub>	147	98.7	3.73	4.00	1.155
	V <sub>3</sub>	145	97.3	3.43	3.00	0.934
Accountability	V <sub>4</sub>	137	91.9	3.85	4.00	0.857
	V <sub>5</sub>	136	91.3	3.65	4.00	0.999
	V <sub>6</sub>	137	91.9	3.57	4.00	1.006
Transparency	V <sub>7</sub>	138	92.6	3.55	4.00	1.101
	V <sub>8</sub>	138	92.6	3.03	3.00	1.133
	V <sub>9</sub>	137	91.9	3.86	4.00	0.956
Fairness in awards	V <sub>10</sub>	134	89.9	3.37	4.00	1.059
	V <sub>11</sub>	134	89.9	2.77	2.50	1.233
	V <sub>12</sub>	134	89.9	3.18	3.00	1.156

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage:

<http://www.iiste.org>

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. **Prospective authors of IISTE journals can find the submission instruction on the following page:**

<http://www.iiste.org/Journals/>

The IISTE editorial team promises to review and publish all the qualified submissions in a fast manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

### **IISTE Knowledge Sharing Partners**

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

