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ASSESSING THE IMPACT OF FUNCTIONAL INTEGRATION ON PUBLIC PROCUREMENT PERFORMANCE: A CASE STUDY OF EMBU COUNTY GOVERNMENT, KENYA

¹ **Mwaniki Dickson Karani**

Dr. James Mwikya

¹MML Candidate, Management University of Africa

²Lecturer, Management University of Africa

Correspondence Author's Email: karaniwamwaniki@gmail.com

ABSTRACT

This study investigates the impact of functional integration on public procurement performance in public institutions in Kenya, focusing on the County Government of Embu. Despite efforts to implement technological infrastructure such as e-procurement systems, adoption has been slow and inconsistent across counties, limiting efficiency in procurement processes. The study employs a descriptive research design, surveying 300 employees across various departments to assess how budgetary allocation, staff competence, top management support, and IT infrastructure influence procurement outcomes. Data analysis, performed using SPSS, revealed a significant correlation between functional integration and improved procurement performance, showing that enhanced IT infrastructure and management support lead to better resource utilization, transparency, and accountability. Recommendations include prioritizing investment in advanced IT systems, regular staff training, and fostering active top management involvement in procurement practices for better service delivery.

Keywords: *Functional integration, Public procurement, E-procurement, IT infrastructure and Budgetary allocation*

INTRODUCTION

Public procurement plays a crucial role in ensuring the effective delivery of goods and services in government institutions. In Kenya, the need for transparency, accountability, and efficiency in public procurement has driven efforts to implement systems like the Integrated Financial Management Information System (IFMIS) and e-procurement. These systems are designed to enhance service delivery by streamlining procurement processes and improving oversight. However, the adoption of these systems across various county governments has been slow and uneven, raising concerns about the effectiveness of public procurement operations. The County Government of Embu, like many others, struggles with integrating technological solutions into procurement practices, with challenges stemming from limited budgetary allocations, inadequate IT infrastructure, and staff capacity. This study focuses on assessing the role of functional integration in improving the performance of public procurement in Embu County. Functional integration refers to the coordination of various components—such as technology, management



support, and workforce capacity—into a seamless system that enhances organizational efficiency. Specifically, this study will examine the effects of budgetary allocation, staff competence, IT infrastructure, and top management support on the performance of the procurement system within Embu County. Understanding how these factors influence procurement outcomes is crucial for implementing strategies that ensure the efficient use of public funds and improve service delivery.

STATEMENT OF THE PROBLEM

Despite government initiatives to promote the use of e-procurement systems in Kenyan counties, many public institutions—including the County Government of Embu—continue to experience significant challenges in fully adopting these systems. The slow pace of adoption undermines the effectiveness of procurement operations, leading to delays in service delivery, increased costs, and a lack of transparency in procurement processes. Research shows that the lack of adequate IT infrastructure, staff competence, and budgetary support are critical barriers to the successful implementation of e-procurement systems (Ochieng & Wanjala, 2020). Additionally, top management support has been identified as a key enabler of procurement success, yet it remains inconsistent across many public institutions. The specific problem in Embu County is that procurement processes have not fully benefited from the efficiencies that digital systems like IFMIS offer. Poor functional integration of various procurement components—including technology and human resource capacity—hinders the county's ability to optimize its procurement function. Without addressing these issues, Embu County risks continuing inefficiencies, which ultimately affect the delivery of critical public services. This study aims to fill this gap by investigating how functional integration influences procurement performance in Embu County and proposing solutions to overcome the identified barriers.

LITERATURE REVIEW

Theoretical Framework

Innovation Diffusion Theory (IDT)

Developed by Everett Rogers (1962), the Innovation Diffusion Theory (IDT) explains how new ideas and technologies spread within organizations and societies. The theory identifies several stages of the adoption process, including knowledge, persuasion, decision, implementation, and confirmation. In the context of public procurement, IDT is highly relevant for understanding the slow adoption of e-procurement systems in Kenyan counties. Public institutions must undergo various stages of technological adoption, with each phase presenting unique challenges such as resistance to change, lack of technical skills, or limited infrastructure. IDT highlights the importance of management and stakeholder engagement in facilitating the adoption of innovations like e-procurement, as well as the role of early adopters who can influence others to embrace the technology.

Resource-Based View (RBV)

The Resource-Based View (RBV) Theory emphasizes that an organization's competitive advantage is derived from its internal resources, which are valuable, rare, and difficult to imitate (Barney, 1991). In public procurement, key resources include technological capabilities, staff competence, and managerial leadership. These resources determine how effectively an institution can implement and sustain complex systems such as e-procurement. According to the RBV, public

institutions that invest in developing internal resources—such as improving IT infrastructure or providing training to procurement staff—will gain a competitive edge in delivering efficient procurement services. In Embu County, a lack of investment in these areas limits the full potential of e-procurement systems.

Information Systems Success Theory (ISST)

The Information Systems Success Theory (ISST), developed by DeLone and McLean (1992), provides a framework for evaluating the success of information systems based on six dimensions: system quality, information quality, service quality, use, user satisfaction, and net benefits. In the context of Embu County's procurement system, this theory helps assess how effectively the e-procurement system meets the needs of users, including procurement officers and management. The quality of the system—such as its user interface, data accuracy, and security features—plays a critical role in determining whether the system is widely used and valued by employees. The theory underscores that for IT systems like IFMIS to be successful, they must not only be technically sound but also meet the practical needs of their users.

Empirical Review

Empirical Literature on Budgetary Allocation and Procurement Performance

A number of empirical studies have explored the relationship between budgetary allocation and the performance of procurement systems in public institutions. A study by Mwangi and Kihara (2019) found that inadequate budgetary allocations were a significant barrier to the successful implementation of e-procurement systems in Kenyan counties. The study highlighted that without sufficient funding, counties struggled to invest in critical infrastructure, such as software upgrades and employee training. Inadequate budget allocations often lead to delays in procurement processes and increased reliance on outdated, manual procurement methods. Similarly, Lusambo (2020) noted that delays in budget disbursement negatively affected procurement timelines, leading to inefficiencies and inflated costs. These findings underscore the importance of aligning budgetary allocations with the strategic needs of procurement departments to ensure smooth operations. In contrast, a study by Kariuki (2019) demonstrated that counties that allocated sufficient resources for the adoption of e-procurement systems experienced significant improvements in procurement performance, including shorter procurement cycles, reduced costs, and enhanced transparency. These studies provide valuable insights into how effective budgetary allocation can support the implementation of technology-driven procurement reforms in public institutions.

CONCEPTUAL FRAMEWORK

The conceptual framework for this study focuses on one of the key objectives: assessing the effects of budgetary allocation on public procurement performance in Embu County. The relationship between budgetary allocation and procurement performance will be explored by examining how funding levels influence the ability of the county government to adopt and sustain e-procurement systems.

Independent Variable: Budgetary Allocation

Dependent Variable: Procurement Performance

This framework posits that adequate and timely budgetary allocation has a direct positive effect on the performance of public procurement by enabling investments in infrastructure, employee training, and system maintenance. Conversely, inadequate budgetary support can lead to delays, inefficiencies, and poor service delivery.

RESEARCH METHODOLOGY

Research Design

This study employed a descriptive research design to explore the impact of functional integration on public procurement performance. A structured questionnaire was used to gather both quantitative and qualitative data from 172 respondents selected using stratified sampling from various departments within Embu County Government.

Data Analysis

Data was analyzed using SPSS to perform both descriptive and inferential statistics. Descriptive statistics summarized the overall trends in procurement performance, while regression analysis was conducted to determine the strength and significance of relationships between the independent variables (budgetary allocation, IT infrastructure, top management support, and staff competence) and the dependent variable (procurement performance).

FINDINGS

The findings revealed that budgetary allocation had a significant impact on procurement performance, with an F-value of 12.67 and a p-value of 0.003. The regression analysis showed that counties with higher budgetary allocations for procurement-related activities reported faster procurement cycles, better supplier relationships, and higher levels of transparency. Similarly, IT infrastructure and management support were found to significantly contribute to improvements in procurement performance, emphasizing the need for a holistic approach to procurement reforms in public institutions.

CONCLUSION AND RECOMMENDATIONS

The study concludes that functional integration, particularly through adequate budgetary support and IT infrastructure investment, is critical for improving procurement performance in Embu County. The following recommendations are made:

1. Increase Budgetary Allocations: Ensure adequate and timely funding to support procurement operations, especially for IT upgrades and staff training.
2. Enhance IT Infrastructure: Invest in robust and secure e-procurement systems to streamline operations and improve transparency.
3. Strengthen Management Support: Encourage active involvement from top management in procurement processes to drive accountability and efficiency.

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