

**PROCUREMENT PLANNING PROCESS AND ORGANIZATION PERFORMANCE IN  
THE ENERGY SECTOR IN KENYA: A CASE STUDY OF GEOTHERMAL  
DEVELOPMENT COMPANY**

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**DECLARATION**

This research project is my original work and has not been presented for a degree in any other University.

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## **DEDICATION**

My project is dedicated to my husband Engineer Musa, my children Suleiman, Sadiq and Sumeiya.

## **ACKNOWLEDGEMENT**

I sincerely thank my colleagues, for their resolute assistance during my study period. To Geothermal Development Company's management for taking part in the research. A special thank you to my supervisor, Prof. Emmanuel Awour, whose direction, tolerance, and assistance on this project. I also to every member of Management University of Africa personnel that helped me during my studies, no matter how small or large the contribution.

## ABSTRACT

The aim was to examine procurement planning processes on organization performance at Geothermal Development Company, and establish the influence of supplier selection, need identification, cost estimation, and quality specifications on organization performance at the Geothermal Development Company. Because it will highlight the importance of widely used organizational performance and promote awareness of it. In their efforts to design work schedules that will complement the organization's strategic aims, academics and government stakeholders may find the results to be a useful reference tool. The Geothermal Development Company and other government institutions will find the findings important in determining whether the institution's procurement planning process needs to be addressed. The study's fundamental anchor theory was goal-setting theory, which is backed by institutional theory and a resource-based view. Utilizing stratified random sampling, using a descriptive research methodology, 232 people were selected as the sample size out of 550. Questionnaires were used in the process of gathering data. Ten randomly chosen employees from the target population participated in the pilot project. SPSS version 27 and basic statistics were used to analyze the quantitative data. Tables were used in the data presentation. Inferential statistics, regression analysis and correlation, were utilized to show the relationships between the variables. Documentation of ethical guidelines, including all correspondence, study dates, and data collection locations, shall be done. The regression is based on the organization's performance and procurement planning process as predictors. The findings demonstrate a positive correlation with  $R = 0.702$  and  $R^2 = 0.492$ , meaning that changes in each of the predictor categories could account for 49.2% of the variance in the organization's performance, the variances of the elements not included in this analysis account for the remaining 50.8%. The study's findings demonstrated the significant impact of the predictor elements on the organization. The model indicated that the predictor variable with the biggest influence on the quality specification was supplier selection., followed by cost estimation, need identification, and quality specification, which had the least influence on the organization's performance. Study recommends that GDC management recognize that procurement planning practices are not static and that preparation of cost estimation and forecasting in order to enhance performance, needs should be determined, tendering procedures should be established, budgets should be estimated, and user departments should be involved. This will contribute to the upkeep of ethical procurement practices as well as the attainment of high standards of efficacy and efficiency. Additionally, as most projects have overruns, timeframes must be adhered to as intended in order to prevent delays in the supply and execution of services. In order to ensure that procurements are successful, GDC management should make sure that appropriate procedures are put in place during planning, with input from procurement staff and the user department, and that progress reports are escalated for required action. Further investigation into other variables is required to account for the remaining change in purchase planning procedures. based on the findings of this investigation, the conclusion, and the advice that came after. This additional research should aim to corroborate the findings of the current study and offer fresh data.

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## **ACRONYMS AND ABBREVIATION**

<b>GDC</b>	Geothermal Development Company
<b>KPI</b>	Key Performance Indicators
<b>PAR</b>	Procurement Assessment Report
<b>UMI</b>	Uganda Management Institute

## OPERATIONAL DEFINITION OF TERMS

<b>Cost estimation</b>	Is the projection of product-related future expenses.
<b>Need identification</b>	outlines the motivations behind your intended purchases of products, services, or works.
<b>Organization performance</b>	Is a long-term strategy that aims to ensuring that return on capital exceeds cost of capital while avoiding major financial risks in order to promote organizational growth.
<b>Procurement planning practices</b>	Is the procedure for gathering needs, organizing them, and estimating when to purchase them so that they may be obtained when needed.
<b>Quality specification</b>	Is the total or weighted total of a product's intended qualities the definition of the product-based approach.
<b>Supplier selection</b>	is a method by which the purchaser locates, assesses, and enters into contracts with vendors.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

Chapter is to investigate procurement planning process on organizational performance through a case study of a Geothermal Development Company. It includes background information, objectives, questions, significance, scope, and a summary of the chapter.

### **1.1 Background of the Study**

In order to ensure that all tasks are carried out as needed efficiently, Anane, Adoma, and Awuah (2019) define procurement planning as the process of determining the demands for procurement as well as the ideal time to purchase and fund them. Procurement planning is a technique used by companies or government agencies to plan out their purchase activities for a specific period of time, according to Awayo (2019). In order to purchase goods and services from outside vendors, an organization must organize its procurement process, as stated by the Economic Commission of Africa (2013). According to Dong, Geng, Xiao, and Yang (2021), the process of acquiring goods, services, or labor from outside sources is known as procurement. A procurement plan is a suggested approach that specifies what, how, and when to buy supplies, labour, and services for a certain fiscal year, and it is created by the procuring body This application makes the procurement process easier and faster while alerting firms of the purchasing entity's planned purchases for the upcoming fiscal year. Preventing haphazard procurement Its objectives are to increase the openness of the government marketplace and make it more enticing to suppliers and service providers (Suurmond, van Raaij, Bäckstrand, & Chen, 2019).

Currently, there are difficulties with public sector service delivery and procurement planning not just in Kenya but also in other countries. Ombui (2018) asserts that there is little question about the role procurement planning plays in enabling public sector organizations to provide services efficiently and effectively in both developed and developing nations. It can help with public sector management at both the municipal and federal levels of government. According to his research, the local government procurement system's service delivery and procurement planning have a strong beneficial link. As a result, several developed and developing countries have implemented legislation and rules about procurement. However, regulatory compliance continues to be the main

obstacle to it. According to Kanyaru and Makori (2017), nations in the European Union suffer from the non-compliance problem much like third-world nations do.

Globally, in the United States the origins of public procurement date back to 1792, the Federal Government authorized the Ministries of the Army and the Treasury to sign contracts on behalf of the nation (Callender & Matthews, 2018). As Public Purchase developed throughout time, many people came to see it as just a bureaucratic role. In the 1990s, procurement a legitimate function evolved from Buying in step with the technical revolution that led to the development of electronic commerce and trade. Because of the changing global landscape, public procurement experts should concentrate less on regular transactions and more on the strategic elements of procurement. In contrast to unit cost concentration, which is both historic and tactical, procurement planning is described as being both strategic and leading (Matthews, 2019).

In developed countries, the primary responsibility for laying the groundwork for subsequent procurement actions is procurement planning, such as the European Union and Germany in particular. The procurement process's motor is "fueled and then ignited" by it (Rotich, 2019). Therefore, a mistake in procurement planning may have a significant impact on government states, as demonstrated by the two-quality specification and participation metrics. Government states benefit from procurement planning, as seen by two metrics: community involvement and quality specification. The ability to keep an eye on and enforce regulations both inside the public sector is essential to quality specification. One of the main components of effective governance is quality specification, which is holding elected or appointed people and organizations with public mandates accountable to the people who give them power for certain choices, acts, or activities (Agere, 2021).

Asare, Kane, Leautier, and Majoni (2019) examined public procurement patterns in Africa. These academics contend that several essential procedures related to public sector procurement must be followed for successful outcomes to be achieved. Demand analysis is one of several procedures used to determine what products and services need purchased. Procedure involves planning and allocating resources while considering priority vote heads. contract administration, oversight, and awards to ensure delivery of the purchased items. Finally, to enforce contracts, the quality of the given products and services is controlled. Furthermore, it has been shown that, about the

aforementioned processes, the African nations south of the Sahara have continuously underperformed other African nations.

Changalima, Mushi, and Mwaiseje (2021) used data from a few public procuring organizations in Dodoma City, Tanzania, to study procurement planning as a strategic strategy for public procurement effectiveness. For a nation to flourish as a whole and for procuring institutions to continue existing and growing, the public procurement function is crucial. Examined via the experiences of multiple public procuring organizations is the effect that procurement planning has on the efficiency of public procurement. The findings indicate that the strategic activity of procurement planning significantly affects the efficacy of public procurement. In order to predict procurement planning, the binary logistic regression model includes the following variables: Using pre-made procurement plans; Users' participation as key institutional players and stakeholders in public procurement; Planning compliance with procurement laws and regulations; and Budget Adequacy. It was discovered that these variables were significantly correlated with the effectiveness of public procurement. Procurement planning was found to be a workable way for public procurement organizations to achieve public procurement effectiveness.

With an emphasis on the Uganda Management Institute (UMI), Nuwagaba, Molokwane, Nduhura, and Tshombe (2021) examined how procurement strategy affects the effectiveness of procurement in public sector organizations. RBV hypothesis served as the study's compass. Most government institutions in Uganda, including UMI, have noted significant limitations in their ability to carry out procurements. These limits may arise from their inability to plan procurements adequately and on time, as mandated by the PPDA Act of 2003. The study found that there is a positive association between UMI's procurement performance and procurement budgeting as well as a substantial positive correlation between UMI's procurement performance and needs assessment. This suggests that better procurement performance of UMI is influenced by improved procurement budgeting and vice versa. Additionally, there appears to be a slight positive link between UMI's procurement performance and information sharing, indicating that improved information sharing helps UMI perform better in its procurements and vice versa. The study's findings demonstrated a significant relationship between procurement strategy and the effectiveness of public sector endeavours and operations in Uganda. It was recommended that the PDU consistently collaborate with the user departments to ensure that they conduct thorough needs assessments, that department heads

consistently ensure that employees are involved in budgeting for purchases, and that the PDU consistently guarantee that the user departments have access to the necessary procurement data, such as PPDA procedures and guidelines for budgeting and planning purchases (Nuwagaba, Molokwane, Nduhura, & Tshombe, 2021). The 2015. Procurement and Assets Disposal Act (PP&ADA) regulations govern public sector procurement in Kenya. The Act is to maximize economy and efficiency by establishing rules for public bodies to follow when purchasing and discarding surplus, old, and unusable equipment. This Act mandates that public organizations organize their procurement processes in a way that maximizes the value of taxpayer money and is transparent, responsible, and accountable. (Kenyan Republic, 2015).

The PP&ADA, 2015 was changed from the Public Procurement and Disposals Act (PPDA, 2005). The latter was signed into law on December 18, 2015, and on January 7, 2016, it started to be implemented. Regarding contract management, asset disposal, inventory and asset management, and procurement planning, processing, and inventory (Republic of Kenya, 2015). As a result, Before the beginning of each fiscal year, all officers in public organizations must develop an annual purchase plan that is acceptable and keeps within budget as part of the annual budget preparation process. Since the beginning of time, procurement, especially in the public sector, has faced several difficulties. It is noted that operating departments and staff have not been successfully recruited by institutional or governmental buying departments to assist with the planning and scheduling of procurements. Due to the aforementioned, ad hoc techniques rather than normal procurement procedures have been used to handle urgent procurement demands. In the end, the activities of the affected enterprises are disrupted (Mangesho, 2017).

A needs assessment determines what needs to be purchased, and the process of procurement planning includes establishing timelines, assigning responsibility for the entire procurement process, determining the best way to satisfy the organization's needs, the range of goods, services, or works that are necessary, the tactics or methods to be implemented in the procurement process. The definition of needs assessment given by Ezeh (2012) is " a methodical procedure for locating and filling in the gaps between desired circumstances or desires and the state of affairs." This is significant because of its capacity to effectively identify interventions or solutions through problem identification. This ensures that limited resources, such as prior budget appropriations,

are allocated towards the development and implementation of workable and relevant solutions for identified projects.

### **1.1.2 Organization Performance**

In any firm, organizational performance is a crucial area of research. In strategic management study, the performance of an organization and its strategy are inextricably linked. It helps businesses to evaluate and enhance their overall productivity, competitiveness, and effectiveness, resulting in long-term business success and growth. Organizational performance evaluates how well a business achieves the goals set forth in the strategic plan, taking into account all facets of operations, such as competitive, financial, and operational success, in order to determine efficacy and efficiency (Mukya, 2017). Business executives can use organizational performance indicators to pinpoint areas that need to be improved and create detailed plans of action that will maximize the organization's efficiency and effectiveness in achieving its vision and purpose (Johnson & Scholes, 2022)

A company's success can be assessed from a number of perspectives, including market share and rival positioning, financial indicator analysis, and customer satisfaction surveys. Every viewpoint provides distinct understandings of an organization's performance and efficacy, facilitating thorough assessment and tactical choice-making (Njiru, 2015). Among other metrics in the organization's strategic plan, an organization's performance measures comprise and are not limited to the profit realized, market share, product quality, and sound financial ratios (Ondimu, 2015). This evidence can be found in an entity's increased income, profit, and productivity, all of which show success in reaching organizational goals and a high degree of efficiency and effectiveness (Paley, 2015). Internal customer satisfaction, supplier deliveries, supplier defect rate, procurement cycle time, procurement efficiency, and procurement process dependability were examined in relation to this dependent variable.

### **1.1.3 Procurement Planning Process**

Planning is one of the main responsibilities of procurement, which can enhance the efficacy of local government operations and enhance the provision of services. It is a position that starts the complete purchase and procurement procedure for the local government (Basheka, 2020). Planning is one of the subjects that is arguably discussed the most in the management literature, both conceptually and practically. It's a position that sets the stage for the other managerial positions.

When well thought out and executed, planning can be a helpful instrument for acquiring, allocating, and distributing resources (James, 2014). Planning often improves the process of obtaining, assessing, and deciphering crucial data to generate information required for informed policymaking. Planning has not advanced to the point of accomplishing the stated goals in many African nations due to issues with human, financial, and technological resources. The literature on management claims that planning shows managers think out their goals and plan of action in advance and adhere to a method, strategy, or logic rather than behaving haphazardly (Stoner, Freeman, & Gilbert, 2015).

A significant area of study in developing nations, especially in Africa, has been procurement planning, which is a crucial component of the procurement process (Changalima et al., 2021). Procurement planning's significance in public organizations (Basheka, 2008, 2009), its influencing elements (Apiyo & Mburu, 2014), and its difficulties (Bryson, 2018; Katimo, 2013) are the subjects of some research. Nonetheless, research on procurement performance and planning has yielded some intriguing findings. For example, Muhwezi et al. (2020) and Kariuki and Wabala (2021) found that there was a positive correlation between procurement planning and performance. Nevertheless, empirical studies have shown that procurement performance and planning do not meaningfully correlate (Hamza et al., 2016). Surprisingly, Mahuwi and Panga's research (2020) finds that procurement planning and performance quality are negatively correlated. Most likely, this is because companies are more likely to use efficient procurement strategies to save costs than to raise quality. The bottom line is that procurement functions are more likely to be successfully executed by firms that organize their procurement endeavours carefully. On this basis; the study proposes the following general objective: to establish procurement planning on organization performance at Geothermal Development Company

### **1.1.3 Supplier Selection**

The selection of suppliers is the foundation for both supply advantage and strategic sourcing. The main goal of the evaluation process is to minimize purchase risk and maximize total value to the buyer (Desai, 2023). When selecting a supplier for both a complicated or costly one-time contract and a long-term collaboration, a rigorous evaluation and qualifying process is usually used (Lysons & Farrington 2020). According to Özfirat, Tasoglu, and Memis (2014), the supplier selection

process can begin whenever a new provider is needed. Supplier assessment must guarantee a supplier's capacity to satisfy the technical, financial, and commercial requirements (Lysons & Farrington 2020). Supplier evaluation is the process of assessing a current supplier's performance over time based on a set of standards (Desai, 2023). Supplier selection has been a major area of emphasis for practitioners and researchers for many years. Three distinct categories may be found in the literature about supplier selection theories: models of supplier evaluation criteria, supplier selection processes and strategies, and process-related theories. Lysons and Farrington (2020) Declare that the process of evaluating and selecting suppliers consists of seven steps: determining the necessity of supplier selection; determining the essential sourcing requirements; determining a sourcing strategy; determining potential supply sources; limiting the number of suppliers in a selection pool; selecting a method for supplier evaluation and selection; and, finally, selecting a supplier and reaching a mutually agreeable decision. Choosing the appropriate suppliers is therefore essential to the procurement process and offers businesses a significant chance to cut costs throughout their whole supply chain. Although the precise factors that determine a company's supplier selection vary, several commonalities are noticeable. When choosing a supplier, quantitative factors like cost, timeliness, and quality are frequently taken into consideration. Furthermore, compatibility and the supplier's strategic direction two "soft" but challenging to measure factors—have also shown to be significant (Lysons & Farrington 2020). Therefore, regardless of the overall selection criteria, there is universal consensus that supplier selection should improve a firm's procurement performance (Desai, 2023).

#### **1.1.4 Need Identification**

A needs identification method outlines the motivations behind your intended purchases of products, services, or works (Lysons & Farrington 2020). Planning for related risks and defining the reasons you must purchase products, services, or works are crucial as you begin your procurement planning. Describe the good or service needed: Requirements are sent to the procurement department with the relevant paperwork, such as a purchase request. The requisition comprises the following details: the date, the department from which it originated, the account that was billed, the full description and quantity of the materials or services that are needed, the date on which they are needed, any special shipping or service delivery instructions, and the name of the authorized person who made the request (Errigde & McLroy, 2022). Procurement specialists

collaborate with the individual submitting the request to ensure that the material and service specifications have been accurately recorded as part of the procurement procedure. Engineering drawings and other papers are frequently attached to the request in order to precisely define complicated and non-standard components (Monczka et al., 2018). Although a need or requirement can originate from any function, demand planning is often how they are produced. Office furniture for administrative divisions or raw materials for production could be required. Demand planning is frequently the process by which needs and requirements are generated, even though they may come from any function. It may be necessary to purchase raw materials for production or office furnishings for administrative divisions (Errigde & McLroy, 2022).

### **1.1.5 Cost Estimation**

PPDA Act 2015 dictates that purchases be reasonable and actual. Meaning that they have to be capable of producing savings and ought to be founded on market values. It also refers to unethical behaviours including careless purchasing that wastes resources, stock deterioration, excessive invoicing, unforeseen expenses, and shortages of items. When necessary, one should steer clear of subpar goods and related elements. Periodically, the procurement entity utilized this index. PPDA (2015) strategy has to be included in the budgeting procedures using the indicated or approved budget as a basis. also, the budget. given that the purchase plan must be founded on reasonable expenses, which the procurement unit is required by law to produce and update regularly (PPDA, 2015). One of the elements that concerns the customer viewpoint is costs. for this variable, the study examined the lead time alignment, cost variance strategy, cost control and reporting procedure, and cost estimating and baseline.

### **1.1.6 Quality Specification**

Garvin (2013) lists five techniques that are used to define quality: the approaches that are being discussed are transcendence approach, product-based approach, value-based approach, and user-based approach. From a transcendental standpoint, perfection originates internally. Quality is defined by the product-based approach as the whole or weighted total of a product's intended attributes: According to the user-based approach, a product is considered high-quality if it best meets the demands or preferences of the customer. Gronroos (2019) defines service quality as the extent to which the caliber of service rendered meets the requirements and expectations of the

customer. A common definition of service quality, according to Edvardsson (1998), is that the service must satisfy the needs. Despite extensive academic discussion and attention to challenges associated with evaluating service quality from the perspective of an external customer, research on the procurement needs field is relatively new (Gremier et al., 2014). Edvardsson (2018) asserts that specifications are essential to the procurement process. Without quality criteria, the purchasing department may face risks and challenges during the process. Edvardsson (2018) asserts that a strong specification ought to have the following characteristics: provides for testing or inspection to ensure that the goods or services are provided in accordance with the specifications, sets the minimum requirements for the end user, permits an equitable and transparent procurement process, and provides a just award at the most reasonable cost. For these variables, the study looked into monetary value, customer satisfaction, safety measures, certification requirements, and standards

### **1.1.7 Geothermal Development Company**

The primary goal of the government-owned parastatal Geothermal Development Company Limited is to carry out surface geothermal development, which entails drilling, extracting, and selling steam to electricity generating companies for use in power plants and to the national grid (Alexander & Ussher, 2019). GDC was established in 2008 with the sole objective of conducting appraisal and performance drilling in surface geothermal systems. Oversee steam fields and enter into cooperative agreements or sales contracts with geothermal development partners. The primary duty of the ERC is to supervise the regulatory function, that is organizing development projects, establishing tariffs and providing oversight, keeping an eye on the industry, and enforcing regulations. All disputes that originate inside the Energy Regulation Commission are resolved exclusively by the Energy Tribunal. A mere 212 MW of the Rift Valley's abundant untapped geothermal energy was being fed into Kenya's national grid as of 2012. The government was obligated to develop 5,000 MW from various sources, including geothermal exploration, as stated in Kenya Vision 2030 (Alexander & Ussher, 2019).

### **1.2 Statement of the problem**

The adoption of procurement planning plays a significant role in contributing to the organization's vision, especially when the organization invests in better and more advanced technology. ICT adoption assists the procurement department in acquiring all the resources, goods, and services

that are needed to keep the organization going at the right time, place, and quality. An organization that adopts procurement planning derives great benefits and can serve their internal and external customers better. Alternatively, if the procurement department is inefficient in its acquisition of goods and services, other sections of the organization would be adversely, sometimes severely, affected. Adoption of procurement planning makes it faster, easier, and less expensive to acquire what is needed in an organization (Abrokwah-Larbi, 2023).

What influences the procurement process' efficacy is some internal procurement issues, even though the PPD Act 2005 was put in place to guide the procurement function in public institutions. Significant inefficiencies in public procurement are revealed by the Procurement Assessment Report (PAR), This was developed by a team of national consultants, World Bank and donor staff, and government officials. According to Price Waterhouse Cooper research, up to 37% of a procurement plan's potential value in government institutions' is lost during implementation (PWC, 2018). Not only in Kenya but also in other nations, the public sector is currently experiencing challenges with service delivery and procurement planning procedures. Kenyan public institutions are particularly challenged in implementing their procurement strategies. The national government of Kenya spends over Ksh. 234 billion on purchases annually. However, because of exaggerated procurement quotations, the government loses over Ksh. 121 billion annually, or almost 17% of the national budget. As to the findings of the PPOA (2015), a significant number of public institutions' tendered items and services by sixty percent over their market rates. The auditor general report (2018) states that the government, which oversaw public institutions' operations, lost 4.2 billion shillings in 2018. Over Ksh. 500 million is lost every year as a result of the incompetence and inefficiency of several public organizations' overall procurement plan implementation (Tom, 2019).

Furthermore, studies (Changalima, 2021; Gambo, 2021; Kariuki & Wabala, 2021; Muhwezi, 2020) suggest that the right execution of procurement plans might reduce the amount of money spent on procurement. Furthermore, although the PPD Act 2005 was implemented to direct the procurement function in public institutions, certain internal procurement concerns impact the efficacy of the procurement process.

Despite the advantages of the procurement planning process, the majority of public organizations, such as GDC, have not fully implemented the process, and the organization has been reluctant to

adopt this change. A study by Miheso (2017) showed that over 50 percent of state corporations in Kenya still practice manual, paper-based procurement. GDC, among several government institutions, finds it had to execute the procurement planning process as a result of poor ICT infrastructure, lack of political will, insufficient financing, and bureaucratic procurement processes. At GDC, the procurement department is not fully automated, and This is the primary cause of the procurement planning process's low acceptance.

A significant area of study in developing nations, especially in Africa, has been procurement planning process , which are a crucial component of the procurement process (Changalima et al., 2021). Procurement planning process significance in public organizations (Basheka, 2008, 2009), their influencing elements, and their difficulties are the subjects of some research. Nonetheless, research on procurement performance and planning has yielded some intriguing findings. For example, Muhwezi et al. (2020) and Kariuki and Wabala (2021) discovered a favourable relationship between procurement performance and procurement planning process . However, empirical research has demonstrated that there is no meaningful correlation between performance and procurement planning process (Hamza et al., 2016).

Unexpectedly, research by Mahuwi and Panga (2020) reveals a negative correlation between procurement planning process and performance quality. Most likely, this is because companies are more likely to use efficient procurement strategies to save costs than to raise quality. The bottom line is that procurement functions are more likely to be successfully executed by firms that organize their procurement endeavours carefully (Kariuki & Wabala, 2021). On this basis, the study proposes to establish the procurement planning process and organizational performance at Geothermal Development Company.

### **1.3 Objectives of the study**

#### **1.3.1 Specific objects**

The study's objective was to investigate procurement planning process and organization performance in the energy sector in Kenya a case study of Geothermal Development Company (GDC)

### **1.3.2 Specific Objectives**

- i. To establish the effects of supplier selection on organizational performance at GDC
- ii. To examine the effects of need identification on organizational performance at GDC.
- iii. To determine the effects of cost estimation on organizational performance at GDC.
- iv. To establish the effects of quality specification on organizational performance at GDC.

### **1.4 Research Questions**

- i. In what ways does supplier selection affect organizational performance at GDC?
- ii. To what extent does need identification affect organizational performance at GDC?
- iii. What effect does cost estimation have on organizational performance at GDC?
- iv. To what extent does quality specification on organizational performance at GDC?

### **1.5 Significance of the Study**

In theory, findings and conclusions could be particularly helpful in expanding existing and future organizations' knowledge of procurement planning process. Since this study will highlight the importance of commonly used organizational performance and service delivery, it may also be beneficial to the public and private sectors.

Findings might also be used as a reference by government agencies and academics in their efforts to draft laws that will further the organization's strategic goals. When evaluating the need to address procurement planning process in the institution, the findings were important to GDC and other government entities.

By investigating the study gaps in procurement planning process that are not addressed in this study, the study will present significant facts that served as an authoritative source for students and scholars who will use this work as the foundation for another research. The function of procurement department at GDC in general and the desire for its adoption in procurement planning process at other institutions will also be discussed by students and academics.

Finally, the results served as a theoretical guide for organizational performance and related studies, by examining the reports based on procurement planning process via effective strategies, the findings will also help practitioners and government entities in policy formation and GDC leadership and other government institutions, as well as other private organizations, was able to identify sound procurement planning process management techniques that can help the organization thrive in a competitive environment. .

## **1.6 Scope of the Study**

Study was confined to GDC Headquarters in Kawi House, Off Red Cross Road, South C, Nairobi. All employees at GDC Headquarters were the study's population of 550 respondents, and they provided crucial information needed for achievement of the research objectives. The research was carried out from January to October of 2024.

## **1.7 Chapter Summary**

Background, problem statement, aims, importance, and research scope have all been discussed and detailed in this section. It also goes into the research's history and subsequent study factors. The research's part generated the findings, which established the theories, methodologies, and study variables used throughout the investigation. To achieve the primary goals of the research, which include examining the impact of procurement planning process on organizational at GDC, the section has further outlined the anticipated goals of the research with scope being confined to cover GDC in Nairobi South C.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This part evaluated works that was pertinent looking into organizational performance and procurement planning process. The survey of theoretical literature is made from of explanations of major theories on which the investigation was based, is discussed in the chapter's introductory paragraphs. The chapter then explores the empirical literature, identifies gaps in the existing literature, and explains framework before providing chapter summary.

#### **2.1 Theoretical Literature Review**

The part addresses key theories that formed basis of study. After assessing the strengths and limitations of each theory, the section analyses how it applies to the study. The study's fundamental anchor theory is Goal-Setting Theory, which is backed by institutional theory and a resource-based view.

##### **2.2.1 Goal-Setting Theory**

Building on Kurt Lewin's (1968) groundbreaking study on degrees of ambition, Dr. Edwin Locke established this theory during his 1950s investigation (Locke & Latham, 2010). The two fundamental assumptions of goal-setting theory are that people have effective responses to particular results, both positive and bad, and that people are aware of the anxieties that emerge from how they engage with other people and the connections that cause the various results (Amit & Livnat, 2008). According to theory, there are two expectations that drive people to perform. The first step in goal-setting is to ascertain the likelihood that an endeavor will consistently result in the intended performance. The second goal-setting process focuses on the likelihood that a certain performance provided the desired outcomes. The worker won't be inspired to complete a specific task even if some efforts won't be acknowledged.

The goal-setting theory relies on motivators to explain why behavior occurs at a workstation. When conduct is motivated by internal forces, incentives from external sources are perceived as motivators that drive behavior rather than intrinsic motivators (Ferris, 2007). There is a need for assurance, responsibility, and maturity in the study. The process of establishing an institution's aims becomes managing an organization by objectives. Personnel can then set their own goals

because they are aware of what is expected of them. Because it correlates strongly with variable of organizational performance, the study adopts this theory it also supports need identification and quality specification.

A person deliberately aims to accomplish or obtain something as the planned outcome of a task or activity. Setting targets necessitates the deliberate act of choosing performance standards in order to get the intended outcomes (Latham, 2010). According to this goal-setting technique, motivation originates with the aim and desire to accomplish a goal. Individuals or groups are usually encouraged to put in more effort or alter their approach if they discover that their current performance is not yielding the intended results (Locke & Latham, 2010). When someone is pursuing certain goals, Locke and Latham (2010) state that until the goal has been reached, people don't seem content.

The hardest goal lines act as a benchmark for measuring levels of satisfaction and dissatisfaction because they are challenging to accomplish within the organization's time limits. Setting goals to assess one's own performance implies that in order to create an environment that allowed one to reach one's maximum potential, one's goals should guarantee that their fundamental needs—like a safe place to work and a sufficient salary are met (Ferris, 2007). Goal-setting, according to Ferris (2007), is a collection of theories from decision theory that help explain motivation and organizational success. The variables in this study that are backed by this theory include organizational performance, quality specification, and cost estimation .

### **2.1.2 Resource-Based View Theory**

Penrose (1959) invented this theory, but Wernerfelt (1984) popularized it when he used it to analyze economic success (Kozlenkova et al., 2014). According to Wernerfelt, the most significant factors influencing a company's profitability and performance are its internal resources. "RBV" generally refers to a worldview that is based on resources. Penrose's research from that year is related to this early understanding of the resource-based paradigm (Kozlenkova, et al, 2014). The way resources are decided suggests that the company already uses them internally. The advantages of the RBV perspective were emphasized by Jay Barney, whose work has subsequently become more well-known. He described the essential features of internal resources and how they relate to

competitive advantages. According to Kozlenkova et al. (2014), a corporation can outperform, it has a competitive edge its closest rival in a particular market in terms of economic worth.

In later works, he made a distinction between an advantage that is short-term and long-term. Not all organizational resources are required, according to Gills, Combs, and Ketchen (2014); instead, they must give the business an edge over competitors. Before an organization to begin turning a profit, its wealth needs to be difficult to replicate, replace, or transfer. The capabilities of the corporation differ from its utilization of corporate resources, which are the firm's stocks of immediately usable components (Gills, Combs, & Ketchen, 2014). The traits and kinds of resources are the components of the RBV theory that result in an edge, better performance, and competitive advantage (Gillis, et al, 2014).

According to Kozlenkova (2014), RBV is the utilization of a range of readily available tangible and intangible resources for a company. Any business that wants to turn its organizational strategy into a long-term financial gain needs to have a diverse set of resources. How a company can beat its rivals is made clear by the RBV. When putting its strategy into practice, the RBV theory prioritizes the organization's internal resources. Supporters of the RBV hypothesis, such as Jensen et al. (2016), assert that repurposing existing resources is better for firms than trying to acquire new resources or talents for every opportunity. These resources are divided into two groups. In order to optimize profits, the theory states that a business must determine where to deploy its unique resources. According to Hitt et al. (2016), RBV argues that cost leadership tactics are important performance metrics that enhance a business's performance and competitiveness as well as create and maintain a financial gain.

One limitation of the RBV theory is that it solely considers the internal environment when attempting to optimize a company's superior performance, even though core resources are important drivers of service delivery (Gillis, Combs, & Ketchen, 2014). RBV's competitive advantage and performance are impacted by its external environment. The truth is that external variables affect a firm's performance in the market equally. External elements that impact a business's operations in the market include taxes, sectoral policies, rules and regulations, and compliance standards. External resources must also be considered when analyzing factors that may impact the strategies it employs. According to theory, it is essential to take into account a firm's

internal resources as well as external influences while researching tactics that result in higher performance (Hitt, et al., 2016). RBV remains a fundamental principle that explains how a company can use its resources to improve performance, additionally, the variables in this study that are backed by this theory include need identification , supplier selection , quality specification, cost estimation and organizational performance.

### **2.1.3 Institutional Theory**

Goguen and Burstall came up with this concept in 1984. The strategy highlights the environment of an organization as a crucial component in creating its structure and behaviours. Unwanted changes in the corporate environment may force a firm to implement new plans or undergo a revolution. The concept has centred on how organizational environment influences commercial activities and organizational structure. According to institutional theory, rather than being just guided by well-organized and logical goals, organizational outcomes are also influenced by facets of society and culture that are deemed suitable given the organization's structure.

According to the theory, companies become similar as a result of pressure for authenticity, implying that businesses dealing with comparable products are more inclined to adapt to continuously changing client needs by emulating their market leaders (Gauthier, 2013). Moreover, the theory places a strong emphasis on behaviors, characterizing protocols, practices, and formations as organizational techniques. Theory offers a framework for examining the ways in which companies interact with their employees and other stakeholders, and how technology could facilitate the development of those relationships over time. Modern organizational tactics, practices, and structures, as well as policies, can still benefit from the theory.

The relationships that organizations have with different stakeholders in their environment might influence their decision-making about the career advancement of their personnel in certain competitive and unstable environments. The concept is applied in the study to explain how organizational technology-based social norms and rules that affect performance might change an organization. This study used this theory to examine how leadership shapes corporate strategies, rules, and procedures and demonstrated how they get ingrained as a group interacts with its environment, influencing how the group functions. The study used the theory additionally, the

variables in this study that are backed by this theory include supplier selection, supplier selection, quality specification, cost estimation and organizational performance.

## **2.2 Empirical Literature Review**

The segment has works published that examines the study's variables are reviewed and discussed in this part.

### **2.2.1 Supplier selection and Organizational Performance**

Wachiuri (2018) investigated state corporations' performance and supplier evaluation criteria. Questionnaires were used to gather data, and across-sectional survey approach was employed, incorporating both qualitative and quantitative techniques.. 622 state corporations made up the target market. In the study, the census approach was used. Surveys were employed to gather firsthand information.. It discovered a strong and favorable relationship between supplier dedication, expertise, financial viability, and capacity and performance. According to the study, suppliers should raise the caliber of their offerings, acquire the necessary technical know-how to produce goods or services of the highest caliber, create a sound financial strategy to guarantee their long-term financial stability, and increase their ability to live up to client expectations. Study discovered that performance is significantly impacted by supplier appraisal.

Kemunto (2018) assessed how Nakumatt Supermarket's supply chain performance was impacted by supplier selection criteria. An investigation was conducted using a case study research design. Procurement officials, assistant procurement officers, and store employees provided the data. To evaluate the collected data, descriptive statistics were utilized, which required computing percentages and weighted averages. Information from a frequency table was then shown to it. The study finds that both supplier selection based on economic considerations and supplier selection based on quality variables enhance the quality of products in Nakumatt supermarkets. Consequently, this lowers the supermarket's production and material expenses. A strong association was shown between the factors impacting supplier performance and selection. with quality, effectiveness, and efficiency being the most crucial criteria for supply chain improvement performance.

Houck (2019) looked at the alternative design-build supplier selection and used a set price to compete on quality. Meeting the budget and optimizing the project's attributes can be critical for a manager overseeing a building project. Using the procurement process, where the contractors compete to add a wide range of attributes to the project for a fixed price, is one way to do this. Such procurement strategies are uncommon, nevertheless, and it is challenging to locate models for their use. This research first examines the research on quality-only and design-build, as well as, to a lesser extent, constructors' bidding procedures. Second, it describes a design-build, quality-only supplier selection ology that adheres to public tendering laws. Thirdly, it looks into the model's results when applied to a particular Norwegian example. The literature and examples on design-build, quality-only selection at set pricing appear to be lacking in study. The developed approach made it possible to negotiate, which produced better and more comparable projects. In the case under investigation, the customer was able to include more features than anticipated in the project while staying within budget. As an advisor, the researcher participated in the process to some extent. Any customer can easily implement the created strategy to optimize a project's quality within a certain budget because it is pretty straightforward. (Houck, 2019).

Githinji and Moronge (2018) look into how supplier selection affects the effectiveness of procurement in Kenyan public hospitals, particularly GDC The target group for the study, which included 6,000 GDC employees and management, was a descriptive survey research approach. Additionally, stratified sampling was used in this investigation, with a base sample size of ninety participants. Primary data from the respondents was gathered via structured questionnaires. Both Microsoft Excel and data was analyzed using SPSS. To determine how much the independent and dependent variables correlated, multiple linear regression analysis was employed in the study. offering an objective means of analyzing the nature and degree of the relationship. Parameters produced by the software were presented in tables and figures for easy comprehension. According to the study, the dependent variable (procurement performance) was only statistically significantly impacted by variables related to national and international competitive tenders. Direct procurement and limited tendering were not statistically significant. Therefore, Improved procurement performance is not always the result, the study concluded. of utilizing all of these tactics. Additionally, the study discovered that better procurement performance results from competitive tendering. This study suggests that GDC authorities favor competitive tendering over other forms of procurement, particularly restricted and direct tendering (Githinji & Moronge, 2018).

### **2.2.2 Need identification and Organizational Performance**

Schiele (2021) investigated Enhancing organizational efficacy by involving municipal buying departments meaningfully: Ontario, Canada case studies. 590 valid responses to a questionnaire survey of procurement staff were obtained; these were analyzed using exploratory factor analysis (EFA) and t-tests. It established that the most challenging issues that public purchasers face, such as those pertaining to public sector procurement, purchasing consulting services, and involvement from purchasing departments. The opinions of municipal buying department managers regarding the significant role that their departments should play in consulting service acquisition processes are discussed in this study. In order to increase organizational effectiveness, these research findings may help others establish the techniques required to increase the involvement of municipal purchasing departments in these procurement procedures.

The effects of materials, internal controls on procurement performance and purchasing methods and information integration are examined by Muhwezi et al. (2023). In this work, data gathered from 170 HOs was analyzed using structural equation modeling using partial least squares and multigroup analysis. Standardizing purchasing processes and supplies, as well as internal controls over procurement, act as a complete mediator between information integration and procurement performance. Procurement performance, material and purchase method standardization, procurement integration, and internal controls have the following long-term effects hard to quantify because humanitarian procurement programs run over a number of years. If the necessary funding is available, a longitudinal study in this area could be conducted. To improve procurement effectiveness, procurement managers should standardize material and purchase methods and apply information integration strategies within appropriate internal controls. Humanitarian procurement performance can be systematically improved by standardizing materials and purchasing procedures and integrating data through internal procurement controls.

Smith, Finamore, Blazdell, and Dale (2023) looked at a qualitative assessment of the staff's experience providing a co-produced consulting service. This qualitative evaluation examines the experience of providing and receiving consulting services through the use of five semi-structured interviews and a focus group. We looked at the data using thematic analysis. From referred service consumers, clinical and demographic data were gathered. Two overriding themes emerged from

the focus group with the consultation staff: replicating the service, consulting service consumers, and "disrupting the system." From the semi-structured interviews with the staff consultee, two key themes arose: "experience of the consultation service" and "experience of working with personality disorder." The staff claims that dealing with personality issues is challenging. It was felt that the consultation process provided a comforting and supportive environment for gaining fresh insight into the work. On the other hand, the perceived limitations of the service meant that it did not provide any more treatment. It illustrates consultation role in the provision of services for individuals with personality disorders. It provides insight into the experiences of staff members providing and receiving consultation services, even when a co-production model is employed. (Smith, Finamore, Blazdell, & Dale, 2023).

### **2.2.3 Cost estimation , and Organizational Performance**

Zhou, Shen, and Yu (2023) investigated the connection between retail inventory management and demand forecasting inaccuracy. There are two seasons for replenishment: the off-season and the peak season. The former is distinguished by lengthier lead periods and more supply volatility. The latter, on the other hand, has more acquisition costs but guarantees a guaranteed supply because the retailer's number of purchases matches the acquired volume. Retailers who get their items ahead of the sales season can refill during both stages. This study focuses on how the retailer's demand forecasting bias affects the profits they make throughout both periods of the sales cycle. To solve research issues, this study uses a data-driven research methodology, taking inspiration from actual data supplied by a partner company. The challenges are solved by mathematical modelling, and the best solutions are then verified and tested in practical settings. Moreover, numerical simulations under various generic distributions improve the applicability of the best techniques. Results show larger difference between the actual and expected demand distributions can have a substantial effect on the optimal purchase volume as well as the potential profitability that a retailer-supplier system can achieve. Additionally, the study demonstrates that the variation of the forecasting error has less of an effect on system revenue than the mean of the forecasting error. To be more precise, the system income decreases as the absolute disparity between the expected and real means increases. Therefore, while making judgments on replenishment, managers should concentrate on enhancing the quality of demand forecasting, particularly the precision of mean forecasting. This work constructed a two-stage inventory optimization model

that gives explicit formulations for optimum strategies under two distinct demand distributions, while concurrently taking into account random yield and demand prediction quality. effect of prediction inaccuracy on the ideal inventory strategy and discovered several intriguing characteristics of the best course of action was examined too.. Specifically, the characteristic that, under some circumstances, the optimal purchase amount no longer varies with growing prediction inaccuracy is significant and has not been previously mentioned by academics. As a result, the research closes a gap in the literature.

Fernando and Zhang (2023) studied the situation of Sri Lanka while examining an early cost evaluation method using artificial neural networks for concrete bridge systems in developing countries. Establishing an initial projected budget is necessary for government officials to ensure transaction openness. Because there are no established methods for estimating bridge projects and the fragmentary nature of the project at first, quantity surveyors find it difficult to estimate costs early on. It is necessary to create a new beginning cost estimating model that is precise, easy to use, and uncomplicated to lessen the challenges with the conventional preliminary cost estimate techniques. This effort, which draws on research from The goal of Sri Lanka is to create a model of an artificial neural network for an early evaluation of concrete bridge systems' costs. Thirty concrete bridge projects completed in the last 10 years in Sri Lanka were utilized to train and assess an artificial neural network cost model. With the backpropagation method, the optimal neural network topologies were identified in terms of iteration, momentum, and hidden layer count. The best outcome was obtained which had a validation accuracy of almost 90%. It produced a cost-estimating model that is precise, heuristic, adaptable, and effective for the public sector Policymakers and interested parties could also benefit from the research findings by putting up suggestions that would enhance the forecasting of the most precise cost estimate for the construction of concrete bridges in poor nations like Sri Lanka.

Deepa, Niranjana, and Balu (2023) investigated a mixed machine-learning technique for early pile foundation cost predictions. The fundamental strategy for securing a building project within a certain budget is early cost forecast. Nonetheless, cost overruns are a regular occurrence for the majority of undertakings. Moreover, manual and conventional cost computation methods are laborious, time-consuming, and prone to errors. Soft computing methods including fuzzy logic, evolutionary algorithms, and artificial neural networks are used in construction management to

address these issues. Every approach has limitations not just about efficiency but also about viability, usability, consistency, and effects on the environment. Nonetheless, because the strategies are intrinsically better together, a suitable combination of them enhances the model. This research presents a hybrid approach to properly anticipate pile foundation costs by fusing artificial neural networks with machine learning techniques. The factors influencing pile foundation costs were gathered from five distinct Indian projects. After data cleaning, 176 of the 180 obtained data entries were utilized. The accuracy of the suggested model in estimating the costs of piling foundations is 97.42%. Even if there are many different cost estimate strategies, the prediction accuracy may be increased by using different machine learning algorithms appropriately and in combination. The suggested model brings value to the pile foundation cost estimate process

#### **2.2.4 Quality Specification and Organizational Performance**

The contribution of quality function implementation to enhanced quality requirements management in the retail sector was studied by Pacheco, Caetano, Bonato, dos Santos, and Bueno (2023). A consumer survey was first carried out based on the case study to collect data on crucial attributes that are appreciated in the luxury retail market. To efficiently satisfy client needs, the organization employed QFD to help identify and prioritize critical quality aspects. The results show that By enabling managers to use QFD, small luxury retail businesses can identify previously missed aspects of the quality of their products and services. Study demonstrates how QFD guides organizational adjustments in line with retail market needs, improving the capacity to satisfy consumer expectations and increase customer value by creating better goods and services. The study demonstrates how well the tried-and-true approach captures and ranks both concrete and intangible consumer wants in the retail industry. Retail managers of modest luxury businesses can benefit greatly from the findings, which provide practical, market-oriented tactics. Managers may to better serve their client base by putting the suggested principles into effect. The research's findings have implications for the literature on quality management and retailing. The report offers practical insights for retail managers to properly navigate the increasing occurrence of transitions in the retail business.

Zhang and Dai (2023) looked at selling format selections and quality in a chain of supply when remanufacturing is competitive. An original equipment manufacturer's quality decision and the choice of remanufactured product selling formats for a 3<sup>rd</sup> remanufacturer. Remanufactured items

can be sold through direct or indirect channels, while the OEM sells new products through a platform retailer in this study's analysis of a remanufacturing supply chain. The writers investigate the best quality option made by the original equipment manufacturer and the third-party remanufacturer's selling format by modelling a Stackelberg game. The cost-scale factor of remanufactured items and consumers' discounted utility coefficient are the primary factors that determine the ideal selection for the original equipment manufacturer. A higher retail price won't come from a better customer valuation of the remanufactured product, but it may boost sales of the new product. Regardless of the value of the consumers' discounted utility coefficient, the third-party remanufacturer chooses to sell directly due to the cost-scale factor. Direct sales to consumers result in an all-win scenario when the discounted utility coefficient of the customers is high enough. The operating tactics of the original equipment maker and third-party remanufacturer are somewhat supported by these outcomes. To examine the interaction between these two crucial decisions, Prior to combining the original equipment's selling format selection, this study endogenizes the quality decision, manufacturer with the quality decision of the third-party remanufacturer.

Goswami, Daultani, and Ramkumar (2023) looked at how to use pricing and product quality to the manufacturer's advantage to meet their financial goals. This study examines two operational levers price and quality optimization of the product—analytically and numerically within the framework of a firm that sells its goods directly to consumers. Company may achieve its economic objectives, such as maximizing market demand and profit while optimizing both product quality and pricing, anchored to the body of existing literature. Moreover, the relationship between pricing and product quality is modelled. The authors begin by developing the analytical expression for the profit margin of the manufacturer. The authors then determine the ideal conditions for both product quality and pricing by applying the mathematical concepts of unconstrained optimization. To comprehend how economic factors like demand and profit behave regarding cost. The study found that the ideal quality underneath product optimization is a special case where the maximum potential manufacturer's profit is realized. But when it comes to product price optimization, The best price is contingent upon the product's quality and isn't necessarily exclusive. It was also discovered that optimizing product quality as an operational lever yields a higher reward when considered in the framework of functional standards for quality-level performance. Product quality optimization is not as successful as product pricing optimization., but, when expectations for the

product's quality are higher. Additionally, numerical experiments yield several interesting insights, have ramifications for the kinds of businesses that exhibit both relatively high and low levels of competition.

### 2.3 Summary of Research Gaps

Studies that have been reviewed are summarized in Table 1.

**Table 1: Summary and research gaps'**

<b>Author and Year</b>	<b>Title</b>	<b>Methodology</b>	<b>Findings</b>	<b>Research Gap</b>	<b>focus of the current study</b>
Landale, Rendon, and	Supplier selection process affected	Information was gathered from 124 US Department of Defence archival	The quantity of evaluation parameters and submitted offers,	The evaluation of supplier-offered value ex ante by a buying	This study looks at a local perspective

<b>Author and Year</b>	<b>Title</b>	<b>Methodology</b>	<b>Findings</b>	<b>Research Gap</b>	<b>focus of the current study</b>
Hawkins (2017)	the results of procurement	contract records that were sampled. To investigate the influence implications of the source selection process on relevant procurement results, a multivariate analysis of covariance was utilized.	along with the trade-off source selection technique, all contribute to an extended procurement lead time. The trade-off source selection approach is also linked to significantly larger sourcing teams. However, the provider performs better when using the trade-off approach. When trade-off sources are chosen instead of low-bidder strategies, supplier performance is better.	team and whether or not that supplier performance with respect to value addition is actually determined by value assessment topics that receive very little research.	focusing on supplier selection s, staff capacity, cost estimation , quality specification at GDC performance.

<b>Author and Year</b>	<b>Title</b>	<b>Methodology</b>	<b>Findings</b>	<b>Research Gap</b>	<b>focus of the current study</b>
Houck (2019)	The alternative design-build supplier selection and used a set price to compete on quality	First examines the literature on design-build, quality-only as the primary criterion, and, to some extent, the bidding practices of constructors. Second, it describes a design-build, quality-only supplier selection ology that adheres to public tendering laws. Thirdly, it looks into how the model performed when applied to a particular scenario in Norway.	The developed approach made it possible to negotiate, which produced better and more comparable projects. In the case under investigation, the customer was able to include more features than anticipated in the project while staying within budget. Any client can easily implement the created strategy to maximize a project's attributes within a specified set	Existing literature and case studies on design-build, quality-only selection at fixed pricing appear to be lacking in study on the subject.	This study looks at a local perspective focusing on supplier selection s, staff capacity, cost estimation , quality specification at GDC

Author and Year	Title	Methodology	Findings	Research Gap	focus of the current study
			price because it is pretty simple.		
Githinji and Moronge (2018)	Supplier selection and procurement performance of GDC	6,000 GDC employees and management were the study's target group. Additionally, stratified sampling was used in this investigation, with a base sample size of 90 respondents. Structured questionnaires. For data analysis, Microsoft Excel and SPSS were utilized. For ease of interpretation, the statistical parameters produced by the software were	The study found that the dependent variable (Procurement Performance) was positively and statistically significantly influenced only by the National Competitive Tender and International Competitive Tender variables. The results of Direct Procurement and Restricted Tender were not statistically significant. Consequently,	Therefore, this study suggested that GDC policy makers give competitive tendering preference over alternative kinds of procurement, especially restricted tendering and direct procurement.	This study looks at a local perspective focusing on supplier selection s, staff capacity, cost estimation , quality specification at GDC

Author and Year	Title	Methodology	Findings	Research Gap	focus of the current study
		shown in tables and figures.	concluded that procurement performance is not always the outcome of combining all of these strategies. Additionally, the study found that greater procurement performance results from competitive tendering.		
Asiedu et al. (2023)	The critical skills for infrastructure procurement are examined by lessons from developing nation contexts.	590 valid responses to a questionnaire survey of procurement staff were obtained; these were analyzed using exploratory factor analysis and t-tests.	Project success factors, social and application of procurement rules and processes, project phase management, marketing and e-procurement, environmental	Therefore, addressing the deficiencies in infrastructure in developing nations necessitates an awareness of the competencies required to carry out the duties of	This study looks at a local perspective focusing on supplier selection s, staff capacity, cost estimation , quality

<b>Author and Year</b>	<b>Title</b>	<b>Methodology</b>	<b>Findings</b>	<b>Research Gap</b>	<b>focus of the current study</b>
			sustainability, soft skills, ICT, and communication,	public employees participating in infrastructure acquisition	specification at GDC
Mwagike and Changalima (2022)	Abilities and characteristics of procurement negotiators by taking Tanzanian procurement experts' opinions into account	Cross-sectional research methodology with questionnaires. The study evaluated the claim that procurement negotiators' abilities and characteristics are essential to negotiation processes using confirmatory factor analysis.	The results indicated that preparation, communication, persuasion, and listening are all critical abilities that go into total procurement negotiating skills. Moreover, statistics showed that trust, adaptability, honesty, and emotion are essential qualities for procurement negotiators. Each of the examined factors had a	There were just responders from one nation in the sample. Due to national variations in institutional regulatory compliance controlling public procurement endeavours, this might have an effect on the generalizability of outcomes. Additionally, the survey only included the opinions of	This study looks at a local perspective focusing on supplier selection s, staff capacity, cost estimation , quality specification at GDC

Author and Year	Title	Methodology	Findings	Research Gap	focus of the current study
			positive correlation with the abilities and characteristics of procurement negotiators and was statistically significant ( $p < 0.001$ )	Tanzanian procurement specialists and excluded the results of negotiating sessions	
Zhang and Dai (2023)	Selling format selections and quality in a supply chain with remanufacturing competition	The cost-scale factor of remanufactured items and consumers' discounted utility coefficient are the primary factors that determine the ideal selection for the original equipment manufacturer.	A higher retail price won't come from a better customer valuation of the remanufactured product, but it may boost sales of the new product., the third-party remanufacturer chooses to sell directly due to the cost-scale factor. Direct sales to	To examine the interaction between these two crucial decisions of the original equipment manufacturer with the quality decision of the third-party remanufacturer	This study looks at a local perspective focusing on supplier selection s, staff capacity, cost estimation , quality specification at GDC

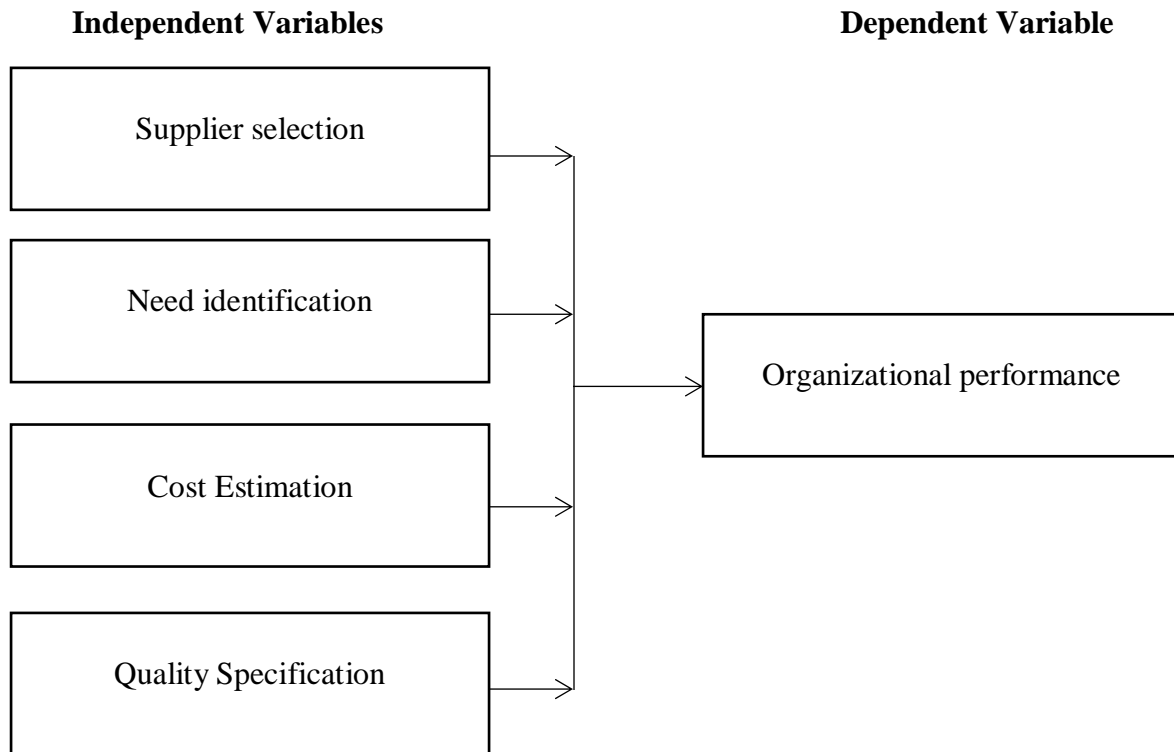
Author and Year	Title	Methodology	Findings	Research Gap	focus of the current study
			<p>consumers result in an all-win scenario when the discounted utility coefficient of the customers is high enough. The operating tactics of the original equipment maker and third-party remanufacturer are somewhat supported by these outcomes.</p>		
Pacheco, Caetano, Bonato, dos Santos, and Bueno (2023)	Quality needs management and quality function in retail industry	<p>A consumer survey was first carried out based on the case study to collect data on crucial attributes that are appreciated in the luxury retail market. To</p>	<p>The findings demonstrate that by enabling managers to use QFD, small luxury retail businesses can identify previously missed aspects of product and</p>	<p>The research's findings have implications for the literature on quality management and retailing. The report offers practical insights for</p>	<p>This study looks at a local perspective focusing on supplier selection s, staff capacity, cost estimation ,</p>

<b>Author and Year</b>	<b>Title</b>	<b>Methodology</b>	<b>Findings</b>	<b>Research Gap</b>	<b>focus of the current study</b>
		efficiently satisfy client needs, the organization employed QFD to help identify and prioritize critical quality aspects.	service quality, demonstrates how QFD guides organizational adjustments in line with retail market needs, improving the capacity to satisfy consumer expectations and increase customer value by creating better goods and services	retail managers to properly navigate the increasing occurrence of transitions in the retail business	quality specification at GDC
Deepa, Niranjana, and Balu (2023)	A mixed machine-learning strategy for early pile foundation cost estimates	The factors influencing pile foundation costs were gathered from five distinct Indian projects. After data cleaning, 176 of the 180 obtained data entries were utilized. When	Even if there are many different cost estimate strategies, the prediction accuracy may be increased by using different machine learning algorithms	The suggested model will bring value to the pile foundation cost estimate process	This study looks at a local perspective focusing on supplier selection s, staff capacity, cost estimation , quality

Author and Year	Title	Methodology	Findings	Research Gap	focus of the current study
		building the model, Of the final data, around 70% were used; the remaining 30% were used for validation. accuracy of the suggested model in estimating the costs of piling foundations is 97.42%.	appropriately and in combination.		specification at GDC

## 2.4 Conceptual Framework

Conceptual framework according to Kivunja (2018) is diagrammatic depiction of the essential factors in a research investigation. According to Kothari and Garg (2015), an independent variable is one that the researcher manipulates in order to assess its effect or influence on the dependent variable. A dependent variable is caused by an independent variable and represents the influence of the independent variables (Kothari & Garg, 2015).



**Figure 1: Conceptual Framework**

## 2.5 Operationalization of Variables

Detailed explanation variable, variable indicators used to measure them and achieve study goals listed below.

**Table 2: Operationalization of variables**

<b>Variables</b>	<b>Indicators</b>	<b>Tools of Analysis</b>	<b>Measurement scale</b>
Supplier selection	<ul style="list-style-type: none"> <li>• Supplier Management</li> <li>• KPIs</li> <li>• Supplier Training</li> <li>• Vendor appraisal</li> </ul>	Descriptive and inferential statistics	Percentages Frequencies SPSS
Need identification	<ul style="list-style-type: none"> <li>• Need evaluation</li> <li>• Product characteristics</li> <li>• Design Specification</li> <li>• Functional Specification</li> </ul>	Descriptive statistics	Percentages Frequencies SPSS
Cost estimation	<ul style="list-style-type: none"> <li>• Unit of value</li> <li>• Billing rate</li> <li>• Future costs</li> <li>• Re-stigmatization</li> </ul>	Inferential Descriptive statistics	Percentages Frequencies SPSS
Quality Specification	<ul style="list-style-type: none"> <li>• Recycle products</li> <li>• Risk prevention</li> <li>• Reliability of the product</li> <li>• Quality products</li> </ul>	Inferential Descriptive statistics	Percentages Frequencies SPSS
Organization Performance	<ul style="list-style-type: none"> <li>• Minimum Cost</li> <li>• Acceptable quality</li> <li>• Customer Satisfaction</li> <li>• Budget adequacy</li> <li>• Compliance</li> </ul>	Inferential Descriptive statistics	Percentages Frequencies SPSS

## **2.6 Chapter Summary**

The part considered a variety of studies on issue of procurement planning process variables and organizational performance. Review of literature focused on supplier selection s, need identification , cost estimation , and quality specification, as well as connected material literature. A compilation of information on literature under inquiry in the research field. The study has chosen prior actions that are within the research's aims, providing a detailed description of past theoretical incidents.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.0 Introduction**

This section outlines the steps that must be taken in order to accomplish the research study's objective. It offers comprehensive information on the design that was used, population, sampling design, instruments of data , pilot , validity, reliability, analysis, and research ethics.

#### **3.1 Research Design**

Bickman and Rog (2018), describes research design ; is how the research purpose and technique are organized; consequently, a theoretical context that is utilized to carry out the research inquiry Descriptive design was adopted for this research work, and according to. Because it ensures that the information gathered provides pertinent responses to the research objectives, this design is the ideal one. The population's characteristics were described or issues were analyzed using the design. One benefit of this approach is that it can assist researchers in organizing and conducting studies that offer a comprehensive understanding of the subjects, settings, or particular issue (Bickman & Rog, 2018). Research design's primary objective is to transform research questions into a project.

#### **3.2 Target Population**

Target population is defined by Cooper and Schindler (2018) as the entire group of variables that one intends to generalize from the findings. Saunders, et al (2018), define population as the whole assembly of factors that the study conclusion should be generalized. Table 3, shows the study's population. That included top and middle level managers, and operational staff.

**Table 3 Target population**

<b>Category</b>	<b>Number</b>	<b>Percentage</b>
Top Management	15	3
Middle-level Managers	85	15
Operational staff	450	82
<b>Total</b>	<b>550</b>	<b>100</b>

Source : (HRD DEPT GDC, 2024)

### **3.3 Sample and Sampling Technique**

In this study, stratified random sampling was employed because, as stated by Creswell & Creswell (2018), it is objective and offers each member of the population an equal chance of being chosen. As the division used to represent a large unit, Kothari and Garg (2015) define a sample as one that reflects the features of the population. As Cooper and Schindler (2018) noted, a random study sample size is required to prevent biases. A sample size of 1–10% of the target population should be regarded as appropriate, according to Saunders, Lewis, and Thornhill (2018). At the 5% level of significance, the Cochran formula determined the sample size, which is 550.

$$n = \frac{N}{[1 + N (e)^2]}$$

Where; n – sample size N – Population size e – Level of significance  $n = 550 / 1 + 550(0.05)^2 = 232$ . Therefore, the sample was 232 respondents as displayed on Table 4.

**Table 4 Sample size**

	<b>Target Population</b>	<b>Sample Size</b>	<b>%</b>
Top Management	15	14	6
Middle-level Managers	85	70	30
Operational staff	450	148	64
<b>Total</b>	<b>550</b>	<b>232</b>	<b>100</b>

### **3.4 Research Instruments**

The questionnaire served tool for gathering data. It was used in the study because it has been used by other researchers in the same field of study and is thought to be more accurate, accurate in terms of labor, money, and time, and it helps gather both qualitative and quantitative data in addition to providing more structure than interviews. Thornhill, Lewis, and Saunders (2018). It should be mentioned that the questionnaire's sole limitation is that respondents who lack literacy that is, who are unable to read or write cannot complete it. Despite this, questionnaires are thought to be less expensive data collection tools, and the researcher can collect large volumes of data (Creswell & Creswell, 2018). According to Saunders, et al (2018), the researcher employed questionnaires since they make correlational, descriptive, and inferential statistical analysis possible and easy. These questions helped to effectively enrich the qualitative methodology (Saunders, Lewis, & Thornhill, 2018).

### **3.5 Pilot Study**

Using a pilot, one can identify unclear questions and undistinguishable instructions in an instrument (Hamed, 2016). Ten employees chosen at random from GDC Nakuru branch was part of the pilot. Its purpose is to determine if responses from instruments offered the required feedback. Another reason why the pilot study holds great importance is that it establishes the authenticity and dependability of the tools used to acquire study data (Cooper & Schindler, 2018). The pilot research was performed with 10 participants from target population, as advised by Kothari and Grag (2015), Who suggested 10% of the overall sample size is adequate

### **3.5.1 Validity**

Saunders et al. (2018), the capacity of a data tool to provide expected results is known as validity. Validity is about the accuracy of the measure. The purpose is to find and fix any errors in the research tool before the sample group uses it. This was done during the instrument's piloting period (Saunders et al , 2018). The process's objective is to ascertain whether the instrument responses supplied the necessary input to support the study in achieving its objectives as stated in the methodology (Cooper & Schindler, 2018). Content validity, with the assistance of supervisors and field specialists, was adopted. Face validity is significant since it makes determining the general validity of a test or method straightforward. It's a quick, simple, and straightforward way of determining if a new statistic is beneficial at first glance. (Cooper & Schindler, 2018).

### **3.5.2 Reliability**

a test of reliability conducted during the piloting stage. What matters with reliability is a measure's consistency. According to Saunders et al. (2018), the ratio used to verify the consistency of study questionnaires is known as dependability. The dependability of the study was evaluated using the Cronbach Alpha value, which stands at 0.7. According to Kothari and Garg (2015), research instruments should offer the same results as the pilot study when delivered to the actual sample size if they are dependable, and this is supported by Cooper and Schindler (2018). It is about the consistency of a measure.

### **3.6 Data Collection Procedure**

To make data collection easier, GDC and MUA provided an introduction letter and NACOSTI provided an authorization permit. Data collection, according to Kothari and Garg (2015), is the methodical process of obtaining observations or measurements. Data collection tools include interviews, surveys, focus groups, and observations. A research tool suited for measuring respondents' perspectives is necessary, and the author prefers to employ questionnaires in this study (Appendix ii) (Creswell & Creswell, 2018). The questionnaire also enables anonymity, as most respondents do not want their identities known (Bordens & Abbott, 2017). Primary data was gathered using questionnaires.

### **3.7 Data Analysis and Presentation**

Kothari and Garg (2015), refer to it practice of sorting and organizing raw data via research data-gathering methods to extract relevant information, quantitative data using SPSS version 27 was

analyzed. Before generalizing the conclusions, the field's uncoded raw data was processed. Descriptive statistics was used for analysis and tables shall be employed to show outcomes. The link between variables was shown using inferential statistics. A two-tailed, 5% level of significance correlation test was conducted, analysis of variance was employed. It was compared between the computed and tabulated f statistics. It was determined whether the entire model is significant using 0.05 as P-value. To evaluate how much the independent factors affected the dependent variable, a multiple linear regression model was employed. A regression constant, also known as an intercept, is used to estimate the model of GDC composite index organizational performance, and the regression coefficient ranges from 1-4. The independent variable, EE, indicates the GDC organizational performance's overall composite score. JRA is composite index of the other factors. IF represents the variables, which is a composite score of cost estimation , need identification , quality specification, and supplier selection is the random error factor, which, when the linear effect of the predictor variables is insufficient to explain it, explains the viability of GDC organizational performance.

$$Y = \beta^0 + \beta^1 X^1 + \beta^2 X^2 + \beta^3 X^3 + \beta^4 X^4 + \varepsilon$$

Where:

Y= Organizational performance at GDC

(Bi; i=1, 2, 3, 4) =

Xi for;

X<sub>1</sub>= Cost estimation

X<sub>2</sub>= Need identification

X<sub>3</sub>= Quality Specification

X<sub>4</sub>= Supplier selection

### **3.8 Ethical Consideration**

Bickman and Rog (2018) define ethical consideration as the application of ethics throughout a research project. Prior approval was requested from all potential responders. Additionally, the confidentiality of the data submitted in survey responses was preserved. Participation in the data collection process by respondents was completely voluntary. Furthermore, the research

questionnaire did not contain any terminology or questions that were personal, disrespectful, or disparaging.

### **3.8.1 Informed consent**

The University, NACOSTI, and GDC provided the letters of consent. Before starting the study, the researcher requested letters of consent.

### **3.8.2 Voluntary participation**

It refers to the explicit measures undertaken by the researcher to inform them that their participation is entirely on their own volition, free from any form of coercion (Kılınc & Fırat, 2017). Respondent participation in the data gathering exercise was entirely optional. Additionally, there were no personal, insulting, or derogatory terms or questions on the research questionnaire. Additionally, the respondents' identities were withheld. According to the principle of informed consent, participants must be fully informed about the study they are taking part in before giving their assent (Bordens & Abbott, 2017). This enables them to decide whether to take part in the research or not, participants was asked if they would want to take part in the study. No responder was compelled to engage in the study in violation of the concept of voluntary participation (Kothari & Garg, 2015). This suggests that participants in the study have the choice to decline.

### **3.8.3 Confidentiality**

Is identity is thought to the man of science however {the data entered into the study} is de-identified and therefore the identity is unbroken confidential. The people are unengaged to offer and withhold the maximum amount information. Confidentiality was bonded and it absolutely was the researcher's moral responsibility to verify the collected data. Solely summarized data was obtainable for public consumption. The privacy of the information provided in survey responses was be upheld. All citations and references made by other academics were be recognized. The researcher only used information in a discreet manner and study ensured the anonymity of respondents, and the information utilized for written purposes. a project report as per the requirements of the university.

### **3.8.4 Privacy**

By making sure that personal information, including as views, attitudes, and opinions, is not disclosed to other parties without the subject's consent, respect for privacy is achieved throughout the conduct of research (Akaranga & Makau, 2019). The researcher protected the respondents from harm, either emotional or physical. Throughout the time of knowledge collection, analysis was safeguarded as data was hold on within the laptop victimization data protection Arcanum so as to confirm confidentiality.

### **3.8.5 Anonymity**

Anonymity is preserved by not disclosing the racial or ethnic origins of responders, not identifying them by name, and not disclosing any personal information about a participant. This was achieved by victimization Pseudonyms in respect of the participants and therefore the company that was chosen for this study. The anonymity of respondents is protected. The easiest way to do this is by not identifying respondents by name during the collection of data (Fouka & Mantzorou, 2019). To safeguard participants' identities, codes and pseudonyms was used. It was so challenging to identify the participants based just on their answers to the questionnaire's questions. No respondent was permitted to enter their name or contact information on the surveys, protecting their right to privacy. The information of the participant was managed in such a way that their identity is secured by anonymity (Bickman & Rog, 2018). This was accomplished by instructing them not to fill out any personal information on the questionnaire

### **3.9 Chapter Summary**

The study methodology section, which offers a research process describing the methodology to be employed, is the main focus of the chapter. The research project's approach and investigational procedure are explained in this part. The research technique describes the methodology that helped the study accomplish its primary goal.

**CHAPTER FOUR**  
**RESEARCH FINDINGS AND DISCUSSION**

**4.0 Introduction**

The section includes results based on questionnaires. Results included demographic information, reactions to variables, and limits. SPSS Version 27 and fundamental descriptive statistics were used to examine the field data. As a result, this chapter presents a variety of subsections in accordance with the objective of the research.

**4.1 Findings**

**Table 5: Response Rate**

<b>Unit</b>	<b>F</b>	<b>%</b>
Responses	195	84
Non-Responses	37	16
<b>Total</b>	<b>232</b>	<b>100</b>

Researcher presented questionnaire as stated in Table 5 to the 232 respondents who made up the sample population. The questionnaire was fully completed by 195 respondents, or 84% of the total, whereas 37 respondents representing 16% were non-responsive. Responses with a fifty per cent are adequate, sixty per cent are good, and more than 70 per cent are extraordinary, according to Kothari and Garg (2015). As a consequence, the response was outstanding, and data was analyzed using 195 valid questionnaires.

**4.1.1 Pilot Results**

A pilot was conducted to examine and improve the questionnaire's clarity and convenience of use, ensuring its dependability. Table 6 reveals that Cronbach's alpha was more than 0.7, indicating that the tool was appropriate for measurement and hence acceptable. All queries were deemed reliable and therefore accepted. Cooper and Schindler (2018) described approaches for achieving content validity.

**Table 6: Reliability Test Results**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Remarks</b>
Supplier Selection	.837	Accepted
Need Identification	.834	Accepted
Cost Estimation	.935	Accepted
Quality Specification	.811	Accepted
Organizational Performance	.845	Accepted

The researcher distributed ten questionnaires for the pilot study, all of which were totally completed, as shown in Table 6. Cooper and Schindler (2018) recommend using variables with factor loadings of 0.7. However, past study has shown that a factor loading of 0.4 is acceptable. According to Saunders et al. (2018), factor loading ranges from 0.32 (poor) to 0.7 (outstanding). The study used factor analysis to find any confounding variables that may be used to reduce data redundancy. By specifying the elements, it also helped to analyze the structure of the interrelationships. The study first conducted a pilot on the research instrument before using the complete set of items in the questionnaire. Reliable constructs and the questionnaire were improved with significant input from the respondents. The reliability findings are listed in Table 6. Cronbach's alpha values greater than 0.7, meaning the device was sufficiently trustworthy for measurement and hence acceptable. All of the variables assessed were trustworthy and so approved because their value was above 0.7.

#### 4.1.1 Demographic Information

**Table 7: Gender**

<b>Gender</b>	<b>F</b>	<b>%</b>
Male	109	56
Female	86	44
<b>Total</b>	<b>195</b>	<b>100</b>

According to Table 7, 56% of the 195 responses chosen for analysis were male, while 44% were female. Males were the majority. It appears that more males participated. According to Saunders et al. (2018), respondents' gender influences their perceptions of various obstacles. Gender, generally shows the degree of dedication, technical proficiency, and type of energy needed to complete certain tasks.

**Table 8: Respondents Age Bracket**

<b>Age</b>	<b>F</b>	<b>%</b>
18–25	11	6
26–30	6	3
31 – 35	20	10
36 - 39	39	20
40 – 45	42	22
46 and above	77	39
<b>Total</b>	<b>195</b>	<b>100</b>

Table 8 shows that 39% of respondents were 46 or older, 22% stated they were between the ages of 40 and 45, and 20% claimed they were between the ages of 36 and 39. In addition, 10% of responders were in the 31–35 age range, 3% were in the 26–30 age range, and 6% were under 25

and under. The responses of the respondents show a good range of ages, with most of them being in their middle years. Kothari and Garg (2015) assert that a respondent's age affects how they react to particular concerns.

**Table 9: Level of Education**

<b>Education</b>	<b>F</b>	<b>%</b>
Certificate	11	6%
Diploma	20	10%
Degree	86	44%
Master	65	33%
PhD	13	7%
<b>Total</b>	<b>195</b>	<b>100</b>

Based on Table 9, According to the figures, 44% of respondents had a bachelor's degree, 33% indicated master, 10% with diploma-level education, 7% with a PhD, and 6% with certificates, but no secondary or basic education. Their education was adequate to understand questions According to Saunders, Lewis, and Thornhill (2018), attitudes, as well as how people perceive and comprehend any given social issue, are significant.

**Table 10: Years in Service**

<b>Years</b>	<b>F</b>	<b>%</b>
1–5	43	22
6–10	103	53
11– 15	27	14
16 and above	21	11
<b>Total</b>	<b>195</b>	<b>100</b>

According to Table 10, the majority at 53% stated that they have worked there for 6-10 years. Next in terms of duration, 22% had worked for five years, 14% had worked for eleven to fourteen years, and 11% had worked for sixteen years or more. The majority of those who participated had worked for a long time and were therefore familiar with the dynamics. According to Kothari and Garg (2015), respondents who have extensive experience within a company are better equipped to appreciate its dynamics and deliver authoritative answers to research questions.

#### 4.1.2 Study variables

**Table 11: Supplier Selection**

	SA	A	N	D	SD	Mean	SD
Our KPI and the least cost factor have always been used to determine the supplier.	44%	52%	4%	0%	0%	4.09	.752
The suppliers chosen are those who satisfy the company's lowest cost requirements	54%	40%	6%	0%	0%	4.10	.858
Frequently, the selection process has revealed providers with a track record of excellent performance.	42%	54%	4%	0%	0%	3.69	.786
The selection process for the company guarantees that only high-performing suppliers are hired.	43%	51%	3%	3%	0%	3.95	.792
The chosen supplier is the only one with tax compliance.	57%	40%	3%	0%	0%	3.92	.823
<b>Average</b>						<b>3.95</b>	<b>.802</b>

Establishing supplier selection affects organizational performance. Table 11 shows the answers to variable and first question asked if our KPI and the least cost factor have always been used to determine the supplier, and the following were the outcomes: There were 44% strongly agreed, 52% agreed, 4% were neutral, and none who strongly disagreed or agreed. The SD was .752, and the average response to the research question was 4.10. According to the study, no respondents strongly disagreed or disagreed, while 40% agreed and 6% were neutral. 54% of respondents strongly agreed that the suppliers chosen are those who satisfy the company's lowest cost requirements. The average response to the study question was 4.00, and the SD was .858. Frequently, the selection process has revealed providers with a track record of excellent performance.

The responses were as follows: 4% were neutral, 42% strongly agreed, 54% agreed, and none of the respondents objected or strongly disagreed. The average score on the assignment was 3.96, with a SD of 7.96. Responses to the question of whether the selection process for the company guarantees that only high-performing suppliers are hired have been as follows: 43% of those surveyed strongly agreed, 51% agreed, 3% disagreed, and 3% were neutral. The study's final question focused on whether the chosen supplier is the only one with tax compliance. The responses were as follows: The responses had a mean of 3.92 and a SD of .823, with 57% of the responses strongly agreeing, 40% agreeing, 3% neutral, and none disagreeing or strongly disagreeing with the study question. Supplier selection in the research had an average mean of 3.95 and a SD of .802.

This demonstrates that supplier selection has an influence on organizational performance. The study's conclusions are similar to those of certain other studies that have examined other orientations, like the findings of Wachiuri (2018), which investigated state corporations' performance and supplier evaluation criteria. It discovered a strong and favourable relationship between supplier dedication, expertise, financial viability, capacity, and performance. According to the study, suppliers should raise the caliber of their offerings, acquire the necessary technical know-how to produce goods or services of the highest caliber, create a sound financial strategy to guarantee their long-term financial stability, and increase their ability to live up to client expectations. A study discovered that performance is significantly impacted by supplier appraisal.

Kemunto (2018) assessed how Nakumatt Supermarket's supply chain performance was impacted by supplier selection criteria, and the study finds that both supplier selection based on economic considerations and supplier selection based on quality variables enhance the quality of products in Nakumatt supermarkets. Consequently, this lowers the supermarket's production and material expenses. A strong association was shown between the factors impacting supplier performance and selection, with quality, effectiveness, and efficiency being the most crucial criteria for supply chain improvement performance. Houck (2019) looked at the alternative design-build supplier selection and used a set price to compete on quality, and the developed approach made it possible to negotiate, which produced better and more comparable projects. In the case under investigation, the customer was able to include more features than anticipated in the project while staying within budget. As an advisor, the researcher participated in the process to some extent. Any customer can

easily implement the strategy created to optimize a project's quality within a certain budget because it is pretty straightforward. Githinji and Moronge (2018) look into how supplier selection affects the effectiveness of procurement in Kenyan public hospitals, particularly GDC According to the study, the dependent variable (procurement performance) was only statistically significantly impacted by variables related to national and international competitive tenders. Direct procurement and limited tendering were not statistically significant. Therefore, improved procurement performance is not always the result, the study concluded. of utilizing all of these tactics. Additionally, the study discovered that better procurement performance results from competitive tendering. This study suggests that GDC authorities favor competitive tendering over other forms of procurement, particularly restricted and direct tendering.

**Table 12: Need Identification**

	SA	A	N	D	SD	Mean	SD
At GDC, need evaluation is carried out before procurement is carried out .	51%	40%	7%	2%	0%	3.91	.551
Product characteristics is a key determinant in procurement planning at GDC .	47%	38%	9%	4%	2%	3.96	.752
Employee are involved in product specification.	54%	40%	6%	0%	0%	4.00	.532
GDC has well competent and experienced staff in all sections that are the Functional Specification.	55%	40%	3%	2%	0%	4.10	.678
The product prices are determined by the rates changed on imported products.	46%	51%	3%	0%	0%	3.98	.694
<b>Average</b>						<b>3.99</b>	<b>0.614</b>

To find out how need identification affects organization performance, Table 12 presents the findings. At GDC, need evaluation is carried out before procurement is carried out . These were

the responses: 40% of respondents agreed, 51% strongly agreed, 7% were neutral, and 2% disagreed with the statement. 3.91 was the mean and 0.551 was the SD, respectively: "The risk of fluctuating cost estimation raises the degree of confidence in the estimates' predicted results." The question had a mean of 3.96 and SD of .752, in addition to 47% strongly agreeing, 38% agreeing, 9% neutral, 4% disagreeing, and 2% strongly disagreeing. Following responses were given in response to the Employee are involved in product specification. Having a mean of 4.00 and SD of .532, 54% of respondents strongly agree, 40% agree, 6% are neutral, and none strongly disagree or disagree at all. The study also asked participants if the GDC has well competent and experienced staff in all sections that are the Functional Specification. 4.10 as the mean and SD of .678, 40% of participants agreed, 40% strongly agreed, 3% of participants were .neutral , and 2% of participants disagreed with the statement. The researcher asked respondents if the efficiency of GDC services is attributed to need identification.; with a 3.98 mean and SD of .694, no respondents disagreed or strongly disagreed; in contrast, 51% agreed, 46% strongly agreed, and 3% had no opinion. The need identification variable in the research had a mean value of 3.99 and a mean SD of 0.614, demonstrating how significantly need identification affects the quality specification.

The study's findings are consistent with those made by other researchers in their various studies, such as those by Schiele (2021), who investigated Enhancing organizational efficacy by involving municipal buying departments meaningfully and establishing that the most challenging issues that public purchasers face, such as those pertaining to public sector procurement, purchasing consulting services, and involvement from purchasing departments, The opinions of municipal buying department managers regarding the significant role that their departments should play in consulting service acquisition processes are discussed in this study. Muhwezi et al. (2023) established that standardizing purchasing processes and supplies, as well as internal controls over procurement, act as a complete mediator between information integration and procurement performance. Procurement performance, material and purchase method standardization, procurement integration, and internal controls have the following long-term effects: hard to quantify because humanitarian procurement programs run over a number of years. Smith, Finamore, Blazdell, and Dale (2023) looked at a qualitative assessment of the staff's experience providing a co-produced consulting service. And it was felt that the consultation process provided a comforting and supportive environment for gaining fresh insight into the work. On the other hand, the perceived limitations of the service meant that it did not provide any more treatment. It

illustrates the role of consultation in the provision of services for individuals with personality disorders. It provides insight into the experiences of staff members providing and receiving consultation services, even when a co-production model is employed.

**Table 13: Cost Estimation**

	SA	A	N	D	SD	Mean	SD
We consider cost reduction before accepting supplies and outsourced services .	46%	51%	3%	0%	0%	3.98	.694
The risk of fluctuating cost estimation raises the degree of confidence in the estimates' predicted results.	54%	40%	6%	0%	0%	4.00	.852
As a result of market behavior, the department can deliver on its mandate by choosing the most appropriate product price.	55%	40%	3%	2%	0%	4.10	.678
The operation cost has reduced as a result of competition among product pricing by various suppliers.	43%	55%	2%	0%	0%	4.38	.678
The product prices are determined by the rates changed on imported products. .	46%	51%	3%	0%	0%	4.21	.872
<b>Average</b>						<b>4.18</b>	<b>0.756</b>

To establish how cost estimation affects organizational performance Table 13 presents the findings of variable. Quality specification is influenced by cost estimation. The first question under this variable received responses from 46% of respondents who agreed, followed by 51% who agreed strongly, and 3% of respondents who had no opinion. No respondents strongly disagreed or agreed with the mean or SD of the question, which were 4.2 and .694, respectively. The risk of fluctuating cost estimation raises the degree of confidence in the estimates' predicted results. 54% of respondents strongly agreed, followed by 40% who agreed, and 6% were neutral, with 4.00 as the mean and SD of .852.

If the operation cost has reduced as a result of competition among product pricing by various suppliers. Of the respondents, 55% strongly agreed, 40% agreed, with 4.10 mean and an SD of.678, 2% disagreed, 3% were neutral, and 3% were .neutral . If as a result of market behaviors, the department can deliver on its mandate by choosing the most appropriate product price; that was the fourth question posed as part of this study variable. 4.38 mean and SD of.678, and 55% agreed, 43% agreed strongly, and 2% were .neutral and if the product prices are determined by the rates changed on imported products. . With a mean of 4.21 and SD of.872, the respondents were divided into 46% strongly agreeing, 51% agreeing, and 3% disagreeing. Cost estimation as a study variable had 4.18 mean and an SD of 0.756, which indicates that it significantly affects the quality specification. The results of other studies on cost estimation concur with the present findings, such as the finding by Zhou, Shen, and Yu (2023), which investigated the connection between retail inventory management and demand forecasting inaccuracy and Results show that a that a larger difference between the actual and expected demand distributions can have a substantial effect on the optimal purchase volume as well as the potential profitability that a retailer-supplier system can achieve. Additionally, the study demonstrates that the variation of the forecasting error has less of an effect on system revenue than the mean of the forecasting error. Fernando and Zhang (2023) studied the situation of Sri Lanka while examining an early cost evaluation method using artificial neural networks for concrete bridge systems in developing countries. Establishing an initial projected budget is necessary for government officials to ensure transaction openness. Because there are no established methods for estimating bridge projects and because of the fragmentary nature of the project at first, quantity surveyors find it difficult to estimate costs early on.

**Table 14: Quality specification**

	SA	A	N	D	SD	Mean	SD
Product and service values, as well as service quality, are improved by quality specifications.	54%	40%	6%	0%	0%	4.00	.858
GDC procurement department use quality products that are certify safe for use by its clients	54%	40%	6%	0%	0%	4.00	.858
Goods accepted by GDC must show a recycling sign for waste products as a sign of business compliance.	43%	52%	4%	0%	0%	4.10	.919
The department considers cost reduction before accepting supplies and outsourced services	43%	55%	2%	0%	0%	4.38	.678
We consider green products or pollution control as a main determinant of quality	46%	51%	3%	0%	0%	4.21	.872
<b>Average</b>						<b>4.14</b>	<b>0.848</b>

The researcher sought to investigate how quality specifications affect organizational performance. Product and service values, as well as service quality, are improved by quality specifications; as was asked in the first question under this study variable, 40% of participants agreed, 54% strongly agreed, and 6% were neutral . With a SD of.858, the mean was 4.00. Goods accepted by GDC must show a recycling sign for waste products as a sign of business compliance. None disagreed or strongly disagreed, whereas 40% agreed, 40% strongly agreed, and 6% were neutral 4.00 mean and SD of.858.

The GDC procurement department uses quality products that are certified safe for use by its clients; 43% strongly agreed, 52% agreed, and 4% were neutral , with 4.10 mean and a SD of.919. The

department considers cost reduction before accepting supplies and outsourced services; 2% of respondents were neutral, 43% strongly agreed, 55% agreed, and the average score was 4.38 with a standard deviation of .678. and if we consider green products or pollution control as a main determinant of quality. 4.21 mean and a SD of .872, 46% strongly agreed, 51% agreed, and 3% were neutral. The quality specification had a mean overall of 4.14 and a mean SD of 0.848, indicating that it has a favourable influence on the quality specification.

The results of other studies that are used to support the study's findings, by Pacheco, Caetano, Bonato, dos Santos, and Bueno (2023) results show that by enabling managers to use QFD, small luxury retail businesses can identify previously missed aspects of quality of their products and services. Demonstrates how QFD guides organizational adjustments in line with retail market needs, improving the capacity to satisfy consumer expectations and increase customer value by creating better goods and services. Zhang and Dai (2023) looked at selling format selections and quality in a chain of supply when remanufacturing is competitive and established that the cost-scale factor of remanufactured items and consumers' discounted utility coefficient are the primary factors that determine the ideal selection for the original equipment manufacturer. Goswami, Daultani, and Ramkumar (2023) looked at how to use pricing and product quality to the manufacturer's advantage to meet their financial goals. And we found that the ideal quality underneath product optimization is a special case where the maximum potential manufacturer's profit is realized. But when it comes to product price optimization, the best price is contingent upon the product's quality and isn't necessarily exclusive. It was also discovered that optimizing product quality as an operational lever yields a higher reward when considered within the framework of functional standards for quality-level performance. Product quality optimization is not as successful as product pricing optimization., but when expectations for the product's quality are higher, Additionally, numerical experiments yield several interesting insights and have ramifications for the kinds of businesses that exhibit both relatively high and low levels of competition.

**Table 15: Organization Performance**

	SA	A	N	D	SD	Mean	SD
Procurement planning process adopted by GDC has effected positively on its performance.	43%	51%	3%	3%	0%	3.95	.792
Procurement planning process adopted by GDC have resulted in procurement cost reduction	47%	38%	9%	4%	2%	3.96	.752
Procurement planning process adopted by the GDC have resulted in quality services.	43%	52%	4%	0%	0%	4.10	.919
Procurement planning process have increased the level of client satisfaction.	43%	51%	3%	3%	0%	3.95	.792
Procurement planning process has improved GDC's budget adequacy	38%	47%	9%	4%	2%	3.25	.752
<b>Average</b>						<b>3.84</b>	<b>0.768</b>

When asked if the procurement planning process adopted by GDC has an effect on its performance, the average response among the respondents had 3.95 mean with SD of.792. Among them, 3% disagreed, 51% agreed, 43% strongly disagreed, and 3% were .neutral . The second inquiry focused on how the procurement planning process adopted by GDC has resulted in a reduction in procurement costs. 3.96 mean and SD of.752 indicate that 47% strongly agreed, 38% agreed, 9% were neutral, 4% disagreed, and 2% strongly disagreed. If monthly reports on the state of the project scope are created and distributed, the respondents responded with a mean of 4.10 and an SD of.919, with 43% strongly agreeing, 52% agreeing, and 4% remaining neutral. The study also asked if the procurement planning process adopted by the GDC has resulted in quality services, 3.95 mean and a SD of 792, and if the procurement planning process has increased the

level of client satisfaction. 43% strongly agreed, 51% agreed, 3% were neutral, and 3% disagreed, with 3.25 mean and a SD of .752. 38% strongly agreed, and 47% agreed, and 9% were neutral, 4% disagreed, and 2% strongly disagreed that the procurement planning process has improved GDC's budget adequacy.

The overall mean score of 3.84 and SD of .768 show that the organization's performance is significantly influenced and determined by supplier selection, need identification, cost estimation, and quality specification. According to Mukya (2017), executives can use organizational performance indicators to pinpoint areas that need improvement and create detailed plans of action that will maximize the organization's efficiency and effectiveness in achieving its vision and purpose. Johnson and Scholes (2022) established that a company's success can be assessed from a number of perspectives, including market share and rival positioning, financial indicator analysis, and customer satisfaction surveys. Every viewpoint provides distinct understandings of an organization's performance and efficacy, facilitating thorough assessment and tactical choice-making (Njiru, 2015). Among other metrics in the organization's strategic plan, an organization's performance measures comprise and are not limited to the profit realized, market share, product quality, and sound financial ratios (Ondimu, 2015). This evidence can be found in an entity's increased income, profit, and productivity, all of which show success in reaching organizational goals and a high degree of efficiency and effectiveness (Paley, 2015). Procurement efficiency, and procurement process dependability were examined in relation to this dependent variable.

### 4.1.3 Inferential Statistics

**Table 16: Pearson's Correlation Coefficient**

Variables		Quality specification	Supplier selection	Need identification	Cost estimation	Quality specification
Quality specification	Pearson Correlation Sig. (2-tailed)	1				
Supplier selection	Pearson Correlation Sig. (2-tailed)	.809** 0.000	1			
Need identification	Pearson Correlation Sig. (2-tailed)	.632** 0.000	.851** 0.000	1		
Cost estimation	Pearson Correlation Sig. (2-tailed)	.614** 0.000	.583** 0.000	.425** 0.000	1	
Quality specification	Pearson Correlation Sig. (2-tailed)	.610** 0.000	.618** 0.000	.535** 0.000	.445** 0.000	1

Table 16 demonstrates the significant and correlated relationship between supplier selection and organizational performance ( $r = .809$ ,  $p = 0.000$ ). This indicated that need identification was positively and significantly correlated with organizational performance, as demonstrated by ( $r = .632$ ,  $p = 0.000$ ), and that supplier selection had a good and significant impact. An improvement would therefore result in enhanced organizational performance. This also implied that increasing need identification will lead to improved organizational performance because it had a positive and meaningful influence. The results demonstrated a significant and positive correlation between cost estimation and organizational effectiveness ( $r = .614$ ,  $p = 0.000$ ). This also suggested that improving cost estimation would result in better performance, Finally, quality specification had

shown to be both connected and substantially related to performance, ( $r = .610$ ,  $p = 0.000$ ). This also suggested that an improvement in quality specification would result in improved performance, Furthermore, this indicated that supplier selection, need identification, cost estimation, and quality specification had a strong relationship with and organizational performance.

#### 4.1.3.1 Effect of supplier selection and Quality specification

**Table 17 Model Summary for supplier selection**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 <sup>a</sup>	.602	.516	.23415

a. Predictors: (Constant), Supplier selection

Table 17 displays the relationship between organizational success and supplier selection as a predictor. Supplier selection and organizational performance are associated, according to regression analysis results.  $R = .776$  shows a strong correlation, while  $R^2 = .602$  shows that variations in supplier selection may explain 60.2% of variation in organizational performance.

**Table 18 ANOVA<sup>a</sup> Results for Supplier selection**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	21.389	1	21.389	17.194	.000 <sup>b</sup>
1 Residual	28.611	194	1.244		
<b>Total</b>	<b>50.000</b>	<b>195</b>			

a. DV: organizational performance

b. Predictors: (Constant), Supplier selection.

As can be seen in Table 18, the values of  $F = 17.194$ , which indicate that supplier selection has a considerable impact on organizational performance, demonstrate that the model fits the data

well and that supplier selection has an impact on performance. The regression model, with a significance level of .000, or less than 0.05, substantially predicts the DV.

**Table 19 Regression Coefficients<sup>a</sup> for supplier selection**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	Std. Error	Beta				Lower Bound	Upper Bound
(Constant)	1.133	.431		4.119	.001	.449	1.752
Supplier selection	.602	.179	.822	8.658	.000	.521	.855

a. DV: organizational performance

organizational performance (supplier selection) = 1.133 + .602 Table 19 shows how choosing a supplier can significantly improve an organization's performance. Supplier selection is strongly correlated with the data,  $p < 0.05$  ( $P = 0.01$ ). A 60.2-unit (60.2%) increase in the mean supplier selection index should improve organizational performance since the value of supplier selection is statistically significant ( $t = 8.658$ ,  $p < 0.05$ ). The following is the regression model that explains the Table 19 results: Organizational performance is equal to 1.133 plus supplier selection, or 0.602. The model demonstrates how supplier selection affects organizational performance.

#### 4.1.3.2 Effect of need identification and organizational performance

**Table 20 Model Summary for need identification**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809 <sup>a</sup>	.914	.652	.589604

a. Predictors: (Constant), Need identification

Need identification was the predictor component and organizational performance was the

dependent variable in a regression analysis. Regression study revealed that the association between need identification and organizational performance is  $R = 0.809$ , indicating an inextricable link.  $R^2 = 0.914$  implies that a change in need identification may account for 65.5% of the variation in organizational performance. The results are summarized in Table 20.

**Table 21 ANOVA<sup>a</sup> Results for need identification**

	<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
	Regression	90.374	1	90.374	259.97	.000 <sup>b</sup>
1	Residual	47.626	194	0.348		
	<b>Total</b>	<b>137.990</b>	<b>195</b>			

a. DV: organizational performance

b. Predictors: (Constant), Need identification

Need identification has a significant impact on organizational performance, as indicated by  $F = 259.97$ , indicating that the model fits the data quite well. Table 21 shows that the regression model accurately predicts the DV at a significance level of .000 and less than 0.05.

**Table 22 Regression Coefficients<sup>a</sup> for Need identification**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>	<b>95.0% Confidence Interval for B</b>	
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>			<b>Lower Bound</b>	<b>Upper Bound</b>
(Constant)	0.061	.625		3.993	.000	.809	2.063
Need identification	.914	.057	.809	16.124	.000	.473	.814

a. DV: organizational performance

The results of the study show that improving need identification leads to a considerable

improvement in organizational performance. The results show a strong correlation between need identification and organizational success ( $p < 0.05$ ;  $P = 0.00$ ). A 62.0% rise in the mean index of need identification should improve organizational performance, as the values of need identification are statistically significant ( $t = 16.124$ ,  $p = 0.05$ ). Table 22 results can be explained by the following regression model: Quality specification =  $0.061 + 0.914$  (require identification). The methodology demonstrates how need identification enhances organizational effectiveness.

### Effect of cost estimation on organizational performance

**Table 23 Model Summary for cost estimation**

Model	R	R Square	Adjusted R Square	d. Error of the Estimate
1	.673 <sup>a</sup>	.851	.449	.742525

a. Predictors: (Constant), Cost estimation

Cost estimation was the predictor component and organizational performance was the dependent variable in a regression analysis. According to Table 23, Regression study results revealed a link ( $R = .673$ ) between cost estimation and organizational performance, suggesting a basic relationship. A variation in cost estimation can account for 45.3% of the variation in organizational performance ( $R^2 = 0.851$ ).

**Table 24 ANOVA<sup>a</sup> Results for Cost estimation**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	62.466	1	62.466	113.298	.000 <sup>b</sup>
1 Residual	75.534	194	0.551		
<b>Total</b>	<b>137.990</b>	<b>195</b>			

a. DV: organizational performance

b. Predictors: (Constant), Cost estimation

The model closely matches the data, since  $F = 113.298$  shows that cost estimation has a large impact on organizational performance. The performance of an organization is significantly impacted by cost estimation. The regression model significantly predicts DV at a significance level of .000, or less than 0.05. The results are summarized in Table 24.

**Table 25 Regression Coefficients<sup>a</sup> for cost estimation**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error				Lower Bound	Upper Bound
(Constant)	.009	.063		0.145	.000	.959	2.727
Cost estimation	.818	.077	.673	10.644	.000	.423	.749

a. DV: organizational performance

The results of the study indicate that introducing cost estimation significantly affects organizational performance. According to the statistics, cost estimation and organizational performance are related;  $p < 0.05$  ( $P = 0.01$ ). Cost estimate has statistically significant values ( $t = 10.644$ ,  $p < 0.05$ ), which indicates that a 59.5% improvement in organizational performance should result from raising the mean index of cost estimation. The following regression model was applied to explain the results of Table 25: The long-term educational infrastructure project budget is  $.009 + 0.818 \cdot$  Cost estimation has a positive effect on organizational performance, as the model shows.

#### 4.1.3.3 Effect of quality specification on organizational performance

**Table 26 Model Summary for quality specification**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.791 <sup>a</sup>	.625	.622	.614435

a. Predictors: (Constant), Quality specification

Regression analysis was performed with organizational performance as the dependent variable

(DV) and quality specification as the predictor variable. Regression analysis revealed an association, as shown in Table 26.  $R = .791$ , which indicates a positive correlation and shows that organizational performance and quality specification are basically connected.  $R^2 = 0.625$  indicates that a variation in quality specification can explain 62.5% of the variation in organizational performance.

**Table 27 ANOVA<sup>a</sup> Results for Quality specification**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	86.278	1	86.278	228.534	.000 <sup>b</sup>
1 Residual	51.722	194	0.378		
<b>Total</b>	<b>137.999</b>	<b>195</b>			

a. DV: organizational performance

b. Predictors: (Constant), Quality specification

The model fits the data well, and  $F = 228.534$  indicates that quality specification has a considerable impact on organizational performance. Overall, this suggests that quality specification positively affects organizational performance. Table 27 indicates that the regression model significantly predicts the DV at a significance level of .000, which is less than 0.05.

**Table 28 Regression Coefficients<sup>a</sup> for Quality specification**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	0.002	.052		.039	.000	1.173	2.702
Quality specification	.851	.056	.791	15.117	.000	.318	.707

a. DV: organizational performance

The results show a substantial association between organizational success and quality specification;  $p < 0.05$  ( $P = 0.000$ ). An increase in the mean quality specification index should result in a 52.2 % improvement in quality specification since the quality specification values are statistically significant ( $t = 15.117$ ,  $p < 0.05$ ). According to the quality definition, organizational performance =  $0.002 + 0.851$  yields the regression model that explains the results shown in Table 28. The model demonstrates how organizational performance is impacted by quality specification.

#### 4.1.4 Overall Multivariate Analysis

**Table 29 Model Summary Multivariate Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.702 <sup>a</sup>	.492	.449	.58189

a. Predictors: (Constant), quality specification, need identification, cost estimation, supplier selection

Procurement planning process as the predictor and organizational performance as the regression's basis. The findings demonstrate a positive correlation with  $R = 0.702$  and  $R^2 = 0.492$ , meaning that changes in any one of the predictor factors as listed in Table 29 can account for 49.2% of the variance in organizational performance. The remaining 50.8% of the variance can be explained by changes in the elements that were not considered in this analysis.

**Table 30 ANOVA<sup>a</sup> Results for Model Summary**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	37.843	4	9.461	14.548	.000 <sup>b</sup>
1 Residual	39.018	191	.650		
<b>Total</b>	<b>76.862</b>	<b>195</b>			

a. DV: organizational performance

b. Predictors: (Constant), quality specification, need identification, cost estimation, and supplier selection

The procurement planning process has a considerable impact on the performance of the organization, and the findings of  $F = 14.548$  show that the model fits the data well and that all predictor factors statistically and significantly affect the performance of the organization. According to Table 30, When the significance level is 0.000, or less than 0.05, the complete regression model exhibits a good predictive ability for the DV.

**Table 31 Regression Coefficients<sup>a</sup> for Multivariate Analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error				Beta	Lower Bound
(Constant)	.013	.045		0.293	.000	.756	2.281
Supplier selection	.419	.092	.317	4.539	.000	.123	.592
Need identification	.175	.068	.172	3.302	.001	.081	.632
Cost estimation	.162	.078	.133	2.596	.000	.033	.455
Quality specification	.306	.087	.284	3.510	.000	.299	.456

a. DV: organizational performance

As a result, the regression model for the study is:  $Y = \beta_0 + \beta_1X^1 + \beta_2X^2 + \beta_3X^3 + \beta_4X^4$

organizational performance = .013 + .419 (supplier selection) + .175 (need identification) + .162 (cost estimation) + .306 (quality specification)

The results of the study showed that the predictor elements had a major effect on the organizational performance. The results show a substantial correlation between the procurement planning process and organizational performance ( $p < 0.05$ ,  $P = 0.00$ ). Statistically significant values for the predictor variable with  $p = 0.05$  suggest that raising the mean index of the predictor variables should enhance organizational performance. Table 31 provides a summary of the results. According to the model, supplier selection was the predictor variable that had the most impact on the quality specification. Cost estimates, requirement identification, and quality specification were the predictor variables that had the least impact on organizational performance.

## **4.2 Study Limitations**

The study concentrated on broad aspects such as supplier selection, need identification, cost estimation, and quality specification, and it may be restricted in that it does not identify the specific contributing elements of procurement planning process . However, a questionnaire was created in a way that enabled the researcher to acquire as much data as possible. It was difficult to get in touch with the senior managers at GDC however, making appointments for them to complete the questionnaire simplified things. Because of the institution's policy, which was implemented in response to organization research, respondents did not feel contented to disclose information about the institution. The researcher, on the other hand, was able to persuade the respondents by presenting the university letter and NACOSTI, which informed them that the material was strictly academic and would not be shared with any third parties. Respondent confidentiality was ensured, and the study was allowed and approved by the GDC management.

## **4.3 Chapter Summary**

As soon as the data was acquired, the researcher analyzed it using both descriptive and inferential statistics and presented into several subsections in line with the factors under examination. The part also covers the chapter summary and the limitations. 232 questionnaires were distributed, and findings show that 195 respondents completely filled out the questionnaire. The findings were analyzed with SPSS and shown in tables.

## CHAPTER FIVE

### SUMMARY, RECOMMENDATIONS AND CONCLUSION

#### 5.0 Introduction

Summary of the results, recommendations, and conclusion are given. In respect to the factors that were utilized to conduct the study, they are based on the findings to investigate procurement planning process and organizational performance at GDC.

#### 5.1 Summary of the Findings

The 232 respondents who made up the sample population 195 respondents in total completed the questionnaire, and the data was analyzed using 195 valid questionnaires. The response was outstanding, according to Kothari and Garg (2015). Responses with a fifty percent are adequate, sixty percent are good, and more than 70 percent are extraordinary. Males made up the majority of research participants, accounting for over half of the 195 replies that were selected for analysis. According to Saunders et al. (2018), the respondent's gender determines their views about certain difficulties. Gender generally indicates the type of energy, technical proficiency, and amount of dedication needed to perform particular tasks. Respondents between the ages of 40 and 45 were the next most common age group, with the majority indicating 46 and older. Kothari and Garg (2015) assert that a respondent's age affects how they react to particular concerns. A person's age generally reflects their level of maturity. The majority of participants held bachelor's degrees, with master's degree holders coming in second. The answers were suitable given their level of education. According to Saunders, et al (2018), attitudes as well as how individuals perceive and understand any specific social issue are also important. According to studies on the educational backgrounds of the respondents and data regarding their level of education, most of the participants had experience working for a long time and could thus understand its dynamics. Kothari and Garg (2015) claim that respondents with extensive experience in an organization are better able to comprehend its dynamics and provide authoritative answers to research questions.

##### 5.1.1 Supplier Selection

To establish if supplier selection affects the organizational performance, in the research supplier selection had an average mean of 3.95 and a SD of .802. The data indicates a significant and positive correlation between supplier selection and the quality specification ( $r = .809$ ,  $p = 0.000$ ). This implied that better performance would follow from an improvement in supplier selection

since it had a positive and substantial impact. The quality specification and supplier selection are associated, according to regression analysis results, with  $R = .776$  showing a strong correlation and  $R^2 = .602$  suggesting that variations in supplier selection can explain 60.2% of the variation in organizational performance. The results of  $F = 17.194$  suggest that supplier selection has a substantial effect on organizational performance, proving that the model fits the data satisfactorily and that supplier selection has an impact on performance. At a significance level of 0.000, or less than 0.05, the regression model has a good ability to predict the DV. With a unit rise in the mean supplier selection index, organizational performance should improve by 60.2%, since the value of supplier selection is statistically significant ( $t = 8.658$ ,  $p < 0.05$ ). This demonstrates that supplier selection has an influence on the organizational performance. The study's conclusions are akin to those of certain other studies that have examined other orientations, like the findings such as Wachiuri (2018), Kemunto (2018) Houck (2019) Githinji and Moronge (2018).

### **5.1.2 Need Identification**

The need identification variable in the research had 3.99 mean and a SD of 0.614, demonstrating how significantly need identification affect organizational performance. Need identification was positively and significantly correlated with organizational performance, as demonstrated by ( $r = .632$ ,  $p = 0.000$ ). It was also implied that since need identification made a big difference, raising it would boost organizational effectiveness. Regression analysis used need identification as the predictor component and quality specification as the DV. Regression study revealed that the association between need identification and organizational performance is  $R = 0.809$ , indicating an inextricable link. Additionally,  $R^2 = 0.914$  suggests that a change in need identification can account for 62.0% of the variation in quality specification.  $F = 259.97$  shows that need identification significantly affects organizational performance, demonstrating how well the model fits the data. The performance of the organization is significantly impacted by need identification. The regression model accurately forecasts the DV at a significance level of 0.000 and less than 0.05. The results of the study show that improving need identification leads to a considerable improvement in organizational performance. The statistics show a significant correlation between need identification and the quality specification ( $p < 0.05$ ;  $P = 0.00$ ). Due to the statistical significance of the need identification values ( $t = 16.124$ ,  $p < 0.05$ ), an increase of 62.0% in the mean index of need identification should improve organizational performance. The study's

findings are consistent with those made by other researchers in their various studies, such as those by Schiele (2021), Muhwezi et al. (2023), Smith, Finamore, Blazdell, and Dale (2023)

### **5.1.3 Cost Estimation**

Cost estimation as a study variable had a mean of 4.18 and an SD of 0.756, which indicates that it significantly affects the organizational performance. The results demonstrated a significant and positive correlation between cost estimation and organizational effectiveness ( $r = .614, p = 0.000$ ). The predictor component in a regression research was cost estimation, and the dependent variable was organizational performance. The regression analysis's findings revealed a correlation,  $R = .673$ , which suggests a basic relationship between cost estimating and quality specification.  $R^2$  is 0.851, meaning that variations in cost estimation can account for 52.2% of organizational performance variation. The model fits the data quite well, and  $F = 113.298$  shows that cost estimating has a considerable impact on the quality specification. It also shows that cost estimation has a significant impact on organizational performance. The regression model strongly predicts the DV at a 0.000 significance level, which is less than 0.05. The results of the study indicate that introducing cost estimation significantly affects organizational performance. According to the statistics, cost estimation and quality specification are related ( $p < 0.05, P = 0.01$ ). Cost estimate shows statistically significant values ( $t = 10.644, p < 0.05$ ), which indicates that a 59.5% improvement in organizational performance should result from raising the mean cost estimation index. The model illustrates how cost estimation positively affects organizational performance. The results of other studies on cost estimation concur with the present findings, such as the finding by Nowicki, Uvet, Adana, and Cevikparmak (2023) and Anamanjia and Maina (2022).

### **5.1.4 Quality Specification**

The researcher sought to investigate how quality specification affects organizational performance. Quality specification had an overall mean of 4.14 and a SD of .848, indicating that it has a favourable influence on the organizational performance. Performance was found to be significantly and positively correlated with quality specification ( $r = .610, p = 0.000$ ). Suggesting that an improvement in quality specification would result in improved performance. The quality specification was used in a regression analysis using quality specification as the predictor variable and organizational performance as the DV. An association was found by the regression analysis, with  $R = .791$ , which is an indicator of a positive correlation and reveals that quality specification

and the organizational performance are essentially connected, and  $R^2 = 0.625$ , indicating that a variation in quality specification can explain 62.5% of the variation in the organizational performance. The model fits the data well, and  $F = 228.534$  suggests that quality specification has a considerable impact on organizational performance. This suggests that quality specification matters when it comes to organizational performance. The regression model predicts the DV at a 0.000 significance level, or less than 0.05. The results show a significant link between the quality specification and the quality specification ( $p < 0.05$ ,  $P = 0.000$ ). Given that the quality specification values ( $t = 15.117$ ,  $p < 0.05$ ) are statistically significant. The results of other studies that are used to support the study's findings, Pacheco, Caetano, Bonato, dos Santos, and Bueno (2023), Zhang and Dai (2023), Goswami, Daultani, and Ramkumar (2023).

### **5.1.5 Organization Performance**

The overall mean score of 3.84 and SD of 0.768 show that organizational performance is significantly influenced and determined by supplier selection, need identification, cost estimation, and quality specification. The performance of the company and the purchase planning procedure serve as the foundation for the regression. With  $R = 0.702$  and  $R^2 = 0.492$ , the results show a positive correlation. This means that variations in each of the predictor categories could explain 49.2% of the variance in the performance of the organization; the remaining 50.8% would come from variations in the elements that were not included in this analysis. The findings of  $F = 14.548$  show that the model fits the data well, that the performance of the organization is statistically and significantly impacted by each predictor parameter, and that the quality specification is significantly impacted by the purchase planning process. When the significance level is 0.000, or less than 0.05, the complete regression model exhibits a good predictive ability for the DV. The findings demonstrated that the quality specification was significantly impacted by the predictor factors. The results show a substantial correlation between procurement planning procedures and organizational performance ( $p < 0.05$ ,  $P = 0.00$ ). With  $p = 0.05$ , predictor variables have statistically significant values, suggesting that raising the mean index of these variables should enhance the performance of the organization. A summary of the results is provided. According to the model, supplier selection was the predictor variable that had the most impact on the quality specification. Cost estimates, requirement identification, and quality specification were the predictor variables that had the least impact on the performance of the organization. The findings are supported by Mukya (2017), Johnson and Scholes (2022), Njiru (2015), Ondimu (2015), and Paley (2015).

## **5.2 Conclusion**

The study concluded that supplier selection influences GDC performance and that variation in supplier selection can account for 60.2% of the variation in organizational performance. It also suggested that supplier selection had a positive and significant impact and that improvement in supplier selection would result in improved organizational performance. It was also shown that need identification was positively and significantly correlated with performance; as a result, it can be said that need identification matters a lot and that raising it will boost performance. The study concluded that there is a fundamental connection between cost estimation and organizational performance, and that cost estimation can account for 52.2% of the variation in organizational performance. The findings of the study demonstrated that cost estimation was associated with and substantially related to organizational performance.

The findings demonstrated a positive correlation between quality specification and organizational performance, indicating that the two are fundamentally related and that variations in organizational performance can account for 62.5% of the variation in quality specification. Quality specification was found to be both significantly and substantially related to organizational performance. The selection of suppliers, identification of needs, assessment of costs, and specification of quality all have a major impact on and define the performance of an organization. The research concludes that changes in each predictor factor can explain 50.8% of the variation in organizational performance, with variations in aspects not included in the analysis accounting for the remaining percentage. The results show that supplier selection has the biggest impact on organizational performance, with cost estimation, need identification, and quality specification having the least impact.

## **5.3 Recommendations**

The research study offers recommendations and suggests that in order to improve GDC performance, needs should be identified, tendering procedures should be set up, budgets should be estimated, and user departments should be involved. It also suggests that GDC management acknowledge that procurement planning practices are dynamic. This will support the achievement of high efficacy and efficiency requirements as well as the maintenance of moral procurement practices. Furthermore, deadlines must be followed exactly as planned to avoid delays in the provision and execution of services, since most projects overspend. GDC management should

make sure that the right processes are put in place during planning, with input from the user department and procurement workers, and that progress reports are escalated for necessary action in order to guarantee that procurements are successful.

The management of GDC should look for ways to improve TQM adoption and implementation inside the organization and make sure it is completely implemented. The successful implementation of procurement planning methods in public hospitals was largely dependent on the personnel working in the procurement department. Therefore, it was necessary for hospital staff to have the necessary technical abilities for purchasing. The staff members must possess prior experience utilizing several ICT technologies for procurement purposes within the company. The management needs to make sure the staff workstation is made in a way that doesn't hinder organizational performance.

The GDC should hire additional officials to monitor the quality of goods and services bought that comply. Quality Assurance and Standards Officers should constantly review goods and services acquired to ensure that they satisfy environmental standards as planned, and there is also a requirement for employee sensitization for enhanced participation in needs-related problems through scheduled workshops.

#### **5.4 Suggestion for future studies**

Further investigation into other variables is required to account for the remaining change in purchase planning procedures. based on the findings of this investigation, the conclusion, and the advice that came after. This additional research should aim to corroborate the findings of the current study and offer fresh data.

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## **APPENDIX I: LETTER OF INTRODUCTION**

**Dear respondent**

My name is Sahara Issack Ali, and I attend the Management University of Africa to fulfill a prerequisite for the Master of Business Administration Management, at least partially. I am conducting a study: **Procurement Planning Process and Organization Performance in the Energy Sector in Kenya: A Case Study of Geothermal Development Company (GDC)**. I thus kindly ask that you fill out the following form as thoroughly as you can. Your contributions won't be incorporated in the study or utilized for any other reason than academic research; your names will remain private. Your recommendations were very helpful in making this research project successful.

Thank you.

Yours Truly,

**Sahara Issack Ali**

## APPENDIX II: QUESTIONNAIRE

I respectfully ask that you please provide the most accurate response you can to the following inquiry. Your contributions will only be used for education purposes. Kindly fill out this form as accurately as possible using the information you know.

1. Gender?

Male ( )

Female ( )

2. Age bracket?

18 – 25 ( )

26– 30 ( )

31– 35 ( )

36 - 40 ( )

41 – 45 ( )

46 years and above ( )

3. Please let us know what level of education you have.

Certificate ( )

College ( )

Degree ( )

Master ( )

PhD ( )

4. How long have you held the position that you currently hold??

1– 5years ( )

6 – 10years ( )

11– 15years ( )

16years and above ( )

## SECTION B: Study Variables

### Supplier selection

To the best of your knowledge and abilities, use the Likert scale in this section to rate the following opinions on supplier selection and organizational performance.

Where 5= Strongly Agree, 4 = Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree

	5	4	3	2	1
Our KPI and the least cost factor have always been used to determine the supplier.					
The suppliers chosen are those who satisfy the company's lowest cost requirements.					
Frequently, the selection process has revealed providers with a track record of excellent performance.					
The selection process for the company guarantees that only high-performing suppliers are hired.					
The chosen supplier is the only one with tax compliance.					

## Need identification

To the best of your knowledge and abilities, use the Likert scale in this section to rate the following perspectives on need identification and organizational performance.

	5	4	3	2	1
At GDC, need evaluation is carried out before procurement is carried out					
Product characteristics is a key determinant in procurement planning at GDC					
Employee are involved in product specification					
GDC has well competent and experienced staff in all sections that are the Functional Specification					
The efficiency of GDC services is attributed to need identification.					

**Cost estimation**

To the best of your knowledge and abilities, use the Likert scale in this section to rate your response to the following viewpoints on organizational performance, cost forecasting, and estimating.

	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
We consider cost reduction before accepting supplies and outsourced services					
Product characteristics is a key determinant in procurement planning at GDC .					
The operation cost has reduced as a result of competition among product pricing by various suppliers.					
The operation cost has reduced as a result of competition among product pricing by various suppliers.					
The product prices are determined by the rates changed on imported products.					
The department considers cost reduction before accepting supplies and outsourced services					

**Quality Specification**

To the best of your knowledge and abilities, use the Likert scale in this section to rate the following perspectives on organizational performance and quality specifications.

	5	4	3	2	1
Product and service values, as well as service quality, are improved by quality specifications.					
GDC procurement department use quality products that are certify safe for use by its clients					
Goods accepted by GDC must show a recycling sign for waste products as a sign of business compliance.					
GDC services are reliable					
We consider green products or pollution control as a main determinant of quality.					


## Organizational performance


Use the Likert scale provided in this section to respond, to the best of your knowledge and ability, to the following views on organizational performance.

	5	4	3	2	1
Procurement planning process adopted by GDC has effected positively on its performance					
Procurement planning process adopted by GDC have resulted in procurement cost reduction					
Procurement planning process adopted by the GDC have resulted in quality services					
Procurement planning process have increased the level of client satisfaction.					
Procurement planning process has improved GDC's budget adequacy					

**Thank you**


# APPENDIX III: NACOSTI

  
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