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**CONTRIBUTION OF INFLUENCING FACTORS TO COMPLIANCE LEVELS WITH
NCA REGULATIONS**
(A Study of small and medium scale building contractors in Nairobi City County)

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Introduction

- Worldwide, construction sector is one of the leading contributors to national GDP, the sector contributing 7.1% of Kenya's GDP in 2020 (Faria, 2022).
- Huge number of players in this sector attracts policies and regulations to curb unprofessionalism and quality compromise. This explains the formulation of NCA Act 2011, which establishes the NCA to oversee the industry and control its development (GoK, 2011).
- Reports of building failures have dominated news headlines; with studies linking such incidences partly to non-compliance with building regulations/building code (NCA, 2020)
- The industry's performance is partly attributed to SMBCs which form 80% of Kenyan contractors (CAK, 2017) hence need to be assisted to comply with building [NCA] regulations.



Research Objectives

- The main aim of this research was to investigate into and mitigate SMBCs non-compliance with NCA regulations.
- The specific objectives were;
 - i. To compile compliance factors identified in previous studies,
 - ii. To rate (weight and rank) the factors on their contribution to SMBCs' non-compliance with NCA regulations,
 - iii. To validate the alleged low compliance levels of SMBCs with NCA regulations as opined in previous studies,
 - iv. To formulate a framework (a set of strategies) to enhance compliance of SMBCs with NCA regulations.



Theory

- Rationalistic and Normative approaches to compliance underpin this study.
- Rationalistic: advocate for deterrence and enforcement of regulations to prevent non-compliance.
- Normative: focus on persuasion and influence of shared knowledge to obtain compliance i.e., achieving compliance without enforcement (Young, 2018).
- Both approaches are not mutually exclusive; provide different angles for understanding compliance behavior and both significant in making compliance decisions.
- Compliance factors collated lean towards both approaches; in agreement with Hart (1994) assertion, “what reason demands is voluntary cooperation in a coercive system.”

Challenges

- inadequate ICT incorporation
- inadequate coordination
- lacking clarity in some regulations
- inadequate SMBCs capacity
- NCA challenges in achieving mandate



Research Methods

- Study population was building contractors in classes NCA 5 to NCA 8 with physical address of Nairobi City county.
- Study also targeted NCA officials from the 3 directorates as well as built environment experts/academics.
- Sample size of 71 SMBCs was drawn using Nachmias & Nachmias (2014) formula at 95% confidence level.

$$n = \frac{(1.96 * 1.96)(0.95 * 0.05)(2846)}{(0.05 * 0.05) + (1.96 * 1.96)(0.95 * 0.05)} = \frac{519.33}{7.33} = 71 \text{ respondents}$$

- To compensate for possible non-response, this sample size was adjusted by 30% (Israel, 2012) to 92 SMBC respondents

Table 1 Registered SMBCs in Nairobi City County

Contractor Class	Number
NCA 5	605
NCA 6	785
NCA 7	694
NCA 8	762
	2,846

Source; NCA, 2021



Research methods cont'd

- Stratified random sampling was adopted for the SMBC strata; 3 NCA officials and 3 experts purposively sampled.

Table 2, Disproportionate stratified random samples of SMBCs

Stratum	Population size	Sample size	Percentage
NCA 5	605	20	21.7%
NCA 6	785	25	27.2%
NCA 7	694	22	23.9%
NCA 8	762	25	27.2%
Total	2,846	92	100%

- Key instruments used in data collection were Questionnaires for SMBCs and Interviews for NCA officials and experts/academics.



Results/Discussion

- SMBC response rate at 71.7%; all sampled NCA officials, experts/academics interviewed.
- There was a balanced distribution of the SMBC strata in the response; results deemed representative of categories under study.
- At least 63.6% of respondents had operated for between 4 to 9 years since registration by NCA. This may be \neq experience; hence majority considered experienced, ensuring validity
- At least 66.5% of respondents expressed satisfaction with collated compliance factors; validating the relevance and significance of the factors on SMBCs' compliance.
- Factors grouped and ranked as; Legislative (RII=0.75), Contractor-related (RII=0.72) & NCA-related (RII=0.69). All factor groups of High Effect (HE) on compliance.
- Overall; overlapping roles in construction regulation rated as most influential factor at RII=0.80 (V.H.E) whereas alleged corruption in registration/supervision by NCA rated least influential with RII=0.63 (H.E).



Legislative Factors

- Overlapping roles in regulation
- Lengthy process of punishing defiance
- Inadequate coordination among regulator



Contractor-related

- Inadequate capacity of SMBCs to comply
- Reluctance/low attendance of CPD workshops

NCA-related

- Inadequate sensitization on regulations
- Inadequate contractor training
- Inadequate capacity of NCA
- Less effective enforcement strategy
- Alleged corruption in NCA



Compliance Factor

Compliance Factor	RII	Rank
• Overlapping roles in regulation	0.80	1
• Inadequate capacity of SMBCs	0.78	2
• Inadequate sensitization	0.77	3
• Inadequate contractor training	0.75	4
• Lengthy process of punishing defiance	0.74	5
• Inadequate coordination among regulators	0.72	6
• Inadequate capacity of NCA	0.70	7
• Less effective enforcement strategy-NCA	0.69	8
• Reluctance/low CPD/CTD workshop attendance	0.66	9
• Alleged corruption in NCA	0.63	10



- SMBC compliance levels with NCA regulations is average; median=3.0
- Interventions to enhance SMBC compliance levels with NCA regulations;
 - Government support e.g. fully sponsored management trainings for SMBCs
 - Need for a single chain of authority through law reviews
 - Enhanced sensitization and civic education
 - A more collaborative approach of enforcement
 - Need for more NCA empowerment
 - NCA delegating some supervisory roles to partner agencies and hired construction professionals
 - Intensified scrutiny of contractors at registration, class upgrade and project tenders.

LAW REVIEW

SENSITIZATION

Collaboration

EMPOWERMENT

Delegation



Study Conclusion

- 1 out of 11 collated compliance factors invalid at time of study i.e., high & unjustifiable NCA levy was suspended by NCA in 2017.
- SMBCs' compliance factors vary in weighting/contribution towards SMBC compliance.
- All investigated compliance factors were significant to the problem this study sought to address; indicated by RII values all of HE and above.
- All investigated factor groups are significant influencers of SMBCs' compliance with NCA regulations; with legislative actions given first priority in enhancing
- Current SMBCs' compliance level with NCA regulations is indeed not satisfactory



Recommendations

- Legal and regulation review and clarification as a cure to overlapping roles among the multi-agency regulation team.
- Greater evaluation at initial registration, class upgrade and construction tenders.
- Introduction of sponsored management-focused training workshops for SMBCs.
- Awareness: intensified civic education by NCA among SMBCs and developers.
- NCA capacity building/empowerment; financial, human, technology etc.
- Delegation to partner agencies and hired professionals in areas beyond authority's stretch.
- Need for self-regulation by SMBCs through KABCEC.
- NCA to consider review of enforcement strategy to reflect a normative approach dominated hybrid of the compliance approaches.



Areas of Further Research



- The contribution of building developers/clients on contractors' non-compliance with building regulations and standards in Kenya.
- Performance of County Governments in Kenya in supervision of building construction works within their jurisdiction.
- The compliance levels of NCA 1- NCA 4 contractors with NCA regulations.

