FACTORS AFFECTING INTERNATIONAL PROCUREMENT IN KENYA: A CASE STUDY OF KENYA HIGHLAND SEED COMPANY LIMITED

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BML/11/00389 /2/2015

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MANAGEMENT AND LEADERSHIP (PURCHASING AND SUPPLY MANAGEMENT OPTION) TO THE MANAGEMENT UNIVERSITY OF AFRICA

OCTOBER, 2017
DECLARATION

I declare that this research project is my original work and it has not been presented to The Management University of Africa for a degree or in any other university.

Signature: .......................................................... Date...........................................

GITHAIGA JOSEPHINE WANJIRU

BML/11/00389 /2/2015

This research project has been submitted for examination with my approval as a Supervisor at The Management University of Africa.

Signature: .......................................................... Date...........................................

DR. EMMANUEL AWUOR

The Management University of Africa
DEDICATION

I dedicate this research study to my husband Kimani Njogu for the support he has accorded me and this makes me who I am today.
ACKNOWLEDGEMENT

I would like to express my deepest appreciation to all those who provided me with knowledge and guidance to complete this research study. I acknowledge my supervisor Dr. Emmanuel Awuor for the intellectual guidance that has made this work successful. God bless you. I also remain indebted to Kenya Highland Seed Company Limited for allowing me to use it as the case company. This study also recognizes the support of Management University of Africa for well equipped library and provision of educational and research materials that are instrumental to this study. In addition, I thank Almighty God for strength, health and protection that has seen me successfully complete this study. Last but not least, I also appreciate warm support of my friends and classmates. Their support is instrumental in the development and conceptualization of this research work.
ABSTRACT

Sourcing abroad is known to have challenges such as high transportation costs, logistics, cultural differences, fluctuation of currency exchange rates and geographical barrier. Despite this, little has been done on investigating factors affecting international procurement in Kenya by scholars, academicians and researchers in Kenya. It was based on this background that this sought to address this gap by undertaking a study on factors affecting international procurement in Kenya. The specific objectives of this study were to; to determine the effect of cost on international procurement in Kenya; to assess the logistics on international procurement in Kenya; to examine the effect of cultural differences on international procurement in Kenya; and to find out the effect of fluctuation of currency exchange rates on international procurement in Kenya. This study sought to benefit Kenya Highlands Seed Limited Procurement practitioners, Government of Kenya, policy developers and regulators and future references. This study adopted descriptive research design in order to provide a framework to examine current conditions, trends and status of events regarding virtual platforms and teamwork performance. This study target population was 201 management and the staff of Kenya Highland Seed Company Limited working at the headquarters. The study adopted the use of stratified random sampling technique to select the participants. The sample size was 30% of the target population based on Kothari (2004) prepositions that (30%) of the target population is representative enough to be used as sample size in a study. The structured questionnaires were used as method of data collection. Data analysis was analyzed using qualitative and quantitative approaches in statistical analysis software. The presentation was made using tables and charts. The researcher ensured that the data collected was treated with confidentiality and was used for research purposes only. The researcher committed herself to share the research findings with all the relevant interested stakeholders. The study established that costs, logistics, cultural differences and currency exchange affects international procurement in Kenya. This study recommends that Kenya Highland Seed Company Limited works towards improving the management of its administration costs, transportation costs, purchasing costs and insurance costs in order to provide efficiency and effectiveness in its international procurement. This study also recommends that Kenya Highland Seed Company Limited works towards improving the management of its documentation processes; tracking systems and security of cargo on transit; international transaction processes; and dissemination and integration of international supply chain markets and trends in order to provide efficiency and effectiveness in its international procurement. This study further recommends that Kenya Highland Seed Company Limited works towards training and developing its employees in understanding its business partner’s language; understanding its business partner’s way of doing things; understanding the social trends in the international market; and understanding lifestyle of its business partners in the international market. Lastly, this study recommends that Kenya Highland Seed Company Limited works towards better management of its financials and expenditures including accurate forecast and management of depreciation of shillings; appreciation of shillings; instability and fluctuation of the shillings; and stability of shillings. This study suggests that future studies be done with focus on how government policy, political stability, staff competence of procuring firms and financial stability could affect international procurement.
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<tr>
<td>CAPS</td>
<td>Center for Advanced Purchasing &amp; Supply</td>
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OPERATIONAL DEFINITION OF KEY TERMS

Costs  This is the monetary and non monetary values incurred in the process of undertaking international procurement.

Cultural Differences  These are barriers in languages, lifestyle, and social trends among others that can affect international procurement or transactions.

Currency Exchange Fluctuation  This is the appreciation or depreciation of the currency that can affect the costs related to international procurement.

International Procurement  This is the transaction of business in more than one boundary of a country.

Logistics  These are the requirements needed for international procurement to take place e.g. security of the cargo, documentations, transportation modes etc.
CHAPTER ONE
INTRODUCTION

1.1 Introduction
This chapter covered the background of the study with regard to factors affecting international procurement in Kenya. This chapter also covered statement of the problem, objectives of the study, research questions, significance of the study, scope of the study and chapter summary.

1.2 Background of the Study
Today organizations are surveying other countries to develop strategies for supply chain purchasing and manufacturing outside their own country because of the costs of local labour, transport, requirements for contracts and available low-cost sources. (Trent, 2013). In academic literature, it is reported that organizations have been forced by increased international competition to pursue and devise global strategies in purchasing, which work on price reduction and optimizing fulfilment, quality, responsiveness, financial conditions and production cycle times. (Hill, 2014).

Kotabe (2016) reveals that the importance of global strategy in purchasing is a major competitive factor for organizations looking for international investments. In this type of strategy, rather than limiting themselves to local procurement, the approach by the purchasing management focuses on supplies from international suppliers in the global market. (Monczka, 2011). International purchasing is an organizations action plan pointed at the global usage of supplies and material goods. (Nydick, 2012). Relying on the extent of worldwide happenings, organizations need to come up with a purchasing action plan emphasizing on the combination and harmonization of vendors across global sourcing, implementing, managing locations with regard to supplies, designs, procedures, and technical knowledge (Salleh & Mohammad, 2012).

The increase of trans-border trade in goods and services is as a result of the continuing process of higher economic interdependence between countries otherwise known as economic globalization (Fischer, 2014). To improve quality, cut costs and promote innovation, it is important for manufacturers to make use of resources internationally and vital to establish an efficient supply chain. International procuring strategies are a major
differentiator for most profitable international value chain companies that are demand-driven, together with the explosion of globalization. (Swamidass, 2012).

As Kotabe (2016) opine, the development of global strategies and approaches, including global sourcing strategies, will become an increasingly appealing option as organizations plan the best way to respond to competitive demands. Since well-developed global sourcing strategies are not in place in most organizations, improvement opportunities are largely unrealized and indeed attractive. A detailed understanding of global sourcing is required in realizing these opportunities. To achieve this demands, replacing informal perceptions and global sourcing accounts with research-based findings is required. Supply managers will better understand what it takes to shift from basic international purchasing to integrated global sourcing approaches and strategies with these findings. (Nydick, 2012).

1.2.1 International Procurement

International procurement is the process of allowing organizations globally to tender for goods and services contracts (Ellram, 2014). The idea has earned popularity as freight and transportation expenses have reduced because of an increase in easily available low priced fuel. Large corporations’ internationalization has enabled them to realize the advantages of cheap materials and labour costs while still selling the same quantity and quality of goods. Benefits to international procurement are increased consumer base, stimulation of a global economy and lower costs. In an open economy, the wealth of those economies increases as additional goods and services are procured globally. This allows consumers and enterprises to procure goods and services as it creates capacity for increased spending (Fan, 2013).

In international procurement, Fischer (2014) explains that gains in currency exchange is obtained by industrialized countries that procure products from nations with a lower dollar. Over time the rate differs, however the multiplying factor remains unchanged. One of the paramount motivating factor behind this type of procuring is the capacity to buy more using a dollar in a different country.
Product specialization is a basic concept that is based on human resource availability in various locations, resulting in some items having a lower production cost. Specializing in this area helps a specific national economy to offer that good or service at a reduced cost than other nations leading to an increase in consumers and more economic good fortune. Some examples of this include products that are locally available in one nation or area, but are more costly to manufacture in a different nation (Gadde, 2012).

Hartley (2015) In order to shape an international economy, every country must have some goods or contributions that their prospective customers can be offered. If the goods are limited to internally produced goods, then it needs to invest significant government expenditure to meet every need or leave them unfulfilled. A nation can build an oil drilling mechanism, but if it has no natural oil it will not be able to use it. Preferably, market forces attract consumers to the higher quality and cheap prices of goods provided by various countries (Gadde, 2012).

1.2.2 Background of Kenya Highland Seed Company Limited
Kenya Highland Seed Company Limited was established in 1998 and has been supplying top quality open pollinated and hybrid seeds to the farming community since 2000. Kenya Highland Seed Company Limited deals with extensive portfolio of hybrids such tomatoes, onions, kale, cabbages, carrots etc. Kenya Highland Seed Company Limited vision is to be the leading supplier of quality seed for Africa. The company mission is to understanding growing conditions and farmers’ needs, to provide better high quality vegetable seeds well adapted for Africa (Kenya Highland Seed Company Limited, 2017).

1.3 Statement of the Problem
Sourcing abroad is known to have advantages such as competitive prices, quality products, availability of products not in the local market, availability of products that cannot be made in the local market and so on (Cook, 2012). However, sourcing abroad is also known to have disadvantages such as high transportation costs, logistics, cultural differences, fluctuation of currency exchange rates and geographical barrier (Clara & John, 2015). Despite this, Waweru (2016) study established that investigation on factors affecting international procurement in Kenya has not been given prominence by scholars, academicians and researchers in Kenya. It is based on this background that I sought to
address this gap by undertaking a study on factors affecting international procurement in Kenya. This could help local companies on approaches to adopt when doing business abroad.

1.4 Objectives of the Study
1.4.1 General Objective
The main objective of this study was to investigate factors affecting international procurement in Kenya.

1.4.2 Specific Objectives
These were the specific objectives this study sought to achieve:

i. To determine the effect of cost on international procurement in Kenya.
ii. To assess the logistics on international procurement in Kenya.
iii. To examine the effect of cultural differences on international procurement in Kenya.
iv. To find out the effect of fluctuation of currency exchange rates on international procurement in Kenya.

1.5 Research Questions
The following research questions guided the study:

i. How does cost affect international procurement in Kenya?
ii. To what extent does logistics affect international procurement in Kenya?
iii. How do cultural differences affect international procurement in Kenya?
iv. To what extent does fluctuation of currency exchange rates affect international procurement in Kenya?

1.6 Significance of the Study
1.6.1 Kenya Highland Seed Company Limited
This study could be significant to Kenya Highland Seed Company Limited as investigation on the factors affecting international procurement could inform the strategies and approaches it needs to take as a company in order to guarantee value for money. The findings and recommendations of this study could also help the company to address some of the challenges it is facing in international procurement.
1.6.2 Other International Procurement Companies in Kenya
This study could also be significant to other international procurement companies in Kenya as a study on the factors affecting international procurement could inform their strategies and approaches to guarantee value for money. The findings and recommendations of this study could also be significant to other international procurement companies in Kenya to address some of the challenges they are facing in international procurement.

1.6.3 Policy Developers
This study could also be significant to the procurement practitioners, Government of Kenya, policy developers and regulators in terms of developing international procurement frameworks that could be used to manage international procurement operations in the country.

1.6.4 The Scholars and Researchers
In future, other researchers could seek to extend further investigation on factors affecting international procurement in Kenya. This study could therefore be important to future researchers as it could be used as source for future references and citation to improve the body of knowledge in the area of factors affecting international procurement in Kenya.

1.7 Scope of the Study
This study was limited to factors affecting international procurement in Kenya. This study sought to assess how cost, logistics, cultural differences and fluctuation of currency exchange rates affect international procurement in Kenya. The study focused on Kenya Highland Seed Company Limited based in Nairobi County. The target population comprised of 201 management and staff of Kenya Highland Seed Company Limited. The study was undertaken for a period of three months from June 2017 to November 2017.
1.8 Chapter Summary
Chapter one focused on the introduction, background to the problem, statement of the problem, purpose of the study and research questions, significance of the study, scope of the study and chapter summary.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction
This chapter discussed theoretical framework. This study used systems theory and resource-based theory to support the study. This section also discussed empirical review issues on costs, logistics, cultural differences and fluctuation of currency exchange rates and their relationships with international procurement in Kenya. This chapter further covered research gaps, summary and conceptual framework.

2.1 Theoretical Literature Review
A particular perspective is provided by theoretical frameworks, or view, through which a topic is examined (Peil, 2003). In Kothari (2004) view, a theoretical framework is a collection of concepts that are interrelated, like a theory but not necessarily so well worked-out. This study used systems theory and resource-based theory to support the study.

2.1.1 Global Sourcing Process Model
As organizations shift from only local procurement to international integration and coordination across global regions and functional groups, the sourcing procedure occurs globally and is internationalized (Trent & Monczka, 1991). Center for Advanced Purchasing & Supply contributions at Arizona State University have been particularly significant (e.g., Trent & Monczka, 2002; Trent & Monczka, 2003; Trent, 2004; Trent & Monczka, 2005). A four-stage global sourcing process was a result initially from this work. 1) Integration of global procurement strategy, 2) global purchase as part of procuring strategy, 3) foreign buying based on need, 4) domestic purchasing only (Trent & Monczka, 1991).

2.1.2 Resource Based Theory
Some parts of theories are thought of well before they are formally embraced and united into the strict system of a scholarly hypothesis. The same could be said with regard to the resource-based view. While this persuasive collection of research in the field of strategic management was named by Birger Wernerfelt in his article A Resource-Based View of
the Firm (1984), the roots of the asset based view can be followed back to early research. As seen in Ludwig (2011), retrospectively, components can be seen in works by Coase (1937), Selznick (1957), Penrose (1959), Stigler (1961), Chandler (1962, 1977), and Williamson (1975), where attention is put on the importance of resources and its implications for organization performance.

The resource-based view holds that organizations’ assets are the primary contributors for overall strategic planning, emphasizing on the means by which a competitive edge can be achieved via rare resources (Kozlenkova, Samaha and Palmatier, 2014). To change a short-run competitive advantage into a continued competitive position requires that these resources are distinct in nature and not completely movable. As a result, this rule translates into useful resources that cannot be either duplicated or replaced without a lot of effort. If the organization’s strategy emphasizes and achieves this goal, its resources can assist it sustain above-average returns (Rumelt, 2012).

Resource-based theory has been used in this study to emphasize that for the organizations to have competitive advantage, it must have company resources that help them in global sourcing strategies. As Rumelt (2012) opine, it is only organizations that have wider global network of suppliers, understands the market, have personnel capable to interpret the market trends and have efficient business model that succeed in international procurement.

2.1.3 Systems Theory
Systems theory was proposed in the 1940's by the biologist Ludwig in General Systems Theory, 1968), and furthered by Ross Ashby in Introduction to Cybernetics in 1956. These scholars emphasize that real systems are open to, and interact with, their environments, and that they can gain qualitatively new properties through development, resulting in continued change. Rather than reducing an entity to the properties of its parts or elements, systems theory is focused on the arrangement of and relations between the sections which connect them into a whole (Harris, 2012).

Particularly, organizations determine a system, which is independent of the concrete substance of the elements (e.g. particles, cells, transistors, people, etc). Thus, the same
concepts and principles of organization underlie the different disciplines in providing a basis for their unification. Systems concepts in organization include: system-environment boundary, input, output, process, state, hierarchy, goal-directedness and information (Kotabe, 2016).

Systems theory has been used in this study to emphasize that for an organization to undertake its international procurement issues effectively; all the systems within the organization must be synchronized, unified and jointly coordinated in order to operationalize global issues within the organization. Salleh & Mohammad (2012) opines that all functions of an organization work to achieve a common goal. For international procurement to succeed in the organization, all sub systems such as production, procurement, marketing, human resource, public relations, quality assurance among others must work together.

2.2 Empirical Review

Empirical review is concerned with the study of past literature or researches that have been done in the same subject area another study are focusing on (Peil, 2003). The empirical review below was about costs, logistics, cultural differences and fluctuation of currency exchange rates and their relationships with international procurement.

2.2.1 Costs and International Procurement

Global sourcing means international division of labour in its most basic according to the Frank Curtin study on global sourcing (Nydick, 2012). However, depending on the company and the competitive environment type they are in, no one can deny this course can be suitable for any industry and business. Different practices among diverse countries, nationalistic attitudes and costly tariffs and duties are some of the visible and implied factors affecting the effectiveness of global sourcing.

According to Fischer (2014), there are many significant points we have to consider and assess before global sourcing strategy is implemented by companies, even though from a long-duration strategic view, international sourcing may bring about a visible financial alternatives and a more competitive position. A continuous approach without a corporate marketing strategy and business plan would confound and in the end it would flop.
Hence, before applying global sourcing, some basic guidelines need to be thoroughly considered.

A critical benefit for organizations is cost savings from global sourcing because goods can be obtained at a reduced unit cost so that as they make local decisions of either making or buying or as a logical extension consider global sourcing. In many instances, price of a product can be decreased by half by sourcing externally (Swamidass, 2012). Organizations in Europe are entering into purchasing contract with companies thousands of kilometers away, instead of their local supplier just a few kilometers away. The basic procurement strategy is identical to local purchasing, but other elements like communication and administration will change, bringing about greater implied costs. Subsequently, it’s important to address and measure the implied cost from international administration and communication, besides the assessment of unit cost.

Companies implementing global sourcing cannot ignore transport costs and duty rate. A similar item in a different state can have a difference in duty rate cost and transport cost. For instance, does it cost more for a machined or un-machined component? Before we actualize a worldwide sourcing strategy, we should analyze this carefully. There will be an increase in cost and a threat to the supply chain and critical components as a consequence of sourcing an immature product or part to implement changes in engineering (Ellram, 2014). Consequently, before they adopt a worldwide procurement strategy, the companies that have the potential capability need to face and assess a lot of implied risks and circumstances, both direct and indirect so as not to lose the worldwide sourcing unexpectedly.

**2.2.2 International Procurement and Logistics**

International administration of logistics is a paramount and essential process in international procurement. In global procurement, logistics is the additional challenges like longer inventory management, procedures at the border when crossing and transportation delays (Nydick, 2012; Ellram, 2014; Kotabe (2016; Swamidass, 2012; Salleh & Mohammad, 2012).
Moreover, when implementing global sourcing, procurement executives may have challenges as a result of not having all knowledge of logistics in low cost developing nations. Nowadays, in developed countries logistics management has improved. Also, less-developed country suppliers are usually unfamiliar with high-standard requirements and do not have experience and expertise with most advanced approaches, such as inventory solutions that are vendor managed and sequence deliveries combined with Just-In-Time; (Fan, 2013). The capability of supply chain administration is essential in knowing how much gains a firm can achieve from international procurement.

Fischer (2014) explains that efficiency of global sourcing is influenced by low-level infrastructure of logistics in countries that are developing. For example, to procure goods from Japan, they have to examine the logistics capacity in Japan and they must consider the problem of inland transport. According to European or American standards, the roads in Japan are not yet as developed. The reason is transport infrastructure did not grow at similar rate as global trading. Also, problems of logistics are caused by unqualified vehicles and drivers. Although these challenges are being reduced, sourcing from Japan is not affected.

2.2.3 International Procurement and Cultural Differences

Cultural issues should be recognized as a concern in global sourcing, but they are manageable and must be dealt with (Gadde, 2012). Recognition must be given to the culture, people and dialect of the nation where a firm operates so as to achieve perfect global sourcing management. It’s important to take the time to get to know the essential details regarding the culture and also acquire some minimal language skills like basic greetings. In order to maximize the likelihood of reaching successful international sourcing processes, it is important to cooperate successfully on a one-to-one level with foreign companies and this will greatly assist in developing a successful working relationship and environment which will be beneficial. However, Hartley (2015) explains that technology transfer and cultural communication in global sourcing are threatened by language barriers. Difficulties arise when there is reason to communicate with foreign experts to discuss issues even though many companies from developing countries have staff and sales people with international language skills. Most of the staff of suppliers in
developing countries cannot engage in lengthy and detailed exchanges since they lack sufficient knowledge of English and other Western languages. Translators lack technological background to respond to trade specifics, but using translators is an option. In global sourcing the risk of misunderstanding and communication deadlock cannot be underrated. (Gadde, 2012).

2.2.4 Currency Exchange Fluctuation and International Procurement
Funds have to be transferred between regional nations and international countries in global sourcing. Instability of currency makes international trade more complex and introduces risk while stability enables the international trade to be easier. If trade results in millions of Euros, the profitability of the whole supply chain and effectiveness of global sourcing strategy could be affected by a 0.5% deviation of exchange rate. Moreover, a bad end could be as a result of 4% deviation (Hill, 2014).

For large multinational companies, collection and management of the information on currency valuations is given to specific employees in the financial department. But for the smaller companies, they normally lack monetary specialists in the organization, but they must create an inside administration system or outsource the job so as to envision and protect against changes in the currency when they are planning to carry out global sourcing (Monczka, 2011).

On another side, Kotabe (2016) holds that now and again experienced organizations can manage currency appropriately, if the organization can make utilization of the uncertainty in money change. Hence, when discussing currency challenges, the resistance of uncertainty from foreign currency changes is a possibility.

2.5 Conceptual Framework
Conceptual framework shows the relationship between variables in a study (Peil, 2003). The conceptual framework below shows the relationships between independent variables namely; cost, logistics, cultural differences and fluctuation of currency exchange rates and international procurement in Kenya as dependent variable. See figure 2.1.
The conceptualization was that effective supply chain of international procurement in Kenya depends on how well issues of costs, logistics, cultural differences and fluctuation of currency exchange rates were entrenched and monitored in the supply chain operations by the procuring entities in Kenya.
2.5 Operational Framework

Independent Variables

Costs
- Administration cost
- Insurance cost
- Purchasing cost
- Freight cost

Logistics
- Documentation processes
- Tracking and security of cargo on transit
- International transaction processes
- International supply chain markets and trends

Cultural differences
- Language
- Way of doing things
- Social trends
- Lifestyle of our business partners

Currency Exchange Fluctuation
- Depreciation of shillings
- Appreciation of shillings
- Instability shillings
- Stability of shillings

International procurement in Kenya

Figure 2.2 Operational Framework

Source: Author (2017)
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter provided the methodology of the study. This chapter was arranged in the following order; introduction, research design, target population, sampling technique, instrumentation, data collection procedures and data processing and analysis.

3.2 Research Design
Research design includes planning, organizing, collection and analysis of data to provide information (Peil, 2003). According to him, each method of research provides specific of data. Descriptive design was used in this study. Descriptive design attempts to describe the method to obtain accurate and complete description of a situation. It provides response that assists to better understand the situation under study so as to derive the best results.

3.3 Target Population
The target population is the group, individual, objects or items from which samples are taken measurement in research (Peil, 2003). The target population for this study was 201 employees from Kenya Highland Seed Company Limited headquarters based in Nairobi County as the case company. This comprised of the top management level, middle management level and support staff. See table 3.1.

Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Percentage</th>
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<tr>
<td>Top Management Level</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Middle Management Level</td>
<td>39</td>
<td>19</td>
</tr>
<tr>
<td>Support Staff</td>
<td>151</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>201</strong></td>
<td><strong>100</strong></td>
</tr>
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Source: Author (2017)
3.4 Sample and Sampling Techniques
Kothari (2004) defines sampling as the process by which a relatively small number of individuals, object or event is selected and analyzed in order to find out something about the entire population from which it was selected. This research study used stratified random sampling to select participants. A sample size of 60 participants was selected. This was according to Kothari (2004) who explained that (30%) of target population was representative enough to be used as sample size. See table 3.2.

Table 3.2 Sample Size

<table>
<thead>
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<th>Category</th>
<th>Target Population</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Top Management Level</td>
<td>11</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Middle Management Level</td>
<td>39</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Support Staff</td>
<td>151</td>
<td>45</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>201</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

3.5 Instruments
Questionnaires are a set of standard questions normally targeting participants of a particular group of which data is supposed to be collected (Peil, 2003). The data was collected using structured questionnaires. Questionnaires were used because targeted participants were learned and able to read and fill the questionnaire.

3.6 Validity and Reliability
The questionnaires were tried out (pre-tested) with a representative sample whose characteristics match the population (Kothari, 2004). This was to determine whether the questionnaires will bring out responses that are expected by the researcher. It was also to check on the clarity and ambiguity of the questionnaires. Pilot testing was undertaken...
with sample of five questionnaires which was distributed to sample population. To test validity and reliability, questionnaires was administered twice over a period of time intervals using test – retest reliability and the results correlated to evaluate accuracy and consistency.

3.7 Data Collection Procedures
Questionnaires were developed with set of questions for pilot testing to check the reliability and validity of tools of collecting data. The questionnaires were dispatched to all participants through hand delivery on a set date. They were accorded enough time to read through the questionnaires and familiarize with every detail needed. They filled the questionnaires which were collected later for data analysis.

3.8 Data Processing and Analysis
The study collected data according to sample population which was organized in analysis software in such a way that further analysis and interpretation of was made easy. The data was edited, coded and classified so as to present the results of the data analysis in a systematic and clear way. Excel application was used for simple calculations. The study used descriptive statistics and integrates both qualitative and quantitative techniques in the data analysis. Study used pie charts and tables for presentation.
CHAPTER FOUR

4.0 DATA ANALYSIS INTERPRETATION & DISCUSSIONS OF FINDINGS

4.1 Introduction
This chapter presented the results or the findings of the data collected from the field. The presentation was made using tables and charts. The findings were then interpreted and further compassion of how the results or the findings related to what the empirical literature reviewed posit analyzed.

4.2 Results on General Information

Table 4.1 Response Rates

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duly filled and returned</td>
<td>48</td>
<td>80</td>
</tr>
<tr>
<td>Not returned</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

As per the table 4.1 above, out of the 60 questionnaires that were issued to Kenya Highland Seed Company Limited, only 48 questionnaires were filled and returned back for the analysis. This represents 80% response rate. The 12 questionnaires (20%) were never returned. This means therefore only 48 questionnaires were analyzed and views given incorporated in the study.
Figure 4.1 Gender Analysis

About 58% of the participants whose views were analyzed in this study were female (Figure 4.1). Gender as a variable was significant as it helped analyze the contributions of men and women in the study. Findings indicate that the study received a better response rate from females than from males. However, despite the difference in gender response, contributions of both genders implied that the information gathered and analyzed covered views, recommendations and suggestions of both gender which was vital for the study to understand different perspective on factors affecting international procurement in Kenya.

Table 4.2 Age Analysis

<table>
<thead>
<tr>
<th>Age Ranges</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25 years</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>26-33 years</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>34-41 years</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>42-49 years</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>50 years and above</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The majority of the respondents (27) were between 26-33 years of age (Table 4.2). The age brackets of the respondents were incorporated as a variable to help in detail analysis of the response of the participants gathered from the field. This helped to ascertain whether all age brackets listed in the questionnaires responded to the study which of course the finding indicates happened. It therefore follows that data gathered and analyzed reflected views and suggestions from respondents of all different age limits.

![Figure 4.2 Highest Level of Education](image)

The majority of the respondents that participated in this study (50%) were graduates (Figure 4.2). This indicates that the respondents were literate and could read and fill the questionnaires to the best of their knowledge.

### Table 4.3 Duration of Employment

<table>
<thead>
<tr>
<th>Durations of Employment</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 2 years</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>2-4 years</td>
<td>15</td>
<td>31</td>
</tr>
<tr>
<td>4-6 years</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>6-8 years</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>Over 8 years</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
On work history, the majority of the respondents (31%) had worked at Kenya Highland Seed Company Limited for a period of between 2-4 years (Table 4.3). This showed that the participants had varied long working experience that was vital in terms of quality of information and contributions delivered in this study and its outcome.

4.3 Results on Costs and International Procurement

Table 4.4 Administration Costs on International Procurement

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>23</td>
<td>48</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>29</td>
</tr>
<tr>
<td>Undecided</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

A combined majority of the respondents (77%) agreed and strongly agreed that administration costs affected the international procurement of Kenya Highland Seed Company Limited (Table 4.4). This finding agreed with Fischer (2014) literature concept that managing administration costs in international procurement would confound and in the end it would fail at intervals without a corporate strategy for success.
The majority of the respondents (59%) agreed and strongly agreed that transportation costs affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.3). This finding point to Ellram (2014) study which opined that companies implementing global sourcing cannot ignore transportation costs and duty rate.

The majority of the respondents (69%) agreed and strongly agreed that purchasing costs affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.4). This was in line with Fischer (2014) in which the scholar concluded that if purchasing expenditures are not adequately and professionally managed, they are likely to negatively affect international procurement.
Table 4.5 Insurance Costs on International Procurement

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>34</td>
<td>71</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>Undecided</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The majority of the respondents (71%) strongly agreed that insurance costs affected the international procurement of Kenya Highland Seed Company Limited (Table 4.5). This supports Ellram (2014) study proposition that organizations with potential capacity must predict and survey most of suggested circumstances and dangers, irrespective if it is indirect or direct before adopting an international procurement strategy.

4.4 Results on Logistics and International Procurement

![Figure 4.5 Documentation Processes on International Procurement](image)

**Figure 4.5 Documentation Processes on International Procurement**

Combined 69% responses agreed and strongly agreed that documentation processes affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.5). This finding point to Fan (2013) proposition that lack of comprehensive
planning expertise in cheap upcoming nations would trouble the purchasing officers when executing international procurement.

**Figure 4.6 Tracking and Security of Cargo on Transit on International Procurement**

A combined response of (66%) agreed and strongly agreed that tracking and security of cargo on transit affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.6). This finding supports Fischer (2004) literature view that the level of transportation infrastructure determines the efficiency and security of the cargo in international logistics.
Table 4.6 International Transaction Processes on International Procurement

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>25</td>
<td>52</td>
</tr>
<tr>
<td>Agree</td>
<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Undecided</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The key finding result (52%) strongly agreed that international transaction processes affected the international procurement of Kenya Highland Seed Company Limited (Table 4.6). This finding further supports Fan (2013) proposition that lack of comprehensive planning expertise in cheap upcoming nations would trouble the purchasing officers when executing international procurement.

Table 4.7 International Supply Chain Markets and Trends on International Procurement

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>20</td>
<td>42</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>50</td>
</tr>
<tr>
<td>Undecided</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Combined 92% respondents agreed and strongly agreed that international supply chain markets and trends affected the international procurement of Kenya Highland Seed Company Limited (Table 4.7). This finding was in agreement with Fan (2013) study that
opined that abilities of supplies administration are crucial in concluding the gain an organization can acquire from international procurement.

4.5 Results on Cultural Differences and International Procurement

![Figure 4.5 Language on International Procurement](image1)

The majority of the respondents (86%) agreed and strongly agreed that not understanding a particular language in the international market affected the international procurement in Kenya Highland Seed Company Limited (Figure 4.7). This finding matched with Hartley (2015) that explains that in global sourcing, language boundaries always make threat of cultural communication and transfer of technology.

![Figure 4.6 Way of Doing Things on International Procurement](image2)

The majority of the respondents (61%) strongly agreed that not understanding way of doing things in the international market affected the international procurement in Kenya
Highland Seed Company Limited (Figure 4.8). This finding supported Gadde (2012) argument that in global sourcing, the risk of misconception and communication mire cannot be underrated.

**Table 4.8 Social Trends on International Procurement**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Undecided</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Agree</td>
<td>16</td>
<td>33</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>21</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The majority of the respondents (78%) agreed and strongly agreed that not understanding the social trends in the international market affected the international procurement in Kenya Highland Seed Company Limited (Table 4.8). This finding point to Gadde (2012) argument that the capacity to opportunely cooperate on an individual standing with abroad ventures will go far in achieving a win-win situation that is beneficial in maximizing the likelihood of ending at a rewarding international procurement process.

**Table 4.9 Lifestyle of Our Business Partners on International Procurement**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Undecided</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Agree</td>
<td>19</td>
<td>39</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>21</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The majority of the respondents (83%) agreed and strongly agreed that not understanding lifestyle of our business partners in the international market affected the international procurement in Kenya Highland Seed Company Limited (Table 4.9). This finding reinforce Gadde (2012) why perfect international procurement management desires that common regard must be demonstrated to the community, culture and language of nations where an organization is located.

4.6 Results on Currency Exchange Fluctuation and International Procurement

![Bar chart showing responses to the effect of depreciation of shillings on international procurement.]

Figure 4.7 Depreciation of Shillings on International Procurement

A combined 98% response agreed and strongly agreed that depreciation of shillings affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.9). This finding affirmed Hill (2014) position that if business dealings results to millions of Euros, a 0.5% exchange rate deviation could influence the performance of international procurement plan and benefits of the entire supply network.
Combined 94% respondents agreed and strongly agreed that appreciation of shillings affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.10). This finding further affirmed Hill (2014) position that if business dealings results to millions of Euros, a 0.5% exchange rate deviation could influence the performance of international procurement plan and benefits of the entire supply network.

### Table 4.10 Instability and Fluctuation of the Shillings on International Procurement

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Undecided</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Agree</td>
<td>17</td>
<td>35</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>19</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Combined 75% respondents agreed and strongly agreed that instability and fluctuation of the shillings affected the international procurement of Kenya Highland Seed Company Limited (Table 4.10). This finding was in agreement with Hill (2014) study that opines that the strength of a currency makes the global market to be smooth while uncertainty makes it complicated and leads to a contingency.

**Table 4.11 Stability of Shillings on International Procurement**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Agree</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Undecided</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>31</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

A combined 92% of the respondents agreed and strongly agreed that stability of shillings affected the international procurement of Kenya Highland Seed Company Limited (Table 4.11). This finding was further in agreement with Hill (2014) study that opines that the strength of a currency makes the global market to be smooth while uncertainty makes it complicated and leads to a contingency.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter discusses the study findings analyzed in chapter four. This section sought to compare or discuss the study findings established vis-à-vis the evidence from literature review in chapter two. The conclusion and recommendation was thereafter deduced based from the discussion.

5.2 Summary of the Findings
Out of the 60 questionnaires that were issued to Kenya Highland Seed Company Limited staff, 48 questionnaires were filled and returned back for the analysis. This represented 80% response rate. This means the study received above average response rate. Findings indicates that the study received majority response from females (58%) than male (Figure 4.1). However, despite the difference in gender, the information gathered and analyzed covered views, recommendation and suggestions of both gender which was vital for the study to understand different perspectives on influence of virtual platforms on teamwork performance in government institutions in Kenya.

The majority of the respondents (27%) were between 26-33 years of age (Table 4.2). The age brackets of the participants were incorporated as variable to help in detailed analysis of the response gathered from the field. This helped to ascertain whether all age brackets listed in the questionnaire responded to the study which of course the finding indicates happened. It therefore follows that data gathered and analyzed reflected views and suggestions from respondent of all different age limits. The majority of the respondents (50%) that participated in this study were graduate holders (Figure 4.2). This indicates that participants were literate and could read and fill the questionnaire to the best of their ability and knowledge. On work history, the majority of the respondents (58%) had worked in Kenya Highland Seed Company Limited for a period of 2-4 years (Figure 4.3). This showed that the participants had varied long working experience that was vital in terms of quality of information and contributions delivered in this study and its outcome.
A combined majority of the respondents (77%) agreed and strongly agreed that administration costs affected the international procurement of Kenya Highland Seed Company Limited (Table 4.4). This finding agreed with Fischer (2014) literature concept that managing administration costs in international procurement would confound and in the end it would fail at intervals without a corporate strategy for success. The majority of the respondents (59%) agreed and strongly agreed that transportation costs affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.3). This finding point to Ellram (2014) study which opined that transportation expenses and tariff rates also cannot be overlooked for organizations enforcing international procurement.

The majority of the respondents (69%) agreed and strongly agreed that purchasing costs affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.4). This was in line with Fischer (2014) in which the scholar concluded that if purchasing expenditures are not adequately and professionally managed, they are likely to negatively affect international procurement. The majority of the respondents (71%) strongly agreed that insurance costs affected the international procurement of Kenya Highland Seed Company Limited (Table 4.5). This supports Ellram (2014) study proposition that organizations with potential capacity must predict and survey most of suggested circumstances and dangers, irrespective if it is indirect or direct before adopting an international procurement strategy.

Combined 69% responses agreed and strongly agreed that documentation processes affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.5). This finding point to Fan (2013) proposition that lack of comprehensive planning expertise in cheap upcoming nations would trouble the purchasing officers when executing international procurement.

A combined response of (66%) agreed and strongly agreed that tracking and security of cargo on transit affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.6). This finding supports Fischer (2004) literature view that the level of transportation infrastructure determines the efficiency and security of the cargo in international logistics.
The key finding result (52%) strongly agreed that international transaction processes affected the international procurement of Kenya Highland Seed Company Limited (Table 4.6). This finding further supports Fan (2013) proposition that lack of planning expertise in cheap upcoming nations would trouble the purchasing officers when executing international procurement. Combined 92% respondents agreed and strongly agreed that international supply chain markets and trends affected the international procurement of Kenya Highland Seed Company Limited (Table 4.7). This finding was in agreement with Fan (2013) study that opined that the abilities of supplies administration are crucial in concluding the gain an organization can acquire from international procurement.

The majority of the respondents (86%) agreed and strongly agreed that not understanding a particular language in the international market affected the international procurement in Kenya Highland Seed Company Limited (Figure 4.7). This finding matched with Hartley (2015) that explains that in global sourcing, language boundaries always threaten cultural communication and transfer of technology. The majority of the respondents (61%) strongly agreed that not understanding the way of doing things in the international market affected the international procurement in Kenya Highland Seed Company Limited (Figure 4.8). This finding supported Gadde (2012) argument that in global sourcing, the risk of misconception and communication cannot be underrated.

The majority of the respondents (78%) agreed and strongly agreed that not understanding the social trends in the international market affected the international procurement in Kenya Highland Seed Company Limited (Table 4.8). This finding point to Gadde (2012) argument that the capacity to opportunely cooperate on an individual standing with abroad ventures will go far in achieving a win-win situation that is beneficial in maximizing the likelihood of ending at a rewarding international procurement process. The majority of the respondents (83%) agreed and strongly agreed that not understanding lifestyle of our business partners in the international market affected the international procurement in Kenya Highland Seed Company Limited (Table 4.9). This finding reinforce Gadde (2012) why perfect international procurement management desires that common regard must be demonstrated to the community, culture and language of nations where an organization is located.
A combined 98% response agreed and strongly agreed that depreciation of shillings affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.9). This finding affirmed Hill (2014) position that if business dealings results to millions of Euros, a 0.5% exchange rate deviation could influence the performance of international procurement plan and benefits of the entire supply network. Combined 94% respondents agreed and strongly agreed that appreciation of shillings affected the international procurement of Kenya Highland Seed Company Limited (Figure 4.10). This finding further affirmed Hill (2014) position that if business dealings results to millions of Euros, a 0.5% exchange rate deviation could influence the performance of international procurement plan and benefits of the entire supply network.

Combined 75% respondents agreed and strongly agreed that instability and fluctuation of the shillings affected the international procurement of Kenya Highland Seed Company Limited (Table 4.10). This finding was in agreement with Hill (2014) study that opines that the strength of a currency makes the global market to be smooth while uncertainty makes it complicated and leads to a contingency.

A combined 92% of the respondents agreed and strongly agreed that stability of shillings affected the international procurement of Kenya Highland Seed Company Limited (Table 4.11). This finding was further in agreement with Hill (2014) study that opines that the strength of a currency makes the global market to be smooth while uncertainty makes it complicated and leads to a contingency.

5.3 Conclusions

Based on the discussions in section 5.2 above, concerning the relationship between costs and international procurement, the study established that administration costs, transportation costs, purchasing costs and insurance costs affected the international procurement of Kenya Highland Seed Company Limited.

With regard to logistics, the study established documentation processes, tracking and security of cargo on transit, international transaction processes and international supply
chain markets and trends affected the international procurement of Kenya Highland Seed Company Limited.

With regard to cultural differences, the study established that not understanding a particular language in the international market affected the international procurement in Kenya Highland Seed Company Limited (Figure 4.7). The study also established that not understanding the way of doing things in the international market affected the international procurement in Kenya Highland Seed Company Limited. Further, the study established that not understanding the social trends in the international market affected the international procurement in Kenya Highland Seed Company Limited. Lastly, the study established that not understanding lifestyle of our business partners in the international market affected the international procurement in Kenya Highland Seed Company Limited.

With regard to the relationship between currency exchange and international procurement, the study established that depreciation of shillings, appreciation of shillings, instability and fluctuation of the shillings and stability of shillings affected the international procurement of Kenya Highland Seed Company Limited.

5.4 Recommendations

Based on the findings and conclusion above, this study recommends that Kenya Highland Seed Company Limited (the case company in which this study was based) works towards improving the management of its administration costs, transportation costs, purchasing costs and insurance costs in order to provide efficiency and effectiveness in its international procurement.

This study also recommends that Kenya Highland Seed Company Limited works towards improving the management of its documentation processes; tracking systems and security of cargo on transit; international transaction processes; and dissemination and integration of international supply chain markets and trends in order to provide efficiency and effectiveness in its international procurement.

This study further recommends that Kenya Highland Seed Company Limited works towards training and developing its employees in understanding its business partner’s
language; understanding its business partner’s way of doing things; understanding the social trends in the international market; and understanding lifestyle of its business partners in the international market. This would improve efficiency and effectiveness in its international procurement processes and activities.

Lastly, this study recommends that Kenya Highland Seed Company Limited works towards better management of its financials and expenditures including accurate forecast and management of depreciation of shillings; appreciation of shillings; instability and fluctuation of the shillings; and stability of shillings. Again this would improve efficiency and effectiveness in its international procurement processes and activities.

5.5 Suggestions for Further Study

This study sought to investigate factors affecting international procurement in Kenya. The specific variables were; costs, logistics, cultural differences and currency exchange. However, in undertaking the study, it has been established that other factors such as government policy, political stability, staff competence of procuring firms as well as financial stability could affects international procurement. This study therefore suggests that future studies be done with focus on how government policy, political stability, staff competence of procuring firms and financial stability could affect international procurement.
REFERENCES


Harris, M.J.O., (2012), Global Sourcing and our companies, A Publication of Public Procurement Oversight Authority, Quarterly PPOA Bulletin Volume 06, No.


APPENDIX I

LETTER OF INTRODUCTION

Dear Sir/ Madam,

RE: REQUEST FOR DATA COLLECTION

I am a student undertaking a Bachelor degree in Management and Leadership from Management University of Africa. I am entitled to carry out a research on “Factors affecting international procurement in Kenya”.

This is to kindly request you to fill the questionnaire that you will be given to the best of your knowledge and truthfulness. The information you provide will only be used for academic purposes. Any assistance will be highly appreciated.

Yours Faithfully,

Githaiga Josephine Wanjiru

Student
APPENDIX II

QUESTIONNAIRE

Dear participant,

Please read the question below and give your answers by putting a tick against the statement that you agree with or by giving your views in the spaces provide. Don’t leave your contact or write your name in the questionnaire. Your privacy and confidentiality is assured.

SECTION A: GENERAL INFORMATION

1. Gender: □ Male □ Female
2. Age group in years: □ 18-25 □ 26-33 □ 34-41 □ 42-49 □ 50+
3. Highest level of education: □ Certificate □ Diploma □ Graduate □ Post graduate
4. Number of years served in the organization: □ <3 □ 3-6 □ 6-9 □ 9-12 □ 12 +

SECTION B: COSTS AND INTERNATIONAL PROCUREMENT

5. To what extent do you agree or disagree with the following statements: (5) Strongly agree (4) Agree (3) Undecided (2) Disagree (1) Strongly disagree

<table>
<thead>
<tr>
<th>Costs</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Administration costs affect international procurement in our organization.</td>
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<tr>
<td>b) Transport costs affect international procurement in our organization.</td>
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<tr>
<td>c) Purchasing costs affect international procurement in our organization.</td>
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<tr>
<td>d) Insurance costs affect international procurement in our organization.</td>
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</tbody>
</table>
SECTION C: LOGISTICS AND INTERNATIONAL PROCUREMENT

6. To what extent do you agree or disagree with the following statements: (5) Strongly agree (4) Agree (3) Undecided (2) Disagree (1) Strongly disagree

<table>
<thead>
<tr>
<th>Logistics</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Documentation processes affect international procurement in our organization.</td>
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<tr>
<td>b) Tracking and security of cargo on transit affect international procurement in our organization.</td>
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<tr>
<td>c) International transaction processes affect international procurement in our organization.</td>
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<tr>
<td>d) International supply chain markets and trends affect international procurement in our organization.</td>
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</tbody>
</table>

SECTION D: CULTURAL DIFFERENCES AND INTERNATIONAL PROCUREMENT

7. To what extent do you agree or disagree with the following statements: (5) Strongly agree (4) Agree (3) Undecided (2) Disagree (1) Strongly disagree

<table>
<thead>
<tr>
<th>Cultural Differences</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Not understanding a particular language in the international market affect international procurement in our organization.</td>
<td></td>
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<tr>
<td>b) Not understanding a particular way of doing things in the international market affect international procurement in our organization.</td>
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<tr>
<td>c) Not understanding social trends in the international market affect international procurement in our organization.</td>
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<tr>
<td>d) Not understanding lifestyle of our business partners in the international market affect international procurement in our organization.</td>
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</tbody>
</table>
SECTION E: CURRENCY EXCHANGE FLUCTUATION AND INTERNATIONAL PROCUREMENT

8. To what extent do you agree or disagree with the following statements: (5) Strongly agree (4) Agree (3) Undecided (2) Disagree (1) Strongly disagree

<table>
<thead>
<tr>
<th>Currency Exchange Fluctuation</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Depreciation of shillings affects international procurement in our organization.</td>
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<tr>
<td>b) Appreciation of shillings affects international procurement in our organization.</td>
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<tr>
<td>c) Instability and fluctuation of the shillings affects international procurement in our organization.</td>
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<tr>
<td>d) Stability of shillings affects international procurement in our organization.</td>
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<td></td>
</tr>
</tbody>
</table>

Thank you for participating in this survey.